FURTHER INFORMATION ABOUT THE GROUP

Incorporation

The Company was established as a limited liability company under the laws of the PRC on December 18, 2015 and was converted into a joint stock company with limited liability on March 30, 2021.

The Company has established a place of business in Hong Kong at 46/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. The Company was registered as a non-Hong Kong company in Hong Kong under Part 16 of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong) and the Companies (Non-Hong Kong Companies) Regulation (Chapter 622J of the Laws of Hong Kong) on April 28, 2026, with Ms. Kwok Yan Ting Jennis appointed as the Hong Kong authorized representative of the Company for acceptance of the service of process and any notices required to be served on the Company in Hong Kong.

As the Company was incorporated in the PRC, its operations are subject to the relevant laws and regulations of the PRC. A summary of the relevant aspects of laws and regulations of the PRC and the Articles of Association is set out in "Regulatory Overview" and "Appendix III — Summary of the Articles of Association" in this document, respectively.

Changes in the Share Capital of the Company

An aggregate of 2,234,000 A Shares were issued by the Company on July 30, 2025 pursuant to the vesting of the restricted shares granted under the 2023 Restricted Share Incentive Plan. The total issued share capital of the Company increased from RMB837,984,074 comprising 837,984,074 A Shares of nominal value of RMB1.00 each to RMB840,218,074 comprising 840,218,074 A Shares of nominal value of RMB1.00 each.

Save as disclosed above and in the section headed "History and Development", there has been no other alteration in the Company's total issued share capital within the two years immediately preceding the date of this document.

Resolutions of the Shareholders

At the extraordinary general meeting of the Shareholders held on May 18, 2026, the following resolutions, among other things, were duly passed:

(i) the issue by the Company of the H Shares with a nominal value of RMB1.00 each and such H Shares be [REDACTED] on the Stock Exchange;

(ii) the number of the H Shares to be issued shall be no more than [REDACTED]% of the total issued share capital of the Company as enlarged by the [REDACTED], and the grant of the [REDACTED] in respect of no more than [REDACTED]% of the number of the H Shares issued pursuant to the [REDACTED];

(iii) authorization of the Board or its authorized individuals to handle all matters relating to, among other things, the [REDACTED], the issue and [REDACTED] of the H Shares on the Stock Exchange; and

(iv) subject to the completion of the [REDACTED], the conditional adoption of the revised Articles of Association, which shall become effective on the [REDACTED], and the authorization to the Board to amend the Articles of Association in accordance with the requirements of the relevant laws and regulations and the Listing Rules.

Subsidiaries of the Company

A summary of the corporate information and the particulars of the Company's principal subsidiary are set out in Note 1 to the Accountants' Report as set out in Appendix I.

On November 7, 2025, Unionsemicon Technology was incorporated in Hong Kong with an initial share capital of US$100,000.

Save as disclosed above, there has been no alteration in the share capital of the subsidiaries of the Company within two years immediately preceding the date of this document.

FURTHER INFORMATION ABOUT THE BUSINESS

Summary of Material Contracts

The Group has entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this document that are or may be material:

(a) the [REDACTED].

Intellectual Property

Trademarks

As of the Latest Practicable Date, the Group had registered the following trademarks which are material to its business:

No.	Trademark	Class	Registered Owner	Place of Registration	Registration Number	Expiry Date
1.		9	The Company	PRC	51359090	August 6, 2031
2.		9	Jiangsu Union	PRC	63552394	September 20, 2032

As of the Latest Practicable Date, the Group had applied for registration of the following trademark which is material to its business:

No.	Trademark	Class	Applicant	Place of Application	Application Number	Application Date
1.		9	The Company	Hong Kong	307180614	February 3, 2026

Domain Name

As of the Latest Practicable Date, the Group had registered the following domain name which is material to its business:

No.	Domain Name	Registered Owner	Expiry Date
1.	unionsemicon.com.cn	Jiangsu Union	August 29, 2027

Patents

As of the Latest Practicable Date, the Group had registered the following patents which are material to its business:

No	Patent Name	Type	Patent Holder	Jurisdiction of Registration	Patent Number	Expiry Date
1.	A FOUP opener (一種FOUP開啟器)	Invention	The Company	PRC	ZL201910321851.9	April 22, 2039
2.	A wafer dicing processing method for addressing vacuum abnormalities (一種應對真空異常的晶圓切割處理方法)	Invention	The Company	PRC	ZL201911051044.6	October 31, 2039
3.	A detachable and easily assembled adhesive wheel mounting device for inner lead Bonding machines (一種基於內引腳接合機用拆裝方便的黏輪安裝裝置)	Invention	The Company	PRC	ZL202010273698.X	April 9, 2040
4.	A work disc device for a fully automatic tape laminating machine (一種全自動貼膠機用工作盤裝置)	Invention	The Company	PRC	ZL202010370518.X	May 6, 2040
5.	A device for preventing uncoated coating liquid (一種預防Coating液未塗布裝置)	Invention	The Company	PRC	ZL202010370456.2	May 6, 2040
6.	A processing method for chip cracking abnormalities prior to wafer grinding (一種晶圓研磨前裂片異常的處理方法)	Invention	The Company	PRC	ZL202010434613.1	May 21, 2040
7.	A double-layer trolley with guardrails (一種帶有防護欄的雙層推車)	Invention	The Company	PRC	ZL202010467875.8	May 28, 2040
8.	A tray deformation correction jig (一種料盤形變修正治具)	Invention	The Company	PRC	ZL202110125284.7	January 29, 2041
9.	An automatic film stripping machine for wafers (一種晶圓用自動退膜機)	Invention	The Company	PRC	ZL202110125297.4	January 29, 2041
10.	A manufacturing process for improving the appearance and bonding condition of gold bumps (一種改善金凸塊外觀及壓合狀況的製造工藝)	Invention	The Company	PRC	ZL202110147055.5	February 3, 2041
11.	An automatic comparison method for tape stamping direction and stamping code (一種料帶蓋印方向和蓋印碼的自動比對方法)	Invention	The Company	PRC	ZL202110245241.2	March 5, 2041

No	Patent Name	Type	Patent Holder	Jurisdiction of Registration	Patent Number	Expiry Date
12.	A method for improving the surface roughness of gold bumps (一種金凸塊表面粗糙度改善方法)	Invention	The Company	PRC	ZL202111062370.4	September 10, 2041
13.	A method for indirectly analyzing the lattice performance of high and low hardness bumps (一種間接分析高低硬度bump晶格表現的方法)	Invention	The Company	PRC	ZL202111184095.3	October 11, 2041
14.	A reel baking jig (一種卷盤烘烤治具)	Invention	The Company	PRC	ZL202111213004.4	October 19, 2041
15.	Dispensing equipment for semiconductor chip packaging (半導體芯片封裝用點膠設備)	Invention	The Company	PRC	ZL202211175520.7	September 26, 2042
16.	A linkage device (一種聯動裝置)	Invention	Jiangsu Union	PRC	ZL202310080520.7	February 8, 2043
17.	A sliding cover fixing device for frame bonding machines (一種合框機滑行蓋固定裝置)	Invention	Jiangsu Union	PRC	ZL202111534416.8	December 15, 2041
18.	A segmented dicing method for handling wafer dicing abnormalities (一種處理晶圓切割異常的分片切割方法)	Invention	Jiangsu Union	PRC	ZL202210231220.X	March 10, 2042

As of the Latest Practicable Date, the Group had applied for registration of the following patents which are material to its business:

No	Patent Name	Type	Applicant	Jurisdiction of Registration	Application Number	Application Date
1.	A gold salt stirring device (一種金鹽攪拌裝置)	Invention	The Company	PRC	2022116777255	December 26, 2022
2.	A device for facilitating waferID reading (一種便於讀取waferID裝置)	Invention	The Company	PRC	2023100343176	January 10, 2023
3.	A protective tape recovery winding device and its working method (一種保護帶回收捲繞裝置及其工作方法)	Invention	The Company	PRC	2025107468449	June 5, 2025
4.	A winding jig for thermal dissipation patches (一種散熱貼的捲繞治具)	Invention	Jiangsu Union	PRC	2024103642899	March 28, 2024
5.	An automatic recognition device and method for carrier width and material (一種載具寬度和材質自動識別裝置及方法)	Invention	Jiangsu Union	PRC	2025107975585	June 16, 2025

Copyrights

As of the Latest Practicable Date, the Group had registered the following copyrights which are material to its business:

No	Copyright Name	Registrant	Registration Number	Date of Initial Publication
1.	Defect detection result evaluation system V1.0 (缺陷檢測結果的考核系統V1.0)	The Company	2019SR0156112	May 11, 2018
2.	Goods scheduling system V1.0 (排貨系統V1.0)	The Company	2020SR0587316	March 17, 2020
3.	Operation software for automatic anomaly detection mechanism for circuit board component Repair V1.0 (電路板組件維修異動自動檢測機構操作軟件V1.0)	The Company	2024SR1923159	N/A

DISCLOSURE OF INTERESTS

Disclosure of Interests of Directors and Chief Executive of the Company

Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no additional Shares are issued pursuant to the 2023 Restricted Share Incentive Plan), the interests and/or short positions (as applicable) of the Directors and the chief executive of the Company in the Shares, underlying Shares and debentures of the Company and any interests and/or short positions (as applicable) in shares, underlying shares or debentures of any of the associated corporations of the Company (within the meaning of Part XV of the SFO) which (1) will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions (as applicable) which they are taken or deemed to have under such provisions of the SFO), (2) will be required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or (3) will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules, to be notified to the Company and the Stock Exchange, in each case once the H Shares are [REDACTED] on the Stock Exchange, will be as follows:

(i) ***Interests in the Company***

Name of Director or chief executive	Nature of interest	Number and description of Shares or underlying Shares held	Shareholding in A Shares upon completion of the [REDACTED][1]	Shareholding in total issued share capital upon completion of the [REDACTED][1]
Mr. Cheng[(2)(3)(4)(5)]	Beneficial owner Interest in controlled corporations Interest of spouse	263,485,483 A Shares	26.59%	[REDACTED]%
Mr. Lin Wen-hao[(6)]	Beneficial owner	2,294,534 A Shares	0.23%	[REDACTED]%

Notes:

(1) The calculation is based on the total number of [REDACTED] Shares in issue immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no additional Shares are issued pursuant to the 2023 Restricted Share Incentive Plan).

(2) Mr. Cheng and Ms. Yang are spouses. By virtue of the SFO, Mr. Cheng is deemed to be interested in the Shares held by Ms. Yang. For details of the interest of Ms. Yang in the Company, see "Substantial Shareholders" in this document.

(3) As of the Latest Practicable Date, Yangzhou Xinruilian was held as to 14% by Ms. Yang as its general partner and 80% by Hefei Bairuifa as a limited partner. Hefei Bairuifa was held as to 0.7% by Ms. Yang as its general partner and 99% by Bai Rui Fa Investment as a limited partner. Bai Rui Fa Investment was held as to 70% by Bai Rui Fa Holding, which was in turn wholly owned by Mega Rich. Mega Rich was wholly owned by Mr. Cheng. By virtue of the SFO, Mr. Cheng is deemed to be interested in the Shares held b Yangzhou Xinruilian. For details of the interest of Yangzhou Xinruilian in the Company, see "Substantial Shareholders" in this document.

(4) As of the Latest Practicable Date, (i) Converge Achievement was held as to 70% by Mr. Cheng; (ii) Potential International was held as to approximately 53.20% by Mr. Cheng; and (iii) Hefei Xincheng was held as to approximately 37.91% by Mr. Cheng as its general partner. By virtue of the SFO, Mr. Cheng is deemed to be interested in the Shares held by each of Converge Achievement, Potential International and Hefei Xincheng. For details of interests of each of Converge Achievement, Potential International and Hefei Xincheng in the Company, see "History and Development — Corporate Structure" in this document.

(5) As of the Latest Practicable Date, Mr. Cheng was interested in (i) 1,400,000 A Shares directly held by him; (ii) 1,400,000 restricted shares granted to him under the 2023 Restricted Share Incentive Plan entitling him to receive 1,400,000 A Shares subject to vesting; and (iii) 1,674,260 locked A Shares held by the 2025 Stock Ownership Plan granted to him under the 2025 Stock Ownership Plan.

(6) As of the Latest Practicable Date, Mr. Lin Wen-hao was interested in (i) 350,000 A Shares directly held by him; (ii) 350,000 restricted shares granted to him under the 2023 Restricted Share Incentive Plan entitling him to receive 350,000 A Shares subject to vesting; and (iii) 1,594,534 locked A Shares held by the 2025 Stock Ownership Plan granted to him under the 2025 Stock Ownership Plan.

(ii) *Interests in the associated corporations of the Company*

So far as the Directors are aware, immediately following the completion of the [REDACTED], no Directors or the chief executive will, directly or indirectly, be interested in the shares, underlying shares or debentures of any of the associated corporations of the Company.

Disclosure of Interests of Substantial Shareholders

Save as disclosed in "Substantial Shareholders" in this document and "— Disclosure of Interests of Directors and Chief Executive of the Company — (i) Interests in the Company" in this section, the Directors are not aware of any person who will have an interest or a short position in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of the Group.

FURTHER INFORMATION ABOUT THE DIRECTORS

Particulars of the Service Contracts

Each of the Directors [has entered] into a service contract with the Company. The principal particulars of these service contracts comprise (a) the term of the service; (b) termination provisions; and (c) dispute resolution provision. The service contracts may be renewed in accordance with the Articles of Association and the applicable laws, rules and regulations from time to time.

Save as disclosed above, none of the Directors has or is proposed to have entered into any service contract with any member of the Group (excluding contracts expiring or determinable by any member of the Group within one year without payment of compensation other than statutory compensation).

Remuneration of Directors

For details of the remuneration of Directors, see "Directors and Senior Management — Remuneration" and Note 13 in "Appendix I — Accountants' Report."

Agency Fees or Commissions Received

The [REDACTED] will receive an [REDACTED] commission in connection with the [REDACTED], as detailed in "[REDACTED]." Save in connection with the [REDACTED], no commissions, discounts, brokerages or other special terms have been granted by the Group to any person (including the Directors, promoters and experts referred to in "— Other Information — Qualifications and Consents of Experts" below) in connection with the issue or sale of any capital or security of the Company or any member of the Group within the two years immediately preceding the date of this document.

Within the two years immediately preceding the date of this document, no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription for any share in or debentures of the Company.

Personal Guarantees

The Directors have not provided personal guarantees in favour of lenders in connection with banking facilities granted to the Group.

Disclaimers

(a) None of the Directors nor any of the experts referred to in "— Other Information — Qualifications and Consents of Experts" below has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this document, acquired or disposed of by, or leased to, any member of the Group, or are proposed to be acquired or disposed of by, or leased to, any member of the Group.

(b) Save in connection with the [REDACTED], none of the Directors nor any of the experts referred to in "— Other Information — Qualifications and Consents of Experts" below, is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of the Group.

SHARE INCENTIVE PLANS

2025 Stock Ownership Plan

The following is a summary of the principal terms of the 2025 Stock Ownership Plan. The 2025 Stock Ownership Plan is not subject to the provisions of Chapter 17 of the Listing Rules other than Rule 17.12 of the Listing Rules as it does not involve any further grant by the Company after the [REDACTED].

(a) Purpose

The purpose of the 2025 Stock Ownership Plan is to strengthen confidence in the Group's development, to establish a profit-sharing mechanism, to improve the corporate governance structure and to enhance the incentive system of the Company.

(b) Participants

The participants of the 2025 Stock Ownership Plan include directors (other than the independent Directors), senior management, supervisors, core personnel and other employees of the Company and its subsidiaries.

(c) Administration

The 2025 Stock Ownership Plan is subject to the approval of the Shareholders. The internal governing body of the 2025 Stock Option Incentive Plan is the meeting the participants of the 2025 Stock Option Incentive Plan (the "**Participants' Meeting**"). A management committee, the members of which are elected by the Participants' Meeting, oversees and manages the 2025 Stock Ownership Plan and exercises Shareholder's rights on behalf of the 2025 Stock Ownership Plan.

(d) Term of the 2025 Stock Ownership Plan

The 2025 Stock Ownership Plan is valid for a period of 36 months commencing from the date on which the 2025 Stock Ownership Plan is approved by the Shareholders and the Company publishes the announcement in respect of the transfer of the last tranche of relevant underlying A Shares to the 2025 Stock Ownership Plan (the "**Announcement Date**").

(e) Lock-up of Shares

The A Shares held by the 2025 Stock Ownership Plan will be unlocked in tranches of 50% in each of the two unlocking periods that occur 12 months and 24 months from the Announcement Date, respectively, provided that the annual assessment and performance targets as set out under the 2025 Stock Ownership Plan are achieved.

(f) Source and numbers of Shares

The A Shares held by the 2025 Stock Ownership Plan are the A Shares repurchased by the Company and/or purchased by the 2025 Stock Ownership Plan from secondary market.

As of the Latest Practicable Date, a total of 18,990,900 A Shares were held by the 2025 Stock Ownership Plan, representing approximately [REDACTED]% of the total issued share capital immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no additional Shares are issued pursuant to the 2023 Restricted Share Incentive Plan). The table below sets forth the details of the A Shares held by the 2025 Stock Ownership Plan granted the Directors, senior management and other employees of the Group as of the Latest Practicable Date:

Name	Position in the Group	Announcement Date	Grant price (per A Share)(1)	Number of A Shares	As an approximate percentage of total issued share capital upon completion of the [REDACTED](2)
Mr. Cheng	Executive Director, chairman of the Board and general manager	August 27, 2025	RMB4.32	1,674,260	[REDACTED]%
Mr. Lin Wen-hao	Executive Director, deputy general manager and director of R&D center	August 27, 2025	RMB4.32	1,594,534	[REDACTED]%
Ms. Chung Yu-hsuan	Deputy general manager and deputy director of R&D center	August 27, 2025	RMB4.32	797,267	[REDACTED]%
Mr. Ma Hsing-tien	Deputy general manager	August 27, 2025	RMB4.32	318,906	[REDACTED]%

Name	Position in the Group	Announcement Date	Grant price (per A Share)(1)	Number of A Shares	As an approximate percentage of total issued share capital upon completion of the [REDACTED](2)
Mr. Huang Cheng-fang	Deputy general manager	August 27, 2025	RMB4.32	318,906	[REDACTED]%
Mr. Xi Xie	Board secretary and joint company secretary	August 27, 2025	RMB4.32	239,180	[REDACTED]%
Ms. Yan Liu	Finance director	August 27, 2025	RMB4.32	159,453	[REDACTED]%
Other employees of the Group(3)	/	August 27, 2025	RMB4.32	13,888,394	[REDACTED]%

Notes:

(1) The grant price under the 2025 Stock Ownership Plan takes into account the adjustment due to the Company's distribution of cash dividends of RMB0.095 (tax inclusive) per Share to the then existing Shareholders on May 20, 2025.

(2) The calculation is based on the assumption that the [REDACTED] is not exercised and no additional Shares are issued pursuant to the 2023 Restricted Share Incentive Plan.

(3) Representing an aggregate of 25 employees who are not Directors or senior management of the Company.

2023 Restricted Share Incentive Plan

The following is a summary of the principal terms of the 2023 Restricted Share Incentive Plan. The terms of the 2023 Restricted Share Incentive Plan are not subject to the provisions of Chapter 17 of the Listing Rules other than Rule 17.12 of the Listing Rules as it does not involve any grant of restricted shares by the Company after the [REDACTED].

(a) Purpose

The purpose of the 2023 Restricted Share Incentive Plan is to establish and improve the Company's long-term incentive and restraint mechanism, to attract and retain talented personnel and core employees, to fully motivate and leverage the enthusiasm and creativity of employees, to effectively enhance team cohesion and the Company's core competitiveness, to align the interests of Shareholders, the Company and individual employees, to foster a shared focus on the Company's long-term development among all stakeholders, and to ensure the realization of the Company's development strategy and operational objectives.

(b) Administration

The 2023 Restricted Share Incentive Plan is subject to the approval of the Shareholders' meeting, the administration of the Board and the supervision of the board of supervisors and independent Directors of the Company.

(c) Participants

The participants of the 2023 Restricted Share Incentive Plan include senior management, core technology personnel and core backbone personnel of the Group.

(d) Source and maximum number of restricted shares

The underlying Shares of the 2023 Restricted Share Incentive Plan are the A Shares to be issued by the Company to the participants. Each restricted share granted represents the right to receive one A Share within the agreed period at the grant price. The restricted shares are subject to a vesting period and will only be vested upon fulfilling the vesting conditions stipulated.

The maximum number of restricted shares that can be granted under the 2023 Restricted Share Incentive Plan is 11,000,000 restricted shares, including 540,000 reserved restricted shares (the "**Reserved Restricted Shares**"), the grantees of which shall be determined within 12 months after the approval of the 2023 Restricted Share Incentive Plan by the Shareholders.

(e) Grant date and term of the 2023 Restricted Share Incentive Plan

The date on which the restricted shares are granted shall be determined by the Board after the approval of the 2023 Restricted Share Incentive Plan by the Shareholders.

The 2023 Restricted Share Incentive Plan shall be effective from the grant date of the restricted shares and up to the date when all restricted shares granted are vested or void and lapsed, provided that the term of the 2023 Restricted Share Incentive Plan shall not exceed 72 months.

(f) Conditions to the grant of restricted shares

The restricted shares under the 2023 Restricted Share Incentive Plan will only be granted to selected participants if the following conditions are fulfilled:

(i) with respect to the Company, none of the following circumstances having occurred:

(1) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the reporting accountant with respect to the accountants' report of the Company for the most recent fiscal year;

(2) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the reporting accountant with respect to the internal control of the financial report for the most recent fiscal year;

(3) the Company has not distributed dividends in accordance with the laws and regulations, the Articles of Association or the Company's public commitment within the last 36 months after its listing;

(4) applicable laws and regulations prohibit the implementation of share incentive; or

(5) other circumstances determined by the CSRC; and

(ii) with respect to a grantee, none of the following circumstances having occurred, provided that the occurrence of such circumstances in respect of a grantee shall not affect the eligibility of other grantees under the 2023 Restricted Share Incentive Plan:

(1) the grantee has been regarded as an inappropriate person by the stock exchange within the last 12 months;

(2) the grantee has been regarded as an inappropriate person by the CSRC and its local office within the last 12 months;

(3) the grantee has received administrative penalty or been prohibited from entering into the securities market by the CSRC and its local office due to material non-compliance with applicable laws and regulations within the last 12 months;

(4) the grantee is not qualified to serve as a director or senior management according to the PRC Company Law;

(5) the grantee is prohibited from participating in any share incentive of listed companies according to applicable laws and regulations; or

(6) other circumstances determined by the CSRC.

(g) Vesting of restricted shares

The restricted shares will only be vested when the conditions set out under paragraph (f) above are fulfilled and the annual assessment and performance targets as set out under the 2023 Restricted Share Incentive Plan are achieved.

The restricted shares will be vested in tranches of 30%, 20%, 20% and 30% in each of the four vesting periods that occurs between (i) the first trading date after 12 months from the grant date and the last trading day up to 24 months from the grant date, (ii) the first trading date after 24 months from the grant date and the last trading day up to 36 months from the grant date, (iii) the first trading date after 36 months from the grant date and the last trading day up to 48 months from the grant date, and (iv) the first trading date after 48 months from the grant date and the last trading day up to 60 months from the grant date, respectively.

The number of restricted shares granted and/or vested and/or the grant prices shall be adjusted upon the occurrence of certain events, including increase in the share capital by way of capitalization of capital reserves, distribution of dividends, subdivision of shares, placing and share reduction. The Company may void the granted but unvested restricted shares upon occurrence of certain events as set out in the 2023 Restricted Share Incentive Plan, including but not limited to the termination of employment of the grantees with the Company.

(h) Outstanding restricted shares

As of the Latest Practicable Date, the number of outstanding restricted shares granted under the Restricted Share Incentive Plan was 5,558,000, representing approximately [REDACTED]% of the total issued Shares immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no additional Shares are issued pursuant to the 2023 Restricted Share Incentive Plan). Assuming full vesting of all outstanding restricted shares granted under the 2023 Restricted Share Incentive Plan, the shareholding of the Shareholders and the earning per Share immediately following completion of the [REDACTED] will be diluted by approximately [REDACTED]% (assuming the [REDACTED] is not exercised).

The following table sets forth the details of outstanding restricted shares granted to the Directors and senior management of the Company under the 2023 Restricted Share Incentive Plan as of the Latest Practicable Date:

Name	Position in the Group	Grant date	Vesting period	Grant price (per Share)[1]	Number of outstanding restricted shares	As an approximate percentage of total issued share capital upon completion of the [REDACTED][2]
Mr. Cheng	Executive Director, chairman of the Board and general manager	June 16, 2023	Note 3	RMB6.49	1,400,000	[REDACTED]%
Mr. Lin Wen-hao	Executive Director, deputy general manager and director of R&D center	June 16, 2023	Note 3	RMB6.49	350,000	[REDACTED]%
Ms. Chung Yu-hsuan	Deputy general manager and deputy director of R&D center	June 16, 2023	Note 3	RMB6.49	150,000	[REDACTED]%
Mr. Ma Hsing-tien	Deputy general manager	June 16, 2023	Note 3	RMB6.49	150,000	[REDACTED]%
Mr. Huang Cheng-fang	Deputy general manager	June 16, 2023	Note 3	RMB6.49	500,000	[REDACTED]%
Mr. Xi Xie	Board secretary and joint company secretary	June 16, 2023 June 13, 2024	Note 3 Note 3	RMB6.49 RMB6.49	250,000 322,000	[REDACTED]% [REDACTED]%
Ms. Yan Liu	Finance director	June 16, 2023	Note 3	RMB6.49	125,000	[REDACTED]%

Notes:

(1) The grant price under the 2023 Restricted Share Incentive Plan takes into account the adjustment due to the Company's dividends distributions, including (i) the Company's distribution of cash dividends of RMB0.10 (tax inclusive) per Share to the then existing Shareholders on June 6, 2024 and/or (ii) the Company's distribution of cash dividends of RMB0.095 (tax inclusive) per Share to the then existing Shareholders on May 16, 2025.

(2) The calculation is based on the assumption that the [REDACTED] is not exercised.

(3) 30%, 20%, 20% and 30% of the restricted shares are vested in each of the four vesting periods that occurs between (i) the first trading date after 12 months from the grant date and the last trading day up to 24 months from the grant date, (ii) the first trading date after 24 months from the grant date and the last trading day up to 36 months from the grant date, (iii) the first trading date after 36 months from the grant date and the last trading day up to 48 months from the grant date, and (iv) the first trading date after 48 months from the grant date and the last trading day up to 60 months from the grant date, respectively.

The table below sets forth the details of outstanding restricted shares granted to other grantees (excluding Directors and senior management of the Company) under the 2023 Restricted Share Incentive Plan as of the Latest Practicable Date:

Number of grantees	**Grant date**	**Vesting period**	**Grant price (per Share)[1]**	**Number of outstanding restricted shares**	**As an approximate percentage of total issued share capital upon completion of the [REDACTED][2]**
57[4]	June 16, 2023	Note 3	RMB6.49	2,255,000	[REDACTED]%
2[5]	June 13, 2024	Note 3	RMB6.49	56,000	[REDACTED]%

Notes:

(1)–(3) See notes (1)–(3) to the table above.

(4) Represents the outstanding restricted shares granted to 57 grantees who are not Directors or senior management of the Company under the 2023 Restricted Share Incentive Plan excluding the Reserved Restricted Shares.

(5) Represents the Reserved Restricted Shares granted to two grantees who are not Directors or senior management of the Company under the 2023 Restricted Share Incentive Plan.

OTHER INFORMATION

Estate Duty

The Directors have been advised that no material liability for estate duty is likely to fall on the Group.

Litigation

As of the Latest Practicable Date, the Company was not engaged in any outstanding litigation or arbitration which may have material adverse effect on the [REDACTED] and, so far as the Directors are aware, no material litigation or claim was pending or threatened by or against the Company.

Sole Sponsor

The Sole Sponsor satisfies the independence criteria applicable to sponsor set out in Rule 3A.07 of the Listing Rules.

The Sole Sponsor will receive a fee of HK$3,500,000 for acting as the sponsor for the [REDACTED].

Preliminary Expenses

The Company has not incurred any material preliminary expenses.

Promoters

Within the two years immediately preceding the date of this document, no cash, securities, or other benefit has been paid, allotted or given, or has been proposed to be paid, allotted or given, to any of the promoters of the Company in connection with the [REDACTED] or the related transactions described in this document.

Qualifications and Consents of Experts

The qualifications of the experts which have given opinions or advice which are contained in, or referred to in, this document are as follows:

Name of Expert	Qualifications
China International Capital Corporation Hong Kong Securities Limited	A licensed corporation under the SFO for Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) of the regulated activities as defined under the SFO
Grant Thornton Hong Kong Limited	Certified Public Accountants, and Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
Anhui Tianhe Law Firm	PRC legal advisor
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant

Each of the experts listed above has given and has not withdrawn its written consent to the issue of this document with the inclusion of its report and/or letter and/or opinion and/or references to its name included herein in the form and context in which they respectively appear.

Binding Effect

This document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of Sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

Bilingual Document

The English language and Chinese language versions of this document are being published separately, in reliance upon the exemption provided in Section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

Miscellaneous

(a) save as disclosed in "— Further Information about the Group" in this section and pursuant to the 2023 Restricted Share Incentive Plan, within the two years preceding the date of this document, no share or loan capital of the Company or any of its subsidiaries has been issued or has been agreed to be issued fully or partly paid either for cash or for a consideration other than cash;

(b) no share or loan capital of the Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;

(c) no founder, management or deferred shares of the Company or any of its subsidiaries have been issued or have been agreed to be issued;

(d) save for the A Shares that are listed on the STAR Market and the H Shares to be issued in connection with the [REDACTED], none of the equity and debt securities of the Company or its subsidiary is presently listed or dealt in on any other stock exchange nor is any listing or permission to deal being or proposed to be sought;

(e) the Company has no other outstanding convertible debt securities or debentures; and

(f) none of the experts listed under "— Qualifications and Consents of Experts":

    (i) is interested beneficially or non-beneficially in any shares in any member of the Group; or

    (ii) has any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group save in connection with the [REDACTED].