HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

On 23 June 1999, the predecessor of our Company, Panyu Audiowell Electronics Co., Ltd (番禺奧迪威電子有限公司) was established in Guangzhou, Guangdong Province.

On 29 October 2014, our Company was converted into a joint stock limited company and was renamed as Audiowell Electronics (Guangdong) Co., Ltd. (廣東奧迪威傳感科技股份有限公司). On 18 May 2015, our shares became quoted on the NEEQ. On 14 June 2022, we withdrew our quotation from the NEEQ and became listed on the Beijing Stock Exchange (stock code: 920491 (832491 before 9 October 2025)).

Today, we have developed into an international provider of sensing and actuation solutions, tailored to a wide range of scenarios where AI interconnects with the physical world, including smart homes, smart automobiles, smart device, smart manufacturing and others.

OUR BUSINESS MILESTONES

The following sets forth our major business development milestones:

Year	Milestones
Early Establishment	
1999	Established Panyu Audiowell in Panyu, Guangzhou, the predecessor of our Company, manufacturing alarm sounder, a type of actuator mainly used for security
2003	Developed a new product line for advanced atomisation transducer
Product Upgrade	
2004	Certified as a High and New Technology Enterprise (高新技術企業) in Guangzhou
2006	Commenced to produce sensors and to provide smart home solutions and automobile solutions
2008	Certified as a High and New Technology Enterprise (高新技術企業) by the Department of Science and Technology of Guangdong Province (廣東省科學技術廳)
Production Expansion	
2010	Established a new sensor and actuator manufacturing centre in Guangzhou
	Awarded the Silver Prize (Innovation & Technology Product Award) by the Hong Kong Electronic Industries Association (HKEIA)
2013	Commenced to provide smart manufacturing solutions
	Established Zhaoqing Audiowell, a principal subsidiary
	Elected as a council member of the Sensor Branch of the China Electronic Components Association (中國電子元件行業協會傳感器分會)

Year	**Milestones**
2014	Converted into a joint stock limited liability company
	Awarded as one of the Top 100 Chinese Electronic Components Enterprises (中國電子元件百強企業) by China Electronic Components Association (中國電子元件行業協會)
2015	Rated as an AAA credit enterprise by China Electronic Components Association (中國電子元件行業協會)
	Quoted on the NEEQ (stock code: 920491 (832491 before 9 October 2025))
	Our R&D centre was recognised as an engineering and technology research centre at the provincial level by the Department of Science and Technology of Guangdong Province (廣東省工業和信息化廳)
2016	Our trademark " " was recognised as a Famous Trademark of Guangdong Province by Guangdong Provincial Famous Trademark Evaluation Committee (廣東省著名商標評審委員會)
2017	Commenced to provide smart device solutions
Technology Upgrade	
2018	Commenced operation of a new sensor production plant in Zhaoqing for capacity expansion
2019	Awarded as a National Intellectual Property Leading Enterprise (國家知識產權優勢企業) by China National Intellectual Property Administration (國家知識產權局)
	Awarded as Guangdong Provincial Enterprise Technology Centre (廣東省省級企業技術中心) by the Department of Science and Technology of Guangdong Province (廣東省工業和信息化廳)
2022	Listed on the Beijing Stock Exchange (stock code: 920491 (832491 before 9 October 2025))
Global Market Development	
2023	Established ADW Electronics Sdn. Bhd., a principal subsidiary in Malaysia
	Awarded as Specialised, Refined, Unique and New ("Little Giant") Enterprise (專精特新"小巨人"企業) by the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)
	Selected for the 2023 Guangdong Top 500 Manufacturers List by Guangdong Manufacturers Association (廣東省製造業協會)

Year	Milestones
2024	Prepared for the construction of a new headquarters base and R&D centre in Guangzhou and established overseas sales and service centre
	Awarded the Outstanding Achievement Award for 15 Consecutive Years as a National High-Tech Enterprise (持續15年高新技術企業卓越成就獎) by Guangdong Hi-tech Enterprise Association (廣州市高新技術企業協會)
	Awarded the 2023 Guangdong Provincial Science and Technology Achievement Promotion Award (2023年度廣東省科技成果推廣獎) by the People's Government of Guangdong Province (廣東省人民政府)
2025	Selected for the 2024 Guangzhou Artificial Intelligence Innovation and Development List (2024廣州人工智能創新發展榜單) by Guangzhou Municipal Science and Technology Bureau (廣州市科學技術局)

OUR PRINCIPAL SUBSIDIARIES

The table below sets out the place and date of incorporation and principal business activities of our principal subsidiaries:

Name of Subsidiaries	Place of Incorporation	Date of Incorporation	Principal Business Activities
Audiowell Electronics (HK)	Hong Kong	29 January 2010	Trading
Zhaoqing Audiowell	Zhaoqing, Guangdong Province, PRC	25 October 2013	Research and development, production, and sales
Guangzhou Audiowell	Guangzhou, Guangdong Province, PRC	6 January 2016	R&D, production and sales
Suzhou Aomi	Suzhou, Jiangsu Province, PRC	31 May 2021	Technology development, promotion, and sales
Jiangxi Audiowell	Jingdezhen, Jiangxi Province, PRC	12 September 2022	R&D, production, and sales
ADW Electronics Sdn. Bhd.	Klang, Selangor, Malaysia	7 June 2023	R&D, production, and sales

As of the Latest Practicable Date, our company owns the entire equity interest in the principal subsidiaries above.

OUR CORPORATE DEVELOPMENT AND MAJOR SHAREHOLDING CHANGES

Early Development

On 23 June 1999, the predecessor of our Company, Panyu Audiowell, was established by Ms. Yang Lin, Mr. Ge Weili and Mr. Guo Yulong, in Guangzhou, Guangdong Province as a limited liability company with an initial registered capital of RMB820,000. At that time, the equity interest in Panyu Audiowell was held as to 46.95% by Ms. Yang Lin, 26.83% by Mr. Ge Weili and 26.22% by Mr. Guo Yulong.

On 28 March 2002, Ms. Yang Li and Mr. Guo Yulong entered into an equity transfer agreement with, among others, Mr. Zhang and Ms. Huang. Upon completion of the equity transfer agreement on 31 May 2002, Mr. Zhang and Ms. Huang acquired 18.18% and 13.64% equity interest in Panyu Audiowell, respectively. Mr. Zhang and Ms. Huang are couples and are deemed to be interested in each other's interest in the Panyu Audiowell. As a result, they together became the Single Largest Group of Shareholders, holding a total of 31.82% equity interest in Panyu Audiowell.

Between 2002 and 2014, Panyu Audiowell went through several rounds of capital increase and its then shareholders went through a series of equity transfers. Upon completion of such capital increase, the registered capital was increased to RMB37,800,000.

Conversion into a Joint Stock Limited Liability Company

Pursuant to the shareholders' meeting resolutions dated 14 October 2014, Panyu Audiowell was converted into a joint stock limited liability company and was renamed as Audiowell Electronics (Guangdong) Co., Ltd. (廣東奧迪威傳感科技股份有限公司). Pursuant to the promoters' agreement dated 14 October 2014, the then shareholders approved the conversion whereby the registered capital of the joint stock limited company was determined by converting the audited net assets of Panyu Audiowell as of 30 April 2014, being RMB152,534,626.23, into 37,800,000 shares with a nominal value of RMB1.00 each at a ratio of 1:0.2478.

Upon completion of the conversion on 29 October 2014, the registered capital of our Company was RMB37,800,000, divided into 37,800,000 Shares with a nominal value of RMB1.00 each. Immediately upon its conversion into a joint stock limited company, our Company was held by the following shareholders who served as promoters for the purposes of the conversion. Details of the promoters and their approximate shareholding in our Company immediately after the completion of the conversion are as follows:

Shareholders	**Number of shares**	**Approximate percentage of Shareholding** *(%)*
Mr. Zhang(1)	8,447,976	22.35
Mr. Jiang Dexing	4,714,668	12.47
Tianjin Dachen Chuangshi Equity Investment Fund Partnership Enterprise (Limited Partnership)* ("**Dachen Chuangshi**")(2)	2,913,264	7.71
Mr. Sun Liugeng	2,731,315	7.23
Tianjin Dachen Shengshi Venture Equity Investment Fund Partnership Enterprise (Limited Partnership)* ("**Dachen Chuangshi**")(2)	2,532,096	6.70
Guangzhou Hongtu Kexin Venture Capital Co., Ltd. ("**Guangzhou Hongtu**")(3)	2,494,800	6.60

Shareholders	**Number of shares**	**Approximate percentage of Shareholding** *(%)*
Ms. Zhou Jingqiong	2,464,673	6.52
Guangzhou Zhishang Yixin Stock Investment Enterprise (limited Partnership)*	2,268,000	6.00
Guangzhou Chengjinghui Investment Consulting Co., Ltd.*	1,800,000	4.76
Mr. Lin Yimin	1,500,012	3.97
Guangdong Hongtu Venture Capital Co., Ltd.* ("**Guangdong Hongtu**")(3)	1,285,200	3.40
Ms. Shao Hongxia	1,034,604	2.74
Ms. Huang(1)	970,668	2.57
Mr. Liao Zhibin	890,388	2.36
Shenzhen Capital Group Co., Ltd.* ("**Shenzhen Capital**")(3)	756,000	2.00
Ms. Wu Xinju	526,320	1.39
Mr. Guo Zhousheng	280,008	0.74
Mr. Qin Xiaoyong	190,008	0.50
Total	37,800,000	100

Notes:

(1) Mr. Zhang and Ms. Huang are spouses and therefore were deemed to be interested in an aggregate of 24.92% equity interest in our Company.

(2) Dachen Chuangshi and Dachen Shengshi were limited partnership enterprises and are primarily engaged in investment and asset management.

(3) Guangzhou Hongtu and Guangdong Hongtu were limited liability companies primarily engaged in investment and asset management. Shenzhen Capital was their largest shareholder at that time.

Quotation on the NEEQ and Private Placements

On 18 May 2015, the shares of our Company commenced quoted on the NEEQ. The quotation of our Shares on the NEEQ was for the purpose of gaining more visibility to potential investors.

On 26 June 2015, as approved by the shareholders' meeting on 4 June 2015, the registered capital of our Company was increased from RMB37,800,000 to RMB94,500,000 by capitalising the capital reserve. The capitalisation was implemented by issuing 15 bonus shares for every 10 shares held by the then shareholders at the price of RMB1.00 per share. An aggregate of 56,700,000 shares was issued in total.

On 9 September 2015, as approved by the shareholders' meeting on 3 July 2015, the registered capital of our Company was increased from RMB94,500,000 to RMB100,500,000 by private placements of 6,000,000 shares at a price of RMB7.50 per share.

On 13 April 2016, as approved by the shareholders' meeting on December 30, 2015, the registered capital of our Company was increased from RMB100,500,000 to RMB108,500,000 by private placements of 8,000,000 shares at a price of RMB14.00 per share.

On 7 September 2016, as approved by the shareholders' meeting on 21 June 2016, the registered capital of our Company was increased from RMB108,500,000 to RMB109,160,000 by private placements of 660,000 shares at the price of RMB10.50 per share, of which 620,000 shares were allotted to a group of our employees in recognition for their contribution to our Company.

On 22 January 2020, as approved by the shareholders' meeting on 26 December 2018, the registered capital of our Company was increased from RMB109,160,000 to RMB109,855,000 by private placements of 695,000 shares at the price of RMB4.65 per share, to the then shareholders and a group of our employees.

Having taken into account our operation plans, long-term development plans, and financial needs in the long-run, on 14 June 2022, we withdrew our quotation from the NEEQ and became listed on the Beijing Stock Exchange.

Our Directors confirm that (i) during the period when our Shares were quoted on the NEEQ, our Company had been in compliance with all applicable PRC securities laws and regulations, including the rules of the NEEQ in all material respects, and had not been subject to any material administrative penalty by the NEEQ, the CSRC or other competent securities regulatory authorities; (ii) our withdrawal from the NEEQ was carried out in accordance with the required procedures; and (iii) there was no other matter in relation to our quotation on the NEEQ in any material respect that should be brought to the attention of the Stock Exchange or potential investors of our Company.

Our PRC Legal Advisor is of the view that, from the PRC legal perspective, our Company (including our subsidiaries) or our Directors (for the performance of their duties as our Directors) had complied with all quotation rules and regulations applicable to the Company's NEEQ quotation in all material respects, and had not been subject to any material administrative penalty by the NEEQ, the CSRC or other competent securities regulatory authorities during the period of our quotation on the NEEQ.

Listing on the Beijing Stock Exchange

In order to have a better platform for access to the PRC capital markets, on 14 June 2022, the shares of our Company commenced listing on the Beijing Stock Exchange. We issued an aggregate of 31,304,348 A shares during the listing process, accounting for approximately 22.18% of our Company's total issued shares (being 141,159,348 shares) immediately following the A Share listing.

The shareholding structure of our Company immediately after the listing on the Beijing Stock Exchange is set out as follows:

Shareholder	Number of A Shares	Approximate percentage of shareholding
Mr. Zhang	21,578,940	15.29%
Ms. Huang	2,426,770	1.72%
Other holders of A Shares	117,153,638	82.99%
Total	**141,159,348**	**100%**

As of the Latest Practicable Date, we had no material non-compliance with the rules of the Beijing Stock Exchange or other applicable securities laws and regulations of PRC in any material respect. Furthermore, to the best knowledge of our Directors after making all necessary reasonable inquiries, there were no material non-compliance record regarding the Beijing Stock Exchange that should be brought to the attention of the Stock Exchange and the investor. The PRC Legal Advisor is of the view that, since the A-Share Listing and up to the Latest Practicable Date, our Company (including our subsidiaries) and our Directors (for the performance of their duties as our Directors) have complied with all listing rules and regulations applicable to the Company's A-share listing in all material respects, and there had been no instances of material administrative penalty of the Company with the applicable rules of the Beijing Stock Exchange and other applicable PRC securities laws and regulations. Based on the independent due diligence conducted by the Sole

Sponsor and the PRC Legal Advisor's view above, no material matter has come to the Sole Sponsor's attention that would cause them to disagree with the Directors' confirmation with regard to the compliance records of the Company on the Beijing Stock Exchange.

Reasons for the [REDACTED] on the Stock Exchange

Our Company seeks to be [REDACTED] on the Stock Exchange in order to accelerate the expansion of our global market, facilitate access to international financing and utilise the capital raised from the [REDACTED] to support our Company's long-term and steady development in both domestic and international markets.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

During the Track Record Period and as of the Latest Practicable Date, we have not made any major acquisitions, disposals or mergers that we consider to be material to us.

OUR PRINCIPAL SUBSIDIARIES

Audiowell Electronics (HK)

Audiowell Electronics (HK) was incorporated in Hong Kong with limited liability on 29 January 2010. On the date of incorporation, 10,000 shares of HK$1.00 each were issued and allotted to our Company. On 8 June 2015, Audiowell Electronics (HK) issued and allotted 90,000 shares to our Company for a consideration of HK$90,000. Following the allotment, the Company is the sole shareholder of Audiowell Electronics (HK), holding 100,000 shares. Audiowell Electronics (HK) is principally engaged in trading.

Zhaoqing Audiowell

On 25 October 2013, Zhaoqing Audiowell was established by our Company (as the sole) in Zhaoqing, Guang Dong Province as a limited liability company with an initial registered capital of RMB5,000,000. On 27 May 2015, the registered capital of Zhaoqing Audiowell was increased to RMB41,000,000 by cash injection of additional capital of RMB36,000,000 from our Company. On 31 May 2019, the registered capital of Zhaoqing Audiowell was increased to RMB100,000,000 by cash injection of additional capital of RMB59,000,000 from our Company. On 9 August 2022, the registered capital of Zhaoqing Audiowell was increased to RMB200,000,000 by cash injection of additional capital of RMB100,000,000 from our Company.

Zhaoqing Audiowell is primarily engaged in R&D, production, and sales. It is one of the principal production plants of our Company.

Guangzhou Audiowell

On 6 January 2016, the predecessor of Guangzhou Audiowell, Guangzhou Audiowell Sensing Application Technology Co., Ltd.* (廣州奧迪威傳感應用科技有限公司) was established with a registered capital of RMB3,000,000 and was held as of 60% by our Company. On 16 May 2024, it is renamed as Guangzhou Audiowell Robotics Co., Ltd. (廣州奧迪威機器人有限公司). After a series of equity interest transfers and capital increase, Guangzhou Audiowell became a wholly-owned subsidiary of our Company with the registered capital of RMB6,000,000 on 3 November 2023.

Guangzhou Audiowell is primarily engaged in R&D, production and sales of robots and production automation equipment.

Suzhou Aomi

On 31 May 2021, Suzhou Aomi was established by our Company (as the sole shareholder) in Suzhou, Jiangsu Province, PRC, as a limited liability company with an initial registered capital of RMB1,000,000. On 1 September 2022, the registered capital of Suzhou Aomi was increased to RMB3,000,000 by injection of an additional capital of RMB2,000,000 from our Company.

Suzhou Aomi is primarily engaged in technology development, promotion, and sales and serves as one of our sales and service centres.

Jiangxi Audiowell

On 12 September 2022, Jiangxi Audiowell was established by our Company (as the sole shareholder) in Jingdezhen, Jiangxi Province, PRC, as a limited liability company with an initial registered capital of RMB30,000,000. On 2 December 2024, the registered capital of Jiangxi Audiowell was increased to RMB50,000,000 by injection of an additional capital of RMB20,000,000 from our Company.

Jiangxi Audiowell is primarily engaged in R&D, production and sales of materials and electronic components.

ADW Electronics Sdn. Bhd.

On 7 June 2023, ADW Electronics Sdn. Bhd. was incorporated in Malaysia as a limited company. The first allotment of issued and paid-up share capital upon the incorporation of the Company was RM2,000 comprising 2,000 ordinary shares of RM1.00 each fully paid up by cash and held by its first director. Such 2,000 ordinary shares were transferred to Audiowell Investment (HK) on 28th June 2023. As of the Latest Practicable Date, its total issued and paid-up share capital was RM2,500,000 comprising 2,500,000 ordinary shares of RM1.00 each fully paid up by cash.

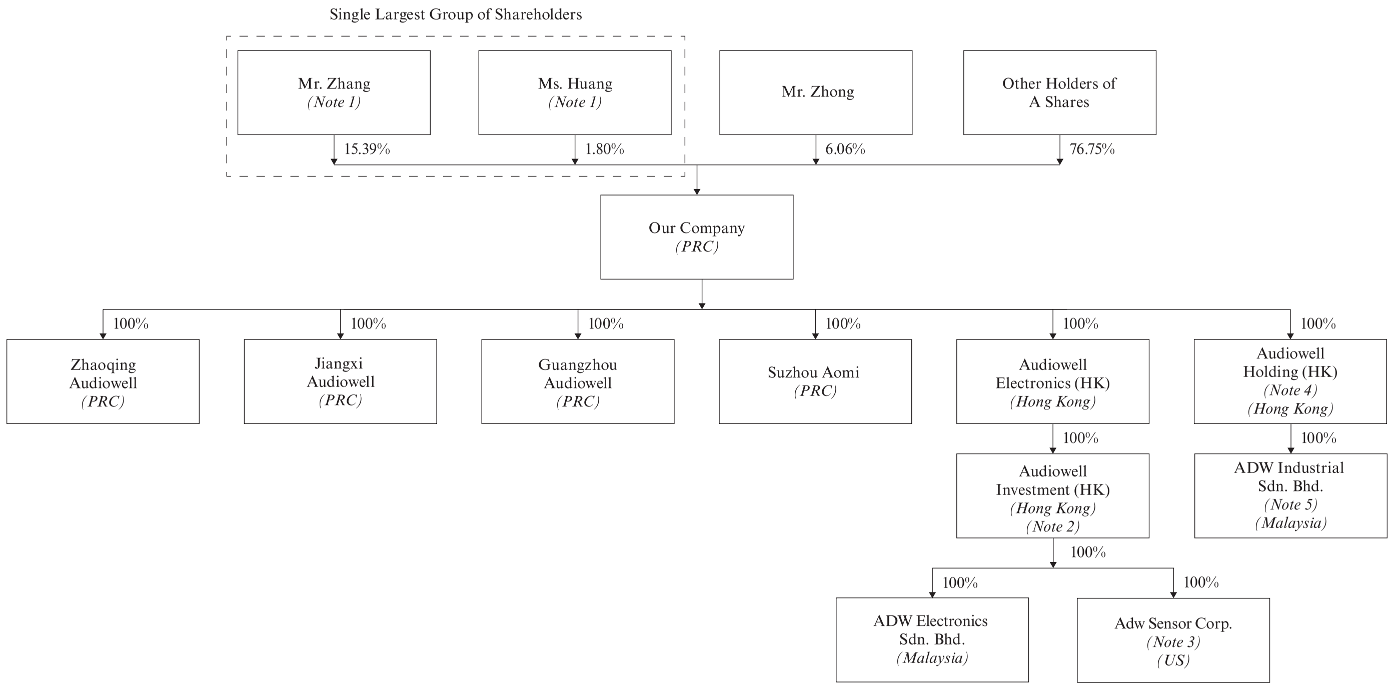
ADW Electronics Sdn. Bhd. is primarily engaged in R&D, production and sales.

OUR SHARE INCENTIVE PLAN

In recognition of our employees' contributions and to motivate them to continue to support our development, we approved and adopted the Share Incentive Plan on 4 May 2023. As of the Latest Practicable Date, save for the A shares held by our Directors and senior management members, there was not any A Share issued under the Share Incentive Plan which remained subject to lock-up arrangements. For further details of our Share Incentive Plan, see "Appendix V — Statutory and General Information — Share Incentive Plan."

OUR CORPORATE STRUCTURE IMMEDIATELY PRIOR TO THE [REDACTED]

The following chart sets forth the shareholding and corporate structure of our Group immediately before the completion of the [REDACTED]:

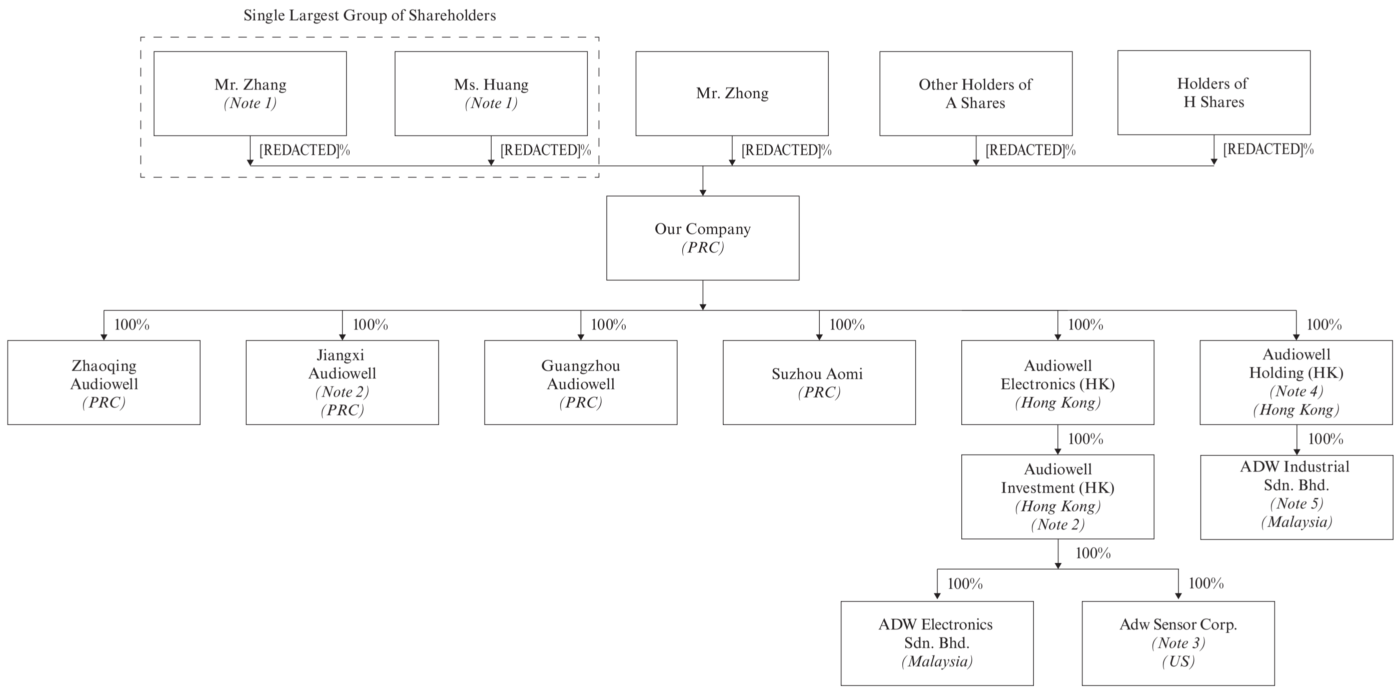


Notes:

1. Mr. Zhang and Ms. Huang are spouses and therefore were deemed to be interested in each other's interest in the share capital of our Company. They constitute our Single Largest Group of Shareholders.
2. Audiowell Investment (HK) is a limited liability company established under the laws of the Hong Kong on 19 June 2023. It is principally engaged in investment.
3. Adw Sensor Corp. is a limited liability company established under the laws of the U.S. on 18 September 2023. It is principally engaged in marketing promotion and after-sales maintenance.
4. Audiowell Holding (HK) is a limited liability company established under the laws of the Hong Kong on 9 December 2025. It is principally engaged in technical service sales and marketing.
5. ADW Industrial Sdn. Bhd. is a limited liability company established in Malaysia on 17 December 2025. On the date of incorporation, 1 ordinary share and 199,9999 ordinary shares of RM1.00 were issued and allotted to Foo Wei Quen, the director of ADW Industrial Sdn. Bhd., and Audiowell Holding (HK). On 20 March 2026, Foo Wei Quen transferred the 1 share to Audiowell Holding (HK). Upon completion of the transfer, ADW Industrial Sdn. Bhd. was wholly-owned by Audiowell Holding (HK). ADW Industrial Sdn. Bhd. is primarily engaged in R&D, production, and sales.
6. There is no group of shareholders holding more interests in the Company than the Single Largest Group of Shareholders since 1 January 2024.

OUR CORPORATE STRUCTURE IMMEDIATELY AFTER THE [REDACTED]

The following chart sets forth the shareholding and corporate structure of our Group immediately upon completion of the [REDACTED], assuming that (i) the [REDACTED] is not exercised; and (ii) no further changes are made to the total issued share capital of our Company since the Latest Practicable Date and up to the [REDACTED]:



Note: See "— Our Corporate Structure Immediately Prior to the [REDACTED]" in this section for Notes (1) to (6).

SATISFACTION OF THE PUBLIC FLOAT REQUIREMENT

Rule 19A.13A(2) of the Listing Rules provides that, where a new applicant is a PRC issuer with other listed shares at the time of [REDACTED], this will normally mean that the portion of H shares for which [REDACTED] is sought that are held by the public, at the time of [REDACTED], must (a) represent at least 10% of the issuer's total number of issued shares in the class to which H shares belong (excluding treasury shares); or (b) have an expected market value of not less than HK$3,000,000,000.

Our A Shares are listed on the Beijing Stock Exchange. So far as our Directors are aware, all [REDACTED] H Shares to be [REDACTED] pursuant to the [REDACTED], representing approximately [REDACTED]% of our total issued share capital immediately upon [REDACTED] (assuming the [REDACTED] is not exercised), are expected to be held by the public, which is higher than the prescribed percentage of H Shares required to be held in public hands of 10% under Rule 19A.13A(2)(a) of the Listing Rules, thereby satisfying Rule 19A.13A(2) of the Listing Rules at the time of the [REDACTED].

SATISFACTION OF THE FREE FLOAT REQUIREMENT

Rule 19A.13C(2) of the Listing Rules provides that, where a new applicant is a PRC issuer with other listed shares at the time of [REDACTED], this will normally mean that the portion of H shares for which [REDACTED] is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of [REDACTED], must: (a) represent at least 5% of the total number of issued shares in the class to which H shares belong at the time of [REDACTED] (excluding treasury shares), with an expected market value at the time of [REDACTED] of not less than [REDACTED]; or (b) have an expected market value at the time of [REDACTED] of not less than [REDACTED].

It is expected that immediately following completion of the [REDACTED], a [REDACTED] of approximately [REDACTED] of the H Shares [REDACTED] on the Stock Exchange will be held by the public and will not be subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), which represent at least 5% of the total number of issued shares in the class to which H shares belong at the time of [REDACTED] (excluding treasury shares), with an expected market value at the time of [REDACTED] of not less than [REDACTED], at the time of [REDACTED] (assuming an [REDACTED] of HK$[REDACTED] per [REDACTED], being the low-end of the indicative [REDACTED]). Therefore, our Company will be able to satisfy the free float requirement under Rule 19A.13C of the Listing Rules.