A. FURTHER INFORMATION ABOUT OUR GROUP

1. Incorporation

Our Company was established as a limited liability company in the PRC on July 29, 2003, and further converted into a joint stock company with limited liability on September 9, 2010. Our Company completed the listing of our A Shares on the Shenzhen Stock Exchange (stock code: 002851.SZ) on March 6, 2017.

Our registered office is located at Units A, B, C501-C503, D & E, 5/F, Tsinghua Unisplendour Science Park, No. 13 Langshan Road, North Zone, High-tech Industrial Park, Nanshan District, Shenzhen, China. Our Company's corporate structure and Articles of Association are governed by PRC laws and regulations.

Our principal place of business in Hong Kong is at Room 1901, 19/F Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong. Our Company [was registered] with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on [•], 2026. Ms. Leung Chi Ching has been appointed as the authorized representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong. The address for the service of process is the same as our principal place of business in Hong Kong.

2. Changes in Share Capital of Our Company

Save as disclosed in the section headed "History, Development and Corporate Structure – Corporate Development and Major Shareholding Changes" and the below, there has been no other alteration in the share capital of our Company during the two years immediately preceding the date of this Document:

(i) as approved by the fifteenth meeting of the fifth session of the Board, 852,300 A Shares repurchased by our Company were cancelled on December 26, 2024. The total issued share capital of our Company was then decreased to RMB545,617,947 comprising 545,617,947 A Shares;

(ii) as approved by the tenth meeting of the fifth session of our Board, we issued cumulatively 5,531,874 A Shares for the exercise of stock options under the 2022 Stock Option Incentive Plan. As of December 31, 2024, the issued share capital of the Company increased to RMB545,625,047 comprising 545,625,047 A Shares;

(iii) as approved by the eighteenth meeting of the fifth session of our Board, we issued a total of 2,068,107 A Shares for the exercise of stock options under the 2022 Stock Option Incentive Plan. As of June 30, 2025, the issued share capital of the Company increased to RMB547,693,154 comprising 547,693,154 A Shares; and

(iv) as approved by the twentieth meeting of the fifth session of the Board, a total of 35,000 A Shares repurchased by our Company for the 2025 Restricted Share Incentive Scheme were cancelled on November 20, 2025. The total issued share capital of our Company was then decreased to RMB550,077,251 comprising 550,077,251 A Shares.

3. Changes in the Share Capital of Our Major Subsidiaries

We have applied to the Stock Exchange for, and the Stock Exchange [has] granted us a waiver from strict compliance with the requirements of paragraph 26 of Appendix D1A to the Listing Rules in relation to the disclosure of information relating to the changes in the share capital of any member of our Group within the two years immediately preceding the date of this Document. For details, see "Waivers and Exemption – Waivers in respect of Particulars of Information of our Subsidiaries". The following alterations in the total share capital of our Major Subsidiaries have taken place within the two years preceding the date of this Document:

(a) The total share capital of Megmeet SZ Supply Chain increased to RMB500,000,000 on July 28, 2025.

(b) The total share capital of Zhejiang IKAHE increased to RMB80,000,000 on December 2, 2024.

Save as disclosed in this section, as of the Latest Practicable Date, there have been no other alterations in the share capital of our Major Subsidiaries within the two years preceding the date of this Document.

4. Resolutions of Our Shareholders in Relation to the [REDACTED]

At the general meeting of our Company held on June 25, 2026, among other things, the following resolutions were passed by the Shareholders:

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

(ii) the number of H Shares to be issued before the exercise of the **[REDACTED]** shall not exceed **[REDACTED]**% of the enlarged share capital of our Company upon completion of the **[REDACTED]** and granting the **[REDACTED]** the **[REDACTED]** of no more than **[REDACTED]**% of the above number of H Shares to be issued;

(iii) subject to the completion of the **[REDACTED]**, the conditional adoption of the Articles of Association, which shall become effective on the **[REDACTED]**;

(iv) upon completion of the **[REDACTED]**, the granting of a general mandate to the Board to repurchase H Shares issued on the Stock Exchange with an aggregate number of not exceeding **[REDACTED]** of the number of the total issued H Shares (excluding any treasury shares) as at the **[REDACTED]**;

(v) upon completion of the **[REDACTED]**, the granting of a general mandate to the Board to (i) allot, issue and deal with Shares; and (ii) sell and/or transfer H Shares out of treasury that are held as treasury shares at any time within a period up to the date of the conclusion of the next annual general meeting of the Shareholders or the date on which the Shareholders pass a special resolution to revoke or change such mandate, whichever is earlier, upon such terms and conditions and for such purposes and to such persons as the Board in their absolute discretion deem fit, and to make necessary amendments to the Articles of Association, provided that, the number of Shares to be issued shall not exceed 20% of the number of H Shares in issue (excluding any treasury shares) as at the **[REDACTED]**; and

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

5. Explanatory Statement on Repurchase of Our Own Securities

The following paragraphs include, among others, certain information required by the Stock Exchange to be included in this Document concerning the repurchase of our own securities.

(a) Reasons for repurchase

The Board considered that the repurchase of the Shares would be beneficial to and in the best interests of the Company and its Shareholders as a whole. It can strengthen the **[REDACTED]** confidence in the Company and promote a positive effect on maintaining the Company's reputation in the capital market. Such repurchases will only be made when the Board believes that such repurchases will benefit the Company and its Shareholders as a whole.

(b) Exercise of the general mandate to repurchase Shares

The general mandate to repurchase H Shares would expire on the earlier of:

(i) the conclusion of the next annual general meeting of the Company of which time it shall lapse unless, by special resolutions passed at that meeting, the authority is renewed, either conditionally or subject to conditions; or

(ii) the revocation or variation of the mandate under the resolution by a special resolution at any general meeting of the Company.

The exercise of the general mandate to repurchase H Shares by our Board is also subject to compliance with the applicable laws, rules and regulations of the PRC. Assuming the **[REDACTED]** is not exercised and no changes are made to the issued share capital of our Company between the Latest Practicable Date and the **[REDACTED]**, the full exercise of such repurchase mandate will result in a total of **[REDACTED]** H Shares being repurchased by our Company, being 10% of the H Shares in issue as of the **[REDACTED]**.

(c) Source of funds

In repurchasing its Shares, our Company intends to apply funds from our Company's internal resources (which may include surplus funds and retained profits) legally available for such purpose in accordance with the Articles of Association and the applicable laws, rules and regulations of the PRC.

For repurchase of its Shares according to the reasons provided above, our Company is empowered by its Articles of Association to held such Shares by itself in accordance with the PRC Company Law. Any repurchases by our Company may only be made out of either the funds of our Company that would otherwise be available for dividend or distribution or out of the proceeds of a new issue of Shares made for such purpose. Our Company may not purchase securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

(d) Suspension of repurchase

A listed company shall not repurchase its shares on the Stock Exchange at any time after inside information has come to its knowledge until the information is made publicly available. In particular, during the period of one month immediately preceding the earlier of: (i) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the issuer to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), until the date of the results announcement, the company may not repurchase its shares on the Stock Exchange unless there are exceptional circumstances.

(e) Close associates and core connected persons

None of our Directors or, to the best of their knowledge having made all reasonable inquiries, any of their close associates have a present intention, in the event the general mandate to repurchase Shares is approved, to sell any Shares to our Company.

No core connected person of our Company has notified our Company that they have a present intention to sell Shares to our Company, or have undertaken to do so, if the general mandate to repurchase Shares is approved.

A listed company shall not knowingly purchase its shares on the Stock Exchange from a core connected person (namely a director, chief executive or substantial shareholder of the company or any of its subsidiaries, or a close associate of any of them), and a core connected person shall not knowingly sell their interest in shares of the company to it.

(f) Status of repurchased Shares

Subject to the Articles of Association, the Listing Rules and any other applicable laws and regulations, the Shares repurchased by our Company will be cancelled, hold them as treasury shares or transferred within certain period and our Company's registered capital will be reduced by an amount equivalent to the aggregate nominal value of the Shares if such Shares were cancelled.

(g) Takeover implications

If, as a result of any repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the general mandate to repurchase Shares.

(h) General

If the general mandate to repurchase Shares were to be carried out in full at any time, there may be a material and adverse impact on our working capital or gearing position (as compared with the position disclosed in our most recent published audited accounts). However, our Directors do not propose to exercise the general mandate to repurchase Shares to such an extent as would have a material and adverse effect on our working capital or gearing position. Our Company did not hold any treasury shares as of the Latest Practicable Date and will not hold any treasury shares upon **[REDACTED]**. **[REDACTED]**

Our Directors have undertaken to the Stock Exchange that they will exercise the general mandate to repurchase Shares in accordance with the Listing Rules and the applicable laws in the PRC.

6. Summary of Material Contract

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by us within the two years preceding the date of this Document and are or may be material:

(a) the **[REDACTED]**.

7. Intellectual Property

(a) Patents

As of the Latest Practicable Date, we had registered the following patents which we consider to be or may be material to our business:

No.	Patent	Type of patent	Place of Registration	Patent Number	Owner	Registration Date
1.	A coordinated control circuit board, functional control method and coordinated control circuit board	Invention	Chinese Mainland	2023111389402	Our Company	December 13, 2024
2.	A switching power supply and electronic device	Invention	Chinese Mainland	2023115904277	Our Company	December 13, 2024
3.	A voltage holding circuit and method, power circuit and electronic device	Invention	Chinese Mainland	2024102347674	Our Company	June 11, 2024
4.	An expansion card and frequency converter system	Invention	Chinese Mainland	2024104775309	Our Company	August 23, 2024
5.	Switch state detection method, circuit and electronic device	Invention	Chinese Mainland	2024105020490	Our Company	August 27, 2024
6.	Power circuit, power control method, composite power circuit and electronic device	Invention	Chinese Mainland	2024108543194	Our Company	January 7, 2025
7.	A three-wire thermal resistance acquisition circuit and measurement circuit, electronic device	Invention	Chinese Mainland	202411166369X	Our Company	December 13, 2024
8.	A power regulation circuit, power regulation method and electronic device	Invention	Chinese Mainland	2024111773825	Our Company	January 7, 2025
9.	Detection control circuit, detection control method, solid-state source circuit and electronic device	Invention	Chinese Mainland	2024112630087	Our Company	December 13, 2024
10.	Heat pump machine and its valve opening control method, controller and medium	Invention	Chinese Mainland	2024114024170	Our Company	February 7, 2025
11.	Monitoring circuit for control switch, monitoring method and power system	Invention	Chinese Mainland	2024116754888	Our Company	April 4, 2025
12.	Cooling system and charging pile	Invention	Chinese Mainland	202510141861X	Our Company	June 3, 2025
13.	Communication method, elevator controller, display board and elevator control system	Invention	Chinese Mainland	2025102724241	Our Company	July 8, 2025

No.	Patent	Type of patent	Place of Registration	Patent Number	Owner	Registration Date
14.	A voltage adjustment circuit, method and electronic device	Invention	Chinese Mainland	2025107737568	Our Company	August 29, 2025
15.	Drive circuit and electronic device	Invention	Chinese Mainland	2025109862257	Our Company	October 17, 2025

(b) Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be or may be material to our business:

No.	Trademark	Place of Registration	Registration No.	Registration Owner	Class	Registration Date	Expiry Date
1.	MEGMEET	Chinese Mainland	81982209	Our Company	7	May 28, 2025	May 27, 2035
2.	麦格米特	Chinese Mainland	80139869	Our Company	11	April 28, 2025	April 27, 2035
3.	MEGMEET 麦米电气	Chinese Mainland	73204268	Our Company	9	August 14, 2025	August 13, 2035
4.	麦格米特	Chinese Mainland	68575563	Our Company	9	May 28, 2023	May 27, 2033
5.	麦米电气	Chinese Mainland	68134338	Our Company	7	August 28, 2023	August 27, 2033
6.	MEGMEET	Chinese Mainland	63760033	Our Company	7	October 28, 2022	October 27, 2032
7.	MEGMEET	Hong Kong	306135543	Our Company	1, 7, 9	December 20, 2022	December 19, 2032
8.	MEGMEET	Hong Kong	306651946	Our Company	9	August 27, 2024	August 26, 2034

(c) Copyrights

As of the Latest Practicable Date, we were the registered owner of and had the right to use the following copyrights which we consider to be or may be material to our business:

No.	Copyright Name	Registrant	Registration Number	Registration Date
1.	Industrial IoT system mini program software	Megmeet SZ Software	2025SR1204852	July 9, 2025
2.	Industrial IoT system WEB software	Megmeet SZ Software	2025SR1204982	July 9, 2025
3.	Smart PV-storage-charging cloud system APP software	Megmeet SZ Software	2025SR1223581	July 10, 2025
4.	Smart PV-storage-charging cloud system WEB software	Megmeet SZ Software	2025SR1217702	July 10, 2025
5.	Communication battery management system host computer software	Xi'an Megmeet Electrical	2024SR0268244	February 18, 2024
6.	Welder human-machine interface software	Chengdu Megmeet Electrical Co., Ltd.	2024SR0079997	January 11, 2024
7.	Group control communication software	Chengdu Megmeet Electrical Co., Ltd.	2024SR0076670	January 11, 2024

(d) Domain Name

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

No.	Domain	Registrant	Expiry Date
1.	**https://www.megmeet.com/**	Our Company	March 29, 2030

Save as disclosed above, as of the Latest Practicable Date, there were no other patents, trade or service marks, intellectual or industrial property rights which are or may be material in relation to our business.

B. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Directors and chief executive

(i) Disclosure of Interests

Saved as disclosed below, immediately following completion of the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised and no changes are made to the issued share capital of our Company between the Latest Practicable Date and the **[REDACTED]**), so far as our Directors are aware, none of our Directors or chief executive has any interests or short positions in our Shares, underlying shares and debentures of our Company or any associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein or which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules.

Name	Capacity/ Nature of interest	Position	Description of Shares	Number of Shares[1]	Approximate percentage of shareholding in the A Shares immediately after the [REDACTED][2]	Approximate percentage of interest in the total Share capital immediately after the [REDACTED][2]
Dr. Tong[3]	Beneficial owner	Chairman of the Board, executive Director and general manager	A Shares	98,659,563	**[REDACTED]**%	**[REDACTED]**%
	Interest of spouse		A Shares	36,240,117	**[REDACTED]**%	**[REDACTED]**%
Mr. Zhang Zhi (張志)	Beneficial owner	Executive Director and deputy general manager	A Shares	15,949,050	**[REDACTED]**%	**[REDACTED]**%
Ms. Wang Xuefen (王雪芬)	Beneficial owner	Executive Director	A Shares	1,955,573	**[REDACTED]**%	**[REDACTED]**%

Notes:

(1) All interests stated are long positions in the Shares.

(2) Assuming (i) the **[REDACTED]** is not exercised and (ii) no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the **[REDACTED]**.

(3) For details of the interest held by Dr. Tong, see "Substantial Shareholders."

(ii) Particulars of Service Contracts

Each of our Directors [has] entered into a service contract with our Company. The principal particulars of these service contracts are: (a) each of the contracts is for a term of three years following their respective appointment date; and (b) each of the contracts is subject to termination in accordance with their respective terms. The service contracts may be renewed in accordance with our Articles of Association and the applicable rules.

Save as disclosed above, our Company has not entered, and does not propose to enter, into any service contracts with any of the Directors in their capacities as Directors (other than contracts expiring or terminable by the employer within one year without the payment of compensation (other than statutory compensation)).

(iii) Directors' Remuneration

For details of the Directors' remuneration, see "Directors and Senior Management – Remuneration of Directors" and Note 9 to the Accountants' Report as set out in Appendix I to this Document.

2. Substantial Shareholders

(i) Interest in the Shares of Our Company

For information on the persons who will, immediately following the completion of the **[REDACTED]**, having or be deemed or taken to have beneficial interests or short position in our Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of 2 and 3 of Part XV of the SFO, or directly or indirectly be entitled to exercise, or control the exercise of, 10% or more of the voting power at any meeting of our Company, see "Substantial Shareholders."

Save as disclosed in the section headed "Substantial Shareholders" in this Document, as of the Latest Practicable Date, our Directors were not aware of any persons who would, immediately following the completion of the **[REDACTED]**, having or be deemed or taken to the beneficial interests or short position in our Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of 2 and 3 of Part XV of the SFO, or directly or indirectly be entitled to exercise, or control the exercise of, 10% or more of the voting power at any general meeting of our Company.

(ii) Interest in our Major Subsidiaries

Our Company has applied to the Stock Exchange for, and the Stock Exchange [has granted] us a waiver from strict compliance with paragraph 45(2) of Part A of Appendix D1A to the Listing Rules in relation to the disclosure of each person (apart from the Directors or chief executive of our Company) who is, directly or indirectly, interested in 10% or more of the issued voting shares of any other member of our Group and the amount of each of such person's interest in such securities, together with particulars of any options in respect of such securities. For details, see "Waivers and Exemption – Waivers in respect of Particulars of Information of our Subsidiaries."

As of the Latest Practicable Date, to the best knowledge of our Directors, the following persons (other than members of our Group, the Directors or chief executive of our Company) were interested in 10% or more of the voting rights at general meetings of our Major Subsidiaries:

Name of Major Subsidiary	Name of substantial shareholder	Approximate % of voting rights held by substantial shareholder
Megmeet Welding Technology	Mr. Lin Qingsen (林清森)	15.76%

3. Disclaimers

(i) None of our Directors or any of the parties listed in "– D. Other Information – 7. Qualifications and consents of experts" in this section:

(a) is interested in our promotion, or in any assets which, within the two years immediately preceding the date of this Document, have been acquired or disposed of by or leased to us, or are proposed to be acquired or disposed of by or leased to our Company; or

(b) is materially interested in any contract or arrangement subsisting at the date of this Document that is significant in relation to our business;

(ii) Save as disclosed in this Appendix and in connection with the **[REDACTED]**, none of the parties listed in "– D. Other Information – 7. Qualifications and consents of experts" in this section:

(a) is interested legally or beneficially in any Shares in any member of our Group; or

(b) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of our Group;

(iii) None of our Directors or their close associates or any Shareholders who, to the knowledge of our Directors, owns more than 5% of our issued share capital has any interest in our top five customers or suppliers; and

(iv) Save as disclosed in "Substantial Shareholders," none of our Directors is a director or employee of a company that has an interest in the share capital of our Company which, once the H Shares are **[REDACTED]** on the Stock Exchange, would have to be disclosed pursuant to Divisions 2 and 3 of Part XV of the SFO.

C. PRE-[REDACTED] SHARE INCENTIVE PLANS

1. 2022 Stock Option Incentive Plan

The following is a summary of the principal terms of the 2022 Stock Option Incentive Plan. Given no further share options will be granted under the 2022 Stock Option Incentive Plan after the **[REDACTED]**, the terms of the 2022 Stock Option Incentive Plan are not subject to the provisions of Chapter 17 of the Listing Rules.

(i) Purpose

The purpose of the 2022 Stock Option Incentive Plan is to improve our Group's corporate governance structure and incentive mechanism and incentivize our Group's management and key employees to achieve a sustained and healthy development of our Group in order to realize our Group's long-term objectives. The 2022 Stock Option Incentive Plan is implemented to align the interests of the Shareholders with the interests of our Group and employee which will benefit the sustained development of our Group.

(ii) Administration and participants

The 2022 Stock Option Incentive Plan is subject to the approval of the Shareholders' meeting and the administration of the Board. The participants of the 2022 Stock Option Incentive Plan include key management personnel and key technical and operational personnel. The scope of participants excludes independent Directors, supervisors, shareholders or actual controller who individually or collectively hold 5% or more of the shares of our Company and their spouse, parents and children.

(iii) Maximum number of options

The shares underlying the options to be granted under the 2022 Stock Option Incentive Plan are A Shares to be issued by our Company to the selected participants. Each option granted represents the right to purchase one Share within the exercise period at the exercise price. The maximum number of options that can be granted under the 2022 Stock Option Incentive Plan is 20,000,000 options. Among them, 18,142,000 options were initially granted to 605 grantees in June 2022, and 1,858,000 options were further granted to 80 grantees in May 2023.

(iv) Date of grant and duration of the incentive plan

The date on which the options are granted shall be a trading day determined by the Board within 60 days after the date of approval of the 2022 Stock Option Incentive Plan by the Shareholders' meeting. The grant of options shall be approved by the Board, registered and announced within 60 days after the approval of the 2022 Stock Option Incentive Plan by the Shareholders' meeting. The 2022 Stock Option Incentive Plan shall be valid for a term of not more than 60 months commencing from the date of completion of the grant of the options.

(v) Conditions to the grant of options

The options under the 2022 Stock Option Incentive Plan will only be granted to selected participants if the following conditions are fulfilled:

(a) With respect to our Company, none of the following circumstances having occurred, among others: (i) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the reporting accountant with respect to our Company's accountant's report for the most recent fiscal year; (ii) our Company has not distributed dividends in accordance with the laws and regulations, our Articles of Association or our public commitment within the last 36 months after its listing; (iii) applicable laws and regulations prohibit the implementation of any share incentive scheme; and (iv) any other circumstances determined by the CSRC.

(b) With respect to a grantee, none of the following circumstances having occurred: (i) the grantee has been regarded as an inappropriate person by the Shenzhen Stock Exchange within the last 12 months; (ii) the grantee has been regarded as an inappropriate person by the CSRC or its local office within the last 12 months; (iii) the grantee has been punished or prohibited from entering into the securities market by the CSRC or its local office within the last 12 months; (iv) the grantee is not qualified to serve as a director or senior management according to the PRC Company Law; (v) the grantee is prohibited from participating in any incentive plan of listed companies according to applicable laws and regulations; or (vi) any other circumstances determined by the CSRC.

(vi) Exercise of options

Options may be exercised by a grantee provided that (i) the conditions set out under paragraph (v) above are fulfilled at the time of exercise of options; and (ii) the annual assessment and performance targets as set out under the 2022 Stock Option Incentive Plan are achieved.

The exercise price for the option to be granted under 2022 Stock Option Incentive Plan shall be the higher of (i) 90% of the average trading price of the Shares in the trading day before the announcement of the draft plan; and (ii) 90% of the average trading price of the Shares during 20 trading days before the announcement of the draft plan. The number of options granted and the exercise prices will be adjusted upon the occurrence of certain events, including increase in the share capital by way of capitalization of capital reserves, issue of bonus shares, subdivision of shares and issue of new Shares.

The exercise schedule of the options granted are exercisable in tranches of 25% in each of the four exercise periods that occur between the first trading date after the 12-month anniversary from the date of grant and the last trading day up to the 60-month anniversary of the date of grant. Provided that, in the event any options are granted after the date of our Company's publication of our 2022 third quarterly report, the exercise schedule of such options granted are exercisable in trances of 30% or 40% in each of the three exercise periods that occur between the first trading date after the 12-month anniversary from the date of grant and the last trading day up to the 48-month anniversary of the date of grant.

The exercise of the options granted under the 2022 Stock Option Incentive Plan shall be on a trading day, which shall not fall within the following periods (i) 15 days before the publication of annual report and interim report, (ii) the period starting from 30 days before the initial publication of annual report and interim report (due to any delay of publication) until one day before the publication of such report; (iii) five days before the publication of quarterly report, earnings forecast and preliminary earnings estimate, (iv) the period starting from the date of occurrence of any significant price-sensitive event or the decision-making process in respect of such event until the date of announcement of such event in accordance with applicable laws and regulations; and (v) any other period stipulated by the CSRC and the Shenzhen Stock Exchange.

(vii) Outstanding options

As of the Latest Practicable Date, the number of A Shares underlying the outstanding options granted under the 2022 Stock Option Incentive Plan amounted to 4,835,250 A Shares, representing approximately **[REDACTED]**% of the issued Shares immediately following the completion of the **[REDACTED]** (assuming no changes to our issued and outstanding shares between the Latest Practicable Date and the **[REDACTED]**). As of the Latest Practicable Date, the outstanding options were held by 600 grantees, none of whom was a Director or senior management of our Company. Assuming full exercise of all outstanding options granted under the 2022 Stock Option Incentive Plan, the issued and outstanding shareholding of the Shareholders immediately following completion of the **[REDACTED]** will be diluted by approximately **[REDACTED]**%.

The table below sets forth the details of the options granted to connected person who are not the Directors or senior management of our Company under the 2022 Stock Option Incentive Plan which were outstanding as of the Latest Practicable Date:

Name of the grantee	Position in the Company	Date of grant	Address	Number of shares under options granted	Exercise price	Exercise period	A Shares underlying outstanding options as a percentage of issued Shares immediately after the [REDACTED](1)
Connected person							
Mr. Li Shengfu (李升付)	Director of certain Major Subsidiaries	June 22, 2026	Flat 17C, Block D, Huifang Garden, Nanshan District, Shenzhen, Guangdong, PRC	148,750	RMB17.39(2)	June 22, 2026 to June 8, 2027	**[REDACTED]**%

Note:

(1) The calculation is based on the assumption that no new Shares are issued under the **[REDACTED]**, and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the **[REDACTED]**.

(2) The exercise price under the 2022 Stock Option Incentive Plan will be adjusted to RMB17.36, upon completion of the Company's distribution of cash dividends to Shareholders for the year of 2025.

The table below sets forth the details of the options granted to other grantees (excluding the abovementioned connected person of our Company) under the 2022 Stock Option Incentive Plan, categorized by the number of underlying Shares, which were outstanding as of the Latest Practicable Date:

Category by number of underlying A Shares	Number of grantees	Date of grant	Aggregate number of Shares under options granted	Exercise price	Exercise period	Percentage of issued share capital upon completion of the [REDACTED][(1)]
1 to 50,000	596	June 9, 2022	3,873,250	RMB17.39[(2)]	June 22, 2026 to June 8, 2027	**[REDACTED]**%
		May 17, 2023	485,200	RMB17.39[(2)]	June 22, 2026 to May 17, 2027	**[REDACTED]**%
50,001 to 100,000	2	June 9, 2022	131,250	RMB17.39[(2)]	June 22, 2026 to June 8, 2027	**[REDACTED]**%
> 100,000	1	May 17, 2023	196,800	RMB17.39[(2)]	June 22, 2026 to May 17, 2027	**[REDACTED]**%

Notes:

(1) The calculation is based on the assumption that no new Shares are issued under the **[REDACTED]**, and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the **[REDACTED]**.

(2) The exercise price under the 2022 Stock Option Incentive Plan will be adjusted to RMB17.36, upon completion of the Company's distribution of cash dividends to Shareholders for the year of 2025.

2. Restricted Share Incentive Schemes

The following is a summary of the principal terms of the 2017 Restricted Share Incentive Scheme and the 2025 Restricted Share Incentive Scheme (the "**Restricted Share Incentive Schemes**"). The terms of the Restricted Share Incentive Schemes are not subject to the provisions of Chapter 17 of the Listing Rules as they do not involve any grant of restricted Shares by our Company after our **[REDACTED]**. Save as otherwise disclosed, the terms of each of the Restricted Share Incentive Schemes are substantially similar and are summarized below.

(i) Purpose

The purpose of the Restricted Share Incentive Schemes is to improve our Group's corporate governance structure and incentive mechanism and incentivize our Group's management and key employee to achieve a sustained and healthy development of our Group in order to realize our Group's long-term objectives. The Restricted Share Incentive Schemes are implemented to align the interests of the Shareholders with the interests of the Group and employee which will benefit the sustained development of our Group.

(ii) Administration and participants

The Restricted Share Incentive Schemes are subject to the approval of the Shareholders' meeting, administration of the Board and the supervision of the independent Directors. The participants of the Restricted Share Incentive Schemes include key management personnel and key technical and operational personnel. The scope of participants excludes independent Directors and Shareholders or actual controller who individually or collectively hold 5% or more of the shares of our Company and their spouse, parents and children.

(iii) Source and maximum number of Shares

For the 2017 Restricted Share Incentive Scheme, the Shares underlying the scheme shall be A Shares issued by our Company, all of which have been fully issued on July 12, 2017. For the 2025 Restricted Share Incentive Scheme, the Shares underlying the scheme shall be A Shares purchased by our Company from the secondary market. Each restricted Share granted represents the right to purchase one A Share within the agreed period at the grant price. The restricted Shares are subject to a lock-up period and will only be unlocked upon fulfilling the unlocking conditions stipulated. The maximum number of restricted Shares that can be granted under each of the Restricted Shares Incentive Schemes are as follows:

Restricted Share Incentive Scheme	**Maximum number of restricted Shares to be granted under the scheme**
2017 Restricted Share Incentive Scheme	3,000,000
2025 Restricted Share Incentive Scheme	3,089,000

(iv) Date of grant and term of the Scheme

The date on which the restricted Shares are granted shall be determined by the Board within 60 days after the date of approval of the Restricted Share Incentive Schemes by the Shareholders' meeting. The grant of restricted Shares shall be approved by the Board, registered and announced within 60 days after the approval of the Restricted Share Incentive Schemes by the Shareholders' meeting. The Restricted Share Incentive Schemes shall be effective from the date of completion of the grant of restricted Shares under the Restricted Share Incentive Schemes up to the date when the restricted Shares granted under the Restricted Share Incentive Schemes are no longer under any lock-ups or have been repurchased and cancelled, provided that the term of the Restricted Share Incentive Schemes shall not exceed 48 months.

(v) Lock-up arrangements

If the grantee is a Director or a senior management of our Company who terminates the employment before expiry of the term, during the period of the original term of employment and the following six months, the Shares to be transferred in each year shall not exceed 25% of the total Shares he or she holds. No share held by a grantee (including a Director, senior management or employee) can be transferred within six months after termination of his or her employment. If the grantee is a Director or senior management of our Company (or his/her spouse, parents and children, as the case may be), income gained through sale of Shares within six months of the purchase or purchase of Shares within six months of the sale shall belong to our Company and will be forfeited by the Board. If there is any change in the applicable laws and regulations on the foregoing lock-up requirements, the grantee shall comply with the amended laws and regulations.

(vi) Conditions to the grant of restricted Shares

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

(a) with respect to our Company, none of the following circumstances having occurred, among others: (i) an audit report with an adverse opinion or a disclaimer of opinion has been issued by the reporting accountant with respect to our Company's accountant's report for the most recent fiscal year; (ii) our Company has not distributed dividends in accordance with the laws and regulations, our Articles of Association or our public commitment within the last 36 months after its listing; (iii) applicable laws and regulations prohibit the implementation of any share incentive scheme; or (iv) any other circumstances determined by the CSRC; and

(b) with respect to a grantee, none of the following circumstances having occurred: (i) the grantee has been regarded as an inappropriate person by the Shenzhen Stock Exchange within the last 12 months; (ii) the grantee has been regarded as an inappropriate person by the CSRC or its local office within the last 12 months; (iii) the grantee has been punished or prohibited from entering into the securities market by the CSRC or its local office within the last 12 months; (iv) the grantee is not qualified to serve as a director or senior management according to the PRC Company Law; (v) the grantee is prohibited from participating in any incentive plan of listed companies according to applicable laws and regulations; or (vi) any other circumstances determined by the CSRC.

(vii) Unlocking and vesting of restricted Shares

The lock-up period for restricted Shares commences from date of grant of restricted Shares to the grantee and the interval between the date of completion of the grant and the date of unlocking of the restricted Shares shall be not less than twelve months. During the lock-up period, the restricted Shares granted to the grantee shall not be transferred, used as guarantee or for repayment of debt. In addition, the restricted Shares will only be unlocked when (i) the conditions set out under paragraph (vi) above are fulfilled; and (ii) the annual assessment and performance targets as set out under the Restricted Share Incentive Schemes are achieved.

The restricted Shares will be unlocked after the lock-up period in accordance with the unlocking schedule as set out under the Restricted Share Incentive Schemes during a period of 4 years. In particular, the restricted Shares will be unlocked in tranches of 30% or 40% in each of the three unlocking periods that occur between the first trading date after the 12-month anniversary from the date of grant and the last trading day up to the 48-month anniversary of the date of grant.

The grantees shall pay the grant price upon fulfilment of all the conditions of the restricted Shares to purchase the A Shares from our Company. The grant price of each restricted Shares shall not be lower than the nominal value of each A Share and, in principle, shall not be lower than (as the case may be) the higher of (1) 50% of the average trading price of the A Shares on the trading date before the announcement of the draft restricted share incentive scheme; and (2) 50% of the average trading price of the A Shares during the 20 trading dates before the announcement of the draft restricted share incentive scheme.

The number of restricted Shares granted and/or the grant prices will be adjusted upon the occurrence of certain events, including payment of dividend, increase in the share capital by way of capitalization of capital reserves, issue of bonus shares, subdivision of shares and issue of new Shares. Our Company may repurchase the restricted Shares upon occurrence of certain events as set out in the Restricted Share Incentive Schemes, including but not limited to the change of the positions of the grantee or termination of employment. Subject to the price adjustment mechanisms and other terms and conditions as set out under the Restricted Share Incentive Schemes, the price payable by our Company for the repurchase of restricted Shares shall be equivalent to the grant price of the relevant restricted Shares.

(viii) Outstanding restricted Shares

As of the Latest Practicable Date, the restricted Shares under the 2017 Restricted Share Incentive Scheme had been fully granted and vested to the grantees, and there are no outstanding restricted Shares under the 2017 Restricted Share Incentive Scheme.

As of the Latest Practicable Date, the number of outstanding restricted Shares granted under the 2025 Restricted Share Incentive Scheme was 3,054,000, representing approximately **[REDACTED]**% of the issued Shares immediately following the completion of the **[REDACTED]** (assuming no changes to our issued and outstanding shares between the Latest Practicable Date and the **[REDACTED]**).

The following table sets forth the number of outstanding restricted Shares granted to Directors, senior management or connected persons of our Company under the 2025 Restricted Share Incentive Scheme as of the Latest Practicable Date:

Name of grantee	Position in our Company	Date of grant	Number of outstanding restricted Shares	Grant price	Lock-up period	Approximate percentage of issued Shares immediately after completion of the [REDACTED](1)
Connected person						
Mr. Li Shengfu (李升付)	Director of certain Major Subsidiaries	June 17, 2025	702,980	RMB22.97	Three tranches of 30%, 30% and 40% over a period from the first trading day after the 12-month anniversary to the last trading day before the 48-month anniversary of the grant date	**[REDACTED]**%

The table below sets forth the details of outstanding restricted Shares granted to grantees (excluding Directors, senior management or connected persons of our Company) under the 2025 Restricted Share Incentive Scheme as of the Latest Practicable Date:

Number of Grantees	Date of grant	Number of outstanding restricted Shares	Grant price	Lock-up period	Approximate percentage of issued Shares immediately after completion of the [REDACTED](1)
234	June 17, 2025	2,351,020	RMB22.97	Three tranches of 30%, 30% and 40% over a period from the first trading day after the 12-month anniversary to the last trading day before the 48-month anniversary of the grant date	**[REDACTED]**%

Note:

(1) The calculation is based on the assumption that no new Shares are issued under the **[REDACTED]**, and no other changes are made to the issued share capital of our Company between the Latest Practicable Date and the **[REDACTED]**.

D. OTHER INFORMATION

1. Estate Duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries.

2. Litigation

As of the Latest Practicable Date, we were not engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance was known to our Directors to be pending or threatened by or against any member of our Group, that would have a material and adverse effect on our Group's results of operations or financial conditions, taken as a whole.

3. The Joint Sponsors

The Joint Sponsors have made an application on behalf of our Company to the Listing Committee for the **[REDACTED]** of, and permission to **[REDACTED]** the H Shares to be **[REDACTED]** pursuant to the **[REDACTED]**. All necessary arrangements have been made to enable our H Shares to be admitted into **[REDACTED]**.

The Joint Sponsors have confirmed that they satisfy the independence criteria applicable to a sponsor set out in Rule 3A.07 of the Listing Rules.

The total amount of sponsors' fee in connection with the **[REDACTED]** is US$600,000.

4. Compliance Advisor

Our Company has appointed Rainbow Capital (HK) Limited as our Compliance Advisor in compliance with Rule 3A.19 of the Listing Rules.

5. Preliminary Expenses

We have not incurred any material preliminary expenses in relation to the incorporation of our Company.

6. Taxation of holder of H Shares

The sale, purchase and transfer of H Shares are subject to Hong Kong stamp duty if such sale, purchase and transfer are effected on the H Share register of members of our Company, including in circumstances where such transaction is effected on the Stock Exchange. The current rate of Hong Kong stamp duty for such sale, purchase and transfer is a 0.1% of the consideration or, if higher, the fair value of the H Shares being sold or transferred.

7. Qualifications and consents of experts

The following are the qualifications of the experts who have given opinion or advice which are contained in this Document:

Name	Qualifications
Huatai Financial Holdings (Hong Kong) Limited	A licensed corporation to conduct type 1 (dealing in securities), type 2 (dealing in futures contracts), type 3 (leveraged foreign exchange trading), type 4 (advising on securities), type 6 (advising on corporate finance), type 7 (providing automated trading services), type 9 (asset management) regulated activities under the SFO
Citigroup Global Markets Asia Limited	A licensed corporation to conduct type 1 (dealing in securities), type 2 (dealing in futures contracts), type 4 (advising on securities), type 5 (advising on futures contracts), type 6 (advising on corporate finance), type 7 (providing automated trading services) regulated activities under the SFO
Jia Yuan Law Offices	Legal advisor to our Company as to PRC law
KPMG	Certified Public Accountants Public Interest Entity Auditor registered in accordance with the Accounting and Financial Reporting Council Ordinance
China Insights Industry Consultancy Limited	Industry consultant

Each of the experts named above has given and has not withdrawn its written consent to the issue of this Document with the inclusion of its reports, letters or opinions (as the case may be) and the references to its name included herein in the form and context in which they are included.

As of the Latest Practicable Date, none of the experts named above had any shareholding interest in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group.

8. Promoters

The promoters of our Company are the then 46 Shareholders as of August 16, 2010 immediately before our conversion into a joint stock limited company. Within the two years immediately preceding the date of this Document, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to the promoters named above in connection with the **[REDACTED]** and the related transactions described in this Document.

9. Bilingual Document

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

10. Binding Effect

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

11. No Material Adverse Change

Our Directors confirm that, up to the date of this Document, there has been no material adverse change in our financial, operational or trading position, indebtedness, contingent liabilities or prospects since December 31, 2025, being the end date of the years reported in the Accountants' Report as set out in Appendix I to this Document, and there is no event since December 31, 2025 that would materially affect the information shown in the Accountant's Report as set out in Appendix I to this Document.

12. Miscellaneous

(i) Save as disclosed in this Document: (a) no share or loan capital of our Company or any of its subsidiaries has been issued nor agreed to be issued fully or partly paid either for cash or for a consideration other than cash; (b) no commissions, discounts, brokerage fee or other special terms have been granted in connection with the issue or sale of any Share or loan capital of our Company or any of our subsidiaries; (c) no Share or loan capital of our Company is under option or is agreed conditionally or unconditionally to be put under option; and (d) no commission has been paid or is payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure the subscriptions of any share in our Company or any of our subsidiaries;

(ii) We have not issued nor agreed to issue any founder shares, management shares or deferred shares;

(iii) There are no arrangements under which future dividends are waived or agreed to be waived;

(iv) There are no procedures for the exercise of any right of pre-emption or transferability of subscription rights;

(v) There have been no interruptions in our business which may have or have had a significant effect on our financial position in the 12 months preceding the date of this Document;

(vi) There are no restrictions affecting the remittance of profits or repatriation of capital by us into Hong Kong from outside Hong Kong;

(vii) Save for the A Shares of our Company that are listed on the Shenzhen Stock Exchange, and save for the H Shares to be **[REDACTED]** in connection with the **[REDACTED]**, none of the equity and debt securities of our Company, if any, is listed or dealt with in any other stock exchange nor is any listing or permission to deal being or proposed to be sought; and

(viii) Our Company has no outstanding convertible debt securities or debentures.