

WAIVERS FROM STRICT COMPLIANCE WITH THE LISTING RULES

In preparation of the [REDACTED], the Company has sought the following waivers from strict compliance with the relevant provisions of the Hong Kong Listing Rules.

WAIVER IN RESPECT OF MANAGEMENT PRESENCE IN HONG KONG

Rules 8.12 and 19A.15 of the Hong Kong Listing Rules provide that a new applicant for listing on the Hong Kong Stock Exchange must have a sufficient management presence in Hong Kong and, under normal circumstances, at least two of the new applicant’s executive directors must be ordinarily resident in Hong Kong. Rule 19A.15 of the Hong Kong Listing Rules further provides that the requirement in Rule 8.12 of the Hong Kong Listing Rules may be waived by having regard to, among other considerations, the Company’s arrangements for maintaining regular communication with the Hong Kong Stock Exchange.

The Company’s headquarters are based, and most of the business operations of the Group, are managed and conducted in the PRC. The executive Directors ordinarily reside in the PRC, as the Board believes it would be more effective and efficient for the executive Directors to be based in a location where the Group’s substantial operations are located. As such, the Company does not and, in the foreseeable future, will not be able to comply with the requirements of Rules 8.12 and 19A.15 of the Hong Kong Listing Rules for sufficient management presence in Hong Kong.

Accordingly, pursuant to Rule 19A.15 of the Hong Kong Listing Rules, the Company has applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 8.12 and 19A.15 of the Hong Kong Listing Rules, provided that the Company implements the following arrangements:

- (i) the Company has appointed Mr. ZHENG Minmin and Ms. HO Sze Wah Cecilia (何詩華) (“**Ms. HO**”) as the authorized representatives of the Company (the “**Authorized Representatives**”) for the purpose of Rule 3.05 of the Hong Kong Listing Rules. The Authorized Representatives will serve as the Company’s principal channel of communication with the Hong Kong Stock Exchange. They can be readily contactable by phone and email to deal promptly with enquiries from the Hong Kong Stock Exchange and will also be available to meet with the Hong Kong Stock Exchange to discuss any matters on short notice. The contact details of the Authorized Representatives have been provided to the Hong Kong Stock Exchange;
- (ii) all the Directors who are not ordinarily resident in Hong Kong possess or can apply for valid travel documents to visit Hong Kong and can meet with the Hong Kong Stock Exchange within a reasonable period. In addition, each Director has provided his/her contact details, including office phone numbers, mobile phone numbers, email addresses and fax numbers (if any), to the Authorized Representatives and to the Hong Kong Stock Exchange, so that each of the Authorized Representatives and the Hong Kong Stock Exchange would be able to contact all the Directors (including the independent non-executive Directors) promptly at all times if and when the Hong Kong Stock Exchange wishes to contact the Directors; and
- (iii) the Company has appointed Somerley Capital Limited as its Compliance Advisor for the period commencing on the [REDACTED] and ending on the date on which the Company complies with Rule 13.46 of the Hong Kong Listing Rules in respect of the Company’s financial results for the first full financial year commencing after the [REDACTED], or until the agreement is terminated, whichever is earlier. The

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Compliance Advisor will act as the Company’s additional and alternative channel of communication with the Hong Kong Stock Exchange, and its representatives will be readily available to answer enquiries from the Hong Kong Stock Exchange.

WAIVER IN RESPECT OF JOINT COMPANY SECRETARIES

Pursuant to Rules 3.28 and 8.17 of the Hong Kong Listing Rules, the company secretary must be an individual who, by virtue of his or her academic or professional qualifications or relevant experiences, is, in the opinion of the Hong Kong Stock Exchange, capable of discharging the functions of the company secretary. Pursuant to Note 1 to Rule 3.28 of the Hong Kong Listing Rules, the Hong Kong Stock Exchange considers the following academic or professional qualifications to be acceptable:

- (i) a member of The Hong Kong Chartered Governance Institute;
- (ii) a solicitor or barrister (as defined in the Legal Practitioners Ordinance); and
- (iii) a certified public accountant (as defined in the Professional Accountants Ordinance).

Pursuant to Note 2 to Rule 3.28 of the Hong Kong Listing Rules, in assessing “relevant experience”, the Hong Kong Stock Exchange will consider the individual’s:

- (i) length of employment with the issuer and other issuers and the roles he played;
- (ii) familiarity with the Hong Kong Listing Rules and other relevant law and regulations including the SFO, Companies Ordinance, Companies (Winding Up and Miscellaneous Provisions) Ordinance, and the Takeovers Code;
- (iii) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Hong Kong Listing Rules; and
- (iv) professional qualifications in other jurisdictions.

The Company has appointed Mr. CHEN Tao (“**Mr. CHEN**”) as one of the joint company secretaries. Mr. CHEN joined the Group in June 2024. He currently also holds the position of finance director and secretary to the Board. See “Directors and Senior Management” in this Document for further biographical details of Mr. CHEN. Although Mr. CHEN does not possess the qualifications set out in Rule 3.28 of the Hong Kong Listing Rules, the Company believes that it would be in the best interests of the Company and the corporate governance of the Group to have Mr. CHEN as its joint company secretary who is familiar with the Group’s internal operation and management and possesses professional knowledge and experience in handling corporate governance and compliance, legal affairs and public relationship related matters. The Company has also appointed Ms. HO to act as the other joint company secretary to assist Mr. CHEN in discharging the duties of a company secretary of the Company. Ms. HO is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom and is therefore qualified under Rule 3.28 of the Hong Kong Listing Rules to act as a joint company secretary of the Company. See “Directors and Senior Management” for further biographical details of Ms. HO.

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Since Mr. CHEN does not possess the formal qualifications required of a company secretary under Rule 3.28 of the Hong Kong Listing Rules, the Company has applied to the Hong Kong Stock Exchange for, and the Stock Exchange [has granted], a waiver from strict compliance with the requirements under Rules 3.28 and 8.17 of the Hong Kong Listing Rules for a period of three years since the [REDACTED] on the following conditions: (i) Mr. CHEN must be assisted by Ms. HO who possesses the qualifications or experience as required under Rule 3.28 of the Hong Kong Listing Rules and is appointed as a joint company secretary throughout the waiver period; and (ii) the waiver can be revoked in the event of a material breach of the Hong Kong Listing Rules by the Company.

In support of the waiver application, the Company has adopted, or will adopt the following arrangements:

- (i) in preparation of the application of the [REDACTED], Mr. CHEN has attended training on the respective obligations of the Directors, senior management and the Company under the relevant Hong Kong laws and the Hong Kong Listing Rules organised by the Hong Kong legal advisors to the Company;
- (ii) Ms. HO will work closely with Mr. CHEN to jointly discharge the duties and responsibilities as the joint company secretaries and to assist Mr. CHEN in acquiring the relevant experience as required under the Hong Kong Listing Rules for an initial period of three years from the [REDACTED], a period which should be sufficient for Mr. CHEN to acquire the relevant experience as required under the Hong Kong Listing Rules;
- (iii) the Company will ensure that Mr. CHEN continues to have access to the relevant training and support in relation to the Hong Kong Listing Rules and the duties required for a company secretary of an issuer [REDACTED] on the Hong Kong Stock Exchange. Furthermore, both Ms. HO and Mr. CHEN will seek advice from the Company's Hong Kong legal and other professional advisors as and when required. Mr. CHEN also undertakes to take no less than 15 hours of relevant professional training in each financial year of the Company; and
- (iv) at the end of the three-year period, the qualifications and experience of Mr. CHEN and the need for on-going assistance of Ms. HO will be further evaluated by the Company. The Company will then endeavour to demonstrate to the Hong Kong Stock Exchange's satisfaction that Mr. CHEN, having had the benefit of the assistance of Ms. HO for the immediately preceding three years, has acquired the relevant experience (within the meaning of Note 2 to Rule 3.28 of the Hong Kong Listing Rules) such that a further waiver from Rules 3.28 and 8.17 of the Hong Kong Listing Rules will not be necessary. The Company understands that the Hong Kong Stock Exchange may revoke the waiver if Ms. HO ceases to provide assistance to Mr. CHEN during the three-year period.

Prior to the expiry of the three-year period, the Company will liaise with the Hong Kong Stock Exchange to enable it to assess whether Mr. CHEN has acquired the relevant experience within the meaning of Note 2 to Rule 3.28 of the Hong Kong Listing Rules.

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WAIVER IN RESPECT OF INVESTMENTS AFTER THE TRACK RECORD PERIOD

Pursuant to Rules 4.04(2) and 4.04(4)(a) of the Listing Rules, the accountants’ report to be included in a listing document must include the income statements and balance sheets of any subsidiary or business acquired, agreed to be acquired or proposed to be acquired since the date to which its latest audited accounts have been made up in respect of each of the three financial years immediately preceding the issue of the listing document.

Pursuant to Rule 4.02A of the Listing Rules, acquisitions of business include acquisitions of associates and any equity interest in another company. Pursuant to Note 4 to Rule 4.04 of the Listing Rules, the Stock Exchange may consider granting a waiver of the requirements under Rules 4.04(2) and 4.04(4) on a case-by-case basis, and having regard to all relevant facts and circumstances and subject to certain conditions set out thereunder.

After the Track Record Period and up to the Latest Practicable Date, the Group had conducted the following investment (the “**Investment**”), details of which are set out below:

Name of the target	Total consideration	Approximate percentage of shareholding after completion of the relevant Investment	Principal business activities
ShenZhen Uchuang Smart Device Co., Ltd. (深圳友創智能設備有限公司) (“ Uchuang Smart ”) ⁽¹⁾	RMB85,300,000	10.04%	R&D, manufacturing and sales of precision computer numerical control (“CNC”) equipment, drill, milling cutter and related products

Note:

- (1) The Company had entered into an equity acquisition agreement with Mr. Yang Jie (陽傑), an Independent Third Party, in June 2026, pursuant to which Mr. Yang Jie agreed to transfer, and our Company agreed to purchase, an aggregate of approximately 10.04% interest in Uchuang Smart at a consideration of RMB85.3 million. The consideration was determined after arm’s length negotiations with reference to the financial position and business prospects of Uchuang Smart. Such investment had been settled in July 2026. To the best knowledge, information and belief of the Directors and having made all reasonable enquiry, each of Mr. Yang Jie, Uchuang Smart and the ultimate beneficial owners of Uchuang Smart is an Independent Third Party.

The Company believes that the Investment will create a synergy effect between the businesses of the Group and the target and therefore optimize the Group’s business development and financial performance. Accordingly, the Company believes that the Investment will be fair and reasonable and in the interests of the Company and the Shareholders as a whole. There is no side arrangement or agreement between the Company and the relevant counterparties with respect to the Investment. The consideration for the Investment was satisfied by the Group’s own source of funds other than the [REDACTED] from the [REDACTED].

The Company has applied for, and the Stock Exchange [has granted], a waiver from strict compliance with Rules 4.04(2) and 4.04(4)(a) of the Listing Rules in respect of the Investment on the following grounds:

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The percentage ratios of the Investment are expected to be less than 5% by reference to the most recent fiscal year of the Track Record Period

The applicable percentage ratios calculated in accordance with Rule 14.07 of the Listing Rules for the Investment are expected to be less than 5% by reference to the financial year ended December 31, 2025. Accordingly, the Company does not expect the Investment to result in any significant changes to its financial position since June 30, 2026, and all information that is reasonably necessary for potential investors to make an informed assessment of the activities or financial position of the Group has been included in this document. As such, the Company considers that a waiver from compliance with the requirements under Rules 4.04(2) and 4.04(4)(a) of the Listing Rules would not prejudice the interests of the investors.

The historical financial information of the target is not available and would be unduly burdensome to obtain or prepare

The Company has no access to the books or records of the target for conducting an audit given that the Company will not, as a result of or immediately following the completion of the Investment, have any control over the target, nor will the Company have any control over the target's boards of directors, or be in a position to consolidate the financials of the target. As such, the Company believes that it would be impractical and unduly burdensome for the Company to disclose the audited financial information of the target as required under Rules 4.04(2) and 4.04(4)(a) of the Listing Rules. In addition, having considered the Investment to be immaterial and that the Company does not expect the Investment to have any material effect on its business, financial condition or operations, the Company believes that (i) it would not be meaningful and would be unduly burdensome for it to prepare and include the financial information of the target during the Track Record Period in this document, and (ii) the non-disclosure of the required information pursuant to Rules 4.04(2) and 4.04(4)(a) of the Listing Rules would not prejudice the interests of the investors.

Ordinary and usual course of business

The target is engaged in business activities complementary with and closely related to the existing business of the Group. As such, the Investment is expected to create synergy effect between the businesses of the Group and the target. The Group has conducted acquisitions and minority investments during the Track Record Period. As a result, the Company is of the view that conducting the Investment is within its ordinary and usual course of business.

Alternative disclosure of the Investment in this document

The Company has disclosed alternative information about the Investments in this document. Such information includes those which would be required for a discloseable transaction under Chapter 14 of the Listing Rules that the Directors consider to be material, including, for example, descriptions of the principal business activities of the target, the consideration amounts, and a statement as to whether the counterparties are Independent Third Parties. As such, the Company believes that the current disclosure is adequate for potential investors to form an informed assessment of the Investment and the Company.

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