CONTINUING CONNECTED TRANSACTIONS

Upon [REDACTED], certain transactions between our Company and our connected persons will constitute continuing connected transactions under Chapter 14A of the Listing Rules.

OUR CONNECTED PERSONS

The following entities with whom we have entered into transactions will be regarded as our connected persons under the Listing Rules:

Names of our connected persons	Connected Relationship
Ningbo Guangbo Property Services Co., Ltd. (寧波廣博物業服務有限公司) ("**Guangbo Property**")	As of the Latest Practicable Date, Guangbo Property was a wholly-owned subsidiary of Ningbo Guangbo Construction Development Co., Ltd. (寧波廣博建設開發有限公司), which was in turn directly owned as to 60.50% by Ms. Zhong Yanqiong (鐘燕瓊) ("**Ms. Zhong**"). Ms. Zhong is the spouse of Mr. Wang. Accordingly, Guangbo Property is a 30%-controlled company of an immediate family member of Mr. Wang, and therefore constitutes an associate of Mr. Wang and a connected person of our Company under the Listing Rules.
Ningbo Guangke New Material Co., Ltd. (寧波廣科新材料有限公司) ("**Ningbo Guangke**")	As of the Latest Practicable Date, Ningbo Guangke was indirectly owned as to approximately 30.62% in aggregate by Mr. Wang and Ms. Zhong. Accordingly, Ningbo Guangke is a 30%-controlled company of Mr. Wang and/or his immediate family member, and therefore constitutes an associate of Mr. Wang and a connected person of our Company under the Listing Rules.

SUMMARY OF OUR CONTINUING CONNECTED TRANSACTIONS

Transaction	Counterparty	Applicable Listing Rules	Category of Continuing Connected Transaction
Utilities procurement framework agreement	Guangbo Property	14A.34, 14A.76(1) and 14A.97	Fully-Exempt
Metal powder sales framework agreement	Ningbo Guangke	14A.34 and 14A.76(1)	Fully-Exempt
Property leasing agreements	Guangbo Property	14A.34 to 14A.36, 14A.49, 14A.51 to 14A.59, 14A.71, 14A.76(2)(a) and 14A.105	Partially Exempt

FULLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Utilities Procurement Framework Agreement

Our Group expects to enter into a utilities procurement framework agreement with Guangbo Property on or before the [REDACTED] (the "**Utilities Procurement Framework Agreement**"), pursuant to which Guangbo Property agrees that it and its associates will provide utilities services, primarily the supply of electricity based on actual usage, to our Group. The Utilities Procurement Framework Agreement will commence upon [REDACTED] and terminate on December 31, 2028, unless renewed otherwise. The transactions under the Utilities Procurement Framework Agreement will be conducted on normal commercial terms and are in the interests of our Group and our Shareholders as a whole.

The procurement of utilities from Guangbo Property involves goods and services ordinarily supplied for private use. As the prices are published and apply equally to other independent consumers, the transactions constitute the buying of consumer goods or services fully exempt from the reporting, announcement, circular and independent shareholders' approval requirements under Rule 14A.97 of the Listing Rules. Furthermore, since all the applicable percentage ratios (other than the profits ratio) under the Listing Rules in respect of the transaction amount payable under the Utilities Procurement Framework Agreement are expected to be less than 0.1%, the transactions contemplated thereunder constitute *de minimis* transactions which will be exempted from the annual reporting, announcement, circular and independent shareholder's approval requirements under Rule 14A.76(1) of the Listing Rules.

Metal Powder Sales Agreements

During the Track Record Period, our Group and Ningbo Guangke entered into various product purchase and sale contracts (the "**Metal Powder Sales Agreements**"), pursuant to which our Group supplied metal powder products such as silicon and alloy powders to Ningbo Guangke.

Our Group expects to enter into a metal powder sales framework agreement with Ningbo Guangke on or before the [REDACTED] (the "**Metal Powder Sales Framework Agreement**"). Pursuant to the Metal Powder Sales Framework Agreement, our Group agrees to continue to supply metal powder products to Ningbo Guangke. The Metal Powder Sales Framework Agreement will commence upon [REDACTED] and terminate on December 31, 2028, unless renewed otherwise.

Since all the applicable percentage ratios (other than the profits ratio) under the Listing Rules in respect of the aggregated transaction amount are expected to be less than 0.1%, the transactions in the Metal Powder Sales Framework Agreement constitute *de minimis* transactions which will be exempted from the annual reporting, announcement, circular and independent shareholder's approval requirements under Rule 14A.76(1) of the Listing Rules.

PARTIALLY-EXEMPT CONTINUING CONNECTED TRANSACTIONS

Property Leasing Agreements with Guangbo Property

Principal terms: On December 18, 2025, our wholly-owned subsidiaries, Guangxin Nano and Guangqian Electronic, entered into various property leasing agreements (the "**Property Leasing Agreements**") with Guangbo Property, pursuant to which Guangbo Property agrees to lease certain premises to our Group for our daily operations and employee accommodation needs. Details of each of the Property Leasing Agreements are as follows:

1. Guangxin Nano factory lease: Guangxin Nano leases a portion of Building No. 1 at the Guangbo Industrial Park from January 1, 2026 to December 31, 2026 at a monthly rental fee of RMB73,296.30.

2. Guangxin Nano dormitory lease: Guangxin Nano leases the 4th and 5th floors of the Guangbo Hexie Jiayuan Staff Dormitory from January 1, 2026 to December 31, 2026. The rental fee is RMB34.00 per square meter per month.

3. Guangqian Electronic factory lease (Building No. 5): Guangqian Electronic leases a portion of Building No. 5 at the Guangbo Industrial Park from January 1, 2026 to December 31, 2026 at a monthly rental fee of RMB287,812.00.

4. Guangqian Electronic factory lease (Building No. 4): Guangqian Electronic leases a portion of Building No. 4 at the Guangbo Industrial Park from January 1, 2026 to December 31, 2026 at a monthly rental fee of RMB110,124.00.

5. Guangqian Electronic factory lease (Building No. 2): Guangqian Electronic leases a portion of Building No. 2 at the Guangbo Industrial Park from March 1, 2026 to December 31, 2026 at a monthly rental fee of RMB159,600.00.

Reasons for the transaction: Our Group has historically leased the relevant factory premises and staff dormitories from Guangbo Property, and these premises were considered by us to be suitable for rental to support our daily operations. Given our established, long-term cooperation with Guangbo Property and the fact that our production lines, research facilities, and personnel are already situated at these locations, our Directors are of the view that the Property Leasing Agreements will ensure operational continuity and avoid unnecessary relocation costs and material disruptions to our business.

Historical Amounts: the historical figures of the rents paid to Guangbo Property are set out below:

	Year ended December 31, 2023	Year ended December 31, 2024	Year ended December 31, 2025
	(RMB)	*(RMB)*	*(RMB)*
Total rental payment	2.77 million	3.17 million	3.29 million

Pricing Terms: The rental fees payable by our Group to Guangbo Property (collectively, the "**Rental Payment**") are determined after arm's length negotiations between the parties with reference to the prevailing market rental rates for properties of comparable size and quality situated in the same locality available or charged by Independent Third Parties.

Proposed Annual Cap and its Basis: The proposed maximum total Rental Payment under the Property Leasing Agreements for the year ending December 31, 2026 shall not exceed RMB8.0 million. In determining the above annual cap, our Directors have considered the following factors: (i) the historical rental amounts paid to Guangbo Property during the Track Record Period; (ii) the existing lease agreements in place; (iii) the anticipated stable demand for production facilities and dormitories required for our daily operations going forward; and (iv) the additional lease as stated under 5 above.

Listing Rules Implications: Since the applicable percentage ratios (other than the profits ratio) under the Listing Rules in respect of the transaction amounts payable under the Property Leasing Agreement are expected to be more than 0.1% but less than 5%, the transactions constitute partially-exempt continuing connected transactions which are subject to the reporting, annual review, and announcement requirements, but are exempt from the circular and shareholders' approval requirements under Rule 14A.76(2) of the Listing Rules.

WAIVER APPLICATION FOR THE PARTIALLY-EXEMPT CONTINUING CONNECTED TRANSACTION

In respect of the property leasing transaction under the Property Leasing Agreements as disclosed in the subsection headed "— Partially exempt continuing connected transaction", since the highest applicable percentage ratio calculated for the purposes of Chapter 14A of the Listing Rules for the year ending December 31, 2026 is expected to exceed 0.1% but less than 5% on an annual basis, the transaction contemplated thereunder is subject to the annual reporting requirement under Rules 14A.49 and 14A.71 of the Listing Rules and the announcement requirement under Rule 14A.35 of the Listing Rules.

As the property leasing transaction under the Property Leasing Agreements is expected to continue on a recurring and continuing basis and has been fully disclosed in this document, our Directors consider that it would be impractical for us to strictly comply with the announcement requirement for such partially exempt continuing connected transaction upon [REDACTED], and such requirements would lead to unnecessary administrative costs and would be unduly burdensome to us.

Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange [has granted], a waiver exempting us from strict compliance with the announcement requirement under Chapter 14A of the Hong Kong Listing Rules in respect of the continuing connected transaction as disclosed in "— Partially exempt continuing connected transaction" in this section, subject to the condition that the aggregate amount of the Rental Payment to be paid to Guangbo Property for the year ending December 31, 2026 shall not exceed the relevant amount set forth in the annual cap as stated above. Upon the [REDACTED], apart from the announcement requirement waived by the Stock Exchange, the Company will comply with the other relevant requirements under Chapter 14A of the Listing Rules.

In the event of any future amendments to the Listing Rules imposing more stringent requirements than those applicable as of the Latest Practicable Date on the continuing connected transaction referred to in this document, we will take immediate steps to ensure compliance with such new requirements within reasonable time.

We will comply with then applicable approval and disclosure requirements under relevant laws and regulations and listing rules (including the Listing Rules) for future renewal of the Property Leasing Agreements before its expiry, if and when needed.

DIRECTORS' AND THE SOLE SPONSOR'S CONFIRMATION

Our Directors (including our independent non-executive Directors) are of the view that (i) all the continuing connected transactions described above have been and will be entered into in the ordinary and usual course of our business, on normal commercial terms or better, (ii) their terms are fair and reasonable and in the interests of our Company and our Shareholders as a whole, and (iii) the proposed annual caps for the continuing connected transactions described in "— Proposed Annual Cap and its Basis" above in this section are fair and reasonable and in the interests of our Group and Shareholders as a whole.

In respect of the partially exempt continuing connected transaction (being the Property Leasing Agreements), taking into account the information provided by our Company and Directors, the Sole Sponsor is of the view that, the aforementioned continuing connected transaction has been entered in the ordinary and usual course of business of our Group and on normal commercial terms or better; (ii) the terms of the aforementioned continuing connected transaction are fair and reasonable and in the interests of our Group and Shareholders as a whole; and (iii) the proposed annual cap for the aforementioned continuing connected transaction is fair and reasonable and in the interests of our Group and Shareholders as a whole.

INTERNAL CONTROL MEASURES

We will adopt the following internal control and corporate governance measures to closely monitor connected transactions and ensure future compliance with the Listing Rules:

(1) we will adopt and implement a management system on connected transactions and our Board and various internal departments of our Company will be responsible for the control and daily management in respect of the continuing connected transactions;

(2) our Board and various internal departments of our Company will be jointly responsible for evaluating the terms of the connected transactions, in particular, the fairness of the pricing policies and annual caps (if applicable) under each transaction;

(3) our Board and the finance department of our Group will regularly monitor the connected transactions and our management will regularly review the pricing policies to ensure connected transactions to be performed in accordance with the relevant agreements;

(4) we shall engage our auditors to, and our independent non-executive Directors will, conduct annual review on the connected transactions to ensure that the transactions contemplated thereunder have been conducted pursuant to the requirements of the Listing Rules and have fulfilled the relevant disclosure requirements; and

(5) we will comply with the relevant requirements under Chapter 14A of the Listing Rules for the continuing connected transactions, and comply with the conditions prescribed under the waiver submitted to the Stock Exchange in connection with the continuing connected transactions in this regard.