OVERVIEW

We are a major micro motor manufacturer, engaged in the design, R&D, manufacturing and sales of micro drive motors. As an early established participant in imaging motor field, we have built a strategic footprint with dual manufacturing bases in Jiaxing and Hefei and dual R&D centers in China and Japan. Under the leadership of Mr. Cai, our executive Director and vice chairman of the Board, Chief Executive Officer, we ranked No. 6 globally and No. 2 in China in the imaging motor market based on revenue in 2025, with market shares of 3.3% and 9.8%, respectively, according to Frost & Sullivan. For details of the biographies of Mr. Cai, see "Directors and Senior Management". Our products are deployed in smartphones and handheld imaging devices, and have been introduced into security and surveillance, consumer-grade UAVs, robotics including embodied robotics, smart home devices and automotive electronics.

Our history can be traced back to September 17, 2014, when our Company was established as a limited liability company with a registered capital of RMB60.0 million. After rounds of financing and with the strong support of our core management team, strategic investors and partners, we have gathered a diverse group of shareholders covering industrial investors and financial institutions, laying a solid foundation for sustainable development. On November 26, 2025, our Company was converted into a joint stock company with limited liability. For details of our pre-**[REDACTED]** Investment, please refer to the section headed "Pre-**[REDACTED]** Investments" below.

KEY CORPORATE AND BUSINESS DEVELOPMENT MILESTONES

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

Year	Development Milestones
2014	Our Company was established as a limited liability company in September in Jiaxing, Zhejiang, the PRC.
2015	Achieved large-scale production of VCM in October.
	The Company began to transact with OFILM in November.
2019	We completed the Series A Financing in January.
2020	We completed the Series B Financing in June.
	We established New Shicoh Japan in December.
2021	Achieved mass production of OIS motors in March.
	We established New Shicoh Hefei in April.
	We completed the Series C Financing in December.
2023	We completed the Series C+ Financing in January.
	Achieved mass production of periscope motors, applied in products of leading smartphone brands in January.
2025	Achieved mass production of SMA motors in August.
	The Company was converted into a joint stock company with limited liability under the name of New Shicoh Motor Co., Ltd. (新思考電機股份有限公司) in November.

OUR MAJOR SUBSIDIARIES

As of the Latest Practicable Date, the following entities were our major subsidiaries which had made a material contribution to our results of operation or have key strategic value to the Group during the Track Record Period:

Name of subsidiary	Date and place of establishment	Equity interest attributable to the Group	Principal business activities
New Shicoh Hefei	April 29, 2021, PRC	100%	Motor manufacturing
New Shicoh Japan	December 15, 2020, Japan	100%	Development and research of motors

MAJOR HISTORICAL SHAREHOLDING CHANGES OF OUR COMPANY

Early Development of our Company

Our history can be traced back to 2014, when our Company was established as a limited liability company with a registered capital of RMB60.0 million. At the time of its establishment, our Company was wholly owned by Shicoh MOTOR (Shanghai) Co., Ltd.* (思考電機(上海)有限公司) ("**Shanghai Shicoh**"), the ultimate beneficial owner of which is Mr. Yan Zhongliang (閆忠良), an independent third party.

From April to July 2015, Shanghai Shicoh entered into multiple equity transfer agreements with certain shareholders, the consideration was determined after arm's length negotiation and settled in July 2015. The shareholding structure of our Company was as follow upon completion:

Shareholder(s)	Registered share capital subscribed for	Equity interest
	(RMB)	*(%)*
Shanghai Shicoh	34,692,000	57.82%
Star Group Co., Ltd (星星集團有限公司)	4,275,000	7.13%
Shanghai Suicheng Investment Management Partnership (Limited Partnership) (上海隨成投資管理合夥企業(有限合夥))	3,420,000	5.70%
Shanghai Suigong Investment Management Partnership (Limited Partnership) (上海隨功投資管理合夥企業(有限合夥))	3,420,000	5.70%
Xing Kaicheng (邢開誠)	2,736,000	4.56%
Xia Jun (夏軍)	2,052,000	3.42%
Chen Xiaofeng (陳曉峰)	2,052,000	3.42%
Liu Senlin (劉森林)	1,710,000	2.85%
Wang Haochen (王浩晨)	1,710,000	2.85%
Xie Feng (謝峰)	1,710,000	2.85%
Zhao Chude (趙楚德)	1,368,000	2.28%
Chen Liyi (陳麗藝)	855,000	1.43%
Total	**60,000,000**	**100%**

Equity transfers and increases in registered share capital in 2015

On September 30, 2015, the Company held a shareholders meeting and resolved to approve the transfer of 2.85% of the equity interest of the Company from Wang Haochen (王浩晨) to Wang Zhishun (王志順) for a consideration of RMB5.98 million determined after arm's length negotiation and the transfer of 1.425% of the equity interest of the Company from Chen Liyi (陳麗藝) to Tian Jinghui (田婧慧) for a consideration of RMB2.99 million determined after arm's length negotiation. On October 20, 2015, the registered capital of the Company was increased from RMB60.0 million to RMB68.6 million, among which RMB4.3 million was subscribed by Star Group Co., Ltd (星星集團有限公司), RMB1.72 million was subscribed by Wang Zhishun (王志順), RMB1.72 million was subscribed by Xie Feng (謝峰) and RMB0.86 million was subscribed by Tian Jinghui (田婧慧).

Following completion of certain equity transfer and the aforesaid capital increases, the shareholding of our Company was as follows:

Shareholder(s)	**Registered share capital subscribed for**	**Equity interest**
	(RMB)	*(%)*
Shanghai Shicoh	34,692,000	50.57%
Star Group Co., Ltd (星星集團有限公司)	8,575,000	12.50%
Wang Zhishun (王志順)	3,430,000	5.00%
Xie Feng (謝峰)	3,430,000	5.00%
Shanghai Suicheng Investment Management Partnership (Limited Partnership) (上海隨成投資管理合夥企業(有限合夥))	3,420,000	4.99%
Shanghai Suigong Investment Management Partnership (Limited Partnership) (上海隨功投資管理合夥企業(有限合夥))	3,420,000	4.99%
Xing Kaicheng (邢開誠)	2,736,000	3.99%
Xia Jun (夏軍)	2,052,000	2.99%
Chen Xiaofeng (陳曉峰)	2,052,000	2.99%
Tian Jinghui (田婧慧)	1,715,000	2.50%
Liu Senlin (劉森林)	1,710,000	2.49%
Zhao Chude (趙楚德)	1,368,000	1.99%
Total	**68,600,000**	**100%**

Equity transfers in 2016

On November 20, 2016, Mr. Cai entered into an equity transfer and cooperation agreement with Mr. Yan Zhongliang (閻忠良) ("**Mr. Yan**"), the ultimate beneficial owner of Shanghai Shicoh, Shanghai Suigong Investment Management Partnership (Limited Partnership) (上海隨功投資管理合夥企業(有限合夥)), and Shanghai Suicheng Investment Management Partnership (Limited Partnership) (上海隨成投資管理合夥企業(有限合夥)). Pursuant to the agreement, Mr. Cai agreed to acquire an aggregate of approximately 90.03% equity interest in the Company for a total consideration of RMB130.5 million determined after arm's length negotiation, while Mr. Yan, either directly or through entities under his control, agreed to acquire approximately 9.97% equity interest.

On November 21, 2016, Mr. Cai agreed to acquire equity interests in the Company from multiple shareholders, including approximately 50.57% from Shanghai Shicoh for a consideration of approximately RMB26.05 million determined after arm's length negotiation, and all the other remaining Shareholders' interests in the Company. Following completion of aforesaid equity transfer, the shareholding of our Company was held as to 90.03% by Mr. Cai and 9.97% by Shanghai Shicoh, respectively.

Equity transfer in 2020

On February 20, 2020, Mr. Xing Kaicheng (邢開誠) entered into an equity transfer agreement with Jiashan Changxin, pursuant to which Mr. Xing Kaicheng agreed to transfer approximately 2.76% equity interest in the Company to Jiashan Changxin for a total consideration of RMB8.80 million determined after arm's length negotiation with reference to the prevailing market conditions and the then net asset value of the Company, on the basis of an agreed overall valuation of approximately RMB319 million. Following completion of the aforesaid equity transfer, the shareholding of our Company was as follows:

Shareholder(s)	Registered share capital subscribed for	Equity interest
	(RMB)	*(%)*
Mr. Cai	61,760,000	83.60%
Mr. Li Weichun	4,802,000	6.50%
Jiashan Changxin	2,038,000	2.76%
Changjiang Securities	5,224,154	7.07%
Heying Tongsheng	52,769	0.07%
Total	**73,876,923**	**100%**

Equity transfers in 2021

On January 10, 2021, Mr. Cai entered into an equity transfer agreement with Shenzhen Hezheng, Dr. Cai, Shenzhen Changxin and Jiashan Changxin, pursuant to which Mr. Cai agreed to transfer approximately 35.75% equity interest to Shenzhen Hezheng for a total consideration of RMB171.60 million, approximately 9.01% equity interest to Dr. Cai for a total consideration of RMB43.22 million, approximately 10.00% equity interest to Shenzhen Changxin for a total consideration of RMB37.20 million and approximately 2.77% equity interest to Jiashan Changxin for a total consideration of RMB10.29 million. These considerations were determined through arm's length negotiations, with reference to the then-current book net asset value of the Company, and on the basis of an agreed overall valuation of approximately RMB480 million. The lower implied valuations for the transfers to Shenzhen Changxin and Jiashan Changxin reflected the specific nature and purposes of the relevant internal restructuring of Mr. Cai's shareholding from direct to indirect ownership through an entity controlled by him and specific purposes of such internal employee incentive arrangements, respectively. Upon completion of the transfer, Dr. Cai and Shenzhen Hezheng became a Controlling Shareholder of the Company. On the same day, Mr. Li Weichun (李偉純) entered into an equity transfer agreement with Shenzhen Hezheng, pursuant to which Mr. Li Weichun agreed to transfer approximately 5.39% equity interest to Shenzhen Hezheng for a total consideration of RMB25.89 million determined after arm's length negotiation with reference to the prevailing market conditions and the then net asset value of the Company, on the basis of an agreed overall valuation of approximately RMB 480 million. Following completion of the aforesaid equity transfer, the shareholding of our Company was as follows:

Shareholder(s)	Registered share capital subscribed for	Equity interest
	(RMB)	*(%)*
Mr. Cai	10,553,846	11.86%
Dr. Cai	8,016,497	9.01%
Shenzhen Hezheng	36,627,682	41.14%
Shenzhen Changxin	8,902,169	10.00%
Jiashan Changxin	4,499,806	5.05%
Changjiang Securities	5,224,154	5.87%
Heying Tongsheng	52,769	0.06%
Beijing Yitang	5,910,154	6.64%
CICC Generation Fund I	5,171,385	5.81%
Hangzhou Huarui	2,216,308	2.49%
Chengdu Tianfu	1,108,154	1.24%
Zhejiang Chuangxiang	738,769	0.83%
Total	**89,021,693**	**100%**

On July 16, 2021, Jiashan Changxin entered into an equity transfer agreement with Hefei Jiatou, pursuant to which Jiashan Changxin agreed to transfer approximately 0.99% equity interest of our Company to Hefei Jiatou for a total consideration of RMB3.47 million determined after arm's length negotiation. Following completion of the aforesaid equity transfer, the shareholding of our Company was as follows:

Shareholder(s)	Registered share capital subscribed for	Equity interest
	(RMB)	*(%)*
Mr. Cai	10,553,846	11.86%
Dr. Cai	8,016,497	9.01%
Shenzhen Hezheng	36,627,682	41.14%
Shenzhen Changxin	8,902,169	10.00%
Jiashan Changxin	3,615,969	4.06%
Hefei Jiatou	883,837	0.99%
Changjiang Securities	5,224,154	5.87%
Heying Tongsheng	52,769	0.06%
Beijing Yitang	5,910,154	6.6%
CICC Generation Fund I	5,171,385	5.81%
Hangzhou Huarui	2,216,308	2.49%
Chengdu Tianfu	1,108,154	1.24%
Zhejiang Chuangxiang	738,769	0.83%
Total	**89,021,693**	**100%**

As of the Latest Practicable Date, Dr. Cai and his wholly owned Shenzhen Hezheng collectively held 34.54% of the total issued share capital of the Company. Mr. Cai and his limited partnership platforms where he serves as the general partner, namely Shenzhen Changxin, Jiashan Changxin and Hefei Jiatou collectively held 22.43% of the total issued share capital of the Company.

Acting-in-concert Agreement

To support the Group's long-term stable development and enhance major shareholders' exercise of their rights and decision-making power, on November 5, 2024, Dr. Cai, Shenzhen Hezheng, Mr. Cai and Shenzhen Changxin (together, the "**Concert Parties**") entered into an acting-in-concert agreement, pursuant to which, all the Concert Parties confirmed and agreed to act in concert by aligning their votes at the Board and/or the shareholders' meetings of our Company by following the decisions of Dr. Cai, subject to compliance with applicable laws, regulations and the articles of association of the Company, including directors' fiduciary duties. In addition, Mr. Cai is the general partner of Shenzhen Changxin, Jiashan Changxin and Hefei Jiatou, and held approximately 97.31%, 15.08% and 1.13% of the equity interests in Shenzhen Changxin, Jiashan Changxin and Hefei Jiatou, respectively. Therefore, Dr. Cai, Shenzhen Hezheng, Mr. Cai, Shenzhen Changxin, Jiashan Changxin and Hefei Jiatou are our group of Controlling Shareholder, and in aggregate held approximately 56.97% of the total issued share capital of our Company as of the Latest Practicable Date.

Pre-[REDACTED] Investments

We have entered into several rounds of Pre-**[REDACTED]** Investments with our Pre-**[REDACTED]** Investors. For further details, please refer to the paragraphs headed "– Details of the Pre-**[REDACTED]** Investments" in this section below.

As of the Latest Practicable Date, all considerations for subscriptions or acquisition of Shares from the Company or our Shareholders have been irrevocably settled and legally completed.

Pre-[REDACTED] Employee Incentive Platforms

We have established two pre-**[REDACTED]** employee incentive platforms, namely Jiashan Changxin and Hefei Jiatou (collectively, the "**Employee Incentive Platforms**"), with the aim to enhance the Company's incentive mechanisms and establish a robust long-term motivation and constraint framework. The Employee Incentive Platforms aim to strengthen employees' commitment to the Company's sustainable growth, incentivize the enthusiasm and creativity of employees, align the interests of employees with the Company's long-term development, and to promote better development of the Company.

Pursuant to the partnership agreements of the Employee Incentive Platforms ("**Partnership Agreements**"), the Company has granted certain partnership interests in Jiashan Changxin and Hefei Jiatou. The Employee Incentive Platforms do not involve the issuance of new Shares or grant of awards by the Company after the **[REDACTED]**. For further details of the Partnership Agreements, please see "Appendix IV – Statutory and General Information – C. Pre-**[REDACTED]** Employee Incentive Platforms."

Each of Jiashan Changxin and Hefei Jiatou was established in the PRC as a limited partnership, and an employee shareholding platform. Mr. Cai is the sole general partner of each of them, and is responsible for their respective management and exercising the voting rights attaching to the Shares or limited partnership interests held by each of them, in accordance with the Partnership Agreements entered into among their respective general and limited partners.

Conversion into a Joint Stock Company with Limited Liability

On September 20, 2025, our then Shareholders passed resolutions approving, among other matters, the conversion of our Company from a limited liability company into a joint stock company with limited liability. Pursuant to the promoters' agreement entered into by all the then Shareholders on even date, all promoters approved the conversion of RMB681,578,241.40 in net assets value of our Company into 106,826,031.00 Shares of RMB1.0 par value each, with the remaining RMB574,752,210.40 in net assets converted to capital reserves of our Company. The 106,826,031.00 Shares were issued to the then Shareholders of our Company in proportion to their capital contribution to our Company. Upon the completion of registration on November 26, 2025, our Company was converted into a joint stock company with limited liability.

After several rounds of pre-**[REDACTED]** investments and equity transfers, the establishment of the Employee Incentive Platforms, and upon the completion of the joint-stock reform, the shareholding structure of our Company was as follows:

Shareholders	**Number of Shares**	**Equity Interest**
		(%)
Shenzhen Hezheng	28,882,794	27.04%
Mr. Cai	10,553,846	9.88%
Jiashan Jingkai	8,902,170	8.33%
Shenzhen Changxin	8,902,169	8.33%
Dr. Cai	8,016,497	7.50%
Beijing Yitang	5,910,154	5.53%
CICC Generation Fund I	5,171,385	4.84%
Jiaxing Huaxing	3,793,252	3.55%
Jiashan Changxin	3,615,969	3.38%
Qingdao Qingchuang Boleshan	2,670,651	2.50%
Huzhou Huirui	2,373,888	2.22%
Ningbo Longhuahui	2,225,542	2.08%
Qingchuang Bole Jiuyi	2,225,542	2.08%
Lianjin Innovation	2,225,542	2.08%
Hangzhou Huarui	2,216,308	2.07%
Jiaxing Huaruishengyin	1,780,434	1.67%
Zhegu Youqi	1,335,325	1.25%
Zhejiang Huixin	1,335,325	1.25%
Chengdu Tianfu	1,108,154	1.04%
Hefei Jiatou	883,837	0.83%
Zhejiang Chuangxiang	738,769	0.69%
Jiaxing Future Star	667,663	0.63%
Jiaxing No. 1	667,663	0.63%
Huixin Phase 11	623,152	0.58%
Total	**106,826,031**	**100%**

DETAILS OF THE PRE-[REDACTED] INVESTMENTS

Principal terms of the Pre-[REDACTED] Investments

Our Company concluded several rounds of investments with the Pre-**[REDACTED]** Investors. The following table summarizes the key terms of the Pre-**[REDACTED]** Investments to our Company made by the Pre-**[REDACTED]** Investors by way of subscription:

	Series A Financing[1]	Series B Financing[2]	Equity Transfer[5]	Series C Financing[3]	Equity Transfer[6]	Equity Transfer[7]	Series C+ Financing[4]
Subscription/Transfer of registered capital	Subscription	Subscription	Transfer	Subscription	Transfer	Transfer	Subscription
Date of initial share purchase agreement	December 25, 2018	May 27, 2020	September 26, 2021	September 27, 2021	December 14, 2021	January 17, 2022	January 20, 2023
Date of the last payment of considerations	January 8, 2019	June 3, 2020	October 13, 2021	December 29, 2021	December 17, 2021	July 28, 2022	January 20, 2023
Approximate cost per Share Note (1)	RMB9.48	RMB13.54	RMB20.22	RMB22.47	RMB22.47[8]	RMB22.47	RMB22.47
Total amount of registered capital subscribed/acquired	RMB5.28 million	RMB15.14 million	RMB5.28 million	RMB13.35 million	RMB10.7 million	RMB11.0 million	RMB4.45 million
Amount of consideration	RMB50 million	RMB205 million	RMB107 million	RMB300 million	RMB80 million[8]	RMB248 million	RMB100 million
Discount to the [REDACTED]Note(2)	Equity subscription: (i) **[REDACTED]**%, (ii) **[REDACTED]**%, (iii) **[REDACTED]**%	Equity subscription: (i) **[REDACTED]**%, (ii) **[REDACTED]**%, (iii) **[REDACTED]**%	Equity transfer: (i) **[REDACTED]**%, (ii) **[REDACTED]**%, (iii) **[REDACTED]**%	Equity subscription: (i) **[REDACTED]**%, (ii) **[REDACTED]**%, (iii) **[REDACTED]**%	Equity transfer: (i) **[REDACTED]**%, (ii) **[REDACTED]**%, (iii) **[REDACTED]**%	Equity transfer: (i) **[REDACTED]**%, (ii) **[REDACTED]**%, (iii) **[REDACTED]**%	Equity subscription: (i) **[REDACTED]**%, (ii) **[REDACTED]**%, (iii) **[REDACTED]**%
Post-money valuation of our Company Note (3)(4)(5)	RMB700 million	RMB1.205 billion	RMB1.8 billion	RMB2.3 billion	RMB2.3 billion	RMB2.3 billion	RMB2.4 billion

1 Investors involved in Series A Financing include Changjiang Securities and Heying Tongsheng.

2 Investors involved in Series B Financing include Beijing Yitang, CICC Generation Fund I, Hangzhou Huarui, Chengdu Tianfu, Zhejiang Chuangxiang.

3 Investors involved in Series C Financing include Huzhou Huirui, Lianjin Innovation, Jiaxing Huaruishengyin, Zhejiang Huixin, Ningbo Longhuahui, Zhejiang Zheli Investment Management Co., Ltd.* (浙江浙里投資管理有限公司), Jiashan Jingkai, Jiaxing Future Star, and Jiaxing No. 1.

4 Investor involved in Series C+ Financing is Jiashan Jingkai.

5 Investors include Jiaxing Huaxing, Huzhou Huirui.

6 Investors include Ningbo Longhuahui, Qingdao Qingchuang Boleshan, Zhejiang Zheli Investment Management Co., Ltd.* (浙江浙里投資管理有限公司), Jiashan Jingkai, Jiaxing Jiarui Future and Jiaxing No. 1.

7 Investors include Huixin Phase 11, Ningbo Longhuahui, Qingchuang Bole Jiuyi, and Zhegu Youqi.

8 Exclude certain equity transfer by Shenzhen Hezheng to Ningbo Longhuahui, Zhejiang Zheli Investment Management Co., Ltd.* (浙江浙里投資管理有限公司), Jiashan Jingkai, Jiaxing Jiarui Future and Jiaxing No. 1 at nil consideration, respectively. To the best of our Directors' knowledge and belief, the considerations in respect of these equity transfers were determined after arm's length negotiations between the parties, with reference to the fact that Shenzhen Hezheng had yet to make the required contribution to its subscribed registered capital of the Company at the time of the transfer.

Notes:

(1) The cost per Share paid by the Pre-**[REDACTED]** Investors was calculated based on the amount of investment made by the relevant Pre-**[REDACTED]** Investors and number of Shares acquired in each respective round of investment, as adjusted to reflect subsequent capital injections and the conversion of our Company from a limited liability company to a joint stock limited liability company on November 26, 2025, as applicable.

(2) The discount to the **[REDACTED]** is calculated based on the foreign exchange rate as of the Latest Practicable Date and the assumption that the **[REDACTED]** is (i) HK$**[REDACTED]**, (ii) HK$**[REDACTED]** and (iii) HK$**[REDACTED]** per H Share (being low end, mid-point, and high end of the indicative **[REDACTED]** range, respectively).

(3) The post-money valuation of our Company equals the total consideration paid by each round of Pre-**[REDACTED]** Investors divided by the percentage of equity interests held of such investors immediately following their investments.

(4) The reasons for the increase in valuation from Series A Financing to Series B Financing were due to our Company's growth in revenue and profitability, including the expansion of revenue scale, improvement in gross profit margin and continuous growth in net profit, as well as enhanced cost control and operational efficiency achieved through technological upgrades and management optimization.

(5) The reasons for the increase in valuation from Series B Financing to Series C Financing were due to the rapid growth of the industry in which our Company operates, continued growth in revenue and profitability, and the strengthening of our Company's competitive barriers through the accumulation of core technology and proprietary patents, resulting in an expansion of market share.

Other principal terms of the Pre-[REDACTED] Investments

The table below sets forth the other principal terms of the Pre-**[REDACTED]** Investments:

Basis of determination of the valuation and consideration	The basis of determination for the consideration of the Pre-**[REDACTED]** Investments were from arm's length negotiation between our Company and the Pre-**[REDACTED]** Investors with reference to among others, (i) the status of our business operations and financial performance at the relevant time, (ii) the business value of the Company and its subsidiaries at the time of the Pre-**[REDACTED]** Investments, (iii) the market conditions and the market value of comparable companies at the relevant time, and (iv) the prospects of the Group's business scale, product capability and market position.
Use of proceeds and whether they have been fully utilized	We utilized the proceeds for daily operation. As of the Latest Practicable Date, all net proceeds from the Series A Financing, Series B Financing, Series C Financing and Series C+ Financing had been utilized by our Group.
Lock-up period	Subject to a lock-up period of 12 months following the **[REDACTED]** pursuant to the PRC Company Law.
Strategic benefits of the Pre-[REDACTED] Investments brought to our Group	Our Group would benefit from the additional capital injected by the Pre-**[REDACTED]** Investors in our Group, their business resources, knowledge and experience, potential business opportunities and benefits that may be provided by them, and their investments demonstrate their commitment and confidence in the business performance and operations, strengths and long-term prospects of our Group.

Special rights granted to the Pre-[REDACTED] Investors

According to a shareholders agreement dated January 20, 2023 entered into between the Company and the then Shareholders (the "**Shareholders Agreement**") and a supplemental shareholders agreement dated January 20, 2023 entered into between Jiashan Jingkai, Mr. Cai and the Company, the Pre-**[REDACTED]** Investors were granted certain special rights, including (i) the redemption right granted by our Company (the "**Company Redemption Right**"), (ii) the redemption right granted by certain Controlling Shareholders, namely Dr. Cai and Shenzhen Hezheng (the "**Controlling Shareholders Redemption Right**"), (iii) the right of preference upon liquidation exercisable upon the occurrence of the liquidation event prescribed under Article 6.1(2) of the Shareholders Agreement, namely, the failure of the repurchase obligor to perform its repurchase obligation for more than one month ("**Special Right of Preference upon Liquidation**"), and (iv) other special rights, such as other rights of preference upon liquidation, pre-emptive right, right of first refusal, anti-dilution right, tag-along and drag-along rights, director nomination right and information right (the "**Other Special Rights**").

(i) Company Redemption Right

In August 2025, in light of the Company's previous A share securitization attempt (as further described below) previous agreement with the Shareholders for its, the Company and its then Shareholders entered into a supplemental agreement (the "**First Supplemental Agreement**") to permanently and irrevocably terminate the Company Redemption Right, and the termination shall be *void ab initio* with effect from the day immediately prior to the issuance date of the financial report for the joint-stock reform of the Company. Pursuant to another supplemental agreement entered into by the Company and the Shareholders in December 2025 in preparation of the **[REDACTED]** (the "**Second Supplemental Agreement**", together with the First Supplemental Agreement, the "**Supplemental Agreements**"), the Special Right of Preference upon Liquidation was terminated prior to the first submission of the **[REDACTED]** application to the Stock Exchange and shall be *void ab initio*. Save for certain rights of preference upon liquidation, all Other Special Rights are not *void ab initio*. No Pre-**[REDACTED]** Investors had exercised their redemption rights during the Track Record Period. For details, please refer to note 30 of the Accountants' Report.

(ii) Controlling Shareholders Redemption Right

Pursuant to Article 143 of the Civil Code of the People's Republic of China (《中華人民共和國民法典》), a valid civil juristic act shall meet the following requirements: (i) the actor has relevant capacity for civil conduct; (ii) the intention expressed is genuine; and (iii) such act does not violate the mandatory provisions of laws and administrative regulations or the public order and good morals. Through the execution of the Supplemental Agreements, while the clauses concerning the Company Redemption Right and liquidation preference rights have never been exercised, both parties agreed to terminate these clauses and to treat them as having no legal effect from the time of their execution, thereby restoring the rights and obligations of both parties to the status quo ante as if such clauses had never been agreed upon. Such arrangement represents the genuine intention of the parties, does not violate any mandatory provisions of PRC laws or administrative regulations, or the public order and good morals, and is therefore legally valid under PRC law. Based on the above, our PRC Legal Advisor are of the view that the Company Redemption Right and rights of preference upon liquidation agreed upon by the Company and the Pre-**[REDACTED]** Investors have been irrevocably terminated and shall be deemed *void ab initio*.

Pursuant to the Second Supplemental Agreement, the Controlling Shareholders Redemption was terminated with effect from the day immediately prior to the first submission of the **[REDACTED]** application to the Stock Exchange. In the event that: (i) our Company withdrew its **[REDACTED]** application; (ii) our **[REDACTED]** application is rejected or returned by the Stock Exchange; (iii) our **[REDACTED]** application has expired and our Company does not re-submit an application within six months thereafter; or (iv) our Company fails to complete the **[REDACTED]** on or before December 31, 2027, the Controlling Shareholders Redemption Right shall be reinstated. Save for the Company Redemption Right, the Controlling Shareholder Redemption Right and the Special Right of Preference upon Liquidation, which had been terminated, the Other Special Rights granted to Pre-**[REDACTED]** Investors will be terminated upon **[REDACTED]** in accordance with Chapter 4.2 of the Listing Guide.

Prior to the execution of the Supplemental Agreements, certain Pre-**[REDACTED]** Investors had exercised their director nomination rights pursuant to Article 1.3 of the Shareholders Agreement by nominating non-executive Directors to the Board. At the general meeting of our Company in relation to the **[REDACTED]** held in December 2025, our Shareholders approved the removal of the directors nominated by such Pre-**[REDACTED]** Investors and the election of new directors. In addition, certain Pre-**[REDACTED]** Investors had exercised their information rights pursuant to Article 12 of the Shareholders Agreement. As confirmed by our PRC Legal Advisor, the prior exercise of the special rights does not affect the conclusions drawn by our PRC legal advisor as set out above.

As confirmed by the Company, save as disclosed above, (i) there is no warranty provided by the Company or any other party in respect of the enforceability of the Company Redemption Right; (ii) there are no other side agreement between the Company and the Pre-**[REDACTED]** Investors or between the Company and the Controlling Shareholders regarding the Controlling Shareholder Redemption Right; and (iii) the Company did not provide any guarantee on the Controlling Shareholders Redemption Right in case of default by the Controlling Shareholders. Considering that the Company has no obligation to repurchase the Shares held by the Pre-**[REDACTED]** Investors, no redemption liability was recorded during the Track Record Period. For details, please refer to note 30 of the Accountants' Report.

Information regarding our key Pre-[REDACTED] Investors

Name of Pre-[REDACTED] Investors	Background
Jiashan Jingkai	Jiashan Jingkai is a limited partnership established in the PRC, principally engaged in equity investments and industrial investments. Its general partner is Wuhan Tongxin Licheng Investment Management Co., Ltd. (武漢同鑫力誠投資管理有限公司), which is in turn owned as to 83.9% by Zhong Jin (鐘瑾) and 16.1% by Chongqing Tongxin Chuangying Technology Development Partnership (Limited Partnership) (重慶同芯創盈科技發展合夥企業(有限合夥)). Jiashan Jingkai is owned as to 99% by Jiashan Jinghui High-tech Industry Venture Capital Co., Ltd. (嘉善經惠高新產業創業投資有限公司) and 1% by Wuhan Tongxin Licheng Investment Management Co., Ltd (武漢同鑫力誠投資管理有限公司). Jiashan Jinghui High-tech Industry Venture Capital Co., Ltd. (嘉善經惠高新產業創業投資有限公司) is ultimately owned and controlled by Jiashan Economic and Technological Development Zone Management Committee (嘉善經濟技術開發區管理委員會). Each of Zhong Jin (鐘瑾) and Jiashan Economic and Technological Development Zone Management Committee (嘉善經濟技術開發區管理委員會), a government-established administrative body, is an independent third party.

Name of Pre-[REDACTED] Investors	Background
CICC Entities	Each of Lianjin Innovation Industry Private Equity Investment Fund (Shenzhen) Partnership (Limited Partnership)* (聯金創新產業私募股權投資基金(深圳)合夥企業(有限合夥)) ("**Lianjin Innovation**") and CICC Generation (Suzhou) Emerging Industries Equity Investment Fund Partnership (Limited Partnership) (中金啟辰(蘇州)新興產業股權投資基金合夥企業(有限合夥)) ("**CICC Generation Fund I**", together with Lianjin Innovation, "**CICC Entities**") is a limited partnership established in the PRC, principally engaged in equity investments through private equity funds. The general partner of CICC Generation Fund I is CICC Capital Operation Co., Ltd. (中金資本運營有限公司) ("**CICC Capital**"), which is a wholly owned subsidiary of China International Capital Corporation Limited (中國國際金融股份有限公司) ("**CICC**"), a company listed on the Stock Exchange (stock code: 3908) and the Shanghai Stock Exchange (stock code: 601995). CICC Generation Fund I has 22 limited partners, none of which holds more than 30% of the equity interests therein. Its largest partner is China State-owned Enterprise Structural Adjustment Fund Co., Ltd.* (中國國有企業結構調整基金股份有限公司), which is ultimately controlled by the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會) ("**SASAC**"). The general partner of Lianjin Innovation is Lianjin Private Equity Venture Capital Fund Management (Shenzhen) Co., Ltd. (聯金私募股權創業投資基金管理(深圳)有限公司) who is owned as to 51% by CICC Capital where the remaining 49% is owned by China Unicom Capital Investment Holdings Limited. (聯通資本投資控股有限公司). China Unicom Capital Investment Holdings Limited. (聯通資本投資控股有限公司) is ultimately wholly owned by SASAC. Lianjin Innovation has 15 limited partners, none of which holds more than 30% of the equity interests therein. Its largest partner is Shenzhen Guiding Fund Investment Co., Ltd. (深圳市引導基金投資有限公司), which is a wholly-owned subsidiary of Shenzhen Finance Bureau (深圳市財政局). Save for the amount of Shares deemed to be interested by CICC Capital and CICC as disclosed in the section headed "Substantial Shareholder", each of CICC Capital and CICC is an independent third party.
Beijing Yitang	Yitang Huachuang is a limited partnership established in the PRC, principally engaged in investment, asset management, and investment consulting. Its general partner is Beijing Shixi Yitang Huachuang Investment Management Co., Ltd. (北京石溪屹唐華創投資管理有限公司) ("**Beijing Shixi**"), which is ultimately controlled as to 51.0% by Chongqing Puyuexin Enterprise Management Consulting Co., Ltd* (重慶璞悦芯企業管理諮詢有限公司) ("**Chongqing Puyuexin**").

Name of Pre-[REDACTED] Investors	Background
	Yitang Huachuang is owned as to 63.13% by Beijing Zhaoying Naixin Equity Investment Fund Partnership (Limited Partnership) (北京市招盈耐信股權投資基金合夥企業(有限合夥)), which is in turned owned as to 89.9% by China Cinda Asset Management Co., Ltd.* (中國信達資產管理股份有限公司). China Cinda Asset Management Co., Ltd.* (中國信達資產管理股份有限公司) is owed as to 58.0% by Central Huijin Investment Ltd. (中央匯金投資有限責任公司) ("**Central Huijin**"), which is ultimately wholly owned by the State Council. The remaining 36.87% of the equity interests in Yitang Huachuang is held by three partners. Specifically, 26.91% is held by Beijing Yizhuang International Emerging Industrial Investment Center (Limited Partnership)* (北京亦莊國際新興產業投資中心(有限合夥)), which is ultimately owned as to approximately 100.00% by Beijing Economic-Technological Development Area Finance and State-owned Assets Bureau (北京經濟技術開發區財政國資局), 8.97% is held by GigaDevice Semiconductor Inc., a company whose shares are listed on Shanghai Stock Exchange (stock code: 603986.SH) and the Stock Exchange (stock code: 03986), with none of its shareholders holding more than 30% of the equity interests therein, and the remaining 1.00% by Beijing Shixi, respectively. Beijing Shixi is ultimately owned as to 51% by Beijing Qingyuan Huaxin Investment Management Co., Ltd.* (北京清源華信投資管理有限公司), a wholly-owned subsidiary of Chongqing Puyuexin, with Mr. Liu Yue (劉越) as the largest shareholder who holds 24.55% of the interests therein; and 35.55% by Beijing Shixi Qingliu Private Equity Fund Management Co., Ltd. (北京石溪清流私募基金管理有限公司), with Mr. Zhu Zheng (朱正) as the largest shareholder who holds 46.15% of the interests therein, respectively. Each of Mr. Liu Yue and Mr. Zhu Zheng is an independent third party. The general partners of Beijing Zhaoying Naixin Equity Investment Fund Partnership (Limited Partnership) (北京市招盈耐信股權投資基金合夥企業(有限合夥)) are Shenzhen Merchants Yingkui Equity Investment Fund Management Co. Ltd (深圳市招商盈葵股權投資基金管理股份有限公司), which is ultimately wholly owned by China Merchants Capital Investment Co., Ltd. (招商局資本投資有限責任公司) ("**China Merchants**"), and Cinda Capital Management Co., Ltd. (信達資本管理有限公司), which is indirectly wholly owned by China Cinda Asset Management Co., Ltd.* (中國信達資產管理股份有限公司). China Merchants is owned as to 50% by GLP Capital Investment 5 (HK) Limited and 50% by China Merchants Financial Holdings Co., Ltd. (招商局金融控股有限公司). The latter is ultimately a wholly-owned subsidiary of the State Council. Each of Chongqing Puyuexin, China Merchants and Central Huijin is an independent third party.
Dunhong Entities	Each of Jiaxing Huaxing, Chengdu Tianfu and Zhejiang Chuangxiang (together with Jiaxing Huaxing, Chengdu Tianfu, "**Dunhong Entities**") is a limited partnership established in the PRC, principally engaged in investment management.

Name of Pre-[REDACTED] Investors	Background
	Each of the general partner of Jiaxing Huaxing and Chengdu Tianfu is Shanghai Dunhong Asset Management Co., Ltd. (上海敦鴻資產管理有限公司) ("**Shanghai Dunhong**"). The general partners of Zhejiang Chuangxiang is Zhejiang Chengzhang Cultural & Creative Asset Management Co., Ltd. (浙江成長文創資產管理有限公司) ("**Zhejiang Chengzhang**") and Hangzhou Muhong Private Equity Fund Management Co., Ltd. ("**Hangzhou Muhong**") (杭州沐鴻私募基金管理有限公司). Zhejiang Chengzhang is a limited liability company incorporated in the PRC, principally engaged in investment. It is held 75% by Shanghai Dunhong and 25% by Zhejiang Cultural Industry Promotion Association (浙江省文化產業促進會). Hangzhou Muhong is held 60% by Zhejiang Chengzhang and 21.82% by Zhejiang Publishing United Group Co., Ltd. (浙江出版聯合集團有限公司) which is an independent third party of the Company and ultimately wholly owned by People's Government of Zhejiang Province (浙江省人民政府). Shanghai Dunhong is a limited company incorporated in the PRC, engaged in investments in the technology and cultural sectors. It is held 69.69% by its general partner Shanghai Dunfu Enterprise Management Center (Limited Partnership) (上海敦富企業管理中心(有限合夥)) ("**Shanghai Dunfu**"). None of the remaining three shareholders holds more than 30% of the interests of Shanghai Dunhong. Mr. Yuan Guoliang (袁國良), an independent third party, is the general partner of Shanghai Dunfu and thus the ultimate beneficial owner of Shanghai Dunhong. Jiaxing Huaxing is held as to 39.06% by its limited partner Zhenjiang Dingfu Information Technology Industry Investment Partnership (Limited Partnership) (鎮江鼎富信息技術產業投資合夥企業(有限合夥)), a state-owned subsidiary with the ultimate beneficial owner Zhenjiang Municipal People's Government State-owned Assets Supervision and Administration Commission (鎮江市人民政府國家資產監督管理委員會). None of the remaining partners hold more than 30% of the partnership interest in Jiaxing Huaxing. Jiaxing Huaxing and its ultimate controlling shareholders are independent third parties. Chengdu Tianfu is held 97.06% by Sichuan Esheng Cement Group Co., Ltd. (四川峨勝水泥集團股份有限公司) ("**Sichuan Esheng**"). Sichuan Esheng is 47.27% held by Xiong Jianhua (熊建華), an independent third party, and none of the remaining shareholders hold more than 30% of the interest in Sichuan Esheng. Sichuan Esheng and its ultimate controlling shareholders are independent third parties.
Beijing Qingchuang	Each of Qingdao Qingchuang Boleshan and Qingchuang Bole Jiuyi is a limited partnership established in the PRC, principally engaged in equity investments through private equity funds, and their general partners are Beijing Qingchuang Bole Investment Co., Ltd. (北京青創伯樂投資有限公司) ("**Beijing Qingchuang**"). None of the shareholders of Beijing Qingchuang hold more than 30% of the interests therein. The partnership interest in Qingdao Qingchuang Boleshan is held as to 64.31% by Zhen Guozhen (甄國振), with the remaining 12 partners each holding less than 10% of the partnership interest. All limited partners of Qingdao Qingchuang Boleshan are independent third parties.

Name of Pre-[REDACTED] Investors	Background
	The partnership interest in Qingchuang Bole Jiuyi is held as to 30.00% by Zhejiang Zhanxing Jieli Equity Investment Fund Partnership (Limited Partnership)* (浙江戰興接力股權投資基金合夥企業(有限合夥)), approximately 27.80% by Zhejiang Zheli Investment Management Co., Ltd.* (浙江浙里投資管理有限公司), 15.41% by Zhen Guozhen (甄國振), with the remaining nine limited partners each holding less than 10% of the partnership interest. All limited partners of Qingchuang Bole Jiuyi are independent third parties.
Huarui Investment	Each of Hangzhou Huarui and Jiaxing Huaruishengyin is a limited partnership established in the PRC, principally engaged in equity investments through private equity funds, and their general partners are Zhejiang Fuhua Ruiyin Investment Management Co., Ltd. (浙江富華睿銀投資管理有限公司) ("**Huarui Investment**"). Huarui Investment is an investment company held 79% by Zong Peimin (宗佩民) and 11% by Shou Zhiping (壽志萍). Huarui Investment and its shareholders are independent third parties. None of the partners of Hangzhou Huarui owe more than 30% of the partnership interest therein. Jiaxing Huaruishengyin is held 30% by Zhejiang Provincial Industrial Fund Co., Ltd. (浙江省產業基金有限公司)), an independent third party, and each of the remaining 24 partners hold less than 30% of the partnership interest therein. Zhejiang Provincial Industrial Fund Co., Ltd. (浙江省產業基金有限公司) is an indirect wholly owned subsidiary by Department of Finance of Zhejiang Province (浙江省財政廳).
Huzhou Huirui	Huzhou Huirui is a limited partnership established in the PRC, principally engaged in equity investments. Its general partner is Huzhou Huilan Investment Consulting Co., Ltd. (湖州匯嵐投資咨詢有限公司), which is a limited company incorporated in the PRC and an independent third party of the Company. Huzhou Huirui is held as to 70.83% by Shanghai Shengli Investment Co., Ltd. (上海升力投資有限公司) which is owned as to 90% by Mr Lin Leiyuan (林磊淵) and 10% by Mr. Lin Kewen (林克文), each an independent third party. The remaining two partners each hold less than 30% of the partnership interest in Huzhou Huirui. All limited partners of Huzhou Huirui are independent third parties.
Ningbo Longhuahui	Ningbo Longhuahui is a limited partnership established in the PRC, principally engaged in equity investments through private equity funds. Its general partner is Ningbo Jintong Jiuge Enterprise Management Partnership (Limited Partnership) (寧波金通九格企業管理合夥企業(有限合夥)) ("**Ningbo Jintong**"), which is a limited partnership established in the PRC and an independent third party of the Company. It is held 40% by Huafang Group Co., Ltd. (華芳集團有限公司), 20% by Zhang Jinghong (張敬紅), 20% by Hu Liming (胡黎明) and the remaining six limited partners each hold less than 10% partnership interest in Ningbo Longhuahui. All limited partners of Ningbo Longhuahui are independent third parties. Ningbo Jintong is owned as to 51% by its general partner Ningbo Jiuge Equity Investment Management Partnership (Limited Partnership)* (寧波九格股權投資管理合夥企業(有限合夥)) ("**Ningbo Jiuge**"), and as to 15.5% by its limited partner Jintong Zhihui Investment Management Co., Ltd. (金通智匯投資管理有限公司) ("**Jintong Zhihui**").

Name of Pre-[REDACTED] Investors	Background
	The general partners of Ningbo Jiuge are Mr. Hu Zhihui (胡智慧) and Mr. Cao Yun (曹蘊), each an independent third party. Ningbo Jiuge has 12 partners and none of them holds more than 30% of the equity interests therein. The largest limited partner of Ningbo Jiuge is Jintong Zhihui, which holds 26.03% of the equity interests therein. Therefore, Ningbo Jintong is ultimately owned both directly and indirectly as to 28.77% by Jintong Zhihui. Jintong Zhihui is owned as to 80% by Suzhou Jiasheng Equity Investment Enterprise (Limited Partnership)* (蘇州鎵盛股權投資企業(有限合夥)) ("**Suzhou Jiasheng**") and 20% by Ms. Wang Wenjuan (王文娟). Suzhou Jiasheng is owned as to 96.5% by Mr. Yuan Yonggang (袁永剛) and 3.5% by Ms. Wang Wenjuan, respectively, each an independent third party.
Shenzhen Huishin	Each of Huixin Phase 11 and Zhejiang Huixin is a limited partnership established in the PRC, principally engaged in equity investments through private equity funds. Huixin Phase 11's general partner is Shenzhen Huishin Equity Investment Management Co., Ltd. (深圳市匯芯股權投資管理有限公司) ("**Shenzhen Huishin**") and Zhejiang Huixin's general partner is 70% owned by Shenzhen Huishin. Shenzhen Huishin is 70% owned by Hatchip Co., Ltd. (深圳市匯芯通信技術有限公司). None of the shareholders of Hatchip Co., Ltd. (深圳市匯芯通信技術有限公司) hold more than 30% of the interests therein. None of limited partners of Huixin Phase 11 hold more than 30% of the interests therein. None of limited partners of Zhejiang Huixin hold more than one-third of the interests therein.
Jiaxing Jiarui	Each of Jiaxing Future Star and Jiaxing No. 1 is a limited partnership established in the PRC, principally engaged in equity investments through private equity funds, and their general partners are Jiaxing Jiarui Investment Management Co., Ltd. (嘉興市嘉睿投資管理有限公司) ("**Jiaxing Jiarui**"). The State-owned Assets Supervision and Administration Commission of the Jiaxing Municipal People's Government (嘉興市人民政府國有資產監督管理委員會) and the Department of Finance of Zhejiang Province (浙江省財政廳) collectively holds as to 100% of Jiaxing Jiarui. The partnership interest in Jiaxing Future Star is held as to 49% by Jiaxing No. 1, 29.8% by Zhuji Fuhua Ruiyin Investment Management Co., Ltd. (諸暨富華睿銀投資管理有限公司), 10% by Zhejiang Shuannan Equity Investment Co., Ltd. (浙江珵南股權投資有限公司) and remaining three partners each holding less than 10% partnership interest in Jiaxing Future Star. All limited partners and its controlling shareholders of Jiaxing Future Star are independent third parties to the Company. The partnership interest in Jiaxing No. 1 is held as to 69.8% by Jiaxing Jiaguo Gold Investment Holding Group Co., Ltd. (嘉興市嘉國金投控股集團有限公司) ("**Jiaxing Jiaguo**") and remaining three partners, each holds less than 30% of the partnership interest in Jiaxing No. 1. All limited partners and its controlling shareholders of Jiaxing No. 1 are independent third parties. Jiaxing Jiaguo is owned as to 51% by Zhejiang Jiaxing Jiaguo Heqi Investment Co., Ltd.* (浙江嘉興嘉國禾祺投資有限公司) and 49% by Jiaxing Industrial Development Group Co., Ltd.* (嘉興市產業發展集團有限公司). Jiaxing Jiaguo is ultimately owned as to 92.80% by Jiaxing Municipal People's Government State-owned Assets Supervision and Administration Commission (嘉興市人民政府國有資產監督管理委員會) and 7.20% by Zhejiang Caikai Group Co., Ltd.* (浙江省財開集團有限公司), a wholly-owned subsidiary of Zhejiang Provincial Department of Finance (浙江省財政廳).

Name of Pre-[REDACTED] Investors	Background
Zhegu Youqi	Zhegu Youqi is a limited partnership established in the PRC, principally engaged in equity investments and venture capital investments. Its general partner is Zhejiang Kunxin Investment Management Co., Ltd. (浙江坤鑫投資管理有限公司), which is wholly owned by Zhejiang Zheli Investment Management Co., Ltd. (浙江浙里投資管理有限公司) ("**Zhejiang Zheli**"). The latter holds a 99% interest in Zhegu Youqi. Both entities are independent third parties. Zhejiang Zheli is wholly owned by Zhejiang Equity Trading Center Co., Ltd. (浙江股權服務集團有限公司) ("**Zhejiang Equity**"). Zhejiang Equity has 20 shareholders, none of which holds more than 30% of the equity interests therein. The largest shareholder of Zhejiang Equity is Zhejiang Financial Market Investment Co., Ltd.* (浙江省金融市場投資有限公司), which holds 12.00% of the equity interests in Zhejiang Equity and is an indirect wholly-owned subsidiary of Zhejiang Provincial Department of Finance (浙江省財政廳).

Joint Sponsors' Confirmation

On the basis that (i) the consideration for the Pre-**[REDACTED]** Investments was irrevocably settled more than 28 clear days before the date of our first submission of the **[REDACTED]** application form to the Stock Exchange in relation to the **[REDACTED]**, (ii) the redemption rights and certain rights of preference upon liquidation as described above have ceased to be effective immediately before the submission of the **[REDACTED]** application form to the Stock Exchange in relation to the **[REDACTED]**; and (iii) no special rights of the Pre-**[REDACTED]** Investors will exist after the **[REDACTED]**, the Joint Sponsors have confirmed that the Pre-**[REDACTED]** Investments are in compliance with Chapter 4.2 of the Guide for New Listing Applicants.

PRC Legal Advisor's Confirmation

As advised by our PRC Legal Advisor, our Company has made all necessary registrations or filings with the relevant local branch of SAMR in respect of the Pre-**[REDACTED]** Investments in all material respects, and the Pre-**[REDACTED]** Investments were conducted in compliance with the applicable PRC laws and regulations in all material respects.

ACQUISITIONS AND DISPOSALS

We did not carry out any major acquisitions, disposal or mergers during the Track Record Period and up to the Latest Practicable Date.

Previous A Share Securitization Attempt and Reasons for the [REDACTED]

(i) Background of the Potential Transaction

In October 2024, the Company engaged in preliminary discussion with Suzhou Jinhongshun Auto Parts Co., Ltd. (蘇州金鴻順汽車部件股份有限公司), a company whose shares are listed on the Shanghai Stock Exchange (Stock code: 603922.SH) ("**Jinhongshun**") regarding a potential acquisition of 95.79% of the issued share capital of the Company by Jinhongshun (the "**Potential Transaction**"), following which, if materialized, the Company will become a subsidiary of Jinhongshun and thereby become a member of a listed group. Jinhongshun is a well-known supplier in the PRC principally engaged in the development, production and sale of automobile body and chassis stamping parts, and their related molds, serving both domestic and overseas automotive customers, such as SAIC Volkswagen, SAIC General Motors, Benteler, Bosch and Continental Automotive, among others. It was recognized as a key backbone enterprise by the China Die &

Would Industry Association (中國模具工業協會重點骨幹企業), and operates various production plants in the PRC. Headquartered in Jiangsu province, Jinhongshun commenced its operations in September 2003 and its A shares has been listed on the Shanghai Stock Exchange (Stock code 603922.SH) since October 2017. For the financial year ended December 31, 2024, Jinhongshun recorded annual revenue of approximately RMB867.1 million. Jinhongshun has no pre-existing relationship with the Company. Jinhongshun suspended trading from October 23, 2024 to November 5, 2024 pursuant to the relevant listing rules of the Shanghai Stock Exchange, and published an announcement regarding details of the Potential Transaction on November 5, 2024. The proposed consideration for the Potential Transaction comprised a combination of new A shares to be issued by Jinhongshun and cash, with the final amount to be determined by reference to the appraised value of the Company's assets. The total number of A shares to be issued by Jinhongshun will be calculated by dividing the consideration payable to the selling shareholders of the Company in the form of shares by the issue price of the A share of RMB14.20 per A share, which was not less than 80% of the average trading price of Jinhongshun's shares over the 60 trading days immediately prior to the pricing benchmark date. Given that the appraised value of the Company's assets and the consideration of the Potential Acquisition had not yet been finalized and/or determined at the relevant time, the number of A shares to be issued by Jinhongshun to the selling shareholders in the transaction had not yet been determined. The Company and, to the best of its knowledge, the selling shareholders did not expect to receive any specific number of A shares of Jinhongshun, nor any particular percentage of equity interests or control in Jinhongshun. The Potential Transaction was subject to, among others, the approval of the board of directors and shareholders of Jinhongshun and the approval by the Shanghai Stock Exchange, and the consent to registration by the CSRC.

(ii) Reasons for the Potential Transaction

At the relevant time, the Company was focused on achieving rapid growth in its business scale and further strengthening its overall competitiveness in the motor industry. Given that the A share listing process was uncertain and could be time-consuming, and that listings on the Hong Kong Stock Exchange by H share companies were not as active and common as in the current market, the Company considered that the Jinhongshun's acquisition proposal as an attractive alternative. With the support of an A-share listed company platform, the Company expected it would significantly reduce its financing costs, and substantially enhance capital liquidity, thereby ensuring ample funding for its business development. By leveraging Jinhongshun's brand influence and business resources, the Company anticipated that it would be able to rapidly expand its business scale. In addition, the Potential Transaction was expected to create synergies between the Company and Jinhongshun in terms of products and customer resources. The Company is a major player in the micro motor sector, with deep expertise and proprietary technology across the entire chain and a broad product portfolios. Its products are used across multiple downstream industries, including smartphones, handheld imaging devices and automotive electronics. Jinhongshun, on the other hand, has accumulated extensive experience and customer resources in the automotive industry, supplying several well-known domestic and international vehicle manufacturers and parts suppliers. The two companies were expected to benefit from synergies through sharing of R&D capabilities and sales channels, while leveraging the brand reputation and market recognition of both parties.

(iii) Status of the Potential Transaction

As advised by the Company PRC Legal Adviser, under the A-share regulatory framework, a material asset restructuring involving the issuance of shares by an A-share listed company general involves several stages, including (i) the first board meeting ("一董"會議) where the board of directors of the A-share listed company considers and approves the preliminary restructuring plan, and the A-share listed company announces that the parties are in discussions and disclose the basic framework of the proposed transaction ("**Pre-plan Announcement**"), while detailed audit and valuation work, specific pricing and other key terms are not yet be finalized; (ii) second board meeting ("二董"會議). After completion of the audit and valuation of assets of the target company, the board of directors of the A-share listed company considers and approves the draft restructuring report and related document. The listed company then announces the specific valuation, pricing mechanism, consideration, payment arrangements, conditions precedent, performance commitments (if any), and professional opinions and risk factors; (iii) shareholders' meeting by the A-share listed company to consider and approve the material asset restricting, the share issuance plan (if any), any ancillary financing and related matters and submission to the Shanghai Stock Exchange; and (iv) implementation and post-completion disclosure.

The Potential Transaction passed the first board meeting and ceased before proceeding to the second board meeting. The Potential Transaction had not yet been submitted to the shareholders of Jinhongshun for approval prior to its termination, and no formal application was submitted to the CSRC or the Shanghai Stock Exchange. Based on the above, the Directors are of the view that (i) neither the Shanghai Stock Exchange nor the CSRC had commenced any formal review, vetting process or approval process in connection with the Potential Transaction, (ii) the CSRC and the Shanghai Stock Exchange had not raised any major comments and material concerns in respect of the Potential Transaction that would affect the Company's suitability for **[REDACTED]** on the Stock Exchange, and (iii) there are no matters relating to the Potential Transaction that need to be brought to the attention of the Stock Exchange.

Pursuant to a mutual and amicable discussion between the parties, as the Parties were unable to reach an agreement on the terms of the transaction after rounds of negotiations, our Company and Jinhongshun agreed not to proceed with the Potential Transaction in June 2025. No consideration was agreed between the then shareholders of the Company and Jinhongshun prior to the termination of the Potential Transaction in June 2025. The Potential Transaction was still at a preparatory stage prior to its termination.

(iv) Reasons for the [REDACTED]

Our Directors are of the view that: (1) as an internationally recognized and prestigious stock exchange, the Stock Exchange will provide us with a robust platform to access international capital markets and expand our global business presence; (2) the **[REDACTED]** will furnish us with the necessary capital to enhance our competitiveness by supporting our business expansion and strengthening our growth prospects; and (3) the **[REDACTED]** will elevate our corporate profile, boost market recognition of our brand, and present an opportunity to further broaden our **[REDACTED]** base. Having regard to the aforementioned factors and our Group's long-term business development strategies, our Directors consider the Stock Exchange to be a suitable platform for accessing international equity markets, and the **[REDACTED]** is in the best interests of our Company and our shareholders as a whole.

(v) The Joint Sponsors' View

The Joint Sponsors are of the view that: (1) based on their due diligence and review of the information provided by the Company regarding the Potential Transaction, neither the CSRC nor the Shanghai Stock Exchange had formally commenced any vetting or review process prior to its termination. Consequently, no major comments or material concerns were raised by either authority that would, at any time, affect the Company's suitability for the **[REDACTED]** on the Stock Exchange; (2) the Potential Transaction was terminated in June 2025 while still at a preparatory stage (i.e., prior to the second board meeting of Jinhongshun and before any formal submission to regulators), there are no outstanding regulatory matters relating to the transaction that require disclosure to or further attention from the Stock Exchange; (3) given the absence of any regulatory impediments from the CSRC or the Shanghai Stock Exchange, and having regard to the Company's long-term strategic objectives to access international capital markets, the Directors' view that the **[REDACTED]** is in the best interests of the Company and its shareholders as a whole is shared by the Joint Sponsors.

Accordingly, the Joint Sponsors concur with the Directors that the Stock Exchange is a suitable platform for the Company's global expansion and that the **[REDACTED]** aligns with the best interests of the Company and its shareholders.

[REDACTED] FLOAT AND FREE FLOAT

Satisfaction of the [REDACTED] Float Requirement

Rule 8.08(1) of the Listing Rules provides that there must be an open market in the securities for which **[REDACTED]** is sought. Rule 19A.13A further provides that where a new applicant is a PRC issuer with no other listed shares at the time of listing and the expected market value of the class of securities at the time of listing is not exceeding HK$6 billion, such requirement will normally mean that the portion of H shares for which listing is sought that are held by the public at the time of listing must represent at least 25%.

Following the conversion of the Unlisted Shares into H Shares and upon completion of the **[REDACTED]** (assuming that the **[REDACTED]** is not exercised) (i) **[REDACTED]** H Shares to be directly held by the Controlling Shareholders will not be counted as part of the **[REDACTED]** float; (ii) a total of **[REDACTED]** H Shares will be converted from the Unlisted Shares and will be held by our Shareholders who are not our core connected persons (nor are accustomed to take instructions from core connected persons of the Company in relation to the acquisition, disposal, voting or other disposition of their shares, and their acquisition of shares was not financed directly or indirectly by core connected persons of the Company). These H shares will be counted towards the **[REDACTED]** float; and (iii) the issue of **[REDACTED]** H Shares pursuant to the **[REDACTED]**, will be counted as part of the **[REDACTED]** float.

Assuming that the **[REDACTED]** is not exercised, (i) based on an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]** (being the low end of the indicative **[REDACTED]** range), our expected **[REDACTED]** upon the **[REDACTED]** is HK$**[REDACTED]**; (ii) based on an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]** (being the mid-point of the indicative **[REDACTED]** range), our expected **[REDACTED]** upon the **[REDACTED]** is HK$**[REDACTED]**; and (iii) based on an **[REDACTED]** of HK$**[REDACTED]** per **[REDACTED]** (being the high end of the indicative **[REDACTED]** range), our expected **[REDACTED]** upon the **[REDACTED]** is HK$**[REDACTED]**. It follows that the total number of the H Shares expected to be held by the public immediately following the completion of the **[REDACTED]** (before any exercise of the **[REDACTED]**) represents approximately **[REDACTED]** of the total number of our issued Shares, which is higher than the prescribed percentage of H Shares required to be held in public hands under Rule 19A.13A(1) of the Listing Rules.

Satisfaction of the Free Float Requirement

Rule 8.08A of the Listing Rules provides that there must be sufficient shares for which listing is sought by a new applicant that are held by the public and available for trading upon **[REDACTED]**. Rule 19A.13C further provides that where a new applicant is a PRC issuer with no other listed shares at the time of listing, such requirement will normally mean that the portion of H shares for which listing 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 listing, must: (a) represent at least 10% of the total number of issued shares in the class to which H shares belong at the time of listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK$50,000,000; or (b) have an expected market value at the time of listing of not less than HK$600,000,000.

Upon completion of the **[REDACTED]** (before any exercise of the **[REDACTED]**), all of the H Shares for which **[REDACTED]** is sought are expected to be held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise).

It follows that the total number of the H Shares expected to be held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise) immediately following the completion of the **[REDACTED]** (before any exercise of the **[REDACTED]**) represents approximately **[REDACTED]** of the total number of our issued Shares (excluding treasury shares), which is higher than the prescribed percentage of H Shares required to be held in public hands under Rule 19A.13C(1) of the Listing Rules.

CAPITALIZATION OF OUR COMPANY

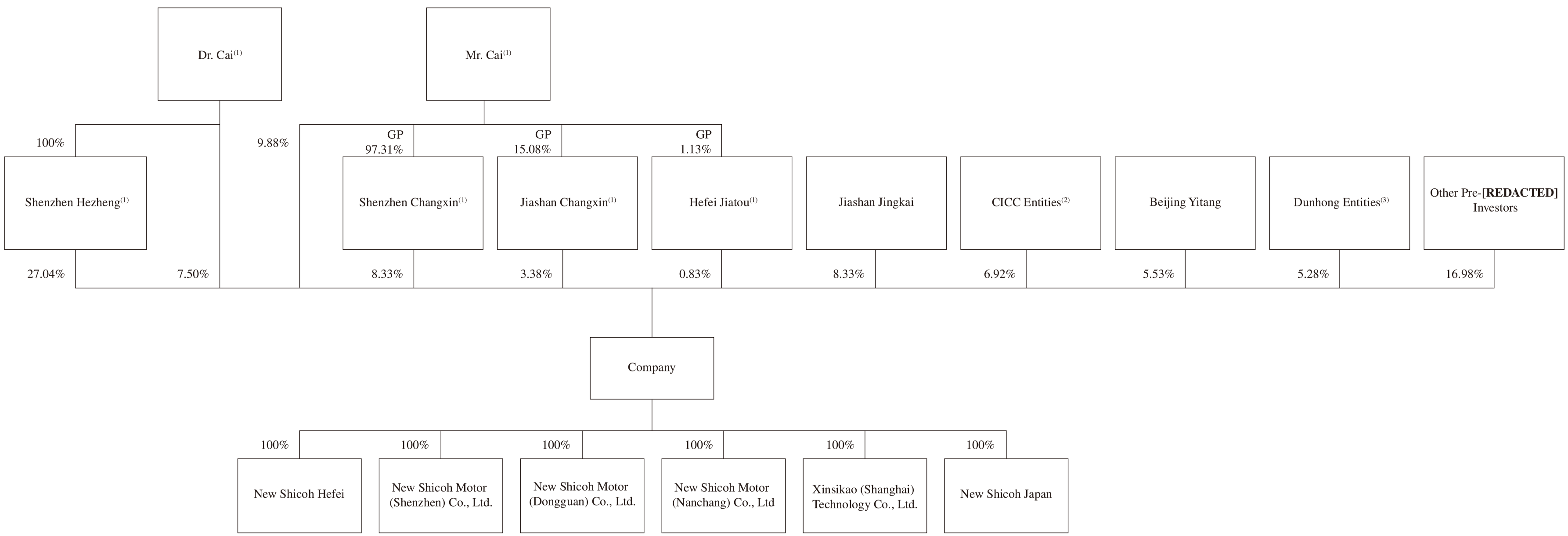
The table below is a summary of the capitalization of our Company as of the Latest Practicable Date and the **[REDACTED]**:

	As of the Latest Practicable Date			As of the [REDACTED]		
Name of Shareholder	Number of Shares	Description of Shares	Ownership percentage	Number of Shares	Description of Shares	Ownership percentage
Controlling Shareholders						
Shenzhen Hezheng	28,882,794	Unlisted Shares	27.04%	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Cai	10,553,846	Unlisted Shares	9.88%	[REDACTED]	[REDACTED]	[REDACTED]
Shenzhen Changxin	8,902,169	Unlisted Shares	8.33%	[REDACTED]	[REDACTED]	[REDACTED]
Dr. Cai	8,016,497	Unlisted Shares	7.50%	[REDACTED]	[REDACTED]	[REDACTED]
Jiashan Changxin	3,615,969	Unlisted Shares	3.38%	[REDACTED]	[REDACTED]	[REDACTED]
Hefei Jiatou	883,837	Unlisted Shares	0.83%	[REDACTED]	[REDACTED]	[REDACTED]
Other Shareholders						
Jiashan Jingkai	8,902,170	Unlisted Shares	8.33%	[REDACTED]	[REDACTED]	[REDACTED]
CICC Entities	7,396,927	Unlisted Shares	6.92%	[REDACTED]	[REDACTED]	[REDACTED]
– CICC Generation Fund I	5,171,385	Unlisted Shares	4.84%	[REDACTED]	[REDACTED]	[REDACTED]
– Lianjin Innovation	2,225,542	Unlisted Shares	2.08%	[REDACTED]	[REDACTED]	[REDACTED]
Beijing Yitang	5,910,154	Unlisted Shares	5.53%	[REDACTED]	[REDACTED]	[REDACTED]
Dunhong Entities	5,640,175	Unlisted Shares	5.28%	[REDACTED]	[REDACTED]	[REDACTED]
– Jiaxing Huaxing	3,793,252	Unlisted Shares	3.55%	[REDACTED]	[REDACTED]	[REDACTED]
– Chengdu Tianfu	1,108,154	Unlisted Shares	1.04%	[REDACTED]	[REDACTED]	[REDACTED]
– Zhejiang Chuangxiang	738,769	Unlisted Shares	0.69%	[REDACTED]	[REDACTED]	[REDACTED]
Beijing Qingchuang	4,896,193	Unlisted Shares	4.58%	[REDACTED]	[REDACTED]	[REDACTED]
– Qingdao Qingchuang Boleshan	2,670,651	Unlisted Shares	2.50%	[REDACTED]	[REDACTED]	[REDACTED]
– Qingchuang Bole Jiuyi	2,225,542	Unlisted Shares	2.08%	[REDACTED]	[REDACTED]	[REDACTED]
Huarui Investment	3,996,742	Unlisted Shares	3.74%	[REDACTED]	[REDACTED]	[REDACTED]
– Hangzhou Huarui	2,216,308	Unlisted Shares	2.07%	[REDACTED]	[REDACTED]	[REDACTED]
– Jiaxing Huaruishengyin	1,780,434	Unlisted Shares	1.67%	[REDACTED]	[REDACTED]	[REDACTED]
Huzhou Huirui	2,373,888	Unlisted Shares	2.22%	[REDACTED]	[REDACTED]	[REDACTED]
Ningbo Longhuahui	2,225,542	Unlisted Shares	2.08%	[REDACTED]	[REDACTED]	[REDACTED]
Shenzhen Huishin	1,958,477	Unlisted Shares	1.83%	[REDACTED]	[REDACTED]	[REDACTED]
– Zhejiang Huixin	1,335,325	Unlisted Shares	1.25%	[REDACTED]	[REDACTED]	[REDACTED]
– Huixin Phase 11	623,152	Unlisted Shares	0.58%	[REDACTED]	[REDACTED]	[REDACTED]
Jiaxing Jiarui	1,335,326	Unlisted Shares	1.26%	[REDACTED]	[REDACTED]	[REDACTED]
– Jiaxing Future Star	667,663	Unlisted Shares	0.63%	[REDACTED]	[REDACTED]	[REDACTED]
– Jiaxing No. 1	667,663	Unlisted Shares	0.63%	[REDACTED]	[REDACTED]	[REDACTED]
Zhegu Youqi	1,335,325	Unlisted Shares	1.25%	[REDACTED]	[REDACTED]	[REDACTED]
Subtotal	**106,826,031**		**100.00%**	[REDACTED]		[REDACTED]
[REDACTED]	–	–	–	[REDACTED]	[REDACTED]	[REDACTED]
Total	**106,826,031**		**100%**	[REDACTED]		[100%]

OUR SHAREHOLDING AND CORPORATE STRUCTURE

Shareholding and Corporate Structure Immediately before the Completion of the [REDACTED]

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



Notes:

1. Dr. Cai, Shenzhen Hezheng, Mr. Cai, Shenzhen Changxin, Jiashan Changxin and Hefei Jiatou are our group of Controlling Shareholder, and in aggregate held approximately 56.97% of the total issued share capital of our Company as of the Latest Practicable.

   Shenzhen Changxin is a limited partnership established in the PRC. The general partner of Shenzhen Changxin is Mr. Cai. Shenzhen Changxin is owned as to 97.31% by Mr. Cai and 2.69% by the limited partner Mr. Wu Yang.

   Jiashan Changxin is a limited partnership established in the PRC. The general partner of Jiashan Changxin is Mr. Cai, holding 15.08% of the interests therein. Jiashan Changxin has 38 limited partners and none of the remaining limited partners holds more than 30% of the interests therein. Please see "Appendix IV Statutory and General Information – Pre-**[REDACTED]** Employee Incentive Platforms – Details of the Grantees – Jiashan Changxin" in this document for more information.

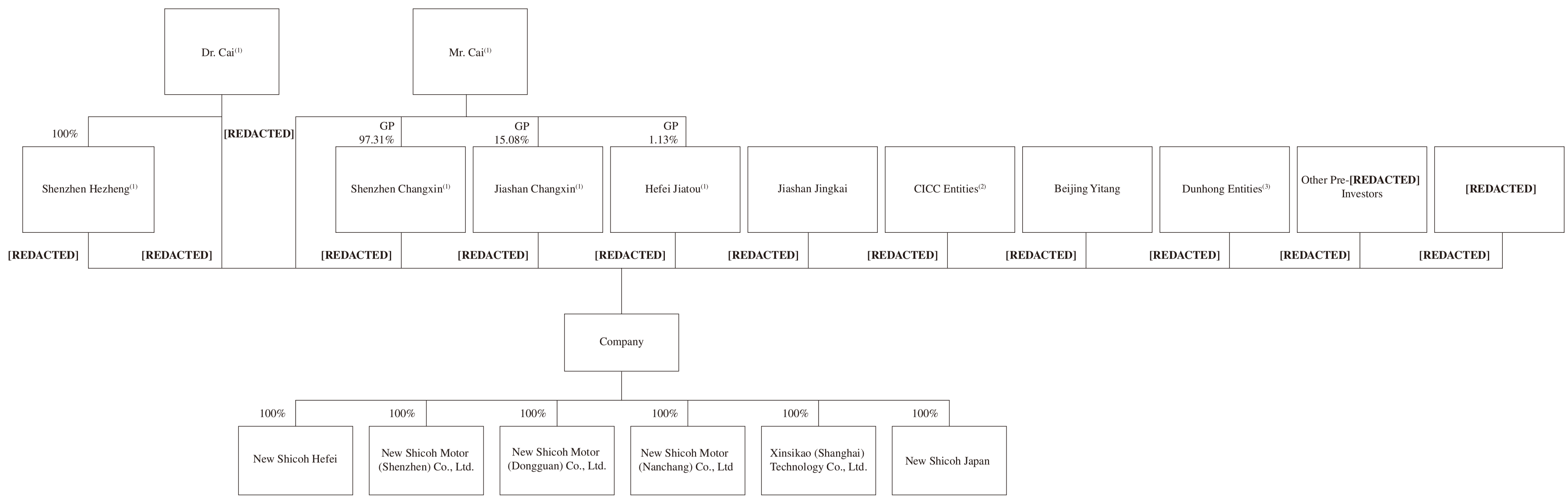
   Hefei Jiatou is a limited partnership established in the PRC. The general partner of Hefei Jiatou is Mr. Cai, holding 1.13% of the interests therein. Hefei Jiatou has 12 limited partners. It is owned as to 56.65% by Mr. Zhao Wei and none of the remaining limited partners holds more than 30% of the interests therein. Please see "Appendix IV Statutory and General Information – Pre-**[REDACTED]** Employee Incentive Platforms – Details of the Grantees – Hefei Jiatou" in this document for more information.

2. Please see "– Details of the Pre-**[REDACTED]** Investments – Information regarding our key Pre-**[REDACTED]** Investors" in this section for the shareholding structure of each of CICC Entities.

3. Please see "– Details of the Pre-**[REDACTED]** Investments – Information regarding our key Pre-**[REDACTED]** Investors" in this section for the shareholding structure of each of Dunhong Entities.

Shareholding and Corporate Structure upon Completion of the [REDACTED]

The following chart illustrates our simplified shareholding and corporate structure immediately following the completion of the **[REDACTED]**, assuming the **[REDACTED]** is not exercised:



Notes:

1. Please see notes (1), (2) and (3) of the sub-section headed "– Corporate Structure Immediately before the Completion of the **[REDACTED]**".