OVERVIEW

Prior to the **[REDACTED]** Date, we have entered into certain transactions with parties who will, upon the **[REDACTED]**, become connected persons of our Company. Following completion of the **[REDACTED]**, there will also be continuing connected transactions of our Company under the Listing Rules. Details of these transactions as well as the waiver granted by the Stock Exchange from strict compliance with the relevant requirements in Chapter 14A of the Listing Rules are set out below.

Members of the Remaining Unimicron Taiwan Group are connected persons of our Company. Accordingly, the transactions we have entered into or will enter into with the Remaining Unimicron Taiwan Group will constitute connected transactions for our Group upon **[REDACTED]**.

NON-EXEMPT CONTINUING CONNECTED TRANSACTION SUBJECT TO REPORTING AND ANNOUNCEMENT REQUIREMENTS

1. Purchase of equipment and raw materials from Remaining Unimicron Taiwan Group

Background

During the Track Record Period, we have purchased certain equipment and raw materials from the Remaining Unimicron Taiwan Group. These purchases include (a) second-hand equipment, such as laser marking machines, reflow soldering machines, exposure machines, laser drilling machines, automatic optical inspection machines, automatic solder ball inspection machines, automatic solder ball flattening machines etc.; and (b) raw materials such as copper-clad laminates and ABF etc..

These purchases were made after our Board considered (a) the stringent delivery timeline for customer orders; (b) the delivery time that would have been incurred had such purchases been made from the independent third-party suppliers then available in the market; and/or (c) and the condition of the equipment and raw materials. These purchases were made to enable us to meet the delivery timeline of our customers' orders.

Historical transaction amounts

The amounts of purchase of equipment and raw materials from the Remaining Unimicron Taiwan Group by our Group for FY2023, FY2024 and FY2025 were RMB31.8 million, RMB28.8 million and RMB50.2 million, respectively.

Future arrangement

In anticipation of the **[REDACTED]**, our Company entered into a framework agreement with Unimicron Taiwan on [●] 2026 (the "**Equipment and Raw Materials Procurement Framework Agreement**") to set out the principal terms governing the purchase of equipment and raw materials by our Group from the Remaining Unimicron Taiwan Group. The term of the Equipment and Raw Materials Procurement Framework Agreement will commence from the **[REDACTED]** Date and end on [●] 2028. The annual caps for the transactions contemplated under the Equipment and Raw Materials Procurement Framework Agreement are RMB50.0 million, RMB50.0 million and RMB50.0 million, for FY2026, FY2027 and FY2028, respectively.

The Equipment and Raw Materials Procurement Framework Agreement may be terminated by either party upon not less than two months' prior written notice to the other party. Accordingly, our Group retains the flexibility to terminate such agreement and procure equipment and/or raw materials from other independent third parties available in the market, should it considers the equipment and/or raw materials provided by the Remaining Unimicron Taiwan Group are no longer cost-competitive or otherwise desirable.

In the event of any renewal of the term of the Equipment and Raw Materials Procurement Framework Agreement, or if in any particular year during the term of such agreement, the aggregate transactions amounts payable by us to the Remaining Unimicron Taiwan Group under all individual purchase orders are expected to exceed the relevant annual cap, our Company will comply with all relevant requirements under Chapter 14A of the Listing Rules.

Pricing policy

Under the Equipment and Raw Materials Procurement Framework Agreement, the price for the transactions of each relevant equipment and raw materials will be determined through an arm's length negotiations. In determining such prices, we will make reference to the prevailing market prices for the same or similar goods with quotations obtained from at least two independent third party suppliers (if available). Subject to any other relevant considerations such as delivery time and overall procurement costs, we will not purchase any such equipment or raw materials from the Remaining Unimicron Taiwan Group if the prices offered by them are less competitive than those quoted by such independent third party suppliers.

Annual cap on future transaction amounts

In accordance with Rule 14A.53 of the Listing Rules, we have set annual caps for the maximum aggregate amounts of the purchase of equipment and raw materials from the Remaining Unimicron Taiwan Group under the Equipment and Raw Materials Procurement Framework Agreement, for FY2026, FY2027 and FY2028 as follows:

	FY2026	**FY2027**	**FY2028**
		(RMB million)	
Amounts of the purchase of equipment and raw materials from the Remaining Unimicron Taiwan Group under the Equipment and Raw Materials Procurement Framework Agreement	50.0	50.0	50.0

Such annual caps have been determined on the basis of and by reference to, inter alia, (a) the anticipated demand for equipment and raw materials, taking into account the average historical transaction amounts during the Track Record Period; and (b) a reasonable and adequate buffer on the estimated aggregate annual amounts payable by us to the Remaining Unimicron Taiwan Group, as prudent contingency to accommodate adjustments to business plans and inflation.

Reasons for, and benefits of, the Equipment and Raw Materials Procurement Framework Agreement

As discussed above, during the Track Record Period, these purchases included (a) second-hand equipment; and (b) raw materials. These purchases may continue after **[REDACTED]** where our Board considered appropriate taking into account, among others, (a) the delivery timeline for customer orders; (b) the market availability of the relevant machinery and/or raw materials; (c) the delivery time that will be incurred should these purchases be made from independent third-parties in the market; and (d) the condition of the equipment and raw materials.

From our perspective, the Equipment and Raw Materials Procurement Framework Agreement provides a secure and reliable source of equipment and raw materials as and when required. The availability of a stable and quality supply of equipment and raw materials enables us to undertake customer orders with stringent delivery timelines without operational constraints. It also reduces the risk of us having to forgo commercially attractive yet operationally demanding orders due to shortages in the general market, thereby allowing us to effectively meet both expedited delivery schedules and high-volume order requirements.

In addition, for administrative efficiency, the Equipment and Raw Materials Procurement Framework Agreement enables the parties to pre-agree an aggregate annual cap amount for the total consideration payable by us to the Remaining Unimicron Taiwan Group, while retaining sufficient flexibility for the parties to enter into individual purchase orders from time to time as business needs arise. This arrangement streamlines our procurement processes and is considered beneficial to our Group.

[REDACTED] Rules implications

Since one or more of the applicable percentage ratios set out in Rule 14.07 of the **[REDACTED]** in respect of the abovementioned transactions is or are greater than 0.1% while all such ratios are below 5%, the transactions are subject to the announcement, annual reporting and annual review requirements but exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

2. Purchase of semi-finished goods from the Remaining Unimicron Taiwan Group

Background

In 2026, we have purchased semi-finished goods (i.e. inner layer) from the Remaining Unimicron Taiwan Group. Taking into account (i) the technicality level required for building the substrate layer according to the customer's specification; (ii) the unavailability of certain required machines in our current production bases; and (iii) the relatively long lead time and ramp up time for the purchase and set up of the required machines, we have decided to engage the Remaining Unimicron Taiwan Group to perform the process for building the inner layer, including drilling, copper electroplating, tenting, lamination and automated optical inspection (the "**Initial Production Steps**") in respect of the semi-finished goods. Upon receipt of the semi-finished goods, we will complete the remaining production processes in-house and deliver the finished products to our customer.

Historical transaction amounts

Such transactions arose from a sales arrangement entered into by our Group and one of our customer, under which the Initial Production Steps were outsourced to the Remaining Unimicron Taiwan Group. As the sales arrangement between our Group and the customer commenced in May 2026, no transaction amount for purchase of semi-finished goods from the Remaining Unimicron Taiwan Group was recorded for FY2023, FY2024 and FY2025.

Future arrangement

In anticipation of the **[REDACTED]**, our Company entered into a framework agreement with Unimicron Taiwan on [●] 2026 (the "**Semi-finished Goods Procurement Framework Agreement**") to set out the principal terms governing the purchase of semi-finished goods by our Group from the Remaining Unimicron Taiwan Group. The term of the Semi-finished Goods Procurement Framework Agreement will commence from the **[REDACTED]** and end on [●] 2028. The annual caps for the transactions contemplated under the Semi-finished Goods Procurement Framework Agreement are RMB60.0 million, RMB410.0 million, and RMB356.0 million, for FY2026, FY2027 and FY2028, respectively.

The Semi-finished Goods Procurement Framework Agreement may be terminated by either party giving not less than two months' prior written notice to the other party. As such, our Group retains the flexibility to terminate the Semi-finished Goods Procurement Framework Agreement and procure semi-finished goods from other independent third parties available in the market, should it considers the semi-finished goods provided by the Remaining Unimicron Taiwan Group are no longer cost-competitive or desirable.

In the event of any renewal of the term of the Semi-finished Goods Procurement Framework Agreement, or if in any particular year during the term of such agreement, the aggregate transactions amounts payable by us to the Remaining Unimicron Taiwan Group under all individual purchase orders are expected to exceed the relevant annual cap, our Company will comply with all relevant requirements under Chapter 14A of the Listing Rules.

Pricing policy

Under the Semi-finished Goods Procurement Framework Agreement, the price for the transactions of each order will be determined on an arm's length negotiations i.e. cost plus a reasonable profit margin.

Annual cap on future transaction amounts

In accordance with Rule 14A.53 of the Listing Rules, we have set annual caps for the maximum aggregate amounts of purchase of semi-finished goods from the Remaining Unimicron Taiwan Group under the Semi-finished Goods Procurement Framework Agreement, for FY2026, FY2027 and FY2028 as follows:

	FY2026	**FY2027**	**FY2028**
		(RMB'000)	
Amounts of purchase of semi-finished goods from the Remaining Unimicron Taiwan Group under the Semi-finished Goods Procurement Framework Agreement	60,000	410,000	356,000

Such annual caps have been determined on the basis of and by reference to, inter alia, the anticipated need of semi-finished goods, taking into account (a) the latest estimated purchase order volumes and delivery schedules provided by the relevant customer; and (b) a reasonable and adequate buffer on the estimated aggregate annual amounts payable by us to the Remaining Unimicron Taiwan Group, as prudent contingency to accommodate adjustments to business plans and inflation. The fluctuations in the annual caps in FY2026, FY2027 and FY2028 correspond to the latest intended delivery schedule of products provided by the customer.

Reasons for, and benefits of, the Semi-finished Goods Procurement Framework Agreement

From our perspective, the Semi-finished Goods Procurement Framework Agreement provides a secure and reliable source of semi-finished goods as and when required. The availability of a stable and quality supply of semi-finished enables us to meet customers' demand in a timely manner, thereby supporting the fulfillment of customer orders and strengthening our relationships with our customers. In turn, this enhances customer retention and reduce the risk of customer attrition to competitors.

In addition, for administrative efficiency, the Semi-finished Goods Procurement Framework Agreement enable the parties to pre-agree an aggregate annual cap amount for the total consideration payable by us to the Remaining Unimicron Taiwan Group, while retaining sufficient flexibility for the parties to enter into of individual purchase orders from time to time as business needs arise. This arrangement streamlines our procurement process and is considered beneficial to our Group.

[REDACTED] implications

Since one or more of the applicable percentage ratios set out in Rule 14.07 of the Listing Rules in respect of the abovementioned transactions is or are greater than 5%, the transactions are subject to the announcement, annual reporting and annual review requirements, the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

Confirmation from our Directors

Our Directors (including the independent non-executive Directors) are of the view that the non-exempt continuing connected transactions described above, have been and will be entered into in the ordinary and usual course of business of our Group, are on normal commercial terms, are fair and reasonable, and are in the interests of our Group and the Shareholders as a whole.

Our Directors (including the independent non-executive Directors) are also of the view that the proposed annual caps for such transactions are fair and reasonable, and in the interests of our Group and the Shareholders as a whole.

Confirmation from the Sole Sponsor

The Sole Sponsor is of the view that the non-exempt continuing connected transactions described above, have been and will be entered into in the ordinary and usual course of business of our Group, are on normal commercial terms, are fair and reasonable, and are in the interests of our Group and the Shareholders as a whole.

The Sole Sponsor is also of the view that the proposed annual caps for such transactions are fair and reasonable, and in the interests of our Group and the Shareholders as a whole.

FULLY EXEMPT CONTINUING CONNECTED TRANSACTIONS

Following the **[REDACTED]**, the following transactions will be regarded as continuing connected transactions fully exempt from the reporting, announcement, annual review and independent shareholders' approval requirements under Rule 14A.76 of the Listing Rules.

1. Sharing of administrative services between our Group and the Remaining Unimicron Taiwan Group

Description of transaction

During the ordinary course of business, our Group and the Remaining Unimicron Taiwan Group share certain administrative support services, namely, information technology support and regular operational system updates and maintenance services. These services are provided by our Group to the Remaining Unimicron Taiwan Group.

The annual fee for the sharing of these administrative support services was determined on a cost basis with reference to the approximate time and manpower spend and such costs are allocated to our Group and the Remaining Unimicron Taiwan Group on a fair and equitable basis.

[REDACTED] implications

As the administrative support services shared between our Group and the Remaining Unimicron Taiwan Group are on a cost basis, and are identifiable and are allocated to our Group and the Remaining Unimicron Taiwan Group on a fair and equitable basis, these continuing connected transactions are considered as fully exempt continuing connected transactions under Rule 14A.98 of the Listing Rules.

2. Consultancy services provided by Unimicron Taiwan

Description of transaction

Unimicron Taiwan maintains a scalable team of technical engineers and retains experts with strong industrial experiences. While we have our own technical team and can operate independently from the Remaining Unimicron Taiwan Group, we may, where desirable, seek guidance and advice from the relevant experts in Unimicron Taiwan.

The annual fee for these consultancy services provided by Unimicron Taiwan will be on a cost basis with reference to the approximate time and manpower spent. It is currently expected that such annual fee will be less than HKD3,000,000.

Listing Rules implications

As the highest of the relevant aggregated percentage ratios in respect of the above consultancy services transactions will, on an annual basis, be less than HKD3,000,000, it will, pursuant to Rule 14A.76(1) of the Listing Rules, constitute de minimis continuing connected transactions exempt from the reporting, announcement, annual review and independent shareholders' approval requirements in Chapter 14A of the Listing Rules.