

CONNECTED TRANSACTIONS

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

OUR CONNECTED PERSONS

As of the Latest Practicable Date, Haier Corp, directly and indirectly, was entitled to exercise approximately 78.04% of the voting rights of our Company. Immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), Haier Corp will continue to, directly and indirectly, control approximately [REDACTED]% of the voting rights of our Company. Haier Corp, together with its associates as defined under Rule 14A.13 of the Listing Rules, are therefore our connected persons by virtue of Rules 14A.07(1) and 14A.07(4) of the Listing Rules.

We have entered into certain transactions in the ordinary and normal course of our business with Haier Corp and its associates which will constitute continuing connected transactions upon the [REDACTED].

SUMMARY OF OUR CONNECTED TRANSACTIONS

No.	Nature of Transaction	Applicable Listing Rules	Waiver sought
Partially exempt Continuing Connected Transaction			
1.	Property Leasing Framework Agreement	14A.35, 14A.76(2) and 14A.105	Announcement requirement
Non-exempt Continuing Connected Transactions			
2.	Services Procurement Framework Agreement	14A.35, 14A.36, 14A.46, 14A.81, 14A.82(1) and 14A.105	Announcement, circular and independent Shareholders' approval requirements
3.	Materials and Equipment Procurement Framework Agreement	14A.35, 14A.36, 14A.46, 14A.81, 14A.82(1) and 14A.105	Announcement, circular and independent Shareholders' approval requirements
4.	Products and Services Provision Framework Agreement	14A.35, 14A.36, 14A.46 and 14A.105	Announcement, circular and independent Shareholders' approval requirements

PARTIALLY EXEMPT CONTINUING CONNECTED TRANSACTION

1. Property Leasing Framework Agreement

Parties

Our Company; and

Haier Corp

Principal terms

On [•], we entered into a framework agreement with Haier Corp (the “**Property Leasing Framework Agreement**”), pursuant to which, our Group (as lessee) would, from time to time, lease properties from Haier Corp and/or its associates (as lessor) for office, staff apartment and warehouse uses for which the lessee will pay rent to the lessor.

The term of the Property Leasing Framework Agreement will commence from the [REDACTED] to December 31, 2028, subject to renewal upon mutual agreement of both parties thereto. Both parties or their respective subsidiaries/associates will, in the ordinary and usual course of business, enter into separate underlying agreements setting out the specific terms and conditions for the property lease according to the principles provided in the Property Leasing Framework Agreement. For the avoidance of doubt, all specific agreements entered into prior to the date of the Property Leasing Framework Agreement (to the extent which cover leases

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which will continue to be in force after the [REDACTED]) shall be treated as specific agreements made pursuant to the Property Leasing Framework Agreement as from the [REDACTED]. If there is any conflict between any provision of a specific agreement and the relevant provision(s) of the Property Leasing Framework Agreement, the provision(s) of the Property Leasing Framework Agreement shall prevail.

Reasons for the transaction

We have been leasing certain properties from Haier Corp and/or its associates for office, staff apartment and warehouse uses. The relevant leased properties are mainly located within the relevant industrial parks of Haier Corp, which helps reduce logistics and delivery costs, which is in the best interests of our Group and our Shareholders as a whole.

Our Group is not bound and will not be bound to lease properties exclusively from Haier Corp and/or its associates. We currently also lease properties from independent third-party property owners. Going forward, we will continue to use our best effort to identify the most suitable premises, and we expect to lease properties from independent third-party property owners if the terms and conditions of the lease and/or the location or infrastructure of the properties offered by independent third-party property owners are more favorable to us.

Pricing terms

The rents payable by us during the leasing term are determined after arm’s length negotiations between the relevant parties, with reference to the rents of comparable properties of similar functions in the surrounding area, normal commercial terms of this type of transactions with Independent Third Parties, and the rental prices offered by Haier Corp and/or its associates to other lessees within the same industrial park. We will obtain fee quotes from at least three independent third-party lessors or publicly available rents (where applicable) to ensure the terms under the Property Leasing Framework Agreement are fair and reasonable and are no less favourable than those offered by Independent Third Parties.

Accounting treatment

In accordance with IFRS 16, as the leases under the Property Leasing Framework Agreement are short-term leases with lease terms of 12 months or less at the commencement date, the lease payments associated with those leases are recognized as our expenses (instead of acquisition of right-of-use assets under IFRS 16).

Historical amounts

The historical transaction amounts paid by our Group to Haier Corp and/or its associates for property leasing (without taking into account of those transactions included in our discontinued operation) for each of the years ended December 31, 2023, 2024 and 2025 and for the three months ended March 31, 2026 were approximately RMB6.9 million, RMB3.7 million, RMB6.7 million and RMB1.6 million, respectively.

Annual caps

The maximum amount payable by our Group to Haier Corp and/or its associates for property leasing for each of the years ending December 31, 2026, 2027 and 2028 is not expected to exceed RMB8.5 million, RMB9.5 million and RMB11 million, respectively.

The proposed annual caps are determined based on:

- (i) the historical transaction amounts and the existing lease agreements currently in force under the short-term property leasing arrangements between our Group and Haier Corp and/or its associates;

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- (ii). the estimated additional leasing demand of our Group for the three years ending December 31, 2028 to meet our business needs. With the expansion of our business needs, our demand in manpower and required office, staff apartment and warehousing space will increase; and
- (iii). subject to regular adjustments based on actual needs and market prices, the unit prices and terms of existing properties leased by our Group from Haier Corp and/or its associates are expected to remain relatively stable for the three years ending December 31, 2028.

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

2. Services Procurement Framework Agreement

Parties

Our Company; and

Haier Corp

Principal terms

On [•], we entered into a framework agreement with Haier Corp (the “**Services Procurement Framework Agreement**”), pursuant to which our Group would procure from Haier Corp and/or its associates certain services as we may require from time to time. Such services mainly include:

- logistics services; and
- other comprehensive services (collectively “**Other Comprehensive Services**”), mainly including:
 - (1). catering services;
 - (2). travel agency services; and
 - (3). miscellaneous services, such as product certification and testing services, insurance agency services, etc.

The term of the Services Procurement Framework Agreement will commence from the [REDACTED] to December 31, 2028, subject to renewal upon mutual agreement of both parties thereto. Both parties or their respective subsidiaries/associates will enter into separate underlying agreements which will set out specific terms and conditions for the procurement of the relevant services according to the principles provided in the Services Procurement Framework Agreement.

Reasons for the transaction

Our Group has a long-term and stable business relationship with Haier Corp and/or its associates. Haier Corp and/or its associates are familiar with our business process and needs, quality standards and operational requirements, and are able to provide relevant services we need on a constant basis. Our Directors believe that maintaining a stable and quality business relationship with Haier Corp and/or its associates will facilitate our current and future business operations.

In terms of logistics services, a subsidiary of Haier Corp is a supply chain management solution and scenario-based logistics service provider. Leveraging its digitalized operational management capabilities, it is able to connect and coordinate warehousing resources, transportation capacity and other logistics infrastructure and service resources, and has

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established a logistics service network covering multiple regions across China. As such, this subsidiary of Haier Corp is able to provide our Group with integrated warehousing and logistics services.

In terms of catering services and travel agency services, Haier Corp and/or its associates are able to provide us with more convenient services by consolidating and coordinating common resource demands. Our Group is therefore able to leverage on Haier Group’s resources in a more cost-efficient manner, while also benefiting from Haier Group’s centralized procurement platform to reduce our costs.

In terms of miscellaneous services such as product certification and testing services and insurance agency services, through our long-term cooperation with Haier Corp and its associates, they are able to offer customized services based on our Group’s business needs.

Based on our previous experience in business dealings with Haier Corp and its associates, we believe that they are capable of effectively satisfying our demands for the relevant services in a stable and quality manner, which is in the interests of our Group and our Shareholders as a whole.

Pricing terms

The fees to be paid by our Group to Haier Corp and/or its associates pursuant to the Services Procurement Framework Agreement shall be determined after arm’s-length negotiations with reference to the historical prices paid by our Group to Independent Third Parties for procuring services of the same or similar type and/or the fee quotations offered by Independent Third Parties for services of the same or similar type, nature and quality. The transaction shall be conducted on normal commercial terms and prices and terms shall be fair and reasonable and be no less favorable than those offered to our Group by Independent Third Parties. We regularly collect and review quotations from at least two independent third-party service providers for services of the same type, nature and quality for comparison and reference. In the event that there are no appropriate Independent Third Parties providing similar services, Haier Corp and its associates shall provide referencing information about the fees, terms, service costs and market prices of the same or similar services provided by them to Independent Third Parties.

Specifically, we have adopted the following mechanisms based on the types of services procured:

- **Logistics services:** The pricing for logistics services is determined through a mechanism of “tender-based admission combined with annual fees comparison.”
 - *Initial admission:* When initially selecting a logistics service provider, we generally initiate a tendering process by inviting bids from at least three qualified service providers (including both connected persons and Independent Third Parties). We evaluate the bids based on a comprehensive assessment of competitive pricing, service quality, and reliability (i.e., comparing service fees for comparable quality, comparing service quality for comparable service fees, and comparing service standards where both quality and service fees are comparable) to select the most competitive service provider.
 - *Ongoing monitoring and renewal:* For subsequent cooperations, upon renewal of the contracts with connected persons, we will collect quotations from at least two independent service providers. The service fees will then be determined through comparison of service fees and arm’s-length negotiations with the connected persons to ensure that the pricing remains fair and reasonable.

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- **Other Comprehensive Services (including catering, travel agency, and miscellaneous services):** The pricing is determined with comprehensive reference to prevailing market prices and the actual costs incurred by Haier Corp and/or its associates, following the principle of fairness and reasonableness.
 - *Market price comparison:* Generally, the pricing is benchmarked against the prevailing market rates for services of a similar nature, type, and quality provided by Independent Third Parties. Our Group will periodically collect and review quotations from at least two independent service providers for comparison purposes. We will ensure that the final service fees negotiated with the connected persons is not higher than the quotations obtained from Independent Third Parties.
 - *Cost-plus basis:* If the service is specialized or there is a lack of sufficient comparable market transactions, a cost-plus pricing mechanism will be applied. The service fees will be determined based on the actual costs incurred by Haier Corp and/or its associates in providing the relevant services (such as relevant operational and administrative expenses), plus a reasonable profit margin. Such profit margin shall not exceed the market average profit margin for similar services.

The exact service fees paid by us and the time for payment will be determined at arm's length basis between the parties when entering into separate underlying contracts according to the principles provided in the Services Procurement Framework Agreement.

Historical amounts

The historical transaction amounts paid by our Group to Haier Corp and/or its associates for the services procurement (without taking into account of those transactions included in our discontinued operation) for each of the years ended December 31, 2023, 2024 and 2025 and for the three months ended March 31, 2026 were approximately RMB141.9 million, RMB119.4 million, RMB138.9 million and RMB34.8 million, respectively.

Annual caps

The maximum amount payable by our Group to Haier Corp and/or its associates for the services procurement for each of the years ending December 31, 2026, 2027 and 2028 is not expected to exceed RMB160 million, RMB175 million and RMB190 million, respectively.

The proposed annual caps are determined based on:

- (i) the historical amounts of the transactions between our Group and Haier Corp and/or its associates during the Track Record Period in respect of the provision of relevant services;
- (ii) it is expected that the service procurement amounts of our Group for the years 2026 to 2028 will increase at a CAGR of approximately 9%, primarily driven by the expected growth in our sales, which in turn is expected to increase our demand for logistics services and Other Comprehensive Services;
- (iii) in respect of logistics services, as our business coverage continues to expand geographically, our sales and distribution network is expected to further enlarge. As a result, our shipment volume, delivery frequency and warehousing and distribution requirements are expected to increase, which will in turn lead to higher demand for logistics services and the related service fees;
- (iv) in respect of catering and travel agency services, as our business further expands, our manpower requirements are expected to increase, which is expected to drive up our demand for catering services (including staff meals and related arrangements) and travel-related services (including business travel booking and related administrative support), and accordingly increase the related service fees; and

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- (v). other factors including but not limited to the expected increase in market prices of the relevant services due to the increase in costs and expenses relating to raw materials (such as fuel, energy, power and food ingredient), labour and others as well as market trends.

3. Materials and Equipment Procurement Framework Agreement

Parties

Our Company; and

Haier Corp

Principal terms

On [•], we entered into a framework agreement with Haier Corp (the “**Materials and Equipment Procurement Framework Agreement**”), pursuant to which our Group would procure from Haier Corp and/or its associates certain materials and equipment as we may require from time to time.

Pursuant to the Materials and Equipment Procurement Framework Agreement, items to be purchased by our Group from Haier Corp and/or its associates mainly include:

- (1). products and materials (the “**Materials to Procure**”), which mainly comprise electronic raw materials (mainly consist of imported chips used in the controllers) for our production use; and
- (2). equipment or assets procured, manufactured and/or owned by Haier Corp and/or its associates (the “**Equipment to Procure**”) for our internal use.

The term of the Materials and Equipment Procurement Framework Agreement will commence from the [REDACTED] to December 31, 2028, subject to renewal upon mutual agreement of both parties thereto. Both parties or their respective subsidiaries/associates will enter into separate underlying agreements which will set out specific terms and conditions for the procurement of the relevant products and materials according to the principles provided in the Materials and Equipment Procurement Framework Agreement.

Reasons for the transaction

Our Group and Haier Corp and/or its associates have a long-term and stable business relationship. Haier Corp and/or its associates are familiar with our business process and needs, quality standards and operational requirements, and are able to supply the products and materials needed by us on a constant basis. Our Directors believe that maintaining a stable and quality business relationship with Haier Corp and/or its associates will facilitate our current and future business operations.

(i) Materials to Procure

The purchase of Materials to Procure from Haier Corp and/or its associates mainly relates to electronic raw materials required by our Group in our ordinary and usual course of business. A subsidiary of Haier Corp holds certain license and certification and has extensive experience in handling import and export operations and customs clearance procedures. Accordingly, our Group procured certain imported raw materials through this company to enhance procurement efficiency and convenience.

In addition, this company serves as a centralized procurement platform within Haier Group for certain strategically important materials and maintains strategic reserves of such materials. Through centralized and large-scale procurement, it is able to enhance its bargaining power with suppliers and secure more competitive pricing and commercial terms, thereby enabling our Group to benefit from potential cost efficiencies.

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(ii) Equipment to Procure

The purchase of Equipment to Procure from Haier Corp and/or its associates could be categorized into: (i) recurring procurement of equipment and ancillary services, and (ii) project-based procurement.

(a). Recurring procurement of equipment and ancillary services

Our Group has procured certain equipment and ancillary services from Haier Corp and/or its associates on a recurring basis, including but not limited to air conditioning, computers and ancillary maintenance services. Under such recurring transactions, our Group is able to utilize the resources and production advantages of Haier Corp and its associates to obtain the Equipment to Procure at preferential prices and terms and suitable specifications that meet our requirements.

(b). Project-based procurement

Project-based procurement was entered into primarily to support our Group’s business development and operational needs at different times, including, among others:

- procurement of photovoltaic equipment (mainly includes rooftop photovoltaic systems used for energy-saving retrofits in industrial parks), which were mainly driven by our Group’s demand for energy efficiency improvement and operational optimization needs; and
- procurement of large-scale imported equipment, such as odd-form insertion machines and SMT pick-and-place machines.

Pricing terms

The procurement amount to be charged by Haier Corp and/or its associates under the Materials and Equipment Procurement Framework Agreement shall be negotiated by the parties at arm’s length basis on normal commercial terms and will be fair and reasonable and no less favorable than those offered to our Group by Independent Third Parties for comparable equipment and materials of similar quantity and quality at the relevant time.

Generally, the price of the materials/equipment under the Materials and Equipment Procurement Framework Agreement should be determined after arm’s-length negotiations with reference to (i) the historical prices of such materials/equipment offered by Independent Third Parties, and/or (ii) the fee quotations obtained from Independent Third Parties for materials/equipment of the same or similar type and quality. In the event that there are no appropriate Independent Third Parties providing similar materials/equipment for comparison and referencing purposes, Haier Corp and its subsidiaries/associates shall provide referencing information about the fees, terms, and market prices of the same or similar materials/equipment provided by them to Independent Third Parties.

Specifically, we have adopted the following mechanisms based on different categories of procurement:

- **Materials to Procure:** The price will generally be determined based on the lower of:
 - (i). the actual cost incurred by Haier Corp and/or its associates (for example, the winning bid price or actual procurement price obtained by Haier Group through its centralized procurement platform) plus a commission rate of around 1%, which is intended to cover relevant operational and administrative expenses incurred by the relevant member of Haier Group; and
 - (ii). the prevailing market price for similar materials.

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Alternatively, where the relevant materials are procured through a tender process conducted by our Group, the purchase price shall be determined based on the final bid price through a bidding process involving at least three qualified suppliers.

- **Equipment to Procure:** The price will be determined through one of the following mechanisms:
 - (i). Tendering mechanism: Similar to the procurement of materials, for equipment, our Group conducts a bidding process involving at least three qualified suppliers to determine the final bid price; or
 - (ii). Valuation-based negotiation with market reference: For specialized equipment where the tendering mechanism is inappropriate, the price will be based on factors such as the source of the equipment, depreciation, net asset value, and relevant procurement and administrative costs. To ensure fairness, such negotiated prices should be benchmarked against the prevailing market price, which will be determined with reference to (a) historical prices paid by our Group to Independent Third Parties for equipment of similar type and quality; and (b) quotations obtained from at least two Independent Third Parties for comparable equipment.

Historical amounts

The historical transaction amounts paid by our Group to Haier Corp and/or its associates for the materials and equipment procurement (without taking into account of those transactions included in our discontinued operation) for each of the years ended December 31, 2023, 2024 and 2025 and for the three months ended March 31, 2026 were approximately RMB997.8 million, RMB903.2 million, RMB1,114.7 million and RMB200.7 million, respectively.

Annual caps

The maximum amount payable by our Group to Haier Corp and/or its associates for the materials and equipment procurement for each of the years ending December 31, 2026, 2027 and 2028 is not expected to exceed RMB1,200 million, RMB1,250 million and RMB1,350 million, respectively.

The proposed annual caps are determined with reference to:

- (i). historical transaction amounts in respect of the transactions contemplated under the Materials and Equipment Procurement Framework Agreement, which demonstrated a CAGR of approximately 6% from 2023 to 2025. The proposed annual caps for the years 2026 to 2028 are calculated based on an expected CAGR of 6%, which is consistent with the historical CAGR during the Track Record Period;
- (ii). the existing contract value and the expected growth in our business scale and procurement volume. As our Group’s sales continue to grow, our demand for materials and equipment for production and operation is expected to increase correspondingly;
- (iii). our proactive optimization of procurement structure. While the procurement volume will naturally increase, the estimated CAGR of 6% over the next three years is notably lower than our Company’s expected overall revenue growth rate. This reflects our strategy to continuously strengthen our import procurement capabilities and proactively source materials and equipment from high-quality external suppliers; and

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- (iv). potential price movements of key raw materials. Given that electronic raw materials are subject to market price volatility, the annual caps incorporate a reasonable buffer to accommodate potential fluctuations in unit prices and foreign exchange/settlement timing.

4. Products and Services Provision Framework Agreement

Parties

Our Company; and

Haier Corp

Principal terms

On [•], we entered into a framework agreement with Haier Corp (the “**Products and Services Provision Framework Agreement**”), pursuant to which our Group would provide to Haier Corp and/or its associates IoT products and data intelligence solutions from time to time. Specifically, our Group would provide to Haier Corp and/or its associates (i) variable-frequency controllers and system controllers; and (ii) intelligent manufacturing solutions, green manufacturing solutions and enterprise value-added services.

The term of the Products and Services Provision Framework Agreement will commence from the [REDACTED] to December 31, 2028, subject to renewal upon mutual agreement of both parties thereto. Both parties or their respective subsidiaries/associates will enter into separate underlying agreements which will set out specific terms and conditions for the provision of the relevant products and services according to the principles provided in the Products and Services Provision Framework Agreement.

Reasons for the transaction

Haier Corp has established a diversified industrial ecosystem with extensive operations across multiple sectors, including home appliance manufacturing, healthcare and new energy, and has accumulated a broad range of application scenarios and resources in areas such as IoT and intelligent manufacturing. By providing products and services to Haier Corp and/or its associates, our Group is able to leverage on such industrial scenarios to facilitate the development, testing and validation of our solutions in real business environments, thereby accelerating the standardization and productization of our technologies and solutions.

Our Group has developed industrial internet and digital intelligence capabilities and has accumulated relevant experience and a proven track record through long-term cooperation with Haier Corp and/or its associates. They are familiar with our products and service offerings, delivery capabilities and quality standards, and our Group is able to provide stable and reliable support for their intelligence transformation and operational needs.

Based on our previous experience in business cooperations with Haier Corp and its associates, we believe that our Group is capable of effectively satisfying their demands for products and services at prices and terms no less favorable to those we offered to Independent Third Parties. Our Directors believe that maintaining a stable and quality business relationship with Haier Corp will facilitate our current and future business operations, and that the transactions contemplated under the Products and Services Provision Framework Agreement are conducted on normal commercial terms, mutually beneficial and in the best interests of our Group and the Shareholders as a whole.

Pricing terms

The fees to be charged by our Group for the sales of products and provision of services to Haier Corp and/or its associates under the Products and Services Provision Framework Agreement will be determined on normal commercial terms. Our Group ensures that the pricing

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and terms are fair and reasonable and are no less favorable to our Group than the prevailing terms offered to Independent Third Parties for products and services of similar type, nature, quality and timeframe.

The transaction prices/fees will be determined through one of the following mechanisms:

- **Tendering mechanism:** Where our Group obtains orders from Haier Corp and/or its associates through a tender and bidding process, our Group will participate in such process in accordance with Haier Group’s internal supplier management procedures. Under such procedures, at least three qualified suppliers will generally be invited, and the bidding proposals will be evaluated on a comprehensive basis taking into account factors such as design, quality, responsiveness, delivery capability and cost. Through such competitive tender mechanism, the final pricing is determined on a fair and impartial basis.
- **Market pricing and cost-plus mechanism:** For transactions where the tendering process is not applicable, the price will generally be determined on a cost-plus basis with reference to the prices at which same or similar products or services are provided by our Group to Independent Third Parties in our ordinary and usual course of business and on normal commercial terms. The cost base will include, as applicable, materials, manufacturing overheads or reasonable labour costs incurred by our Group, together with other reasonable and necessary expenses.

Historical amounts

The historical transaction amounts paid by Haier Corp and/or its associates to our Group for the products and services provision (without taking into account of those transactions included in our discontinued operation) for each of the years ended December 31, 2023, 2024 and 2025 and for the three months ended March 31, 2026 were approximately RMB3,634.4 million, RMB3,450.6 million, RMB3,563.7 million and RMB851.0 million, respectively.

Annual caps

The maximum amount payable by Haier Corp and/or its associates to our Group for the products and services provision for each of the years ending December 31, 2026, 2027 and 2028, is not expected to exceed RMB4,000 million, RMB4,400 million and RMB4,800 million, respectively.

The proposed annual caps under the Products and Services Provision Framework Agreement have been determined with reference to, among others:

- (i) historical transaction amounts incurred under the relevant transactions between our Group and Haier Corp and/or its associates during the Track Record Period;
- (ii) the existing contract value and ongoing project arrangements currently in place between our Group and Haier Corp and/or its associates, including the expected delivery schedule and the estimated transaction amounts under such existing contracts which will continue after the [REDACTED]. Specifically, as of March 31, 2026, our Group had an outstanding backlog of RMB623.6 million from Haier Group for data intelligence solutions ongoing projects. Based on the expected delivery schedule and contract arrangements, such orders are expected to be progressively delivered in 2026 and 2027; and

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- (iii) the expected growth in demand from Haier Corp and/or its associates, taking into account their business development plan and increasing needs for intelligence transformation. Specifically:
- **the projected growth in demand at a CAGR of 8% from 2026 to 2028 for IoT Products.** The growth is primarily driven by HSH’s accelerated overseas layout in emerging markets, including Southeast Asia, the Middle East and Africa, as well as the enhancement of our overseas supply capabilities. Key developments of Haier Corp and its associates, such as driving our product demand include the operation of the Haier Thailand Air Conditioning Industrial Park (with planned annual capacity of 6 million sets) in September 2025, the foundation laying of the Haier Indonesia Refrigerator Base (with planned annual capacity of 1 million units) in November 2025, and the expected completion of the Haier Egypt Ecological Park Phase II by the end of 2026, are expected to drive their continuing demand for our IoT products. Furthermore, the construction of our Thailand production base will further enhance our overseas supply capacity and production competitiveness, enabling us to better support Haier Corp and its associates’ overseas production layout and increasing demand for our IoT products. Such projected growth in demand is also supported by the expected development of the relevant underlying market. According to Frost & Sullivan, the market size of edge intelligent controllers in China’s home appliance sector is expected to grow at a CAGR of 12.9% from 2026 to 2030. As our IoT products are primarily applied in home appliance and related intelligent control scenarios, the growth of such market segment supports the projected demand for our IoT products.
 - **the projected growth in demand at a CAGR of 17% from 2026 to 2028 for Data Intelligence Solutions.** The growth is primarily supported by the increasing demand for AI, intelligent manufacturing, green manufacturing and energy/carbon management solutions from Haier Corp and its associates. Specifically, in the domestic market, as Haier Group continues to advance the digital transformation of its multiple factories and industrial parks, its demand for data intelligence solutions is expected to further increase. Such demand is expected to be driven by the further deployment of data intelligence solutions across Haier Group’s factories and industrial parks, as well as the increasing demand for our data intelligence solutions in connection with the intelligent and green upgrades of factories and industrial parks where our solutions have already been deployed. Further, as Haier Group continues to expand its production layout and implement more factory projects in overseas market, our experience accumulated from serving Haier Group’s domestic factories is expected to facilitate the replication and deployment of our data intelligence solutions to support its overseas projects, thereby driving the growth of our orders and sales amount. For instance, in August 2025, GE Appliances, part of Haier Group’s global home appliance business, announced that it would invest over USD3.0 billion over the next five years in its U.S. operations to digitally upgrade 11 manufacturing plants. Such operational upgrade has contributed to and is expected to further increase Haier Corp and its associates’ demand for our data intelligence solutions. Taking into account the above and the expected growth in overall market of industrial data intelligence solutions in China, our Directors consider that the projected growth in demand from Haier Corp and/or its associates at a CAGR of 17% for the data intelligence solutions is reasonable.

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WAIVER APPLICATION

In respect of the Property Leasing Framework Agreement, since the highest of all applicable percentage ratios (other than the profit ratio) calculated in accordance with Rule 14.07 of the Listing Rules is more than 0.1% but less than 5%, the transactions contemplated thereunder are exempt from the circular and independent shareholders’ approval requirements, but are subject to the announcement, annual review and reporting requirements under Chapter 14A of the Listing Rules.

We have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange [has granted] a waiver to us under Rule 14A.105 of the Listing Rules from strict compliance with the announcement requirement under the Listing Rules in respect of the transactions under the Property Leasing Framework Agreement provided that the total amount of the transactions under the agreement for each of the three years ending 31 December 2026, 2027 and 2028 will not exceed the relevant proposed annual caps set forth above. Our Group will comply with all other requirements under Chapter 14A of the Listing Rules with respect to the Property Leasing Framework Agreement and the transactions contemplated thereunder.

In respect of the Services Procurement Framework Agreement and the Materials and Equipment Procurement Framework Agreement, as both agreements are entered into by our Company with Haier Corp, and the transactions contemplated thereunder are similar in nature, such transactions should be aggregated pursuant to Rules 14A.81 and 14A.82(1) of the Listing Rules. Since the applicable percentage ratios (other than the profit ratio), when calculated on an aggregate basis, are more than 5%, the transactions contemplated thereunder are subject to the announcement, circular, independent shareholders’ approval, annual review and reporting requirements under Chapter 14A of the Listing Rules.

In respect of the Products and Services Provision Framework Agreement, since the applicable percentage ratios (other than the profit ratio) calculated in accordance with Rule 14.07 of the Listing Rules are more than 5%, the transactions contemplated there under are subject to the announcement, circular, independent shareholders’ approval, annual review and reporting requirements under Chapter 14A of the Listing Rules.

We have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange [has granted] a waiver to us under Rule 14A.105 of the Listing Rules from strict compliance with the announcement, circular and independent shareholders’ approval requirement under the Listing Rules in respect of the transactions under the Services Procurement Framework Agreement, the Materials and Equipment Procurement Framework Agreement and the Products and Services Provision Framework Agreement, provided that the total amount of the transactions under each agreement for each of the three years ending 31 December 2026, 2027 and 2028 will not exceed the relevant proposed annual caps set forth above. Our Group will comply with all other requirements under Chapter 14A of the Listing Rules with respect to the Services Procurement Framework Agreement, the Materials and Equipment Procurement Framework Agreement and the Products and Services Provision Framework Agreement and the transactions contemplated thereunder.

If any terms of the transactions subject to the waiver are altered or if we enter into any new agreements with any connected persons (within the meaning of the Listing Rules) in the future, we shall fully comply with the relevant requirements under Chapter 14A of the Listing Rules unless we apply for and obtain a separate waiver from the Stock Exchange.

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

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CONFIRMATION BY DIRECTORS

Our Directors (including independent non-executive Directors) are of the view that the continuing connected transactions set out above have been and will continue to be carried out in our ordinary and usual course of business of our Company and on normal commercial terms or better that are fair and reasonable and in the interests of our Company and our Shareholders as a whole, and that the proposed annual caps for these transactions are fair and reasonable and in the interests of our Company and our Shareholders as a whole.

CONFIRMATION BY THE JOINT SPONSORS

The Joint Sponsors are of the view (i) that the aforesaid partially exempt and non-exempt continuing connected transactions have been and will continue to be carried out in the ordinary and usual course of business of our Group, and on normal commercial terms or better, are fair and reasonable and in the interests of our Group and our Shareholders as a whole; and (ii) that the proposed annual caps of in respect of the aforesaid partially exempt and non-exempt continuing connected transactions are fair and reasonable, and in the interests of our Group and our Shareholders as a whole.

INTERNAL CONTROL MEASURES TO SAFEGUARD SHAREHOLDERS’ INTERESTS

In order to ensure that connected transactions of our Group will be conducted on normal commercial terms, are fair and reasonable, and are no less favourable than terms available to Independent Third Parties, and to further safeguard the interests of the Shareholders as a whole (including the minority Shareholders), our Group has implemented the following internal control measures in relation to the continuing connected transactions:

- *Pre-transaction validation and approval:* Before entering into specific underlying contracts, our designated pricing or business departments will compare the proposed terms against historical non-connected transaction prices or collect quotations from at least two Independent Third Parties for similar transactions (where available). This is to ensure that the terms offered to Haier Corp and/or its associates are not more favorable than those available to Independent Third Parties. Furthermore, connected Directors will strictly abstain from voting on relevant board resolutions, and our independent non-executive Directors will provide prior written confirmation regarding the necessity, reasonableness, and pricing fairness of the contemplated transactions.
- *Ongoing monitoring:* Our Group has implemented an information technology-based tracking mechanism to dynamically monitor the ongoing execution of each continuing connected transaction. This ensures real-time control and strict compliance with the respective proposed annual caps. We have also put in place a series of internal guidelines which provide that if the value of any proposed connected transaction is expected to exceed certain thresholds, the relevant staff must report the proposed transactions to the head of the relevant business unit in order for our Company to commence the necessary additional assessment and approval procedures and ensure that we will comply with the applicable requirements under Chapter 14A of the Hong Kong Listing Rules; and
- *Post-transaction review:* Our Company will provide information and supporting documents to the independent non-executive Directors and the auditors in order for them to conduct an annual review of the continuing connected transactions entered into by our Company. In accordance with the requirements under the Hong Kong Listing Rules, the independent non-executive Directors will provide an annual confirmation to the Board as to whether the continuing connected transactions have been entered into in the ordinary and usual course of business of our Group, are on normal commercial terms and are in accordance with the agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole, and the auditors will provide an annual confirmation to the Board as to whether anything has come to their attention that causes them to believe that the continuing connected transactions have not been approved by the Board, are not in accordance with the pricing policies of our Group in all material respects, are not entered into in accordance with the relevant agreements governing the transactions in all material respects or have exceeded the cap.