

CONNECTED TRANSACTIONS

OVERVIEW

We have entered into certain transactions with below parties who are our connected persons and these transactions will continue following the [REDACTED], thereby constituting partially exempt continuing connected transactions of our Group under Chapter 14A of the Hong Kong Listing Rules:

Connected Persons	Our Relationship with Such Connected Persons
Suzhou Junion Intelligent Technology Co., Ltd. (蘇州玖物智能科技有限公司, "Junion Intelligent")	Mr. Wang Hongjun, our former Director in the last 12 months, controlled a total of 39.34% voting rights of Junion Intelligent ¹ . As such, Junion Intelligent is an associate of Mr. Wang Hongjun and therefore our connected person under Rule 14A.12(1)(c) of the Hong Kong Listing Rules.
ELAS, Mr. Torsten Vahrenkamp and Mr. Matthias Trinker.....	Each of Mr. Torsten Vahrenkamp, our Director, and Mr. Matthias Trinker, the CFO of ficonTEC, directly owned 50% equity interest in ELAS. As such, ELAS is an associate of Mr. Torsten Vahrenkamp and therefore our connected person under Rule 14A.12(1)(c) of the Hong Kong Listing Rules. Mr. Torsten Vahrenkamp is an executive Director and therefore our connected person; and Mr. Matthias Trinker is a director of FSG and therefore our connected person under Rule 14A.07 of the Hong Kong Listing Rules.
Union Microelectronics Technology Nantong Co., Ltd (元能微電子科技南通有限公司, "UMT")	Mr. Dai, our Director and a substantial shareholder, directly owned 30% equity interest of UMT and indirectly owned 70% equity interest of UMT through Nantong Yuanneng Investment Partnership (Limited Partnership) (南通原能投資合夥企業(有限合夥)), "Yuanneng Investment", where Mr. Dai served as general partner and held 99% equity interest of it. As such, UMT is an associate of Mr. Dai and therefore our connected person under Rule 14A.12(1)(c) of the Hong Kong Listing Rules.

1 As of the Latest Practicable Date, Mr. Wang Hongjun (i) directly owned 4.87% equity interest of Junion Intelligent; (ii) indirectly controlled 22.86% equity interest of Junion Intelligent held by Suzhou Tunan Investment Partnership (Limited Partnership) (蘇州圖南投資合夥企業(有限合夥)), where he served as general partner and owned 83.52% equity interest; (iii) indirectly controlled 7.00% equity interest of Junion Intelligent held by Suzhou Jiuyou Intelligent Technology Partnership (Limited Partnership) (蘇州玖優智能技術合夥企業(有限合夥)), where he served as general partner and owned 35.37% equity interest and (iv) indirectly controlled 4.61% equity interest of Junion Intelligent held by Suzhou Juchuang Intelligent Technology Partnership (Limited Partnership) (蘇州聚創智能技術合夥企業(有限合夥)), where he served as general partner and owned 1.24% equity interest.

CONNECTED TRANSACTIONS

PARTIALLY EXEMPT CONTINUING CONNECTED TRANSACTIONS

1. Junion Intelligent Procurement Framework Agreement

On [●], our Company entered into a procurement framework agreement with Junion Intelligent (the "**Junion Intelligent Procurement Framework Agreement**"), with a term commencing from the [REDACTED] to December 31, 2026.

Principal Terms

The Group agrees to procure intelligent robots and solutions from Junion Intelligent, in the ordinary and usual course of business and on prices and terms no less favorable than those available from the independent third parties of the Group.

Both parties will enter into specific procurement agreements, setting out the detailed terms and conditions based on the principles provided in the Junion Intelligent Procurement Framework Agreement.

Pricing Basis

Pursuant to the Junion Intelligent Procurement Framework Agreement, the prices for the products to be purchased from Junion Intelligent shall be determined after arm's length negotiations with reference to: (i) the prevailing market price and pricing terms for similar products in the market; and (ii) in the absence of market price, the actual cost and expenses incurred for manufacturing such products plus miscellaneous operation costs (such as processing costs, reasonable profit, shipping costs and insurance expenses) reasonably determined with reference to the market price of similar transactions.

To ensure the prices are fair and reasonable, for each transactions under the Junion Intelligent Procurement Framework Agreement, the Group will take into quotes offered by Independent Third Parties for products of the same or similar type at least on an annual basis and/or before entering into any definitive agreements, and compare the price and conditions of such quotes including (i) the price and quality of the products and services offered; (ii) the transaction volume and turnaround time; (iii) payment terms and credit period; and (iv) delivery and logistics arrangement, to ensure the terms offered by Junion Intelligent are similar to or better than the terms offered by the Independent Third Parties in similar circumstances.

Reasons and Benefits for the Transactions

Our Group has been purchasing intelligent robot products from Junion Intelligent during the Track Record Period in the ordinary and usual course of business. As part of the intelligent manufacturing solutions we provide to our customers, the Group integrates intelligent robots supplied by Junion Intelligent into our solution, which enhances the functionality, efficiency and overall competitiveness of our offerings.

We consider that it is in the best interests of our Company and its Shareholders as a whole to continue procuring such products and solutions from Junion Intelligent, which has demonstrated the capability to meet our requirements through a stable and supply of intelligent robots.

CONNECTED TRANSACTIONS

Historical Figures, Annual Caps and Basis

	Historical Amount			Annual Caps
	For the year ended December 31,			For the year ending December 31,
	2023	2024	2025	2026
	(In RMB thousand)			
Procurement amount	259	47,320	12,075	15,000

Our historical procurement amount of intelligent robots and solutions from Junion Intelligent has fluctuated during the Track Record Period, reflecting changes in our strategic focus and resource allocation for intelligent manufacturing solutions amid the growth trends of the PV manufacturing equipment industry. In arriving at the above annual caps, the Directors have considered, among other things, the following factors: (i) historical transaction amounts between the Group and Junion Intelligent; and (ii) the projected demand of our customers primarily in the PV sector for our intelligent manufacturing solution.

Listing Rule Implications

As the highest applicable percentage ratios in respect of the proposed annual cap of the transactions contemplated under the Junion Intelligent Procurement Framework Agreement are expected to exceed 0.1% but will be lower than 5%, transactions contemplated thereunder will be exempt from the independent shareholders’ approval requirement pursuant to Rule 14A.76(2)(a) of the Listing Rules, but will be subject to reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules.

2. ELAS Procurement Framework Agreement

On [●], FSG and FAG entered into a procurement framework agreement with ELAS (the “**ELAS Procurement Framework Agreement**”), with a term commencing from the [REDACTED] to December 31, 2028 which may be renewed for a further term not exceeding three years from time to time, as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations.

Principal Terms

ficonTEC agrees to procure from ELAS and its subsidiaries^(Note) (the “**ELAS Group**”) raw materials (mainly shaft components), printed-circuit boards, goniometers and coating processing services in the ordinary and usual course of business and on prices and terms no less favorable than those available from the independent third parties of the Group.

Note: Such subsidiaries of ELAS mainly include (i) Ludwig Feinmechanik und Maschinenbau GmbH, a company incorporated in Germany primarily engaged in high-precision machinery manufacturing; (ii) Weytronik GmbH, a company incorporated in Germany primarily engaged in manufacturing of electronic modules and systems; and (iii) OTS Service GmbH, a company incorporated in Germany and a provider of surface coating solutions for metal materials, all of which are wholly-owned subsidiaries of ELAS as of the Latest Practicable Date.

CONNECTED TRANSACTIONS

Both parties will enter into specific procurement agreements, setting out the detailed terms and conditions based on the principles provided in the ELAS Procurement Framework Agreement.

Pricing Basis

Pursuant to the ELAS Procurement Framework Agreement, the prices for the products and services to be purchased from to ELAS Group shall be determined after arm’s length negotiations with reference to: (i) the prevailing market price and pricing terms for similar products in the market; and (ii) in the absence of market price, the actual cost and expenses incurred for manufacturing such products plus miscellaneous operation costs (such as processing costs, reasonable profit, shipping costs and insurance expenses) reasonably determined with reference to the market price of similar transactions.

To ensure the prices are fair and reasonable, for each transactions under the ELAS Procurement Framework Agreement, the Group will take into quotes offered by Independent Third Parties for products of the same or similar type at least on an annual basis and/or before entering into any definitive agreements, and compare the price and conditions of such quotes including (i) the price and quality of the products and services offered; (ii) the transaction volume and turnaround time; (iii) payment terms and credit period; and (iv) delivery and logistics arrangement, to ensure the terms offered by ELAS Group are similar to or better than the terms offered by the Independent Third Parties in similar circumstances.

Reasons and Benefits for the Transactions

The ELAS Group is a comprehensive industrial enterprise group located in Bremen, Germany where ficonTEC also operates, with strong expertise in the design, manufacturing and engineering of automation components, electronic control systems and precision module. Procuring components, equipment and services from ELAS Group enable ficonTEC to enhance the reliability, stability and technological advancement of the products of ficonTEC and realize geographical and technical synergies. The collaboration with ELAS Group will foster mutual technological synergy, facilitating the continuous improvement in our intelligent manufacturing processes.

Historical Figures, Annual Caps and Basis

	Historical Amount			Annual Caps		
	For the year ended December 31,			For the year ending December 31,		
	2023	2024	2025	2026	2027	2028
	(In RMB thousand)					
Procurement amount	2,952	3,575	3,800	4,550	4,550	4,550

In arriving at the above annual caps, the Directors have considered, among other things, the following factors: (i) historical transaction amounts between the Group and ELAS Group; and (ii) the expected demand of ficonTEC for the products and services to be provided by ELAS Group.

CONNECTED TRANSACTIONS

Listing Rule Implications

As the highest applicable percentage ratio in respect of the proposed annual caps of the transactions contemplated under the ELAS Procurement Framework Agreement is expected to exceed 0.1% but will be lower than 5%, the transactions contemplated thereunder will be exempt from the independent shareholders' approval requirement pursuant to Rule 14A.76(2)(a) of the Listing Rules, but will be subject to reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules.

3. ELAS Management Service Framework Agreement

On [●], FSG, FAG, Mr. Torsten Vahrenkamp, Mr. Matthias Trinker and ELAS have entered into a management service framework agreement ("**ELAS Management Service Framework Agreement**"), with a term commencing from the [REDACTED] to December 31, 2028 which may be renewed for a further term not exceeding three years from time to time, as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations.

Principal Terms

Service Scope

Pursuant to the ELAS Management Service Framework Agreement, ELAS agreed to provide to ficonTEC the overall management services (the "**Management Services**"), which shall be performed by Mr. Torsten Vahrenkamp and Mr. Matthias Trinker as management directors of ficonTEC, including but not limited to (i) formulating business strategies and development plans, (ii) overseeing day-to-day management and operations, (iii) making investment and operational decisions to advance business growth and profitability, (iv) providing leadership and strategic direction to the finance and accounting functions, managing budgeting and financial reporting processes, and (v) maintaining close relationships with key partners and stakeholders.

Standard of Care, Diligence and Fiduciary Duties

ELAS undertakes that it shall procure each of Mr. Torsten Vahrenkamp and Mr. Matthias Trinker (collectively the "**Management Team**") devote reasonable sufficient working capacity to ficonTEC, with standard of care of a prudent businessman and in a manner consistent with industry standard and past practice, as may be appropriate from time to time having regard to the business development of ficonTEC prevailing circumstances.

In addition, Mr. Torsten Vahrenkamp and Mr. Matthias Trinker as managing directors each individually undertakes to exercise such degree of skill, care and diligence as may reasonably be expected of a person of his knowledge, experience and position; conduct the business of ficonTEC in good faith and solely for the benefit of our Group as a whole; to act for proper purposes and remain responsible for the operation of ficonTEC and to avoid conflicts of interest with ficonTEC and to promptly disclose any such conflicts of interest should they arise; to comply with the rules of procedure for managing directors adopted for ficonTEC; and to refrain from taking any action that would contravene any instruction issued by our Company.

Service Fee

FiconTEC agreed to reimburse the remuneration cost incurred by ELAS in respect of the Management Services, which will be payable by ficonTEC on a monthly basis.

CONNECTED TRANSACTIONS

Specific Agreement

The parties to the ELAS Management Services Framework Agreement shall enter into specific management service agreements setting out the detailed terms and conditions pursuant to and consistent with the principles set forth in the ELAS Management Services Framework Agreement (including but not limited to work scope and standard of care, diligence and fiduciary duties).

Pricing Basis

Pursuant to the ELAS Management Service Framework Agreement, the cost to be reimbursed by ficonTEC shall be determined after arm's length negotiations with reference to (i) the prevailing market prices of similar services in the market; (ii) the remuneration of the Management Team and the actual cost of ELAS; and (iii) the time devoted by the Management Team to the affairs of ficonTEC.

Reasons and Benefits for the Transactions

Mr. Torsten Vahrenkamp and Mr. Matthias Trinker are co-founders of ficonTEC and each owned 50% equity interest in ELAS as of the Latest Practicable Date. Mr. Torsten Vahrenkamp and Mr. Matthias Trinker have served as the CEO and CFO of ficonTEC, respectively, both prior to and after the ficonTEC Acquisition.

Each member of the Management Team is a full-time employee of ELAS. Historically, ficonTEC was a wholly-owned subsidiary of ELAS. For the administrative efficiency of ELAS, it was agreed that certain members of ficonTEC's management would provide their management services to, and perform their management roles in, ficonTEC as employees of ELAS, with ficonTEC reimbursing ELAS for the relevant cost incurred. This arrangement has been in place since prior to our acquisition of ficonTEC and has effectively ensured each of the Management Team dedicate substantial and adequate time, effort and professional expertise to the day-to-day management and strategic development of ficonTEC. Under the leadership of the Management Team, ficonTEC has been developed into a global leader in the automation of SiPh device production. To ensure operational continuity and effective management integration following the completion of the ficonTEC Acquisition, and taking into consideration the proven effectiveness and stability of this arrangement, our Company considers it to be in the best interests of the Group and the Shareholders to continue such structure following the ficonTEC Acquisition. Our Company is satisfied with the expertise, competence, diligence and experience of the Management Team and considers it reasonable for ficonTEC to bear the costs corresponding to the time and resources devoted by the Management Team to its management and operations.

Our Company understands that this arrangement does not contravene any mandatory laws or regulations and is a relatively common structure in the local market for senior technical and management personnel, and is of the view that the transactions contemplated under the ELAS Management Services Framework Agreement will not adversely affect the operation and management of ficonTEC, as (i) the ELAS Management Services Framework Agreement does not create additional retention risks as compared with direct employment with ficonTEC; (ii) the appointment of the Management Team as managing directors and other executive officers of ficonTEC is determined by our Group's corporate governance structure, the constitutional documents of ficonTEC and applicable company law, rather than by the

CONNECTED TRANSACTIONS

ELAS Management Services Framework Agreement; and (iii) the substance of their responsibilities and fiduciary duties is not affected by the fee arrangements under the ELAS Management Services Framework Agreement.

Historical Figures, Annual Caps and Basis

	Historical Amount			Annual Caps		
	For the year ended December 31,			For the year ending December 31,		
	2023	2024	2025	2026	2027	2028
	(In RMB thousand)					
Service fee	7,337	7,416	7,773	9,000	9,000	9,000

In arriving at the above annual caps, the Directors have considered, among other things, the following factors: (i) historical transaction amounts between the Group and ELAS; (ii) the remuneration of the Management Team; and (iii) the estimated time and resources to be devoted to ficonTEC.

Listing Rule Implications

As the highest applicable percentage ratio in respect of the proposed annual caps of the transactions contemplated under the ELAS Management Service Framework Agreement is expected to exceed 0.1% but will be lower than 5%, the transactions contemplated thereunder will be exempt from the independent shareholders’ approval requirement pursuant to Rule 14A.76(2)(a) of the Listing Rules, but will be subject to reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules.

4. UMT Procurement and Sales Framework Agreement

On [●], our Company entered into a procurement and sales framework agreement with UMT (the “**UMT Procurement and Sales Framework Agreement**”), with a term commencing from the [REDACTED] to December 31, 2028 which may be renewed for a further term not exceeding three years from time to time, as the parties may mutually agree, subject to compliance with the requirements under Chapter 14A of the Listing Rules and all other applicable laws and regulations.

Principal Terms

The Group agrees to procure from UMT PV and semiconductor process equipment (mainly PV wet process equipment) and related installation and maintenance services and agrees to sell to UMT automation equipment and accessories and related processing services, in the ordinary and usual course of business and on prices and terms no less favorable than those available from the independent third parties of the Group.

Both parties will enter into specific procurement agreements and/or sales agreements, setting out the detailed terms and conditions based on the principles provided in the UMT Procurement and Sales Framework Agreement.

CONNECTED TRANSACTIONS

Pricing Basis

Pursuant to the UMT Procurement and Sales Framework Agreement, the prices for the goods to be purchased from and sold to UMT shall be determined after arm's length negotiations with reference to: (i) the prevailing market price and pricing terms for similar products in the market; and (ii) in absence of market price, the actual cost and expenses incurred for manufacturing such products plus miscellaneous operation costs (such as processing costs, reasonable profit, shipping costs and insurance expenses) reasonably determined with reference to the market price of similar transactions.

To ensure the prices are fair and reasonable, for each transactions under the UMT Procurement and Sales Framework Agreement, the Group will take into quotes offered by Independent Third Parties for products of the same or similar type at least on an annual basis and/or before entering into any definitive agreements, and compare the price and conditions of such quotes including (i) the price and quality of the products and services offered; (ii) the transaction volume and turnaround time; (iii) payment terms and credit period; and (iv) delivery and logistics arrangement, to ensure the terms offered by UMT are similar to or better than the terms offered by the Independent Third Parties in similar circumstances.

Reasons and Benefits for the Transactions

UMT is a specialized manufacturer focusing on the R&D and manufacturing of wet process equipment for solar energy, semiconductor and flat panel display industries. Both parties operate in complementary areas of the high-end manufacturing value chain. The cooperation leverages our Company's automation and system integration strengths with UMT's process equipment expertise, creating mutual benefits in innovation, efficiency, and market competitiveness. Both parties have been satisfied with the products provided by each other and it is for the mutual benefit of our Company and UMT to continue the transactions contemplated under the UMT Procurement and Sales Framework Agreement.

UMT primarily acts as a supplier of process equipment to our Group. At the same time, it is also a customer of the Group for certain ancillary precision equipment and accessories, given that such products are compatible with and well suited to UMT's manufacturing needs. The sales to UMT are immaterial in comparison with the Group's procurement from UMT and are fully exempt under Chapter 14A of the Listing Rules.

Historical Figures, Annual Caps and Basis

	Historical Amount			Annual Caps		
	For the year ended December 31,			For the year ending December 31,		
	2023	2024	2025	2026	2027	2028
	(In RMB thousand)					
Procurement amount	1,136	35	4,164	10,000	10,000	10,000
Sales amount	1,692	1,286	82	2,500	2,500	2,500

CONNECTED TRANSACTIONS

In arriving at the above annual caps, the Directors have considered, among other things, the following factors: (i) historical transaction amounts between the Group and UMT, in particular the substantial increase in procurement amount in 2025; and (ii) the anticipated substantial growth in our demand for UMT's wet process equipment as we scaled up our PV cell manufacturing solutions business in 2025, which will incorporate wet process equipment sourced from UMT. In 2025, we have recorded revenue attributable to PV cell manufacturing solutions amounted to RMB183.8 million, whereas no meaningful revenue was recorded in 2023 and 2024 in this regard.

Listing Rule Implications

As the highest applicable percentage ratios in respect of the proposed annual caps of the transactions contemplated under the UMT Procurement and Sales Framework Agreement are expected to exceed 0.1% but will be lower than 5%, the UMT Procurement and Sales Framework Agreement and transactions contemplated thereunder will be exempt from the independent shareholders' approval requirement pursuant to Rule 14A.76(2)(a) of the Listing Rules, but will be subject to reporting, annual review and announcement requirements under Chapter 14A of the Listing Rules.

MEASURES TO SAFEGUARD THE INTERESTS OF OUR SHAREHOLDERS

To safeguard the interests of the Company and Shareholders as a whole, including the minority Shareholders, the Company has put in place certain internal approval and monitoring procedures relating to the proposed connected transactions contemplated under the agreements mentioned above, which include the following:

- we have formulated internal guidelines and policies in accordance with the applicable listing rules and regulations, which provide approval procedures for connected transactions based on their nature and transaction amounts;
- the Company shall conduct market analysis on specific transactions and making pricing proposal to our senior management after considering a number of factors as they consider necessary, including but not limited to manufacturing cost, profit margin and market pricing;
- the independent non-executive Directors and auditors will conduct annual review of the partially exempt continuing connected transactions mentioned above and provide annual confirmations in accordance with the Listing Rules that the partially exempt continuing connected transactions are conducted in accordance with terms of the relevant agreements, on normal commercial terms or better and in accordance with the pricing policy and do not exceed the proposed applicable annual caps;
- the Remuneration Committee will review the overall remuneration structure of the management personnels who provide services through ELAS Management Services Framework Agreement together with their compensation from the Group, which include (i) assessing whether the aggregate remuneration remains in line with the Group's remuneration policies and comparable market levels; (ii) ensuring that the fee arrangements under the ELAS Management Services are not used to provide undisclosed or excessive benefits; and (iii) report its conclusions to the Board and, where appropriate, make recommendations on any adjustment to the fee levels, structure or terms of the management services rendered thereunder;

CONNECTED TRANSACTIONS

- in respect of the connected transactions not governed by the existing framework agreements (if any), the relevant operating entities shall communicate with the headquarters in advance and provide necessary documents to facilitate related decision-making and disclosure process; and
- additional approvals are required for transactions exceeding the proposed annual caps (if applicable).

WAIVER APPLICATION FOR PARTIALLY EXEMPT CONTINUING CONNECTED TRANSACTIONS

As the continuing connected transactions are expected to continue on a recurring and continuing basis and has been fully disclosed in the document and will be disclosed in the annual reports of the Company on an on-going basis, the Company considers that strict compliance with the announcement requirement would be impractical, unduly burdensome and would impose unnecessary administrative cost upon the Company. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver to us under Rule 14A.105 of the Listing Rules from compliance with the announcement requirements in respect of the above continuing connected transaction.

CONFIRMATION FROM THE DIRECTORS

The Directors (including the independent non-executive Directors) are of the view that (i) the continuing connected transactions as set out above have been entered into in the ordinary and usual course of business of the Group and on normal commercial terms or better, and are fair and reasonable and in the interests of the Company and its Shareholders as a whole; and (ii) the proposed annual caps for those transactions are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

CONFIRMATION FROM THE JOINT SPONSORS

Based on the documentation and data provided by the Company, the confirmations from the Company and the Directors and participation in the due diligence and discussion with the Company, the Joint Sponsors are of the view that the continuing connected transactions as set out above have been or will be entered into in the ordinary and usual course of business of the Company on normal commercial terms or better which are fair and reasonable, and in the interests of the Company and the Shareholders as a whole, and the proposed annual caps for those continuing connected transactions are fair and reasonable and in the interests of the Company and the Shareholders as a whole.