OVERVIEW

Our Company (previously known as "Shenzhen Longsys Electronics Company Limited (深圳市江波龍電子有限公司)") was founded in April 1999 by Mr. Cai, one of our Controlling Shareholders, under the PRC Company Law. Our Company was converted to a joint stock company with limited liability and was renamed as Shenzhen Longsys Electronics Co., Ltd. (深圳市江波龍電子股份有限公司) in September 2018. Since August 5, 2022, our A Shares have been listed on the Shenzhen Stock Exchange with the stock code of 301308.

We are a globally leading branded independent semiconductor memory product enterprise. Based on our vertically integrated capabilities including controller and memory chip design, firmware development, system-level packaging and testing, we design, develop, manufacture and sell a comprehensive portfolio of memory products for edge AI and traditional consumer, enterprise and industrial applications. According to CIC, we are the second largest independent semiconductor memory product enterprise worldwide among more than 100 market players and the largest independent memory product enterprise in China among more than 30 market players, in terms of revenue from memory products in 2025.

KEY CORPORATE AND BUSINESS DEVELOPMENT MILESTONES

The following is a summary of our Group's key corporate and business development milestones:

Year	Event
1999	Our Company was established in Shenzhen, China and engaged in MASK ROM services
2002	Took the lead in releasing the cost-effective and high compatibility USB control chip based on AG-AND in Chinese Mainland
2008	Took the lead in releasing the USB Flash module UDP, changing the production models of the USB product
2011	Created the B2B brand "FORESEE" and released eMMC and SSD storage products
2012	Took the lead in releasing the TSOP 48 packaged SD protocol product, which was recognized as "National Key New Product" by the Ministry of Science and Technology
2014	Officially launched the English name "Longsys" and started global development
2016	Took the lead in releasing the integrated SSD module product SATA disk in package (SDP)
2017	Acquired Lexar, an international high-end customer storage brand
	Won the "Chinese Patent Excellence Award"
2018	Completed conversion into joint stock limited company
	Took the lead in releasing the 1TB UFS, 1TB micro SD card and 1TB PCle SSD, leading the memory product industry to enter the TB-level capacity era
	Won the "Chinese Patent Excellence Award"

Year	Event
2019	The first phrase of Zhongshan Storage Industrial Park (中山存儲產業園) was completed and commenced operation
2020	Entered the DIMM market
	Took the lead in releasing automotive memory products in Chinese Mainland
2021	Establishment of our Shanghai headquarter, our R&D center
2022	Our Company was listed on the Shenzhen Stock Exchange (stock code: 301308)
	Took the lead in releasing automotive UFS and 512Mb SPI NAND Flash in Chinese Mainland
2023	Acquired 70% equity interest in Longforce Suzhou (formerly known as "Powertech Suzhou"), for the layout of high-end packaging and testing
	Acquired 81% interest in Zilia Eletrônicos (formerly known as "SMART Brazil") focusing on the Latin America market
	Released SSD and DDR5 RDIMM, approaching the market of high-end enterprise-graded
2024	Took the lead in releasing QLC eMMC in Chinese Mainland
	We became the only storage brand enterprise awarded as the Fortune China Top 50 Tech Companies (中國科技50強)
2025	Successfully commercialized self-designed controller chips for UFS, USB and automotive memory products
	Successfully launched mSSD products
2026	Acquired the remaining 19% interest in Zilia Eletrônicos
	Successfully commercialized self-designed controller chips for UFS4.1 products
	Successfully developed memory solutions for edge AI devices, including SPU controller chips, iSA and HLC technology

MAJOR SUBSIDIARIES

The following table sets forth the particulars of our major subsidiaries as of the Latest Practicable Date:

Name of major subsidiary	Date of incorporation/ establishment	Place of incorporation/ establishment	Equity interest attributable to the Group	Principal activities
Zhongshan Longsys Electronics Co., Limited* (中山市江波龍電子有限公司).	October 12, 2015	PRC	100%	R&D, testing and sales of storage products

Name of major subsidiary	Date of incorporation/ establishment	Place of incorporation/ establishment	Equity interest attributable to the Group	Principal activities
Lexar Electronics (Shenzhen) Co., Ltd.* (雷克沙電子(深圳)有限公司)	November 24, 2015	PRC	100%	Sales of storage products
MESTOR Electronics (HK) Co., Limited (Formerly known as: Damai Electronics (HK) Limited)	May 10, 2016	Hong Kong	100%	Sales and procurement of storage products
Longsys Electronics (HK) Co., Limited (江波龍電子(香港)有限公司)	April 19, 2013	Hong Kong	100%	Sales and procurement of storage products
Lexar Co., Limited (雷克沙有限公司)	September 14, 2017	Hong Kong	100%	Sales of storage products
Shanghai Longsys Digital Technology Co., Limited* (上海江波龍數字技術有限公司)	July 3, 2020	PRC	100%	R&D and sales of storage products
MESTOR Electronics (Zhuhai) Co., Limited* (邁仕渡電子(珠海)有限公司)	August 1, 2023	PRC	100%	Sales of storage products
Shanghai Longsys Storage Technology Co., Limited* (上海江波龍存儲技術有限公司)	May 29, 2020	PRC	100%	Procurement of raw materials
Wisemem Microelectronics (Shanghai) Co., Ltd.* (慧憶微電子(上海)有限公司)	August 11, 2023	PRC	69.93%	R&D of chip
Zilia Eletrônicos	October 19, 2009	Brazil	100%	Manufacturing and sales of universal storage products
Zilia Semicondutores	February 5, 2004	Brazil	100%	Manufacturing and sales of universal storage products
Xizang Yuanshi Venture Capital Management Co., Ltd.* (西藏遠識創業投資管理有限公司)	March 17, 2017	PRC	100%	Investment holding
Lexar International	October 4, 2017	United States	100%	Sales of storage products
Lexar Europe B.V.	February 13, 2020	Netherlands	100%	Business promotion and provision of after-sales services
Longforce Suzhou	August 31, 1995	PRC	70%	Packaging and testing of storage products

MAJOR SHAREHOLDING CHANGES OF OUR COMPANY

(1) Early Development of Our Company

On April 27, 1999, our Company (previously known as "Shenzhen Longsys Electronics Company Limited (深圳市江波龍電子有限公司)") was incorporated in the PRC as a limited liability company, with an initial registered capital of RMB500,000, of which 90% and 10% were held as to Mr. Cai Jinjiang (蔡錦江), the brother of Mr. Cai, and Mr. Chen Guangyu (陳廣瑜), an Independent Third Party, respectively. Both of Mr. Cai Jinjiang and Mr. Chen Guangyu were holding their equity interest in our Company on behalf of Mr. Cai (the "**Share Entrustment Arrangement**").

To terminate the Share Entrustment Arrangement, Mr. Cai Jinjiang and Mr. Chen Guangyu entered into an equity interest transfer agreement on March 20, 2001 with Mr. Cai and Ms. Cai, pursuant to which Mr. Cai Jinjiang and Mr. Chen Guangyu transferred the entire equity interest in our Company to Mr. Cai and, at the direction of Mr. Cai, to Ms. Cai at nil consideration. Upon completion of such equity interest transfer agreement, our Company was owned as to 70% and 30% by Mr. Cai and Ms. Cai, respectively, and the Share Entrustment Arrangement was terminated.

(2) Major Shareholding Changes until 2018

In August 2002, the registered capital of our Company was increased to RMB1,000,000, which was fully paid up by Mr. Cai and Ms. Cai pro-rata to their respective equity interest.

In September 2004, the registered capital of our Company was further increased to RMB5,000,000, which was fully paid up by Mr. Cai and Ms. Cai pro-rata to their respective equity interest.

In September 2007, for employee incentive purpose, (a) Mr. Cai transferred 2% equity interest in our Company to Mr. Zhang Xu (張旭); and (b) Ms. Cai transferred 5%, 7% and 7% equity interest in our Company to Mr. Zhang Xu, Mr. Yang Xiaobin (楊曉斌) and Mr. Li Zhixiong (李志雄), respectively, each of which at nil consideration. After completion of the aforesaid equity transfers, our Company was owned as to 68%, 11%, 7%, 7% and 7% by Mr. Cai, Ms. Cai, Mr. Li Zhixiong, Mr. Yang Xiaobin and Mr. Zhang Xu, respectively. Each of Mr. Li Zhixiong, Mr. Yang Xiaobin and Mr. Zhang Xu was the then employee of the Company.

In June 2009, the registered capital of our Company was further increased to RMB15,000,000, which was fully paid up by Mr. Cai, Ms. Cai, Mr. Li Zhixiong, Mr. Yang Xiaobin and Mr. Zhang Xu pro-rata to their respective equity interest.

In March 2011, the registered capital of our Company was further increased to RMB50,000,000, which was fully paid up by Mr. Cai, Ms. Cai, Mr. Li Zhixiong, Mr. Yang Xiaobin and Mr. Zhang Xu pro-rata to their respective equity interest.

In November 2012, for employee incentive purpose, (a) Mr. Cai transferred 1% equity interest in our Company to Mr. Li Zhixiong; and (b) each of Mr. Cai, Ms. Cai, Mr. Yang Xiaobin and Mr. Zhang Xu transferred 5%, 6%, 5% and 5% equity interest in our Company, respectively, to Shenzhen Shuangchuan Investment Development Co., Ltd.* (深圳市雙船投資發展有限公司) ("**Shuangchuan Investment**"), the then employee incentive platform, each of which at nil consideration. Upon completion of the aforesaid equity transfers, the equity holding of our Company was as follows:

Equity holders	Registered capital	Approximate percentage of equity holding
		(%)
Mr. Cai	RMB31,000,000	62.00
Shuangchuan Investment	RMB10,500,000	21.00

Equity holders	Registered capital	Approximate percentage of equity holding
		(%)
Mr. Li Zhixiong	RMB4,000,000	8.00
Ms. Cai	RMB2,500,000	5.00
Mr. Yang Xiaobin	RMB1,000,000	2.00
Mr. Zhang Xu	RMB1,000,000	2.00
Total	**RMB50,000,000**	**100.00**

In December 2017, for employee incentive purpose, (a) Mr. Cai transferred 0.8%, 1.6%, 0.36%, 1.6%, 1%, and 1.1% equity interest in our Company to Mr. Huang Haihua (黃海華), Mr. Deng Enhua (鄧恩華), Mr. Wang Weimin (王偉民), Mr. Wang Jingyang (王景陽), Mr. Zhu Yu (朱宇) and Mr. Bai Hongtao (白宏濤), respectively, each of which at RMB1.00 as consideration. Each of Mr. Huang Haihua (黃海華), Mr. Deng Enhua (鄧恩華), Mr. Wang Weimin (王偉民), Mr. Wang Jingyang (王景陽), Mr. Zhu Yu (朱宇) and Mr. Bai Hongtao (白宏濤) was the then employee of the Company. In addition, Shuangchuan Investment transferred 6.34%, 6.34%, 5.94%, 2.38% equity interest in our Company to LongXi No. 1, LongXi No. 2, LongXi No. 3 and Longjian Management, respectively, each of which at RMB1.00 as consideration. Upon completion of the aforesaid equity transfers, the equity holding of our Company was as follows:

Equity holders	Registered capital	Approximate percentage of equity holding
		(%)
Mr. Cai	RMB27,770,000	55.54
Mr. Li Zhixiong	RMB4,000,000	8.00
LongXi No. 1	RMB3,170,000	6.34
LongXi No. 2	RMB3,170,000	6.34
LongXi No. 3	RMB2,970,000	5.94
Ms. Cai	RMB2,500,000	5.00
Longjian Management	RMB1,190,000	2.38
Mr. Yang Xiaobin	RMB1,000,000	2.00
Mr. Zhang Xu	RMB1,000,000	2.00
Mr. Deng Enhua	RMB800,000	1.60
Mr. Wang Jingyang	RMB800,000	1.60
Mr. Bai Hongtao	RMB550,000	1.10
Mr. Zhu Yu	RMB500,000	1.00
Mr. Huang Haihua	RMB400,000	0.80
Mr. Wang Weimin	RMB180,000	0.36
Total	**RMB50,000,000**	**100.00**

(3) Capital Increase in 2018 and Conversion into Joint Stock Limited Company

On June 12, 2018, the then equity holders of our Company resolved to increase the registered capital of our Company by RMB5,382,140, which were subscribed by Jiangsu Jiequan Yuanhe Puhua Equity Investment Partnership (Limited Partnership)* (江蘇疌泉元禾璞華股權投資合夥企業(有限合夥)) (formerly known as "Suzhou Jiequan Zhixin Equity Investment Partnership (Limited Partnership)* (蘇州疌泉致芯股權投資合夥企業(有限合夥)"), Shanghai Juyuan Juxin Integrated Circuit Industry Equity Investment Fund Center (Limited Partnership)* (上海聚源聚芯集成電路產業股權投資基金中心(有限合夥)), Shenzhen Nanshan Hongtai Equity Investment Fund Partnership (Limited Partnership)* (深圳南山鴻泰股權投資基金合夥企業(有限合夥)) and Shenzhen Jicheng Investment Center (Limited Partnership)* (深圳市集誠投資中心(有限合夥)) as to RMB2,857,142, RMB1,428,571, RMB714,285 and RMB382,142, respectively, at the consideration of approximately RMB140 per registered capital, which was determined through arm's length negotiation and was completed on July 16, 2018.

In September 2018, all procedures required to convert our Company from a limited liability company to a joint stock limited company were completed. Upon completion of the conversion, our Company was renamed as Shenzhen Longsys Electronics Co., Ltd. (深圳市江波龍電子股份有限公司) and our registered capital was converted into RMB55,382,140. Upon completion of the above capital increase and the conversion, the shareholding of our Company was as follows:

Name of Shareholder	Number of Shares	Approximate percentage of shareholding
		(%)
Mr. Cai	27,770,000	50.14
Mr. Li Zhixiong (李志雄)	4,000,000	7.22
LongXi No. 1	3,170,000	5.72
LongXi No. 2	3,170,000	5.72
LongXi No. 3	2,970,000	5.36
Jiangsu Jiequan Yuanhe Puhua Equity Investment Partnership (Limited Partnership)* (江蘇疌泉元禾璞華股權投資合夥企業(有限合夥))	2,857,142	5.16
Ms. Cai	2,500,000	4.51
Shanghai Juyuan Juxin Integrated Circuit Industry Equity Investment Fund Center (Limited Partnership)* (上海聚源聚芯集成電路產業股權投資基金中心(有限合夥))	1,428,571	2.58
Longjian Management	1,190,000	2.15
Mr. Zhang Xu (張旭)	1,000,000	1.81
Mr. Yang Xiaobin (楊曉斌)	1,000,000	1.81
Mr. Wang Jingyang (王景陽)	800,000	1.44
Mr. Deng Enhua (鄧恩華)	800,000	1.44
Shenzhen Nanshan Hongtai Equity Investment Fund Partnership (Limited Partnership)* (深圳南山鴻泰股權投資基金合夥企業(有限合夥))	714,285	1.29
Mr. Bai Hongtao (白宏濤)	550,000	0.99
Mr. Zhu Yu (朱宇)	500,000	0.90
Mr. Huang Haihua (黃海華)	400,000	0.72
Shenzhen Jicheng Investment Center (Limited Partnership)* (深圳市集誠投資中心(有限合夥))	382,142	0.69
Mr. Wang Weimin (王偉民)	180,000	0.33
Total	**55,382,140**	**100.00**

(4) Capital Increases and Equity Transfer in 2019 and 2020

On July 25, 2019, the then Shareholders of our Company resolved to increase the number of Shares in our Company from 55,382,140 Shares to 61,810,709 Shares with registered capital of our Company increased from RMB55,382,140 to RMB61,810,709. The increased 6,428,569 Shares were subscribed by National Integrated Circuit Industry Investment Fund Co., Ltd. (國家集成電路產業投資基金股份有限公司), Suzhou Shangkai Venture Capital Partnership (Limited Partnership)* (蘇州上凱創業投資合夥企業(有限合夥)), Shenzhen Lihe New Generation Information Technology Venture Capital Partnership (Limited Partnership)* (深圳力合新一代信息技術創業投資合夥企業(有限合夥)), Shenzhen Zhanxiang Information Technology Co., Ltd.* (深圳市展想信息技術有限公司) and Taikeyuan (Shenzhen) Capital Management Co., Ltd.* (泰科源(深圳)資本管理有限公司) as to 4,285,714 Shares, 1,428,571 Shares, 357,142 Shares, 214,285 Shares and 142,857 Shares, respectively, at the consideration of approximately RMB140 per Share, which was determined through arm's length negotiation (the "**2019 November Capital Increase**"). The 2019 November Capital Increase was completed on November 14, 2019.

On December 26, 2019, the then Shareholders of our Company resolved to increase our registered capital from RMB61,810,709 to RMB370,864,254 through conversion of capital reserve into share capital (the "**2019 December Capital Increase**"). The 2019 December Capital Increase was completed on December 27, 2019.

On January 20, 2020, for employee incentive purpose, each of Mr. Cai, Mr. Li Zhixiong (李志雄), Ms. Cai, Mr. Yang Xiaobin (楊曉斌), Mr. Zhang Xu (張旭), Mr. Wang Jingyang (王景陽) and Mr. Zhu Yu (朱宇) entered into a share transfer agreement with LongXi No. 5, pursuant to which each of Mr. Cai, Mr. Li Zhixiong (李志雄), Ms. Cai, Mr. Yang Xiaobin (楊曉斌), Mr. Zhang Xu (張旭), Mr. Wang Jingyang (王景陽) and Mr. Zhu Yu (朱宇) agreed to transfer, in aggregate, 6,300,000 Shares to LongXi No. 5, being one of our Employee Incentive Platform, at the consideration of RMB1.66 per Share (the "**2020 Equity Transfer**"). The 2020 Equity Transfer was completed on April 14, 2020.

Upon completion of the 2019 November Capital Increase, the 2019 December Capital Increase and the 2020 Equity Transfer, the shareholding of our Company was as follows:

Name of Shareholder	Number of Shares	Approximate percentage of shareholding
		(%)
Mr. Cai	162,000,000	43.68
National Integrated Circuit Industry Investment Fund Co., Ltd. (國家集成電路產業投資基金股份有限公司)	25,714,284	6.93
Mr. Li Zhixiong (李志雄)	23,100,000	6.23
LongXi No. 1	19,020,000	5.13
LongXi No. 2	19,020,000	5.13
LongXi No. 3	17,820,000	4.80
Jiangsu Jiequan Yuanhe Puhua Equity Investment Partnership (Limited Partnership)* (江蘇疌泉元禾璞華股權投資合夥企業(有限合夥))	17,142,852	4.62
Ms. Cai	14,700,000	3.96
Shanghai Juyuan Juxin Integrated Circuit Industry Equity Investment Fund Center (Limited Partnership)* (上海聚源聚芯集成電路產業股權投資基金中心(有限合夥))	8,571,426	2.31
Suzhou Shangkai Venture Capital Partnership (Limited Partnership)* (蘇州上凱創業投資合夥企業(有限合夥))	8,571,426	2.31
Longjian Management	7,140,000	1.93
LongXi No. 5	6,300,000	1.70
Mr. Yang Xiaobin (楊曉斌)	5,850,000	1.58
Mr. Zhang Xu (張旭)	5,850,000	1.58
Mr. Deng Enhua (鄧恩華)	4,800,000	1.29
Mr. Wang Jingyang (王景陽)	4,680,000	1.26
Shenzhen Nanshan Hongtai Equity Investment Fund Partnership (Limited Partnership)* (深圳南山鴻泰股權投資基金合夥企業(有限合夥))	4,285,710	1.16
Mr. Bai Hongtao (白宏濤)	3,300,000	0.89
Mr. Zhu Yu (朱宇)	2,940,000	0.79
Mr. Huang Haihua (黃海華)	2,400,000	0.65
Shenzhen Jicheng Investment Center (Limited Partnership)* (深圳市集誠投資中心(有限合夥))	2,292,852	0.62

Name of Shareholder	Number of Shares	Approximate percentage of shareholding
		(%)
Shenzhen Lihe New Generation Information Technology Venture Capital Partnership (Limited Partnership)* (深圳力合新一代信息技術創業投資合夥企業(有限合夥))	2,142,852	0.58
Shenzhen Zhanxiang Information Technology Co., Ltd.* (深圳市展想信息技術有限公司)	1,285,710	0.35
Mr. Wang Weimin (王偉民)	1,080,000	0.29
Taikeyuan (Shenzhen) Capital Management Co., Ltd.* (泰科源(深圳)資本管理有限公司)	857,142	0.23
Total	**370,864,254**	**100.00**

(5) Listing on the Shenzhen Stock Exchange

On August 5, 2022, our A Shares have been listed on the Shenzhen Stock Exchange with the stock code of 301308, pursuant to which an aggregate of 42,000,000 A Shares were issued, accounting for approximately 10.17% of our Company's then share capital immediately following the listing.

The shareholding of our Company immediately after the A Shares offering was as follows:

Name of Shareholder	Number of Shares	Approximate percentage of shareholding
		(%)
Mr. Cai	162,000,000	39.24
National Integrated Circuit Industry Investment Fund Co., Ltd. (國家集成電路產業投資基金股份有限公司)	25,714,284	6.23
Mr. Li Zhixiong (李志雄)	23,100,000	5.60
LongXi No. 1	19,020,000	4.61
LongXi No. 2	19,020,000	4.61
LongXi No. 3	17,820,000	4.32
Jiangsu Jiequan Yuanhe Puhua Equity Investment Partnership (Limited Partnership)* (江蘇疌泉元禾璞華股權投資合夥企業(有限合夥))	17,142,852	4.15
Ms. Cai	14,700,000	3.56
Shanghai Juyuan Juxin Integrated Circuit Industry Equity Investment Fund Center (Limited Partnership)* (上海聚源聚芯集成電路產業股權投資基金中心(有限合夥))	8,571,426	2.08
Suzhou Shangkai Venture Capital Partnership (Limited Partnership)* (蘇州上凱創業投資合夥企業(有限合夥))	8,571,426	2.08
Longjian Management	7,140,000	1.73
LongXi No. 5	6,300,000	1.53
Mr. Yang Xiaobin (楊曉斌)	5,850,000	1.42
Mr. Zhang Xu (張旭)	5,850,000	1.42
Mr. Deng Enhua (鄧恩華)	4,800,000	1.16
Mr. Wang Jingyang (王景陽)	4,680,000	1.13

Name of Shareholder	Number of Shares	Approximate percentage of shareholding
		(%)
Shenzhen Nanshan Hongtai Equity Investment Fund Partnership (Limited Partnership)* (深圳南山鴻泰股權投資基金合夥企業(有限合夥))	4,285,710	1.04
Mr. Bai Hongtao (白宏濤)	3,300,000	0.80
Mr. Zhu Yu (朱宇)	2,940,000	0.71
Mr. Huang Haihua (黃海華)	2,400,000	0.58
Shenzhen Jicheng Investment Center (Limited Partnership)* (深圳市集誠投資中心(有限合夥))	2,292,852	0.56
Shenzhen Lihe New Generation Information Technology Venture Capital Partnership (Limited Partnership)* (深圳力合新一代信息技術創業投資合夥企業(有限合夥))	2,142,852	0.52
Shenzhen Zhanxiang Information Technology Co., Ltd.* (深圳市展想信息技術有限公司)	1,285,710	0.31
Mr. Wang Weimin (王偉民)	1,080,000	0.26
Taikeyuan (Shenzhen) Capital Management Co., Ltd.* (泰科源(深圳)資本管理有限公司)	857,142	0.21
Other A Share Shareholders	42,000,000	10.17
Total	**412,864,254**	**100.00**

Other than (a) Mr. Cai and Ms. Cai, each being a Controlling Shareholder; and (b) Mr. Li Zhixiong and Mr. Wang Jingyang, each being an executive Director, the remaining Shareholders set out in the table above are, to the best knowledge of our Directors, Independent Third Parties.

(6) Proposed issuance of A Shares to specific targets

On December 22, 2025, the Shareholders of our Company resolved the proposed issuance of A Shares to specific targets (the "**Proposed A Shares Issuance**"), pursuant to which (a) the number of specific targets shall be no more than 35 eligible investors; (b) the number of A Shares to be issued pursuant to the Proposed A Shares Issuance shall be no more than 125,743,580 A Shares, representing approximately 30% of the total issued share capital of our Company as of the Latest Practicable Date; and (c) the proceeds from the Proposed A Shares Issuance shall be no more than RMB3,700,000,000.

The approval of the Proposed A Shares Issuance from the Shenzhen Stock Exchange has been obtained on May 20, 2026, subject to the final registration with the CSRC. As of the Latest Practicable Date, no A Shares have been issued by the Company pursuant to the Proposed A Shares Issuance.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

Acquisition of Longforce Suzhou

In order to further enhanced our in-house production capabilities, on June 27, 2023, our Company entered into an equity interest transfer agreement with PTI Technology (Singapore) Pte. Ltd. ("**PTI SG**"), Powertech Technology (Singapore) Pte. Ltd. and Powertech Technology Inc. (力成科技股份有限公司), each being an Independent Third Party at the time of the acquisition, pursuant to which we agreed to purchase 70% of the equity interest in Longforce Suzhou at a cash consideration of US$131,600,000, which was determined with reference to the valuation report prepared by an independent valuer. The financial results of Longforce Suzhou have been consolidated to the consolidated financial statements of the Group since October 1, 2023, upon which, Longforce Suzhou became a non-wholly-owned subsidiary of our Company, with the remaining 30% equity interest held by PTI SG. PTI SG is ultimately owned by Powertech Technology Inc., a company listed on the Taipei Stock Exchange (stock code: 6239.TW).

The acquisition has been properly and legally completed and settled, and all relevant approvals required from the relevant authorities have been obtained.

Acquisitions of Zilia Eletrônicos

In order to further expand our overseas in-house production capabilities, on June 13, 2023, our Company, Lexar Europe B.V. (our wholly-owned subsidiary) and Shanghai Intelligent Memory Semiconductor Co., Ltd.* (上海慧憶半導體有限公司) entered into a stock purchase agreement with SMART Modular Technologies (LX) S.à.r.l. ("**SMART LX**") (as the vendor) and SMART Global Holdings, Inc. (currently known as "**PENGUIN SOLUTIONS, INC.**") (as the guarantor), each being an Independent Third Party at the time of the acquisition, pursuant to which we agreed to purchase 81% of the issued share capital of Zilia Eletrônicos (together with its wholly-owned subsidiary, Zilia Semicondutores) at a cash consideration of US$194,918,804, which was determined on arm's length negotiation with reference to among others, certain valuations of Zilia Eletrônicos. The financial results of Zilia Eletrônicos has been consolidated to the consolidated financial statements of the Group since December 1, 2023, upon which, Zilia Eletrônicos became a non-wholly-owned subsidiary of our Company, with the remaining 19% shareholding held by SMART LX. SMART LX is ultimately owned by PENGUIN SOLUTIONS, INC., a company listed on NASDAQ stock market (PENG). The acquisition has been properly and legally completed, and all relevant approvals required from the relevant authorities have been obtained.

On December 29, 2025, our Company, Shanghai Intelligent Memory Semiconductor Co., Ltd.* (上海慧憶半導體有限公司) and Lexar Europe B.V. (our wholly-owned subsidiary) entered into a stock purchase agreement with SMART LX to further purchase the remaining 19% of the issued share capital of Zilia Eletrônicos held by SMART LX at a cash consideration of US$46,080,000, which was determined on arm's length negotiation with reference to, among others, certain valuations of Zilia Eletrônicos. The acquisition has been properly and legally completed on March 31, 2026, all relevant approvals required from the relevant authorities have been obtained, and Zilia Eletrônicos has become a wholly-owned subsidiary of our Company since completion.

Neither of the aforesaid acquisitions during the Track Record period is a major transaction or a very substantial acquisition under Chapter 14 of the Listing Rules as of the Latest Practicable Date.

OUR LISTING ON THE SHENZHEN STOCK EXCHANGE AND REASONS FOR THE [REDACTED] ON THE STOCK EXCHANGE

Since August 2022, our A Shares have been listed on the Shenzhen Stock Exchange. As of the Latest Practicable Date, our Directors confirmed that we had no instances of material non-compliance with the rules of the Shenzhen Stock Exchange and other applicable securities laws and regulations of the PRC in any material respects, and, to the best knowledge of our Directors having made all reasonable enquiries, there was no material matter that should be brought to the investors' attention in relation to our compliance record on the Shenzhen Stock Exchange. Based on the due diligence work conducted by our PRC Legal Advisor, our PRC Legal Advisor is of the view that, since our listing on the Shenzhen Stock Exchange and up to the Latest Practicable Date, we had complied with the relevant laws and regulations on A share listings applicable to us in all material respect. Based on the independent due diligence conducted by the Joint Sponsors and the views of the PRC Legal Advisor, nothing has come to the Joint Sponsors' attention that would cause them to disagree with our Directors' confirmation with regard to the compliance records of our Company on the Shenzhen Stock Exchange.

Our Company seeks to be [**REDACTED**] on the Hong Kong Stock Exchange in order to provide further capital for the development and expansion of our business, provide an additional fundraising platform for our Company should the need arise, further strengthen our business profile and market position in the industry, and better attract international investors and talents. Please refer to the section headed "Business — Our Growth Strategies" and "Future Plans and Use of [**REDACTED**]" in this document for more details.

CONCERT PARTY ARRANGEMENT

For the purpose of our listing on the Shenzhen Stock Exchange and to ensure stability of the ownership of the Company, Mr. Cai and Ms. Cai entered into the Concert Party Agreement on August 9, 2021, pursuant to which Mr. Cai and Ms. Cai agreed that they shall act in concert with respect to all matters which are subject to approval in general meetings or Board meetings of the Company, for the period since the date of the Concert Party Agreement and upon the termination of the Concert Party Agreement. In particular, among others, (i) Mr. Cai and Ms. Cai have agreed that in the event consensus cannot be reached among the parties, Ms. Cai shall follow the instruction of Mr. Cai; and (ii) upon the execution of the Concert Party Agreement, all Shares directly or indirectly held by the parties shall nonetheless be bound by the terms of the agreement, and the parties shall exercise their voting rights in accordance with the Concert Party Agreement.

In light of the above, Mr. Cai and Ms. Cai will be a group of Controlling Shareholders upon [**REDACTED**]. For details, please refer to the section headed "Relationship with our Controlling Shareholders" in this document.

Ms. Cai has joined the Group since October 1999 and has served a number of positions in the Group including but not limited to deputy general manager, supervisor, director and senior vice president. She also served as a Director of the Company from November 2012 to September 2018. She currently serves as a director and/or a chief executive of a number of our subsidiaries.

RESTRICTED SHARE INCENTIVE SCHEMES

Certain employees of our Company and our subsidiaries are eligible to subscribe in interests of our Shares through the Restricted Share Incentive Schemes. For details, please refer to the section headed "Statutory and General Information — 4. Restricted Share Incentive Schemes" in Appendix VI to this document.

EMPLOYEE INCENTIVE PLATFORMS

Our Company Level

In recognition of the contributions of our employees and to incentivize them to further promote our development, Longjian Management, LongXi No. 1, LongXi No. 2, LongXi No. 3 and LongXi No. 5 were established as our Employee Incentive Platforms.

Save for Ms. Zhang Jihong (張繼紅) who is the general partner and execution partner of LongXi No. 2, none of the general partners and the execution partners of each of Longjian Management, LongXi No. 1, LongXi No. 3 and LongXi No. 5 is a connected person of the Company.

As of the Latest Practicable Date, all of the awards under the Employee Incentive Platforms have been granted and vested, and, as a result, the grantees held the partnership interest of the Employee Incentive Platforms as limited partners.

As of the Latest Practicable Date, there are 36, 40, 37, 31 and 1 limited partner(s) in LongXi No. 1, LongXi No. 2, LongXi No. 3, LongXi No. 5 and Longjian Management, respectively. The limited partner and the general partner of Longjian Management are Mr. Cai and Shenzhen LongXi No. 4 Consulting Partnership (Limited Partnership)* (深圳市龍熹四號諮詢企業(有限合夥)) ("**LongXi No. 4**"), respectively. None of the limited or general partners of the Employee Incentive

Platforms (regarding Longjian Management, Mr. Cai and the limited partners of LongXi No. 4) holds 30% or more interest in the respective Employee Incentive Platform. Save for the followings, there are no connected persons who are limited or general partners of the Employee Incentive Platforms:

	Name	Connected relationship	Employee Incentive Platforms	Partnership interest (approximately)
1.	Mr. Cai	Executive Director	LongXi No. 1	0.32%
			LongXi No. 2	0.32%
			LongXi No. 3	0.34%
			LongXi No. 5	16.00%
			Longjian Management	0.99%
2.	Ms. Liu Fengyun (劉楓雲)	Supervisor of a subsidiary	LongXi No. 1	9.46%
3.	Ms. Zhang Jihong (張繼紅)	Supervisor of a subsidiary	LongXi No. 2	2.52%
4.	Mr. Gao Wei (高威)	Director of a subsidiary	LongXi No. 2	12.62%
5.	Ms. Su Dan (蘇丹)	Director of a subsidiary	LongXi No. 2	4.73%
6.	Mr. Xu Gangling (許剛翎)	Supervisor of certain subsidiaries	LongXi No. 5	9.52%
7.	Mr. Li Zhongzheng (李中政)	Director of a subsidiary	LongXi No. 1	9.46%

The Subsidiary Level

Wisemem Employee Incentive Scheme

Wisemem Microelectronics (Shanghai) Co., Ltd (慧憶微電子(上海)有限公司) ("**Wisemem Shanghai**"), one of our major subsidiaries, has adopted an employee incentive scheme in December 2024 to incentivize its core employees in order to create better value for the Company and its shareholders (the "**Wisemem Employee Incentive Scheme**"). The Wisemem Employee Incentive Scheme is not subject to the requirements under Chapter 17 of the Listing Rules since Wisemem Shanghai is not a "principal subsidiary" pursuant to Rule 17.14 of the Listing Rules.

Pursuant to the Wisemem Employee Incentive Scheme, the registered capital of Wisemem Shanghai was increased from RMB100,000,000 to RMB143,000,000 in May 6, 2025, of which:

(a) RMB21,500,000 and RMB12,920,000 were subscribed by Shanghai Huixinda Consulting Management Partnership (Limited Partnership)* (上海慧芯達諮詢管理合夥企業(有限合夥)) ("**Shanghai Huixinda**") and Shanghai Huixintong Consulting Management Partnership (Limited Partnership)* (上海慧芯通諮詢管理合夥企業(有限合夥)) ("**Shanghai Huixintong**"), respectively, the execution partner of each of Shanghai Huixinda and Shanghai Huixintong is Shanghai Longsys Storage Technology Co., Ltd. (上海江波龍存儲技術有限公司, one of our wholly-owned subsidiaries;

(b) RMB4,290,000 was subscribed by Mr. Gao Xichun (高喜春先生), a senior management of the Company and a connected person of the Company; and

(c) RMB2,860,000 and RMB1,430,000 were subscribed by Mr. Ming Liang (明亮先生) and Mr. Chen Jianye (陳建業先生), each a core employee and senior management of Wisemem Shanghai and not a connected person of the Company,

each at RMB1.00 as consideration.

As at the Latest Practicable Date, Wisemem Shanghai is held as to approximately 69.93%, 15.04%, 9.04%, 3.00%, 2.00% and 1.00% by Shanghai Longsys Storage Technology Co., Ltd. (上海江波龍存儲技術有限公司), Shanghai Huixinda, Shanghai Huixintong, Mr. Gao Xichun (高喜春先生), Mr. Ming Liang (明亮先生) and Mr. Chen Jianye (陳建業先生), respectively.

As of the Latest Practicable Date, (a) there are 38 limited partners in Shanghai Huixinda, and save for Mr. Gao Xichun (高喜春先生), a director of our subsidiary, who holds approximately 53.04% in Shanghai Huixinda which are reserved and will be further distributed to eligible employees of Wisemem Shanghai as when and where appropriate, none of the remaining limited partners of Shanghai Huixinda (i) holds 30% or more interest in Shanghai Huixinda; and (ii) is a connected person of the Company; and (b) there are 33 limited partners in Shanghai Huixintong, and none of the limited partners of Shanghai Huixintong (i) holds 30% or more interest in Shanghai Huixintong; and (ii) is a connected person of the Company.

Longmem Employee Incentive Scheme

Shanghai Longmem Microelectronics Technology Co., Limited* (上海元銘芯微電子技術有限公司) ("**Shanghai Longmem**"), one of our subsidiaries, has adopted an employee incentive scheme in April 2026 to incentivize its core employees in order to create better value for the Company and its shareholders (the "**Longmem Employee Incentive Scheme**"). The Longmem Employee Incentive Scheme is not subject to the requirements under Chapter 17 of the Listing Rules since Shanghai Longmem is not a "principal subsidiary" pursuant to Rule 17.14 of the Listing Rules.

Pursuant to the Longmem Employee Incentive Scheme, the registered capital of Shanghai Longmem was increased from RMB200,000,000 to RMB286,000,000 in April 2026, of which:

(a) RMB43,600,000 and RMB28,100,000 were subscribed by Ningbo Mingxin Weiyuan Self-Funded Investment Partnership (Limited Partnership)* (寧波銘芯微元自有資金投資合夥企業(有限合夥)) ("**Mingxin Weiyuan**") and Ningbo Mingxin Weilong Self-Funded Investment Partnership (Limited Partnership)* (寧波銘芯微龍自有資金投資合夥企業(有限合夥)) ("**Mingxin Weilong**"), respectively, the execution partner of each of Mingxin Weiyuan and Mingxin Weilong is Shanghai Longsys Storage Technology Co., Ltd. (上海江波龍存儲技術有限公司, one of our wholly-owned subsidiaries; and

(b) RMB14,300,000 was subscribed by Mr. Ma Qingrong (馬慶容先生), a senior management of the Company,

each at RMB0.525 as consideration. As at the Latest Practicable Date, Shanghai Longmem is held as to approximately 69.93%, 15.24%, 9.83% and 5.00% by Shanghai Longsys Storage Technology Co., Ltd. (上海江波龍存儲技術有限公司), Mingxin Weiyuan, Mingxin Weilong and Mr. Ma Qingrong (馬慶容先生), respectively.

As of the Latest Practicable Date, (a) there are 33 limited partners in Mingxin Weiyuan, and none of the limited partners of Mingxin Weiyuan (i) holds 30% or more interest in Mingxin Weiyuan; and (ii) is a connected person of the Company; and (b) Mr. Wang Jingyang (王景陽先生) is the only limited partner in Mingxin Weilong, and the limited partnership interest held by him in Mingxin Weilong are reserved and will be distributed to eligible employees of Shanghai Longmem as when and where appropriate.

SHAREHOLDING OF THE COMPANY

So far as our Directors are aware, immediately following the completion of the [**REDACTED**] (assuming the [**REDACTED**] is not exercised and no additional Shares are issued pursuant to the 2026 Restricted Share Incentive Scheme and/or the Proposed A Shares Issuance), the shareholding of the Company is set forth as below:

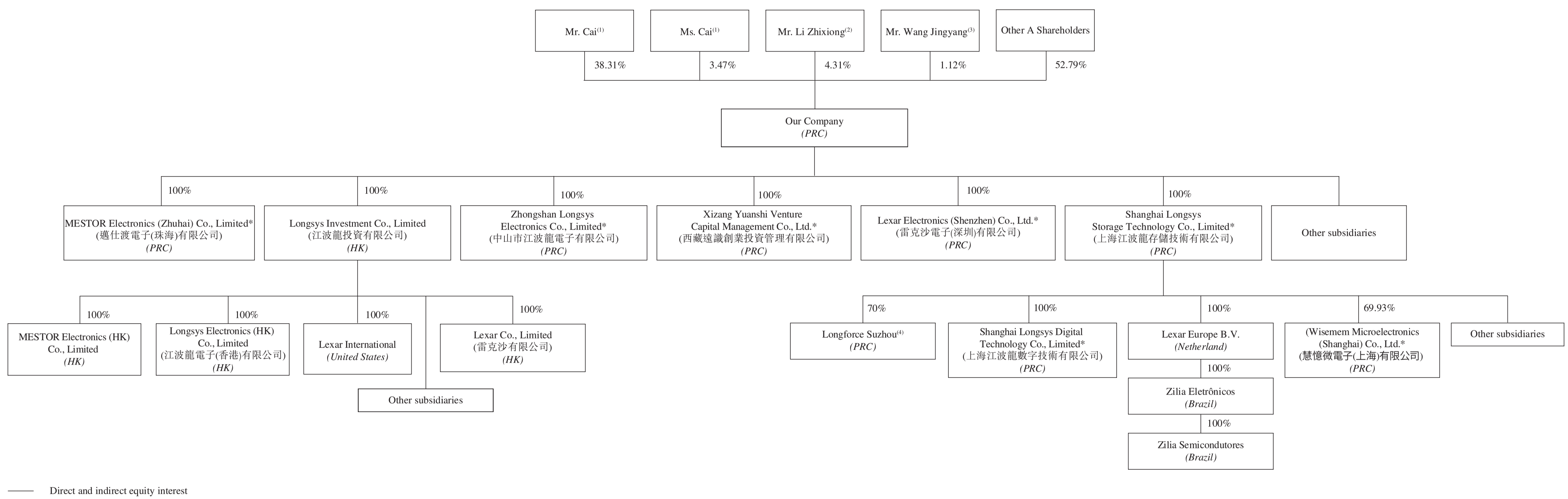
	As at the Latest Practicable Date		Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no additional Shares are issued pursuant to the 2026 Restricted Share Incentive Scheme and/or the Proposed A Shares Issuance)					
Name of Shareholders	**Number of A Shares**	**Approximately % of shareholding in our A Shares**	**Number of A Shares**	**Approximately % of shareholding in our A Shares**	**Approximately % of shareholding in the total share capital of our Company**	**Number of H Shares**	**Approximately % of shareholding in our H Shares**	**Approximately % of shareholding in the total issued share capital of our Company**
Mr. Cai	162,071,900	38.31%	162,071,900	38.31%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Ms. Cai	14,700,000	3.47%	14,700,000	3.47%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Li Zhixiong	18,217,390	4.31%	18,217,390	4.31%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Wang Jingyang	4,731,200	1.12%	4,731,200	1.12%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Other A Shareholders	223,340,517	52.79%	223,340,517	52.79%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
H Shareholders	–	–	–	–	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total Shares	423,061,007	100%	423,061,007	100%	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

[REDACTED]

OUR SHAREHOLDING AND CORPORATE STRUCTURE

Shareholding and Corporate Structure Immediately before the [REDACTED]

The following chart illustrates our simplified shareholding and corporate structure immediately prior to the **[REDACTED]**:



Notes:

(1) Pursuant to the Concert Party Agreement dated August 9, 2021, Mr. Cai and Ms. Cai agreed that they shall act in concert with respect to all matters which are subject to approval in general meetings or board meetings of the Company, for the period from the date of the Concert Party Agreement and upon the termination of the Concert Party Agreement. For further details, please refer to "— Concert Party Arrangement" above. As such, each of Mr. Cai and Ms. Cai are deemed to be interested in the Shares each other is interested in.

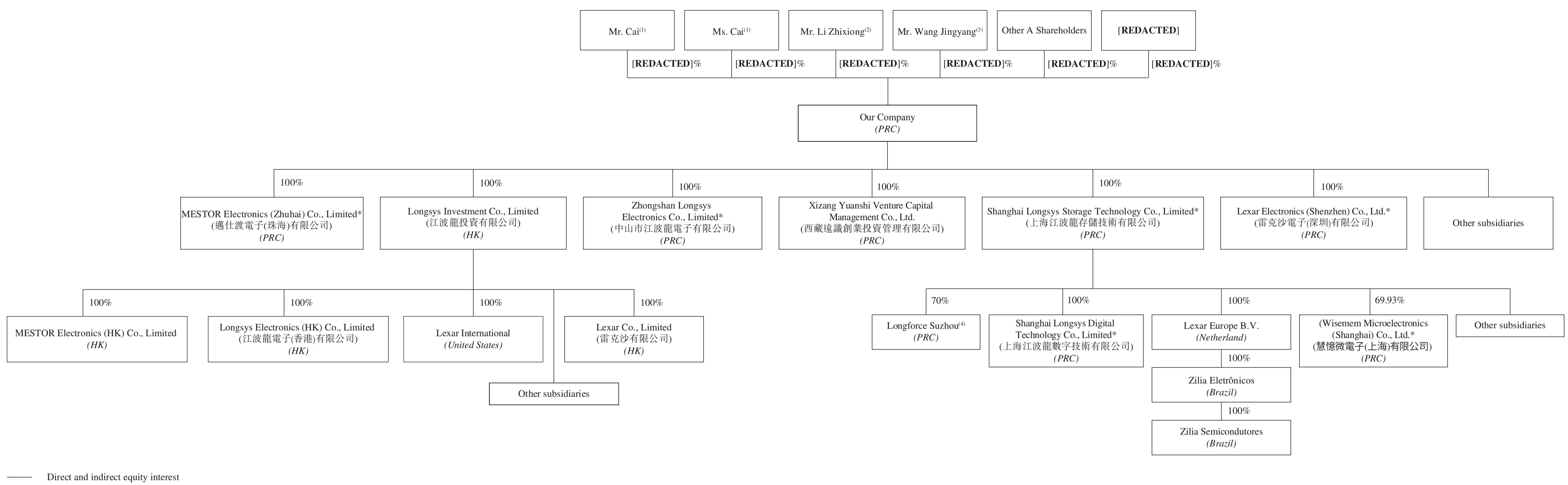
(2) Mr. Li Zhixiong is an executive Director, and held 18,217,390 A Shares as of the Latest Practicable Date.

(3) Mr. Wang Jingyang is an executive Director, and held 4,731,200 A Shares as of the Latest Practicable Date.

(4) As of the Latest Practicable Date, the remaining 30% equity interest in Longforce Suzhou was held by PTI Technology (Singapore) Pte. Ltd.

SHAREHOLDING AND CORPORATE STRUCTURE UPON COMPLETION OF THE [REDACTED]

The following chart illustrates our simplified shareholding and corporate structure immediately following the completion of the [**REDACTED**], assuming the [**REDACTED**] is not exercised and no additional Shares are issued pursuant to the 2026 Restricted Share Incentive Scheme and/or the Proposed A Shares Issuance:



Notes (1) to (4): see "— Our Shareholding and Corporate Structure — Shareholding and Corporate Structure Immediately before the [**REDACTED**]."