
HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

We are the leader and a pioneer in the EV battery industry. We are mainly engaged in the design, R&D, production and sales of EV batteries and ESS products. We are committed to providing high quality products and comprehensive solutions to customers. We have profound R&D capabilities, advanced manufacturing technology, rigorous quality control measures and efficient operations. In terms of installed capacity in 2021, we were the only company with over 100% year-on-year growth rate from 2019 to 2021 among the top ten EV battery companies in China according to Frost & Sullivan.^{Note}

The history of our Company can be traced back to December 8, 2015 when our Company was established as a limited liability company in Changzhou City, Jiangsu Province, the PRC, and Luoyang Company was the controlling shareholder of our Company at that time and ultimately controlled by AVIC. Luoyang Company was established in September 2009 in Luoyang City, Henan Province, the PRC, and wholly owned by the Missile Academy, which is a public institution established by AVIC. Luoyang Company is principally engaged in the design, R&D, production and sales of EV battery and ESS products. Subsequently, our Company carried out restructuring in 2019. In April 2019, Luoyang Company transferred its 30% equity interests in our Company to Chengfei Integration while making capital increases to our Company through Chengfei Integration, Jinsha Investment and Huake Investment. Upon the completion of the restructuring in July 2019, our Company became ultimately controlled by the Jintan Group.

Between August 2019 and November 2021, our Company went through a series of capital increase and brought in new Shareholders and [REDACTED] Investors. Please see the paragraph headed “Our Corporate Development” in this section for further details. On October 30, 2021, all the then Shareholders entered into a promoters’ agreement, pursuant to which our Company was converted into a joint stock liability company. On November 18, 2021, we changed our name from CALB Technology Holding Co., Ltd.* (中航鋰電科技股份有限公司) to CALB Co., Ltd. (中創新航科技股份有限公司).

Note: Entities with installed capacities of less than 0.1 GWh for two years in a row are not applied for calculating year-on-year growth rate.

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OUR BUSINESS DEVELOPMENT MILESTONES

The following is a summary of our key business development milestones:

Time	Milestone
2015	Our Company was established by Jinsha Investment, Louyang Company and Huake Investment as the initial Shareholders in Changzhou City, Jiangsu Province, the PRC, in December.
2016	Jiangsu Research Institute was established in Changzhou City, Jiangsu Province, the PRC, in November.
2018	We initiated strategic restructuring and implemented strategic transformation, and focused on the passenger vehicles market in July.
2019	Xiamen Company was established in Xiamen City, Fujian Province, the PRC, in July.
2020	According to Frost & Sullivan, our installed capacity of EV batteries ranked second among third-party EV battery companies in the PRC and seventh globally among EV battery companies.
2021	<p>In April, Germany Company was established in Germany.</p> <p>In May, Shenzhen Research Institute was established in Shenzhen City, Guangdong Province, the PRC. In the same month, Chengdu Company was established in Chengdu City, Sichuan Province, the PRC.</p> <p>In June, Jiangsu Company was established in Changzhou City, Jiangsu Province, the PRC.</p> <p>In July, Wuhan Company was established in Wuhan City, Hubei Province, the PRC.</p> <p>In September, Hefei Company was established in Hefei City, Anhui Province, the PRC.</p> <p>According to Frost & Sullivan, our installed capacity of EV batteries ranked second among third-party EV battery companies in the PRC and seventh globally among EV battery companies.</p>
2022	<p>In January, Materials Company was established in Meishan City, Sichuan Province, the PRC.</p> <p>In February, Fujian Company was established in Xiamen City, Fujian Province, the PRC. In the same month, Jiangmen Company was established in Jiangmen City, Guangdong Province, the PRC.</p>

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OUR CORPORATE DEVELOPMENT

Establishment of our Company

Our Company was established in Changzhou City, Jiangsu Province, the PRC as a limited liability company on December 8, 2015 with an initial registered capital of RMB4,000 million. Upon its establishment, our Company was owned as to 50% by Jinsha Investment, which is a company ultimately controlled by the Government of Jintan District, 30% by Luoyang Company, which is a company ultimately controlled by AVIC at that time and 20% by Huake Investment, which is a company ultimately owned by the Government of Jintan District. Pursuant to provisions of the then effective articles of association of our Company dated December 8, 2015, Luoyang Company, as a Shareholder shall be entitled to exercise 51% of the voting rights in our Company. As such, Luoyang Company (which is ultimately controlled by AVIC) had been the controlling shareholder of our Company since its date of establishment and prior to the equity transfer and capital increases in July 2019.

Major changes in shareholding and corporate form

In order to obtain the funds for our Company’s development and continuously optimize the corporate governance structure, the Company has carried out a series of equity financing since its establishment, introducing new shareholders and [REDACTED] investors to our Group. The major changes in shareholding and corporate form of our Company are set out below:

Equity transfer and capital increases in July 2019

On April 22, 2019, Luoyang Company and Chengfei Integration entered into an equity transfer agreement, pursuant to which, Luoyang Company agreed to transfer its 30% equity interests in our Company to Chengfei Integration at a consideration of RMB1,094.28 million which was determined with reference to the net asset value of our Company as of June 30, 2018 as valued by an independent valuer. Such consideration was settled by Chengfei Integration by offsetting an equivalent amount payable by Luoyang Company to Chengfei Integration pursuant to a debt assignment and offset agreement entered into among Chengfei Integration, Luoyang Company and our Company on April 22, 2019 which provides, among other things (i) the consideration in the amount of RMB1,094.28 million (“**Luoyang Company Transfer Consideration**”) to be paid by our Company to Chengfei Integration in respect of the acquisition of 45% equity interest in Luoyang Company shall be assigned to and borne by Luoyang Company; and (ii) the consideration to be paid by Chengfei Integration to Luoyang Company in respect of the acquisition of 30% equity interest in our Company shall be offset against the Luoyang Company Transfer Consideration. Upon completion of the above assignment and offset, our Company owed Luoyang Company an amount of RMB1,094.28 million, which has been fully settled by our Company as of the Latest Practicable Date.

Upon completion of the aforesaid equity transfer in July 2019, our Company was owned as to 50% by Jinsha Investment, 30% by Chengfei Integration and 20% by Huake Investment, respectively.

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On April 22, 2019, our Company entered into a capital increase agreement with Chengfei Integration, Jinsha Investment and Huake Investment, pursuant to which, each of Chengfei Integration, Jinsha Investment and Huake Investment agreed to subscribe for certain amount of the increased registered capital of our Company, further details of which are set out in the table below:

Name of Shareholders	The amount of increased registered capital subscribed for <i>(RMB million)</i>	Percentage of the increased registered capital of our Company <i>(%)</i>	Form of capital contribution	Consideration <i>(RMB million)</i>
Chengfei Integration	408.29	9.10	18.98% equity interests in Luoyang Company and 35% equity interests in Jiangsu Research Institute	514.44
Jinsha Investment	51.33	1.14	9.38% equity interests in Luoyang Company	228.09
Huake Investment	27.68	0.62	65% equity interests in Jiangsu Research Institute	98.39
Total	<u>487.30</u>			<u>840.93</u>

The considerations in respect of the aforementioned capital increases were determined after arm’s length negotiation among the parties with reference to the net asset value of our Company, Jiangsu Research Institute and Luoyang Company respectively as of 30 June, 2018 as valued by an independent valuer and taking into account of the individual circumstances of each of the subscribers including its background and relationship with our Company.

Our Company completed the registration with the Administration for Market Regulation of Jintan District (金壇區市場監督管理局) (“**Jintan AMR**”) in respect of the abovementioned equity transfer and capital increases on July 1, 2019. Upon completion, the registered capital of our Company was increased from RMB4,000.00 million to approximately RMB4,487.30 million and our Company was owned as to 45.71% by Jinsha Investment, 35.84% by Chengfei Integration and 18.45% by Huake Investment, respectively. According to the then effective articles of association of our Company, after the abovementioned equity transfer and capital increases, the Shareholders shall exercise the voting rights in our Company in proportion to their respective shareholding percentage in our Company. Consequently, our Company became ultimately controlled by the Jintan Group.

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Capital increases in August 2019 (introduction of Lihang Jinzhi and Jinyuan Industry as our [REDACTED] Investors)

On July 29, 2019, Jinsha Investment, Chengfei Integration, Huake Investment, Lihang Jinzhi, Jinyuan Industry and our Company entered into a capital increase agreement, pursuant to which, Lihang Jinzhi agreed to subscribe for the increased registered capital of RMB1,509.55 million at the consideration of RMB1,510 million, and Jinyuan Industry agreed to subscribe for the increased registered capital of RMB399.88 million at the consideration of RMB400 million. The amounts of RMB452,864 and RMB119,864 in excess of the registered capital respectively were included in our Company’s capital reserve. The considerations in respect of the aforementioned capital increases were determined after arm’s length negotiation among the parties with reference to the net asset value of our Company as of 30 June, 2018 as valued by an independent valuer. All the funds for capital increase from Jinyuan Industry were received by our Company in July 2019 and all the funds for capital increase from Lihang Jinzhi were received by our Company in July and December 2019, respectively. For further details of investment made by Lihang Jinzhi and Jinyuan Industry as our [REDACTED] Investors, please see “[REDACTED] Investments” in this section.

Our Company completed the registration with Jintan AMR in respect of the abovementioned capital increases on August 14, 2019. Upon completion of such capital increases, the registered capital of our Company was increased from approximately RMB4,487.30 million to approximately RMB6,396.73 million. The shareholding structure of our Company after completion of capital increase is shown in the table below:

Name of Shareholders	Registered capital held in our Company (RMB million)	Approximate equity interests percentage in our Company (%)
Jinsha Investment	2,051.33	32.07
Chengfei Integration	1,608.29	25.14
Huake Investment	827.68	12.94
Lihang Jinzhi ^(Notes 1 & 2)	1,509.55	23.60
Jinyuan Industry ^(Note 1)	399.88	6.25
Total	6,396.73	100

Notes:

1. Lihang Jinzhi is controlled by Jinyuan Industry according to its partnership agreement, therefore Jinyuan Industry will directly and indirectly hold 29.85% equity interests in our Company after completion of the capital increases in August 2019.
2. Lihang Jinzhi (being one of our [REDACTED] Investors) is a limited partnership jointly established by Jinyuan Industry and Xiamen Lihang Equity Investment which subscribed for approximately 99.34% and 0.66% of Lihang Jinzhi’s capital, respectively. The executive partner of Lihang Jinzhi is Xiamen Lihang Equity Investment, which is one of our Employee Shareholding Platforms established for the purpose of the implementation of the 2019 Share Incentive Scheme. For further details of the 2019 Share Incentive Scheme, please see “Statutory and General Information – 5. Share Incentive Schemes – A. 2019 Share Incentive Scheme” in Appendix VI to this document.

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Capital increase in March 2020 (introduction of Jinyuan Investment as one of our [REDACTED] Investors)

On January 20, 2020, our Company entered into a capital increase agreement with Jinsha Investment, Chengfei Integration, Huake Investment, Lihang Jinzhi, Jinyuan Industry and Jinyuan Investment, pursuant to which, Jinyuan Investment (a company controlled by the Finance Bureau of Xiamen City* (廈門市財政局)) agreed to subscribe for the increased registered capital of approximately RMB599.82 million at the consideration of RMB600 million, the amount of RMB179,946 exceeding the increased registered capital was included in our Company’s capital reserve. The consideration in respect of the aforementioned capital increase was determined after arm’s length negotiation among the parties with reference to the net asset value of our Company as of 30 June, 2018 as valued by an independent valuer. The fund for aforesaid capital increase from Jinyuan Investment was received by our Company in January 2020. Please see “[REDACTED] Investments” in this section for further details of Jinyuan Investment and its [REDACTED] Investment.

Our Company completed the registration with Jintan AMR in respect of the abovementioned capital increases on March 16, 2020. Upon completion, the registered capital of our Company was increased from approximately RMB6,396.73 million to approximately RMB6,996.55 million. The shareholding structure of our Company after completion of the capital increase is shown in the table below:

Name of Shareholders	Registered capital held by our Company (RMB million)	Approximate equity interests percentage in our Company (%)
Jinsha Investment	2,051.33	29.32
Chengfei Integration	1,608.29	22.99
Huake Investment	827.68	11.83
Lihang Jinzhi ^(Notes 1 & 2)	1,509.55	21.58
Jinyuan Industry ^(Note 1)	399.88	5.72
Jinyuan Investment ^(Note 1)	599.82	8.57
Total	6,996.55	100

Notes:

1. Both Lihang Jinzhi and Jinyuan Industry are actually controlled by Jinyuan Investment, and therefore Jinyuan Investment will indirectly and directly hold 35.87% equity interest in our Company after completion of the capital increase in March 2020.
2. Lihang Jinzhi (being one of our [REDACTED] Investors) is a limited partnership jointly established by Jinyuan Industry and Xiamen Lihang Equity Investment which subscribed for approximately 99.34% and 0.66% of Lihang Jinzhi’s capital, respectively. The executive partner of Lihang Jinzhi is Xiamen Lihang Equity Investment, which is one of our Employee Shareholding Platforms established for the purpose of the implementation of the 2019 Share Incentive Scheme. For further details of the 2019 Share Incentive Scheme, please see “Statutory and General Information – 5. Share Incentive Schemes – A. 2019 Share Incentive Scheme” in Appendix VI to this document.

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Capital increases in December 2020

1. Capital increases by Jinsha Investment and Huake Engineering

On November 13, 2020, our Company and all original shareholders of our Company entered into a capital increase agreement with Jinsha Investment, pursuant to which, Jinsha Investment agreed to subscribe for the increased registered capital of approximately RMB631.50 million at the consideration of RMB650 million which was settled by Jinsha Investment by offsetting a loan in the amount of RMB650 million granted to our Company by Jinsha Investment. The value of the aforesaid loan was determined with reference to the valuation by an independent valuer.

On the same day, our Company and all original shareholders of our Company entered into a capital increase agreement with Huake Engineering, pursuant to which, Huake Engineering, a company ultimately controlled by the Government of Jintan District, agreed to subscribe for the increased registered capital of approximately RMB1,049.79 million at the consideration of approximately RMB1,080.55 million. Such consideration was settled by Huake Engineering by transferring non-monetary assets (including land, buildings and equipment etc.) to our Company. The value of aforesaid non-monetary assets were determined with reference to the valuation by an independent valuer.

2. Introduction of 17 new [REDACTED] Investors

From November 10, 2020 to December 14, 2020, our Company, Jinsha Investment, Chengfei Integration, Lihang Jinzhi, Huake Investment, Jinyuan Industry and Jinyuan Investment entered into capital increase agreements with 17 [REDACTED] Investors, pursuant to which, such 17 [REDACTED] Investors agreed to subscribe for the total increased registered capital of approximately RMB3,886.14 million of our Company at an aggregate consideration of approximately RMB4,000 million. Please see “[REDACTED] Investments” in this section for further details of [REDACTED] Investments.

3. Capital increases by 11 Employee Shareholding Platforms

On November 19, 2020, our Company together with Jinsha Investment, Chengfei Integration, Lihang Jinzhi, Huake Investment, Jinyuan Industry and Jinyuan Investment entered into capital increase agreements with 11 Employee Shareholding Platforms respectively, pursuant to which, 11 Employee Shareholding Platforms agreed to subscribe for the total increased registered capital of approximately RMB204.80 million of our Company at an aggregate consideration of approximately RMB210.80 million. For further details, please see “Statutory and General Information – 5. Share Incentive Schemes – B. 2020 Share Incentive Scheme” in Appendix VI to this document.

The considerations in respect of the capital increases in December 2019 were determined with reference to the consideration paid by Jinyuan Investment for subscription of our increased registered capital in March 2020 as revised by a premium agreed by the parties. The funds for aforesaid capital increases were received by our Company in January 2021 (among which the total amount of approximately RMB5,772.22 million was increased registered capital and RMB169.13 million was included in the capital reserve of our Company).

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Our Company completed the registration with Jintan AMR in respect of the abovementioned capital increases on December 15, 2020. Upon completion, the registered capital of our Company was increased from approximately RMB6,996.55 million to approximately RMB12,786.77 million and the shareholding structure of our Company after completion of the capital increase is set forth in the table below:

Shareholders	Registered capital held in our Company (RMB million)	Approximate equity interests percentage in our Company (%)
Jinsha Investment	2,682.83	21.01
Chengfei Integration	1,608.29	12.60
Huake Engineering	1,049.79	8.22
Huake Investment	827.68	6.48
[REDACTED] Investors ^(Notes 1 & 3)	6,394.60	50.08
Employee Shareholding Platforms ^(Notes 2 & 3)	205.58	1.61
Total	12,768.77	100

Notes:

- Upon the completion of the capital increases in December 2020, there were a total of 20 [REDACTED] Investors, including Lihang Jinzhi, Guangqi Ruidian, Jinyuan Investment, China Insurance Investment Advanced Manufacturing, Jinyuan Industry, Hongshan Kaichen, Guolian Tongjin, Chenyi Pengqi, China Insurance Investment No.1 New Energy, Xiaomi Yangtze River Industry, Link Cornerstone, Ma’anshan Cornerstone, Jinli Investment, Guolian Tongwu, Guolian Tongkun, China Insurance Investment No. 2 New Energy, China Insurance Investment Strategic Emerging, Ma’anshan Shengtuo, Getian Star and Huaxian Automobile, which held approximately 11.82%, 5.33%, 4.70%, 4.34%, 3.13%, 3.04%, 2.94%, 2.62%, 2.36%, 2.28%, 1.37%, 1.11%, 1.07%, 0.89%, 0.86%, 0.76%, 0.76%, 0.30%, 0.26% and 0.15% of the equity interest in our Company, respectively.
- Upon the completion of the capital increases in December 2020, Xiamen Lihang Kaibo No. 1, Changzhou Lihang Kaibo No. 1, Changzhou Lihang Kaibo No. 2, Changzhou Lihang Kaibo No. 3, Changzhou Lihang Kaibo No. 4, Changzhou Lihang Kaibo No. 5, Changzhou Lihang Kaibo No. 6, Changzhou Lihang Kaibo No. 7, Changzhou Lihang Kaibo No. 8, Changzhou Lihang Kaibo No. 9 and Changzhou Lihang Kaibo No. 10, (being our Employee Shareholding Platforms) held approximately 0.48%, 0.14%, 0.11%, 0.09%, 0.11%, 0.20%, 0.13%, 0.05%, 0.17%, 0.07% and 0.06% of the equity interest in our Company, respectively.
- Lihang Jinzhi (being one of our [REDACTED] Investors) is a limited partnership jointly established by Jinyuan Industry and Xiamen Lihang Equity Investment which subscribed for approximately 99.34% and 0.66% of Lihang Jinzhi’s capital, respectively. The executive partner of Lihang Jinzhi is Xiamen Lihang Equity Investment, which is one of our Employee Shareholding Platforms established for the purpose of the implementation of the 2019 Share Incentive Scheme. For further details of the 2019 Share Incentive Scheme, please see “Statutory and General Information – 5. Share Incentive Schemes – A. 2019 Share Incentive Scheme” in Appendix VI to this document.

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Equity transfer in October 2021 (introduction of Chuanghe Xincai as one of our [REDACTED] Investors)

On October 15, 2021, Jinyuan Investment entered into an equity transfer agreement with Chuanghe Xincai, pursuant to which, Jinyuan Investment agreed to transfer its approximately 1.57% equity interests in our Company to Chuanghe Xincai at a consideration of approximately RMB213.35 million. The consideration of such equity transfer was determined after arm’s length negotiation by Jinyuan Investment and Chuanghe Xincai based on Jinyuan Investment’s principal amount of investment plus the income based on the one-year overall loan prime rate published by the People’s Bank of China, and was paid by Chuanghe Xincai to Jinyuan Investment on October 15, 2021 in cash. Please see “[REDACTED] Investments” in the section for details of Chuanghe Xincai and its [REDACTED] investment.

Our Company completed the registration with Jintan AMR in respect of the abovementioned equity transfer on October 19, 2021. Upon completion, the shareholding structure of our Company is set forth in the table below:

Shareholders	Registered capital held by our Company (RMB million)	Approximate percentage of equity in our Company (%)
Jinsha Investment	2,682.83	21.01
Chengfei Integration	1,608.29	12.60
Huake Engineering	1,049.79	8.22
Huake Investment	827.68	6.48
[REDACTED] Investors ^(Notes 1 & 3)	6,394.60	50.08
Employee Shareholding Platforms ^(Notes 2 & 3)	205.58	1.61
Total	12,768.77	100

Notes:

- After the completion of the equity transfer in October 2021, there were 21 [REDACTED] Investors in total including Lihang Jinzhi, Guangqi Ruidian, Jinyuan Investment, China Insurance Investment Advanced Manufacturing, Jinyuan Industry, Hongshan Kaichen, Guolian Tongjin, Chenyi Pengqi, China Insurance Investment No. 1 New Energy, Xiaomi Yangtze River Industry, Link Cornerstone, Ma’anshan Cornerstone, Jinli Investment, Guolian Tongwu, Guolian Tongkun, China Insurance Investment No. 2 New Energy, China Insurance Investment Strategic Emerging, Ma’anshan Shengtuo, Getian Star, Huaxian Automobile and Chuanghe Xincai, which held approximately 11.82%, 5.33%, 3.13%, 4.34%, 3.13%, 3.04%, 2.94%, 2.62%, 2.36%, 2.28%, 1.37%, 1.11%, 1.07%, 0.89%, 0.86%, 0.76%, 0.76%, 0.30%, 0.26%, 0.15% and 1.57% of the equity interest in our Company, respectively.

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2. After the completion of the capital increase in November 2020, Xiamen Lihang Kaibo No. 1, Changzhou Lihang Kaibo No. 1, Changzhou Lihang Kaibo No. 2, Changzhou Lihang Kaibo No. 3, Changzhou Lihang Kaibo No. 4, Changzhou Lihang Kaibo No. 5, Changzhou Lihang Kaibo No. 6, Changzhou Lihang Kaibo No. 7, Changzhou Lihang Kaibo No. 8, Changzhou Lihang Kaibo No. 9, Changzhou Lihang Kaibo No. 10 (being our Employee Shareholding Platforms), held approximately 0.48%, 0.14%, 0.11%, 0.09%, 0.11%, 0.20%, 0.13%, 0.05%, 0.17%, 0.07% and 0.06% of the equity interest in our Company, respectively.
3. Lihang Jinzhi (being one of our [REDACTED] Investors) is a limited partnership jointly established by Jinyuan Industry and Xiamen Lihang Equity Investment which subscribed for approximately 99.34% and 0.66% of Lihang Jinzhi’s capital, respectively. The executive partner of Lihang Jinzhi is Xiamen Lihang Equity Investment, which is one of our Employee Shareholding Platforms established for the purpose of the implementation of the 2019 Share Incentive Scheme. For further details of the 2019 Share Incentive Scheme, please see “Statutory and General Information – 5. Share Incentive Schemes – A. 2019 Share Incentive Scheme” in Appendix VI to this document.

Reduction of registered capital and conversion to a joint stock limited company

On July 7, 2021, all of our then Shareholders passed a resolution to approve the reduction of our registered capital from RMB12,768.77 million to RMB1,200 million.

On October 29, 2021, all our then Shareholders passed resolutions approving, among other matters, the conversion of our Company from a limited liability company into a joint stock limited company.

Pursuant to the promoters’ agreement dated October 30, 2021 entered into by all the then Shareholders, all promoters approved the conversion of the net assets value of our Company as of April 30, 2021 into 1,200,000,000 Shares. On October 30, 2021, our Company convened our inaugural meeting and our first general meeting. Upon completion of the conversion, the registered capital of our Company was RMB1,200 million divided into 1,200,000,000 Shares with a nominal value of RMB1.00 each, which were subscribed by all the then Shareholders in proportion to their respective equity interests in our Company before the conversion. The conversion was completed on November 10, 2021.

Capital Increase in November 2021

1. Capital increase by Jintan International

On August 16, 2021, our Company entered into a capital increase agreement with Jintan International, pursuant to which, Jintan International agreed to subscribe for 24,000,000 Shares at a consideration of RMB1,000 million, with a premium of RMB976 million included in the capital reserve of our Company. The funds for capital increase were received by our Company by December 2021 from Jintan International.

Pursuant to the capital increase agreement entered into between Jintan International and our Company, Jintan International is not allowed to sell any of its Shares within a period of 36 months from the date on which the registration with the local industry and commerce department in respect of the capital increase has been completed, unless the lock-up period of Jintan International, as required by the relevant laws, regulations or securities authority, is terminated after our [REDACTED]. In accordance with the applicable PRC laws, Jintan International is not allowed to sell any of its Shares within 12 months after the [REDACTED].

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2. *Capital increase by Xiamen Jinli No. 2 as our [REDACTED] Investor*

On August 19, 2021, our Company entered into a capital increase agreement with Xiamen Jinli No. 2, pursuant to which, Xiamen Jinli No. 2 agreed to subscribe for 24,000,000 Shares at a consideration of RMB1,000 million, with a premium of RMB976 million included in the capital reserve of our Company. The funds for capital increase were received by our Company on August 24, 2021.

3. *Further capital increase by Xiaomi Yangtze River Industry and Chuanghe Xincai as [REDACTED] investors*

On July 27, 2021, our Company entered into a capital increase agreement with Xiaomi Yangtze River Industry, pursuant to which, Xiaomi Yangtze River Industry agreed to subscribe for 12,000,000 Shares at a consideration of RMB500 million, with a premium of RMB488 million included in the capital reserve of our Company. The funds for aforesaid capital increase were received by our Company by August 6, 2021. Please see “[REDACTED] Investments” in this section for further details of the [REDACTED] Investment by Xiaomi Yangtze River Industry.

On July 26, 2021, our Company entered into a capital increase agreement with Chuanghe Xincai, pursuant to which, Chuanghe Xincai agreed to subscribe for 7,200,000 Shares at a consideration of RMB300 million, with a premium of RMB292.8 million included in the capital reserve of our Company. The funds for aforesaid capital increase were received by our Company by August 9, 2021. Please see “[REDACTED] Investments” in this section for further details of the [REDACTED] Investment by Chuanghe Xincai.

4. *Introduction of 18 new [REDACTED] Investors*

Between July 25, 2021 and August 23, 2021, our Company entered into capital increase agreements with 18 new [REDACTED] Investors, pursuant to which, such 18 [REDACTED] Investors agreed to subscribe for a total of 212,157,600 Shares at an aggregate consideration of approximately RMB8,839.9 million with a premium of RMB8,627.74 million included in the capital reserve of our Company. The funds for aforesaid capital increase were received by our Company by October 2021. Please see “[REDACTED] Investments” in this section for further details of the background of such 18 [REDACTED] Investors and their respective [REDACTED] Investments.

5. *Capital increase by Changzhou Lihang Kaibo No. 11 as a new Employees Shareholding Platform*

On September 1, 2021, our Company entered into a capital increase agreement with Changzhou Lihang Kaibo No. 11, pursuant to which, Changzhou Lihang Kaibo No. 11 agreed to subscribe for 8,642,400 Shares at a consideration of RMB360.10 million, with a premium of RMB351.4576 million included in the capital reserve of our Company. The funds for aforesaid capital increase were received by our Company by September 6, 2021. For further details, please see “Statutory and General Information – 5. Share Incentive Schemes – C. 2021 Share Incentive Scheme” of Appendix VI to this document.

The considerations in respect of the aforementioned capital increases in November 2021 were determined after arm’s length negotiation among the parties with reference to the net asset value of our Company as of December 31, 2020 as valued by an independent valuer.

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6. Capital increases by Luoyang Company Minority Shareholders

On October 15, 2021, our Company entered into the capital increase agreements with Shunying Investment, Zhongguancun Guosheng, Aviation Investment and Hongdu Airline, and on October 20, 2021, our Company entered into a capital increase agreement with the Missile Academy, pursuant to which, each of Luoyang Company Minority Shareholders subscribed for a total of 18,456,558 Shares. Details of which are as follows:

Name of Shareholder	Number of Shares subscribed	Amount included in capital reserve (RMB million)	Form of capital contribution	Consideration (RMB million)
Missile Academy	9,809,589	398.92	13.62% equity interests in Luoyang Company	408.73
Shunying Investment	3,481,314	141.57	4.84% equity interests in Luoyang Company	145.05
Zhongguancun Guosheng	2,150,116	87.44	2.99% equity interests in Luoyang Company	89.59
Aviation Investment	1,634,931	66.49	2.27% equity interests in Luoyang Company	68.12
Hongdu Airline	1,380,608	56.14	1.92% equity interests in Luoyang Company	57.53
Total	18,456,558	750.57	25.63% equity interests in Luoyang Company	769.02

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Pursuant to the respective capital increase agreement entered into between our Company and each of the Luoyang Company Minority Shareholders is not allowed to sell any of its Shares within a period of 36 months from the date on which the registration with the local industry and commerce department in respect of the capital increase has been completed, unless the lock-up period of the Luoyang Company Minority Shareholders, as required by the relevant laws, regulations or securities authority, is terminated after our [REDACTED]. Further, in accordance with the applicable PRC laws, the Luoyang Company Minority Shareholders are not allowed to sell any of their Shares within 12 months after the [REDACTED].

The considerations in respect of the aforementioned capital increases were determined after arm’s length negotiation among the parties with reference to the net asset value of our Company and Luoyang Company as of December 31, 2020, respectively, as valued by an independent valuer. For further details on the transfer of a total of 25.63% equity interests in Luoyang Company by Luoyang Company Minority Shareholders to our Company, please see “Acquisition and Disposal of Luoyang Company” in the section.

Our Company completed the registration with Changzhou Administration Approval Bureau* (常州市行政审批局) in respect of the abovementioned equity transfer on November 12, 2021. Upon completion, the share capital of our Company was increased to approximately RMB1,506.46 million divided into 1,506,456,558 Shares, and the shareholding structure of our Company is set forth in the table below:

Shareholders	Number of Shares held	Approximate shareholding percentage in our Company (%)
Jinsha Investment ^(Note 1)	252,130,281	16.74
Chengfei Integration	151,145,867	10.03
Huake Engineering ^(Note 1)	98,658,313	6.55
Huake Investment ^(Note 1)	77,785,163	5.16
Jintan International ^(Note 1)	24,000,000	1.59
[REDACTED] Investors ^(Notes 2 & 4 & 5)	856,571,199	56.86
Employee Shareholding Platforms ^(Notes 3 & 4)	27,709,177	1.85
Luoyang Company Minority Shareholders ^(Note 6)	18,456,558	1.22
Total	<u>1,506,456,558</u>	<u>100</u>

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Notes:

1. Jinsha Investment is wholly owned by Jintan Holding, which is controlled by the Government of Jintan District. Each of Huake Engineering and Huake Investment is wholly owned by Jintan Hualuogeng, which is owned as to 90% by Jinsha Investment. Jintan International is a company ultimately controlled by the Government of Jintan District.
2. Please see “[REDACTED] Investments” in this section for further details of our [REDACTED] Investors and their respective investment in our Company.
3. Upon the completion of the capital increase in November 2021, Changzhou Lihang Kaibo No. 11, Xiamen Lihang Kaibo No. 1, Changzhou Lihang Kaibo No. 1, Changzhou Lihang Kaibo No. 2, Changzhou Lihang Kaibo No. 3, Changzhou Lihang Kaibo No. 4, Changzhou Lihang Kaibo No. 5, Changzhou Lihang Kaibo No. 6, Changzhou Lihang Kaibo No. 7, Changzhou Lihang Kaibo No. 8, Changzhou Lihang Kaibo No. 9 and Changzhou Lihang Kaibo No. 10 (being our Employee Shareholding Platforms), held approximately 0.57%, 0.38%, 0.11%, 0.09%, 0.07%, 0.08%, 0.16%, 0.11%, 0.04%, 0.13%, 0.06% and 0.05% of the equity interests in our Company, respectively.
4. Lihang Jinzhi (being one of our [REDACTED] Investors) is a limited partnership jointly established by Jinyuan Industry and Xiamen Lihang Equity Investment which subscribed for approximately 99.34% and 0.66% of Lihang Jinzhi’s capital, respectively. The executive partner of Lihang Jinzhi is Xiamen Lihang Equity Investment, which is one of our Employee Shareholding Platforms established for the purpose of the implementation of the 2019 Share Incentive Scheme. For further details of the 2019 Share Incentive Scheme, please see “Statutory and General Information – 5. Share Incentive Schemes – A. 2019 Share Incentive Scheme” in Appendix VI to this document.
5. Xiamen Jinli No.2 (being one of our [REDACTED] Investors) is a limited partnership with Xiamen City Jinyuan Equity Investment Co., Ltd* (廈門市金圓股權投資有限公司) (“**Jinyuan Equity Investment**”) being its general partner. Jinyuan Equity Investment is ultimately controlled by Jinyuan Investment. For the information in respect of the interests held by Jinyuan Investment, please see the section headed “Substantial Shareholders” for further details.
6. As the Luoyang Company Minority Shareholders were the then shareholders of Luoyang Company which was a subsidiary of our Company prior to its disposal in November 2021, the Luoyang Company Minority Shareholders had interest in our Group since their respective investment in Luoyang Company and become Shareholders of our Company as part of our internal restructuring and are therefore not treated as our [REDACTED] Investors.

Change of Company Name in November 2021

On November 16, 2021, our then Shareholders passed a resolution to approve the change our Company name to CALB Co., Ltd. (中創新航科技股份有限公司). The change of our name was completed on November 18, 2021.

SUBSIDIARIES OF OUR COMPANY

As of the Latest Practicable Date, our Group had 11 subsidiaries, the details of which are as follows:

Jiangsu Research Institute

Jiangsu Research Institute was established in Changzhou City, Jiangsu Province, the PRC as a limited liability company on November 8, 2016 with an initial registered capital of RMB55 million. Upon its establishment, Jiangsu Research Institute was owned as to 65% by Jintan Hualuogeng, a company owned as to 90% by Jintan Holding and ultimately controlled by the Government of Jintan District, and 35% by Chengfei Integration. Subsequently, Jiangsu Research Institute carried out a series of equity transfers. Prior to the acquisition of all of its equity interest by our Company in April 2019, Jiangsu Research Institute was owned as of 65% and 35% by Huake Investment and Chengfei Integration, respectively.

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On April 22, 2019, Chengfei Integration, Jinsha Investment and Huake Investment and our Company entered into a capital increase agreement, pursuant to which, among others, (i) Chengfei Integration agreed to subscribe for certain amount of the increased registered capital of our Company, which was partially settled by Chengfei Integration by transferring its 35% equity interests in Jiangsu Research Institute to our Company; and (ii) Huake Investment agreed to subscribe for certain amount of the increased registered capital of our Company, which was settled by Huake Investment transferring its 65% equity interests in Jiangsu Research Institute to our Company.

Jiangsu Research Institute completed the registration with Jintan AMR in respect of the abovementioned equity transfers on July 1, 2019. Upon completion, Jiangsu Research Institute became a wholly-owned subsidiary of our Company. For further details in respect of the capital increases of our Company, please see “Equity transfer and capital increases in July 2019” in this section.

Jiangsu Research Institute is principally engaged in the R&D of EV battery and ESS products.

Xiamen Company

Xiamen Company was established in Xiamen City, Fujian Province, the PRC as a limited liability company on July 15, 2019 with a registered capital of RMB5,000 million. Upon its establishment and up to the Latest Practicable Date, Xiamen Company is a wholly-owned subsidiary of our Company.

Xiamen Company is principally engaged in the R&D, production and sales of EV battery and ESS products.

Shenzhen Research Institute

Shenzhen Research Institute was established in Shenzhen City, Guangdong Province, the PRC as a limited liability company on May 28, 2021 with a registered capital of RMB100 million. Upon its establishment and up to the Latest Practicable Date, Shenzhen Research Institute is a wholly-owned subsidiary of our Company.

Shenzhen Research Institute is principally engaged in the R&D of EV battery and ESS products.

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Chengdu Company

Chengdu Company was established in Chengdu City, Sichuan Province, the PRC as a limited liability company on May 29, 2021 with a registered capital of RMB2 billion. Upon its establishment and up to the Latest Practicable Date, Chengdu Company was held as to 51% and 49% by our Company and Chengdu Heavy Industry Longjin, respectively.

Pursuant to an agreement dated May 25, 2021 entered into between our Company and Chengdu Economic and Technological Development Zone Management Committee* (成都經濟技術開發區管理委員會) and the investment agreement dated 29 May, 2021 entered into between our Company and Chengdu Heavy Industry Longjin, our Company agreed to acquire the entire interest held by Chengdu Heavy Industry Longjin in Chengdu Company within seven years from the date of establishment of Chengdu Company (the “**Chengdu Company Put Option**”). The exercise price of Chengdu Company Put Option shall be determined based on the appraised value of Chengdu Company as valued by the valuation institution recognized by both parties and filed with the State-owned assets supervision and administration department or the investment amount paid by Chengdu Heavy Industry Longjin for its entire interest in Chengdu Company (whichever is the higher). Such Chengdu Company Put Option will be terminated automatically and of no effect on the date when our Company submits our listing application for the listing of our Shares on any domestic or foreign stock exchange. If subsequently our Company withdraws our listing application or our listing application is not approved, such Chengdu Company Put Option will be automatically restored.

Chengdu Company is principally engaged in the R&D, production and sales of EV battery and ESS products.

Jiangsu Company

Jiangsu Company was established in Changzhou City, Jiangsu Province, the PRC as a limited liability company on June 23, 2021 with a registered capital of RMB6 billion. Upon its establishment and up to the Latest Practicable Date, Jiangsu Company was a wholly-owned subsidiary of our Company.

The principal business of Jiangsu Company is the R&D, production and sales of EV battery and ESS products.

Wuhan Company

Wuhan Company was established in Wuhan City, Hubei Province, the PRC as a limited liability company on July 15, 2021 with a registered capital of RMB2.5 billion. Upon its establishment and up to the Latest Practicable Date, Wuhan Company was held as to 51% and 49% by our Company and Wuhan Jingkai Investment, respectively.

Pursuant to an agreement dated May 25, 2021 entered into between our Company and Wuhan Economic and Technological Development Zone Management Committee* (武漢經濟技術開發區管理委員會), our Company agreed to acquire the entire interest held by Wuhan Jingkai Investment in Wuhan Company within five years from the date of establishment of

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Wuhan Company (the “**Wuhan Company Put Option**”). Such Wuhan Company Put Option will be terminated automatically and of no effect on the date when our Company submits our listing application for the listing of our Shares on any domestic or foreign stock exchange. If subsequently our Company withdraws our listing application or our listing application is not approved, such Wuhan Company Put Option will be automatically restored.

Wuhan Company is principally engaged in the R&D, production and sales of EV battery and ESS products.

Hefei Company

Hefei Company was established in Hefei City, Anhui Province, the PRC as a limited liability company on September 25, 2021 with a registered capital of RMB2.5 billion. Upon its establishment and up to the Latest Practicable Date, Hefei Company was held as to 20% and 80% by our Company and Hefei Beicheng Investment, respectively. Pursuant to the voting rights entrustment agreement and concerted action agreement entered into between our Company and the Hefei Beicheng Investment on September 25, 2021, Hefei Beicheng Investment agreed to entrust the voting rights of 31% of Hefei Company to our Company, for a period of seven years from the date of the aforementioned agreements. In addition, according to the articles of association of Hefei Company, the board of directors of Hefei Company shall comprise three directors, of which our Company has the right to nominate two directors and the Hefei Beicheng Investment has the right to nominate one director. In view of the above arrangement, our Company has more than 50% of the voting rights in Hefei Company and controls the board of directors of Hefei Company. Therefore, Hefei Company is regarded as a subsidiary of our Company and its finances are consolidated into the accounts of our Company.

Pursuant to an agreement dated September 25, 2021 entered into between our Company and the Government of Changfeng County (長豐縣人民政府), our Company agreed to acquire the entire interest held by Hefei Beicheng Investment in Hefei Company within seven years from the date of establishment of Hefei Company (the “**Hefei Company Put Option**”). The exercise price of Hefei Company Put Option shall be determined based on the appraised value as valued by the valuation institution recognized by both parties and filed with the state-owned assets supervision and administration department or the investment amount paid by Hefei Beicheng Investment for its entire interest in Hefei Company plus an annual rate of return of 6%. Such Hefei Company Put Option will be terminated automatically and of no effect on the date when our Company submits our listing application for the listing of our Shares on any domestic or foreign stock exchange. If subsequently our Company withdraws our listing application or our listing application is not approved, such Hefei Company Put Option will be automatically restored.

Hefei Company is principally engaged in the R&D, production and sales of EV battery and ESS products.

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Materials Company

Materials Company was established in Meishan City, Sichuan Province, the PRC as a limited liability company on January 26, 2022 with registered capital of RMB50 million. Upon its establishment and up to the Latest Practicable Date, Materials Company was a wholly-owned subsidiary of our Company.

The principal business of Materials Company is the R&D, production and sales of EV battery materials.

Germany Company

Germany Company was established as a limited liability company in Germany on April 30, 2021 with a total investment of EUR25,000. From its establishment and up to the Latest Practicable Date, Germany Company is a wholly-owned subsidiary of our Company.

Germany Company has not commenced business operation as of the Latest Practicable Date. The principal business of Germany Company is the R&D and sales of EV battery and ESS products.

Fujian Company

Fujian Company was established in Xiamen City, Fujian Province, the PRC as a limited liability company on February 22, 2022 with a registered capital of RMB2.5 billion. Upon its establishment and up to the Latest Practicable Date, Fujian Company was held as to 51% and 49% by our Company and Jinyuan Industry, respectively.

Pursuant to an agreement dated February 11, 2022 entered into between our Company, Jinyuan Investment and Xiamen Torch High Technology Industrial Development Zone Management Committee* (廈門火炬高技術產業開發區管理委員會) and the investment agreement dated February 22, 2022 entered into between our Company and Jinyuan Industry, our Company agreed to acquire the entire interest held by Jinyuan Industry in Fujian Company within five years from the date of establishment of Fujian Company (the “**Fujian Company Put Option**”) in accordance with the state-owned assets valuation procedures. Such Fujian Company Put Option will be terminated automatically and of no effect on the date when our Company submits our listing application for the listing of our Shares on any domestic or foreign stock exchange. If subsequently our Company withdraws our listing application or our listing application is not approved, such Fujian Company Put Option will be automatically restored.

Fujian Company is principally engaged in the R&D, production and sales of EV battery and ESS products.

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Jiangmen Company

Jiangmen Company was established in Jiangmen City, Guangdong Province, the PRC as a limited liability company on February 23, 2022 with a registered capital of RMB4 billion. Upon its establishment and up to the Latest Practicable Date, Jiangmen Company was held as to 51% and 49% by our Company and Jiangmen New Energy, respectively.

Pursuant to an agreement dated January 26, 2022 entered into between our Company and People’s Government of Jiangmen City and the investment agreement dated February 23, 2022 entered into between our Company and Jiangmen New Energy, our Company agreed to acquire the partial or entire interest held by Jiangmen New Energy in Jiangmen Company within eight years from the date of establishment of Jiangmen Company (the “**Jiangmen Company Put Option**”). Such Jiangmen Company Put Option will be terminated automatically and of no effect on the date when our Company submits our listing application for the listing of our Shares on any domestic or foreign stock exchange. If subsequently our Company withdraws our listing application or our listing application is not approved, such Jiangmen Company Put Option will be automatically restored.

Jiangmen Company is principally engaged in the R&D, production and sales of EV battery and ESS products.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

[REDACTED] INVESTMENTS

1. Overview

[REDACTED] Investors	Date of capital increase agreement	Subscription amount of registered capital/ Number of Shares subscribed	Consideration paid	Date of completion of payment of consideration	Number of Shares as of the Latest Practicable Date	Interest held in our Company immediately before completion of the	Interest held in our Company upon completion of the	Discount to the [REDACTED] (midpoint) ⁽¹⁾
					Cost per share			
1. Jinyuan Industry	July 29, 2019	RMB399.88 million	RMB400 million	July 30, 2019	37,580,435	2.49%	[REDACTED]	[REDACTED]
2. Lihang Jinzhi	July 29, 2019	RMB1,509.55 million	RMB1,510 million	December 30, 2019	138,046,261	9.42%	[REDACTED]	[REDACTED]
3. Jinyuan Investment	January 20, 2020	RMB599.82 million	RMB600 million	January 21, 2020	37,580,435	2.49%	[REDACTED]	[REDACTED]
4. Guangqi Ruidian	November 16, 2020	RMB680.07 million	RMB700 million	January 25, 2021	63,912,844	4.24%	[REDACTED]	[REDACTED]
5. China Insurance Investment Advanced Manufacturing	November 10, 2020	RMB553.77 million	RMB570 million	January 25, 2021	52,043,316	3.45%	[REDACTED]	[REDACTED]
6. Hongshan Kaichen	November 19, 2020	RMB388.61 million	RMB400 million	January 25, 2021	36,521,625	2.42%	[REDACTED]	[REDACTED]
7. Guolian Tongjin	December 9, 2020	RMB375.01 million	RMB386 million	January 25, 2021	35,243,368	2.34%	[REDACTED]	[REDACTED]
8. Chenyi Pengqi	November 10, 2020	RMB334.21 million	RMB344 million	January 25, 2021	31,408,598	2.08%	[REDACTED]	[REDACTED]
9. China Insurance Investment No. 1 New Energy	November 10, 2020	RMB301.18 million	RMB310 million	January 25, 2021	28,304,260	1.88%	[REDACTED]	[REDACTED]

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	Investors	Date of capital increase agreement	Subscription amount of registered capital/ Number of Shares subscribed	Consideration paid	Date of completion of payment of consideration	Number of Shares as of the Latest Practicable Date	Cost per share	Interest held in our Company immediately before completion of the	Interest held in our Company upon completion of the	Discount to the
	[REDACTED]	increase agreement	Number of Shares subscribed	Consideration paid	Date of completion of payment of consideration	Practicable Date	per share	Interest held in our Company immediately before completion of the	Interest held in our Company upon completion of the	Discount to the
	[REDACTED]	increase agreement	Number of Shares subscribed	Consideration paid	Date of completion of payment of consideration	Practicable Date	per share	Interest held in our Company immediately before completion of the	Interest held in our Company upon completion of the	Discount to the
10.	Xiaomi Yangtze River Industry	November 10, 2020	RMB291.46 million	RMB300 million	January 25, 2021	27,391,219	RMB1.03	[REDACTED]	[REDACTED]	[REDACTED] ⁽¹⁾
11.	Link Cornerstone	July 27, 2021	RMB12,000,000	RMB500 million	August 6, 2021	12,000,000	RMB41.67	2.61%	[REDACTED]	[REDACTED]
		November 10, 2020	RMB174.88 million	RMB180 million	January 25, 2021	16,434,731	RMB10.95	1.09%	[REDACTED]	[REDACTED]
12.	Ma'anshan Cornerstone	November 10, 2020	RMB141.84 million	RMB146 million	January 25, 2021	13,330,393	RMB10.95	0.88%	[REDACTED]	[REDACTED]
13.	Jinli Investment	November 23, 2020	RMB136.01 million	RMB140 million	January 25, 2021	12,782,569	RMB10.95	0.85%	[REDACTED]	[REDACTED]
14.	Guolian Tongwu	December 14, 2020	RMB113.67 million	RMB117 million	January 25, 2021	10,682,575	RMB10.95	0.71%	[REDACTED]	[REDACTED]
15.	Guolian Tongkun	December 9, 2020	RMB109.78 million	RMB113 million	January 25, 2021	10,317,359	RMB10.95	0.68%	[REDACTED]	[REDACTED]
16.	China Insurance Investment No. 2 New Energy	November 10, 2020	RMB97.15 million	RMB100 million	January 25, 2021	9,130,406	RMB10.95	0.61%	[REDACTED]	[REDACTED]
17.	China Insurance Investment Strategic Emerging	November 10, 2020	RMB97.15 million	RMB100 million	January 25, 2021	9,130,406	RMB10.95	0.61%	[REDACTED]	[REDACTED]
18.	Ma'anshan Shengtuo	November 10, 2020	RMB38.86 million	RMB40 million	January 25, 2021	3,652,163	RMB10.95	0.24%	[REDACTED]	[REDACTED]
19.	Getian Star	November 10, 2020	RMB33.03 million	RMB34 million	January 25, 2021	3,104,338	RMB10.95	0.21%	[REDACTED]	[REDACTED]

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	Investors	Date of capital increase agreement	Subscription amount of registered capital/ Number of Shares subscribed	Consideration paid	Date of completion of payment of consideration	Number of Shares as of the Latest Practicable Date	Cost per share	Interest held in our Company immediately before completion of the	Interest held in our Company upon completion of the	Discount to the (midpoint) ⁽¹⁾
20.	Huaxian Automobile	November 10, 2020	RMB19,43 million	RMB20 million	January 25, 2021	1,826,081	RMB10.95	[REDACTED]	[REDACTED]	[REDACTED]
21.	Xiamen Jimli No. 2	August 19, 2021	24,000,000	RMB1,000 million	August 24, 2021	24,000,000	RMB41.67	1.59%	[REDACTED]	[REDACTED]
22.	Chuangyi Shengtun	August 9, 2021	24,000,000	RMB1,000 million	August 20, 2021	24,000,000	RMB41.67	1.59%	[REDACTED]	[REDACTED]
23.	Manufacturing Transform and Upgrade Fund	August 3, 2021	23,976,000	RMB999 million	August 13, 2021	23,976,000	RMB41.67	1.59%	[REDACTED]	[REDACTED]
24.	Hainan Huaping	July 26, 2021	15,840,000	RMB660 million	August 16, 2021	15,840,000	RMB41.67	1.05%	[REDACTED]	[REDACTED]
25.	Chengdu Heavy Industry Longjin	August 19, 2021	12,000,000	RMB500 million	August 26, 2021	12,000,000	RMB41.67	0.8%	[REDACTED]	[REDACTED]
26.	Guoshou Private Equity	July 29, 2021	12,000,000	RMB500 million	August 9, 2021	12,000,000	RMB41.67	0.8%	[REDACTED]	[REDACTED]
27.	Hainan Qingshan	July 25, 2021	12,000,000	RMB500 million	October 26, 2021	12,000,000	RMB41.67	0.8%	[REDACTED]	[REDACTED]
28.	Jiaxing Xingneng	August 6, 2021	12,000,000	RMB500 million	August 19, 2021	12,000,000	RMB41.67	0.8%	[REDACTED]	[REDACTED]
29.	Nanjing Xing Na Zhou	July 29, 2021	12,000,000	RMB500 million	August 10, 2021	12,000,000	RMB41.67	0.8%	[REDACTED]	[REDACTED]
30.	Three Gorges Capital	July 30, 2021	12,000,000	RMB500 million	August 6, 2021	12,000,000	RMB41.67	0.8%	[REDACTED]	[REDACTED]
31.	Wuhan Jingkai Investment	July 28, 2021	12,000,000	RMB500 million	August 24, 2021	12,000,000	RMB41.67	0.8%	[REDACTED]	[REDACTED]
32.	Hanshi Precision	August 4, 2021	10,800,000	RMB450 million	August 6, 2021	10,800,000	RMB41.67	0.72%	[REDACTED]	[REDACTED]
33.	Dongtou Liying	August 17, 2021	9,600,000	RMB400 million	August 18, 2021	9,600,000	RMB41.67	0.64%	[REDACTED]	[REDACTED]

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	Investors	Date of capital increase agreement	Subscription amount of registered capital/ Number of Shares subscribed	Consideration paid	Date of completion of payment of consideration	Number of Shares as of the Latest Practicable Date	Cost per share	Interest held in our Company immediately before completion of the	Interest held in our Company upon completion of the	Discount to the
	[REDACTED]	increase agreement	Number of Shares subscribed	Consideration paid	Date of completion of payment of consideration	Practicable Date	per share	of the	of the	[REDACTED] (midpoint) ⁽¹⁾
34.	Huzhou Haifa	July 26, 2021	9,600,000	RMB400 million	August 6, 2021	9,600,000	RMB41.67	0.64%	[REDACTED]	[REDACTED]
35.	Chuanghe Xincui	October 15, 2021	RMB199,94 million	RMB213.35 million	October 15, 2021	18,790,217	RMB1.07		[REDACTED]	[REDACTED]
36.	Yiwu Lexin	July 26, 2021	7,200,000	RMB300 million	August 9, 2021	7,200,000	RMB41.67	1.73%	[REDACTED]	[REDACTED]
37.	Aviation Industry Integration Fund	July 26, 2021	7,200,000	RMB300 million	August 5, 2021	7,200,000	RMB41.67	0.48%	[REDACTED]	[REDACTED]
		August 5, 2021	12,000,000	RMB500 million	August 6, 2021	12,000,000	RMB41.67	0.80%	[REDACTED]	[REDACTED]
38.	Dahou Cornerstone	August 20, 2021	6,021,000	RMB250.9 million	August 25, 2021	6,021,600	RMB41.67	0.40%	[REDACTED]	[REDACTED]
39.	Hunan Hualing	August 23, 2021	4,800,000	RMB200 million	August 25, 2021	4,800,000	RMB41.67	0.32%	[REDACTED]	[REDACTED]
40.	Wuhan Industrial Investment Zhongjing	August 13, 2021	4,320,000	RMB180 million	August 19, 2021	4,320,000	RMB41.67	0.29%	[REDACTED]	[REDACTED]

Notes:

(1) The [REDACTED] is calculated based on the exchange rate of RMB1.00 to HK\$1.23, the median rate set by PBOC for foreign exchange transactions prevailing on the Latest Practicable Date, and assuming the [REDACTED] is fixed at HK\$[REDACTED], being the mid-point of the indicative [REDACTED] range.

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2. The principal terms of the [REDACTED] Investments and the rights of the [REDACTED] Investors

Use of proceeds from the [REDACTED] Investments

All proceeds from the [REDACTED] Investments are used for business expansion and operation, including expenses for new construction and expansion of production bases, R&D of advanced technology and daily operation

As of the Latest Practicable Date, approximately 78% of the proceeds from the [REDACTED] Investments had been utilized.

Strategic benefits of the [REDACTED] Investments to our Company

At the time of the [REDACTED] Investments, the Directors believe that our Company will benefit from the additional capital provided by the [REDACTED] Investors’ investment and their knowledge and experience.

Basis for determination of consideration paid

Please see “Major changes in shareholding and corporate form” in this section.

Lock-up period

Pursuant to the capital increase agreements entered into between the [REDACTED] Investors and our Company, the [REDACTED] Investors are not allowed to sell any of their Shares within a period of 36 months from the date on which the registration with the local industry and commerce department in respect of the [REDACTED] Investments has been completed, unless the lock-up period of the [REDACTED] Investors, as required by the relevant laws, regulations or securities authority, is terminated after our [REDACTED]. In accordance with the applicable PRC laws, the [REDACTED] Investors are not allowed to sell any of their Shares within 12 months after the [REDACTED].

3. Special Rights granted to the [REDACTED] Investors

None of the [REDACTED] Investors was granted any special rights in relation to our Company.

4. Compliance with Interim Guidance and Guidance Letters

The Sole Sponsor confirmed that the [REDACTED] Investments are in compliance with (i) Guidance Letter HKEX-GL29-12 issued by the Stock Exchange in January 2012 and updated in March 2017; (ii) Guidance Letter HKEX-GL43-12, issued by the Stock Exchange in October 2012 and updated in July 2013 and March 2017; and (iii) HKEX-GL44-12, issued by the Stock Exchange in October 2012 and updated in March 2017.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

5. Information on our [REDACTED] Investors

The following set outs the background of our [REDACTED] Investors:

1. Guangqi Ruidian is a limited partnership established under the laws of the PRC and is principally engaged in equity investment and M&A activities. Guangzhou Yingpeng Investment Management Company Limited* (廣州盈蓬投資管理有限公司) (“**Guangzhou Yingpeng Investment**”) is a limited liability company established under the laws of the PRC and is the general partner of Guangqi Ruidian. Guangzhou Yingpeng Investment is an indirect wholly-owned subsidiary of Guangzhou Automobile Group Co., Ltd.* (廣州汽車集團股份有限公司), a company whose share are listed on the Shanghai Stock Exchange (Stock Code: 601238) and ultimately controlled by State-owned Assets Supervision and Administration Commission of Guangzhou Municipal People’s Government* (廣州市人民政府國有資產監督管理委員會). As of the Latest Practicable Date, Guangqi Ruidian directly held approximately 4.24% of our total issued Shares. To the best knowledge of our Directors, Guangqi Ruidian is an Independent Third Party.
2. Each of China Insurance Investment Advanced Manufacturing, China Insurance Investment No. 1 New Energy, China Insurance Investment No. 2 New Energy and China Insurance Investment Strategic Engineering is a limited partnership established under the laws of the PRC. China Insurance Investment Co., Ltd.* (中保投資有限責任公司) (“**China Insurance Investment**”) is a limited liability company established under the laws of the PRC and is the general partner of each of China Insurance Investment Advanced Manufacturing, China Insurance Investment No. 1 New Energy, China Insurance Investment No. 2 New Energy and China Insurance Investment Strategic Engineering. China Insurance Investment is an investment platform established pursuant to the Official Reply of the State Council regarding the Proposal on the Establishment of the China Insurance Investment Fund* (國務院關於中國保險投資基金設立方案的批覆). As of the Latest Practicable Date, each of China Insurance Investment Advanced Manufacturing, China Insurance Investment No. 1 New Energy, China Insurance Investment No. 2 New Energy and China Insurance Investment Strategic Engineering directly held approximately 3.45%, 1.88%, 0.61% and 0.61% of our total issued Shares, respectively. To the best knowledge of our Directors, each of China Insurance Investment Advanced Manufacturing, China Insurance Investment No. 1 New Energy, China Insurance Investment No. 2 New Energy and China Insurance Investment Strategic Engineering is an Independent Third Party.
3. Xiaomi Yangtze River Industry is a limited partnership established under the laws of the PRC. Hubei Xiaomi Changjiang Industrial Investment Fund Management Co., Ltd.* (湖北小米長江產業投資基金管理有限公司) (“**Hubei Xiaomi**”) is a limited liability company established under the laws of the PRC and is the sole general partner of Xiaomi Yangtze River Industry. The ultimate controller of Hubei Xiaomi is Lei Jun (雷軍) who is an Independent Third Party. As of the Latest Practicable Date, Xiaomi Yangtze River Industry directly held approximately 2.61% of our issued Shares. To the best knowledge of our Directors, Xiaomi Yangtze River Industry is an Independent Third Party.

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4. Jinyuan Investment is a limited liability company established under the laws of the PRC, which is wholly owned by the Finance Bureau of Xiamen City* (廈門市財政局). As of the Latest Practicable Date, Jinyuan Investment directly held approximately 2.49% of our issued Shares. Since Jinyuan Industry is a wholly-owned subsidiary of Jinyuan Investment, Jinyuan Investment is deemed to have an interest in all shares held by Lihang Jinzhi and Jinyuan Industry. Xiamen Jinli No. 2 and Jinli Investment, which are the limited partnerships ultimately controlled by Jinyuan Investment, directly held approximately 1.59% and 0.85% of our issued Shares respectively, thus Jinyuan Investment is also deemed to have an interest in the shares held by Xiamen Jinli No. 2 and Jinli Investment. As a result, Jinyuan Investment controls approximately 16.85% of our issued Shares, directly or indirectly. For further details, please see “Substantial Shareholders” of this document.
5. Jinyuan Industry is a limited liability company established under the laws of the PRC, which is wholly and directly owned by Jinyuan Investment, and its ultimate controller is the Finance Bureau of Xiamen City* (廈門市財政局). As of the Latest Practicable Date, Jinyuan Investment directly held approximately 2.49% of our issued Shares. As Jinyuan Industry controls Lihang Jinzhi, it is interested in approximately 11.91% of our issued Shares, directly or indirectly. For further details, please see “Substantial Shareholders” of this document.
6. Lihang Jinzhi is a limited partnership jointly established by Jinyuan Industry and Xiamen Lihang Equity Investment, which subscribed for approximately 99.34% and 0.66% of Lihang Jinzhi’s capital, respectively. Lihang Jinzhi is controlled by Jinyuan Industry according to its partnership agreement. As of the Latest Practicable Date, Lihang Jinzhi directly held approximately 9.42% of our issued Shares.
7. Hongshan Kaichen is a limited partnership established under the laws of the PRC. Shenzhen Sequoia An Tai Equity Investment Partnership (Limited Partnership)* (深圳紅杉安泰股權投資合夥企業(有限合夥)) (“**Shenzhen Sequoia An Tai**”) is the general partner of Hongshan Kaichen. The general partner of Shenzhen Sequoia An Tai is Shenzhen Sequoia Huan Yu Investment Management Co., Ltd.* (深圳市紅杉樞宇投資諮詢有限公司). As of the Latest Practicable Date, Hongshan Kaichen directly held approximately 2.42% of our issued Shares. To the best knowledge of our Directors, Hongshan Kaichen is an Independent Third Party.
8. Each of Guolian Tongjin, Guolian Tongwu and Guolian Tongkun is a limited partnership established under the laws of the PRC. Guolian Capital Co., Ltd.* (國聯通寶資本投資有限責任公司) (“**Guolian Capital**”) is a limited liability company established under the laws of the PRC and is a general partner of each of Guolian Tongjin, Guolian Tongwu and Guolian Tongkun. Guolian Capital is wholly-owned by Guolian Securities Co., Ltd., which is dual listed on the Shanghai Stock Exchange (stock code: 601456) and on the Stock Exchange (stock code: 01456) . As of the Latest Practicable Date, each of Goulian Tongjin, Guolian Tongwu and Guolian Tongkun directly held approximately 2.34%, 0.71% and 0.68% of our issued Shares. To the best knowledge of our Directors, each of Guolian Tongjin, Guolian Tongwu and Guolian Tongkun is an Independent Third Party.

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9. Chenyi Pengqi is a limited partnership established under the laws of the PRC. Chenyi Hongqi (Beijing) Consulting Co., Ltd.* (晨壹紅啟(北京)諮詢有限公司) (“**Chenyi Hongqi (Beijing)**”) is a limited liability company established under the laws of the PRC and is the general partner of Chenyi Pengqi. Chenyi Hongqi (Beijing) is actually controlled by Liu Xiaodan (劉曉丹), who is an Independent Third Party. As of the Latest Practicable Date, Chenyi Pengqi directly held approximately 2.08% of our issued Shares. To the best knowledge of our Directors, Chenyi Pengqi is an Independent Third Party.
10. Chuanghe Xincai is a limited partnership established under the laws of the PRC. Xiamen Chuanghe Luxiang Investment Management Co., Ltd.* (廈門創和鷺翔投資管理有限責任公司) (“**Xiamen Chuanghe**”) is a limited liability company established under the laws of the PRC and is the general partner of Chuanghe Xincai. The largest single shareholder of Xiamen Chuanghe is SDIC Chuanghe Fund Management Co., Ltd.* (國投創合基金管理有限公司), which is an Independent Third Party. As of the Latest Practicable Date, Chuanghe Xincai directly held approximately 1.73% of our issued Shares. To the best knowledge of our Directors, Chuanghe Xincai is an Independent Third Party.
11. Chuangyi Shengtun is a limited partnership established under the laws of the PRC. SDIC Chuangyi Industrial Fund Management Co., Ltd.* (國投創益產業基金管理有限公司) (“**SDIC Chuangyi**”) and Beijing Shengtun Tianyu Private Fund Management Co., Ltd.* (北京盛屯天宇私募基金管理有限公司) are limited liability companies established under the laws of the PRC and general partners of Chuangyi Shengtun, which is a wholly-owned subsidiary of National Development and Investment Group Co., Ltd.* (國家開發投資集團有限公司), a company wholly owned 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). As of the Latest Practicable Date, Chuangyi Shengtun directly held approximately 1.59% of our issued Shares. To the best knowledge of our Directors, Chuangyi Shengtun is an Independent Third Party.
12. Xiamen Jinli No. 2 is a limited partnership established under the laws of the PRC. Jinyuan Equity Investment is a limited liability company established under the laws of the PRC and is the general partner of Xiamen Jinli No. 2. Jinyuan Equity Investment is ultimately controlled by Jinyuan Investment. As of the Latest Practicable Date, Xiamen Jinli No.2 directly held approximately 1.59% of our issued Shares. Xiamen Jinli No. 2 is a connected person of our Company.
13. Manufacturing Transform and Upgrade Fund is a joint stock limited company established under the laws of the PRC, which is held by the Ministry of Finance of the PRC as to 15.29% of the equity interests and the remaining 84.71% of the equity interests by 19 Independent Third Parties. As of the Latest Practicable Date, the Manufacturing Transform and Upgrade Fund directly held approximately 1.59% of our issued Shares. To the best knowledge of our Directors, Manufacturing Transform and Upgrade Fund is an Independent Third Party.

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14. Link Cornerstone is a limited partnership established under the laws of the PRC. Shenzhen City Lingxin Cornerstone Equity Investment Fund Partnership (Limited Partnership)* (深圳市領信基石股權投資基金合夥企業(有限合夥)) (“**Lingxin Cornerstone**”) is a limited partnership established under the laws of the PRC and is the general partner of Link Cornerstone. The general partner of Lingxin Cornerstone is Urumqi Kunlun Cornerstone Venture Capital Co., Ltd.* (烏魯木齊昆侖基石創業投資有限公司), which is ultimately controlled by Zhang Wei (張維), an Independent Third Party. As of the Latest Practicable Date, Link Cornerstone directly held approximately 1.09% of our issued Shares. To the best knowledge of our Directors, Link Cornerstone is an Independent Third Party.
15. Ma’anshan Cornerstone is a limited partnership established under the laws of the PRC. Ma’anshan Happiness Cornerstone Investment Management Co., Ltd.* (馬鞍山幸福基石投資管理有限公司) is a limited liability company established under the laws of the PRC and is the general partner of Ma’anshan Cornerstone, which is ultimately controlled by Zhang Wei (張維), an Independent Third Party. As of the Latest Practicable Date, Ma’anshan Cornerstone directly held approximately 0.88% of our issued Shares. To the best knowledge of our Directors, Ma’anshan Cornerstone is an Independent Third Party.
16. Ma’anshan Shengtuo is a limited partnership established under the laws of the PRC. Urumqi Phoenix Cornerstone Equity Investment Management Partnership (Limited Partnership)* (烏魯木齊鳳凰基石股權投資管理有限合夥企業) is a limited partnership established under the laws of the PRC and is the general partner of Ma’anshan Shengtuo, whose general partner is Urumqi Kunlun Cornerstone Venture Capital Investment Co., Ltd.* (烏魯木齊昆侖基石創業投資有限公司) (“**Urumqi Kunlun**”). Urumqi Kunlun is a limited liability company established under the laws of the PRC and is ultimately controlled by Zhang Wei (張維), an Independent Third Party. As of the Latest Practicable Date, Ma’anshan Shengtuo directly held approximately 0.24% of our issued Shares. To the best knowledge of our Directors, Ma’anshan Shengtuo is an Independent Third Party.
17. Dahou Cornerstone is a limited partnership established under the laws of the PRC. Tibet Tianji Cornerstone Venture Capital Co., Ltd.* (西藏天璣基石創業投資有限公司) is a limited liability company established under the laws of the PRC and the general partner of Dahou Cornerstone, which is ultimately controlled by Zhang Wei (張維), an Independent Third Party. As of the Latest Practicable Date, Dahou Cornerstone directly held approximately 0.40% of our issued Shares. To the best knowledge of our Directors, Dahou Cornerstone is an Independent Third Party.
18. Hainan Huaping is a limited partnership established under the laws of the PRC. Hainan Huaping Enterprise Management Consulting Center (Limited Partnership)* (海南華平企業管理諮詢中心) is a limited partnership established under the laws of the PRC and is the general partner of Hainan Huaping, whose ultimate beneficial owner is Gu Ren (顧韜), who is an Independent Third Party. As of the Latest Practicable Date, Hainan Huaping directly held approximately 1.05% of our issued Shares. To the best knowledge of our Directors, Hainan Huaping is an Independent Third Party.

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19. Jinli Investment is a limited partnership established under the laws of the PRC. Jinyuan Capital Management (Xiamen) Co., Ltd.* (金圓資本管理(廈門)有限公司) is a limited liability company established under the laws of the PRC and is the general partner of Jinli Investment, which is ultimately controlled by the Finance Bureau of Xiamen City* (廈門市財政局). As of the Latest Practicable Date, Jinli Investment directly held approximately 0.85% of our issued Shares. Jinli Investment is a connected person of our Company.
20. Getian Star is a limited partnership established under the laws of the PRC. Xu Xiuyun (徐秀雲) is the general partner of Getian Star and an Independent Third Party. As of the Latest Practicable Date, Getian Star directly held approximately 0.21% of our issued Shares. To the best knowledge of our Directors, Getian Star is an Independent Third Party.
21. Huaxian Automobile is a limited liability company established under the laws of the PRC, which is owned as to 70% by Zeng Yangyi (曾洋溢) and 30% by Zheng Yuanyi (鄭媛儀), both of whom are Independent Third Parties. As of the Latest Practicable Date, Huaxian Automobile directly held approximately 0.12% of our issued Shares. To the best knowledge of our Directors, Huaxian Automobile is an Independent Third Party.
22. Chengdu Heavy Industry Longjin is a limited liability company established under the laws of the PRC, which is owned as to 76% by Chengdu Major Industrial Project No. 1 Equity Investment Fund Ltd. Co.,* (成都市重大產業化項目一期股權投資基金有限公司) (“**Chengdu Major Industrial Project No. 1**”) and 24% by Chengdu Jingkai Industrial Equity Investment Fund (Limited Partnership)* (成都經開產業股權投資基金(有限合伙)). Chengdu Major Industrial Project No.1 is a limited liability company established under the laws of the PRC, which is ultimately controlled by the State-owned Assets Supervision and Administration Commission of Chengdu City* (成都市國有資產監督管理委員會). As of the Latest Practicable Date, Chengdu Heavy Industry Longjin directly held approximately 0.80% of our issued Shares and 49% of the equity interests in Chengdu Company. Chengdu Heavy Industry Longjin is a connected person of our Company.
23. Guoshou Private Equity is a limited partnership established under the laws of the PRC. Guoshou (Tianjin) Technology Venture Capital Investment Management Co., Ltd.* (國壽(天津)科技創新投資管理有限公司) is a limited liability company established under the laws of the PRC and the general partner of Guoshou Private Equity, which is ultimately indirectly wholly owned by the State Council of the PRC. As of the Latest Practicable Date, Guoshou Private Equity directly held approximately 0.80% of our issued Shares. To the best knowledge of our Directors, Guoshou Private Equity is an Independent Third Party.

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24. Hainan Qingshan is a limited partnership established under the laws of the PRC. Shaoxing Keqiao Longzheng Investment Management Ltd. Co.* (紹興柯橋隆正投資管理有限公司) is a limited liability company established under the laws of the PRC and is the general partner of Hainan Qingshan, which is owned as to 60% by Wang Huayi (王華溢) and 40% by Feng Shichao (馮世超), both of whom are Independent Third Parties. As of the Latest Practicable Date, Hainan Qingshan directly held approximately 0.80% of our issued Shares. To the best knowledge of our Directors, Hainan Qingshan is an Independent Third Party.
25. Jiaxing Xingneng is a limited partnership established under the laws of the PRC. Xingtou (Beijing) Capital Management Co., Ltd.* (興投(北京)資本管理有限公司) is a limited company established under the laws of the PRC and is the general partner of Jiaxing Xingneng, which is indirectly owned as to 73% by Industrial Bank Co., Ltd* (興業銀行股份有限公司), a company whose shares are listed on the Shanghai Stock Exchange (stock code: 601166). As of the Latest Practicable Date, Jiaxing Xingneng directly held approximately 0.80% of our issued Shares. To the best knowledge of our Directors, Jiaxing Xingneng is an Independent Third Party.
26. Nanjing Xing Na Zhou is a limited partnership established under the laws of the PRC. Hainan Xinglan Corporation Management Partnership (Limited Partnership)* (海南星蘭企業管理合夥企業(有限合夥)) is a limited partnership established under the laws of the PRC and the general partner of Nanjing Xing Na Zhou, whose general partner is Ningbo Xinglinxing Investment Management Ltd., Co.* (寧波星鄰星投資管理有限公司) (“**Ningbo Xinglinxing**”). Ningbo Xinglinxing is ultimately controlled by Wang Jianguo (汪建國), an Independent Third Party. As of the Latest Practicable Date, Nanjing Xing Na Zhou directly held approximately 0.80% of our issued Shares. To the best knowledge of our Directors, Nanjing Xing Na Zhou is an Independent Third Party.
27. Three Gorges Capital is a limited liability company established under the laws of the PRC, which is owned as to 40% by China Three Gorges Group Co., Ltd.* (中國長江三峽集團有限公司), 30% by Yangtze Three Gorges Investment Management Co., Ltd* (長江三峽投資管理有限公司), 10% by China Changjiang Electric Power Co., Ltd* (中國長江電力股份有限公司), 10% by Yunnan Energy Investment Group Co., Ltd* (雲南省能源投資集團有限公司) and 10% by Guoxin Guotong (Zhejiang) investment fund partnership (limited partnership)* (國新國同(浙江)投資基金合夥企業(有限合夥)), all of which are Independent Third Parties. As of the Latest Practicable Date, Three Gorges Capital directly held approximately 0.80% of our issued Shares. To the best knowledge of our Directors, Three Gorges Capital is an Independent Third Party.
28. Wuhan Jingkai Investment is a limited liability company established under the laws of the PRC, which is wholly owned by the State-owned Assets Supervision and Administration Commission of Wuhan Economic and Technological Development Zone* (武漢經濟技術開發區(漢南區)國有資產監督管理局). As of the Latest Practicable Date, Wuhan Jingkai Investment directly held approximately 0.80% of our issued Shares and 49% of the equity interests in Wuhan Company. Wuhan Jingkai Investment is a connected person of our Company.

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29. Hanshi Precision is a limited liability company established under the laws of the PRC, which is wholly owned by Shenzhen Han Nationality Venture Capital Co., Ltd* (深圳市大族創業投資有限公司) (“**Shenzhen Han**”). Shenzhen Han is a limited liability company established under the laws of the PRC and is wholly owned by Han’s Laser Technology Industrial Holding Co., Ltd.* (大族激光科技產業集團股份有限公司), a company whose shares are listed on the Shenzhen Stock Exchange (stock code: 002008), which is ultimately controlled by Gao Yunfeng (高雲峰), an Independent Third Party. As of the Latest Practicable Date, Hanshi Precision directly held approximately 0.72% of our issued Shares. To the best knowledge of our Directors, Hanshi Precision is an Independent Third Party.
30. Dongtou Liying is a limited partnership established under the laws of the PRC. Donghai Investment Co., Limited* (東海投資有限責任公司) is a limited liability company established under the laws of the PRC and the general partner of Dongtou Liying, which is ultimately controlled by the People’s Government of Changzhou City* (常州市人民政府). As of the Latest Practicable Date, Dongtou Liying directly held approximately 0.64% of our issued Shares. To the best knowledge of our Directors, Dongtou Liying is an Independent Third Party.
31. Huzhou Haifa is a limited partnership established under the laws of the PRC. Yuanhai Xinda Investment Management (Tianjing) Co., Ltd.* (遠海信達投資管理(天津)有限公司) is a limited liability company established under the laws of the PRC and the general partner of Huzhou Haifa, 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). As of the Latest Practicable Date, Huzhou Haifa directly held approximately 0.64% of our issued Shares. To the best knowledge of our Directors, Huzhou Haifa is an Independent Third Party.
32. Yiwu Lexin is a limited partnership established under the laws of the PRC. Shanghai Zhengxin Valley Investment Management Co., Ltd.* (上海正心谷投資管理有限公司) is a limited liability company established under the laws of the PRC and the general partner of Yiwu Lexin, which is wholly owned by Lin Lijun (林利軍), an Independent Third Party. As of the Latest Practicable Date, Yiwu Lexin directly held approximately 0.48% of our issued Shares. To the best knowledge of our Directors, Yiwu Lexin is an Independent Third Party.
33. Hunan Hualing is a limited partnership established under the laws of the PRC. Hunan Dice Runlong Private Fund Management Co., Ltd.* (湖南迪策潤通私募基金管理有限公司) is a limited liability company established under the laws of the PRC and the general partner of Hunan Hualing, which is ultimately controlled by the State-owned Assets Supervision and Administration Commission of People’s Government of Hunan Province* (湖南省國有資產監督管理委員會). As of the Latest Practicable Date, Hunan Hualing directly held approximately 0.32% of our issued Shares. To the best knowledge of our Directors, Hunan Hualing is an Independent Third Party.

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34. Wuhan Industrial Investment Zhongjing is a limited partnership established under the laws of the PRC. Wuhan Zhongjing Rongxin Equity Investment Fund Management Co., Ltd.* (武漢中經融信股權投資基金管理有限公司) is a limited liability company established under the laws of the PRC and the general partner of Wuhan Industrial Investment Zhongjing, whose ultimately beneficial owners are Yang Chenming (楊陳明) and Guo Jinying (龔金英), both of whom are Independent Third Parties. As of the Latest Practicable Date, Wuhan Industrial Investment Zhongjing directly held approximately 0.29% of our issued Shares. To the best knowledge of our Directors, Wuhan Industrial Investment Zhongjing is an Independent Third Party.

35. Aviation Industry Integration Fund is a limited partnership established under the laws of the PRC. Qingdao Honghua Private Equity Management Co., Ltd.* (青島弘華私募基金管理有限公司) is a limited liability company established under the laws of the PRC and the general partner of Aviation Industry Integration Fund, which is ultimately controlled by AVIC. As of the Latest Practicable Date, Aviation Industry Integration Fund directly held approximately 0.80% of our issued Shares. To the best knowledge of our Directors, Aviation Industry Integration Fund is an Independent Third Party.

ACQUISITION AND DISPOSAL OF LUOYANG COMPANY

On the date of establishment of our Company, Luoyang Company was an initial controlling Shareholder, which held 30% equity interests of our Company. On April 22, 2019, Luoyang Company and Chengfei Integration entered into an equity transfer agreement, pursuant to which Luoyang Company agreed to transfer its 30% equity interest in our Company to Chengfei Integration. Upon completion of the aforesaid equity transfer, Luoyang Company ceased to be a Shareholder of our Company.

Acquisition of 73.36% equity interests in Luoyang Company by our Company from Chengfei Integration and Jinsha Investment

On April 22, 2019, Chengfei Integration agreed to transfer its 45% equity interests in Luoyang Company to our Company at a consideration of RMB1,094.28 million which was determined with reference to the value of the entire shareholders' equity interests of Luoyang Company as of June 30, 2018 as valued by an independent valuer. Please see “Equity transfer and capital increases in July 2019” in this section in respect of the settlement of the consideration. On the same day, Chengfei Integration and Jinsha Investment agreed to subscribe for certain amount of the increased registered capital of our Company by transferring 18.98% and 9.38% of their respective equity interests in Luoyang Company as consideration to our Company. The consideration in respect of the capital increases were determined after arm's length negotiation among the parties with reference to the net asset value of our Company and Luoyang Company, respectively, as of 30 June, 2018. For further details, please see “Equity transfer and capital increases in July 2019” in this section. Upon completion of the aforesaid equity transfer and capital increases, Luoyang Company ceased to be a Shareholder of our Company and became a non-wholly subsidiary of our Company, which was owned as to 73.36% by us, 13.62% by Missile Academy, 4.84% by Aviation Investment, 2.99% by Zhongguancun Guosheng, 2.27% by Aviation Investment, 1.92% by Hongdu Airline and 1.01% by Luoyang Xinghang, respectively.

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The acquisition of Luoyang Company during the Track Record Period constituted a material acquisition of subsidiary as one of the applicable percentage ratios under Rule 14.07 of the Listing Rules was more than 25% but less than 100%. As a result, the aforementioned acquisition was classified as a major acquisition under Chapter 14 of the Listing Rules. Please see Part C of the Accountant’s Report in Appendix I to this document for the pre-acquisition financial information on Luoyang Company.

Acquisition of 1.01% equity interests in Luoyang Company by our Company from Luoyang Xinghang

On December 24, 2020, Luoyang Xinghang entered into an equity transfer agreement with our Company, pursuant to which, it agreed to transfer its 1.01% equity interests in Luoyang Company to our Company at a consideration of RMB22.518 million, which was determined with reference to the net asset value of Luoyang Company as of December 31, 2019 by an independent valuer. Upon completion of the aforesaid equity transfer, Luoyang Company was owned as to 74.37% by our Company and 25.63% in aggregate by Luoyang Company Minority Shareholders.

Disposal of 51% equity interests in Luoyang Company by our Company

Luoyang Company and its subsidiaries are principally engaged in the design, R&D, production and sales of EV battery for civil and military industrial use and ESS products. Having considered that (i) the exclusion of Luoyang Company will minimize the uncertainties and constraint involved in the preparation of [REDACTED] and any subsequent capital action of our Company after our [REDACTED] given the relatively complicated and uncertain review and approval procedures of the relevant authorities concerning the military industrial business; (ii) the exclusion of Luoyang Company would ensure effective and timely disclosure of our Group’s material information in compliance with the requirements of the Listing Rules to our Shareholders and potential investors of our Company after [REDACTED]; and (iii) if Luoyang Company remains as our subsidiary, there may be potential impact arising from the military industrial business engaged by Luoyang Company on our Group’s operation, we decided to exclude Luoyang Company from our Group. For further details of our business arrangement with Luoyang Company, please see “Relationship with Jintan Group” and “Connected transactions” of this document.

On October 18, 2021, our Company entered into an equity transfer agreement with Jincheng Technology pursuant to which our Company agreed to sell and Jincheng Technology agreed to purchase 51% of the equity interest in Luoyang Company at the consideration of RMB1,530 million (the “**51% Luoyang Company Disposal**”). The consideration was determined based on market value of Luoyang Company as of December 31, 2020 as valued by an independent valuer (the “**2020 Valuation**”). The transfer was completed on November 8, 2021. Upon the completion of the aforesaid transfer, Luoyang Company was held as to 51%, 23.37% and 25.63%, respectively, by Jincheng Technology, our Company and Luoyang Company Minority Shareholders, and therefore, Luoyang Company ceased to be a subsidiary of our Company and became an associate of the Company since November 2021. Having

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considered the Non-Competition Agreement entered into by Jintan Group which resulted in material change in the operation mode and profit forecast of Luoyang Company, on March 2, 2022, our Company and Jincheng Technology entered into a supplemental agreement in respect of the 51% Luoyang Company Disposal, pursuant to which, our Company agreed to compensate Jincheng Technology in the amount of RMB 397.80 million (being the difference between the 2020 Valuation and the valuation of Luoyang Company as of December 31, 2021 (the “**2021 Valuation**”) multiplied by 51%). Please also see “Relationship with Jintan Group – Non-Competition Agreement” for further details of the compensation arrangement between our Company and Jincheng Technology. For details of transactions between our Group and Luoyang Company after the disposal, please see “Connected transactions” of this document.

Acquisition of an aggregate of 25.63% equity interests in Luoyang Company by our Company

On October 15, 2021 and October 20, 2021, the Luoyang Company Minority Shareholders agreed to subscribe for certain amount of increased registered capital of our Company by transferring an aggregate of 25.63% equity interests in Luoyang Company. For further details on equity transfer by Luoyang Company Minority Shareholders, please see “Capital increase in November 2021” in this section. Upon completion of the aforementioned transfers, Luoyang Company was owned as to 49% by our Company and 51% by Jincheng Technology.

Disposal of remaining 49% equity interests in Luoyang Company by our Company

Having further considered the potential impact and further risk arising from the military industrial business engaged by Luoyang Company (being an associate of our Company after the 51% Luoyang Company Disposal) on our Group’s operation, in order to minimize the impact and potential risk which could be resulted from the military industrial business engaged by Luoyang Company and to implement our Group’s globalization strategy, on March 3, 2022, our Company entered into an equity transfer agreement with Jinhang Holding, pursuant to which, we agreed to transfer our remaining 49% equity interests in Luoyang Company to Jinhang Holding at a consideration of RMB1,087.80 million (the “**49% Luoyang Company Disposal**”), which was determined with reference to the 2021 Valuation as valued by an independent valuer and is expected to be fully settled by Jinhang Holding prior to our [REDACTED]. Upon completion of the 49% Luoyang Company Disposal, Luoyang Company is owned as to 51% by Jincheng Technology and 49% by Jinhang Holding and our Company ceased to have any interest in Luoyang Company.

Given that (i) Luoyang Company agrees to use its best endeavour to procure its existing customers of EV battery products for civil use and ESS products to enter into business contracts with our Group after the existing business contracts with Luoyang Company have been duly performed and as of the Latest Practicable Date, the aggregate unperformed amounts of Luoyang Company’s contracts for EV batteries for civil use and ESS products were RMB50.23 million and RMB52.52 million, respectively; (ii) the military industrial business retained by Luoyang Company is very limited in scale as compared to our Group’s operations; and (iii) by entering into the entrusted processing framework agreement with Luoyang Company, our Group is able to meet the current and increasing demand of our clients by

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engaging Luoyang Company to provide entrusted processing services to us with its current production capacity while we are continuing to scale up our operation, our Directors consider that the disposal of Luoyang Company will not have a material adverse effect on the business operations of our Group.

As advised by our PRC Legal Advisor, there had been no material non-compliance of Luoyang Company during the Track Record Period.

COMPLIANCE WITH LAWS AND REGULATIONS

As of the Latest Practicable Date, the establishment of our Company and transfers of equity interests and changes in registered capital (where applicable) has been properly and legally completed in compliance with the applicable laws and regulations.

As advised by our PRC Legal Advisor, our Company has obtained relevant approvals or confirmation and has registered or filed with the relevant competent authorities in accordance with the relevant laws and regulations in respect of its establishment and subsequent transfers of equity interests and changes in registered capital (where applicable) up to the Latest Practicable Date, and the establishment of our Company and subsequent transfers of equity interests and changes in registered capital (where applicable) up to the Latest Practicable Date are effective and legally binding.

PUBLIC FLOAT

The 1,506,456,558 Shares held by all existing Shareholders, representing approximately all of our total issued Shares as of the Latest Practicable Date, or approximately [REDACTED]% of our total issued Shares upon [REDACTED] (assuming the [REDACTED] is not exercised), or approximately [REDACTED] of our total issued Shares upon exercise of the [REDACTED] in full, will not be considered as part of the public float as the Shares they hold are Domestic Shares which will not be converted into H Shares and public float following the completion of the [REDACTED].

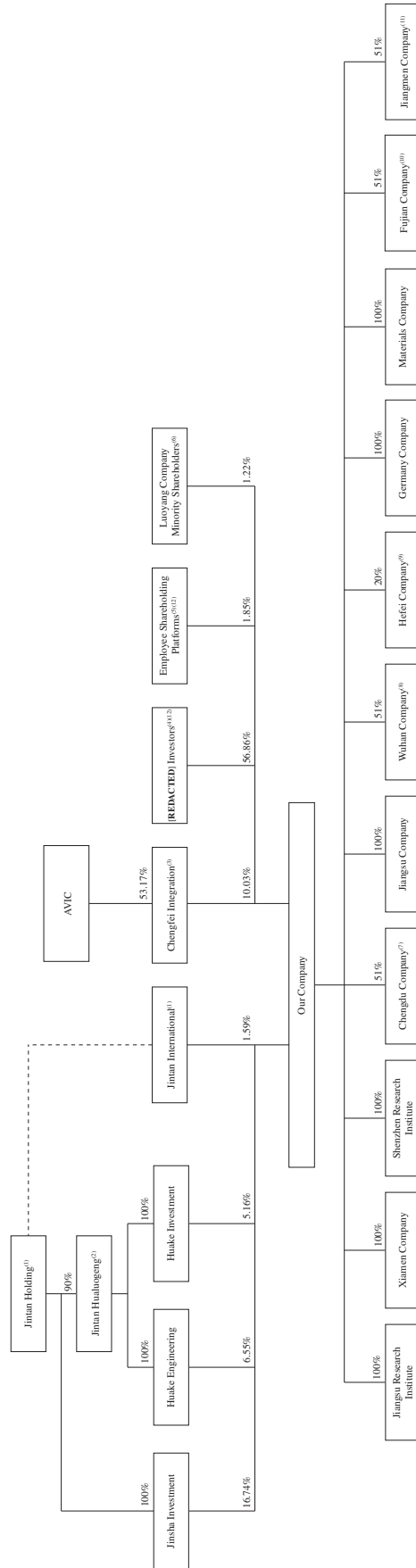
Pursuant to the applicable PRC law, within the 12 months following the [REDACTED], all current Shareholders are not allowed to dispose of any of the Shares held by them.

Based on the minimum [REDACTED] and assuming the [REDACTED] is not exercised, we expected that our market capitalization will be approximately HK\$[REDACTED] billion. We have applied to the Stock Exchange, and the Stock Exchange [has granted] us, a waiver from strict compliance with the requirements of Rule 8.08(1)(a) of the Listing Rules. Therefore, the minimum public float of our Company will be the higher of (1) [REDACTED]% of the total issued share capital of our Company; or (2) such percentage of Shares to be held by the public H Shareholders immediately after the completion of the [REDACTED] and the last exercise of the [REDACTED] (if any). Please see “Waivers From Strict Compliance With the Listing Rules” in this document for further details.

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OUR CORPORATE STRUCTURE AND SHAREHOLDING STRUCTURE

The following chart sets out our shareholding structure immediately before completion of the [REDACTED]:



Notes:

1. Jintan Holding is wholly owned by the Government of Jintan District. The investment by Jintan International in our Company was made in accordance with the instructions of Jintan Holding and Jintan International exercises its voting rights in our Company in accordance with the instructions of Jintan Holding.
2. The remaining 10% interest of Jintan Hualuogeng is held by Changzhou Investment Group Co., Ltd.* (常州投資集團有限公司), which is ultimately controlled by the Municipal Government of Changzhou.
3. Chengfei Integration is a company listed on the Shenzhen Stock Exchange (stock code: 002190) and its largest shareholder is AVIC as of the Latest Practicable Date.
4. Please see “[REDACTED] Investments” in this section for further details of the [REDACTED] Investors.

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5. Immediately before completion of the [REDACTED], the Employee Shareholding Platforms include Changzhou Lihang Kaibo No. 11, Xiamen Lihang Kaibo No. 1, Changzhou Lihang Kaibo No. 1, Changzhou Lihang Kaibo No. 2, Changzhou Lihang Kaibo No. 3, Changzhou Lihang Kaibo No. 4, Changzhou Lihang Kaibo No. 5, Changzhou Lihang Kaibo No. 6, Changzhou Lihang Kaibo No. 7, Changzhou Lihang Kaibo No. 8, Changzhou Lihang Kaibo No. 9 and Changzhou Lihang Kaibo No. 10, which hold approximately 0.57%, 0.38%, 0.11%, 0.09%, 0.07%, 0.08%, 0.16%, 0.11%, 0.04%, 0.13%, 0.06% and 0.05% of the interest in our Company, respectively. Please see “Statutory and General Information – 5. Share Incentive Schemes” in Appendix VI to this document for further details of the Employee Shareholding Platforms.
6. The Luoyang Company Minority Shareholders comprise Missile Academy, Shunying Investment, Zhongguancun Guosheng, China Aviation Investment Holding Company and Hongdu Airline, which holds approximately 0.65%, 0.23%, 0.14%, 0.11% and 0.09% of the Shares of our Company immediately before completion of the [REDACTED], respectively.
7. The remaining 49% of the equity interests in Chengdu Company was held by Chengdu Heavy Industry Longjin.
8. The remaining 49% of the equity interests in Wuhan Company was held by Wuhan Jingkai Investment.
9. The remaining 80% of the equity interests in Hefei Company was held by Hefei Beicheng Investment. Pursuant to the voting rights entrustment agreement and acting-in-concert agreement entered into between our Company and Hefei Beicheng Investment on September 25, 2021, Hefei Beicheng Investment agreed to entrust the voting rights representing 31% of the equity interests in Hefei Company to our Company for a period of seven years commencing from the date of the aforesaid agreements. Furthermore, pursuant to the articles of association of Hefei Company, the board of directors of Hefei Company shall comprise of three directors, of which our Company is entitled to nominate two directors while Hefei Beicheng Investment is entitled to nominate one director. In light of the aforesaid arrangement, our Company has over 50% of voting rights in Hefei Company and the control of the board of directors of Hefei Company, and Hefei Company is therefore deemed as a subsidiary of our Company and its financials are consolidated into the accounts of our Company.
10. The remaining 49% of the equity interests in Fujian Company was held by Jinyuan Industry.
11. The remaining 49% of the equity interests in Jiangmen Company was held by Jiangmen New Energy.
12. Lihang Jinzhi, Jinyuan Investment, Jinyuan Industry, Xiamen Jinli No. 2 and Jinli Investment are our [REDACTED] Investors. Since each of Lihang Jinzhi, Jinyuan Industry, Xiamen Jinli No. 2 and Jinli Investment was ultimately controlled by Jinyuan Investment, therefore Jinyuan Investment is deemed to be interested in the Shares held by aforesaid entities in the Company. Accordingly, Jinyuan Investment directly and indirectly controls an aggregate of approximately [REDACTED] of our Company’s voting rights immediately prior to the [REDACTED]. Please see “Substantial Shareholders” in this document for further details. In addition, the executive partner of Lihang Jinzhi (being Xiamen Lihang Equity Investment), holding approximately 0.66% of Lihang Jinzhi’s capital, is one of our Employee Shareholding Platforms established for the purpose of the implementation of the 2019 Share Incentive Scheme. For further details of the 2019 Share Incentive Scheme, please see to the section headed “Statutory and General Information – 5. Share Incentive Schemes – A. 2019 Share Incentive Scheme” in Appendix VI to this document.

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5. Immediately upon completion of the [REDACTED], the Employee Shareholding Platforms include Changzhou Lihang Kaibo No. 11, Xiamen Lihang Kaibo No. 1, Changzhou Lihang Kaibo No. 1, Changzhou Lihang Kaibo No. 2, Changzhou Lihang Kaibo No. 3, Changzhou Lihang Kaibo No. 4, Changzhou Lihang Kaibo No. 5, Changzhou Lihang Kaibo No. 6, Changzhou Lihang Kaibo No. 7, Changzhou Lihang Kaibo No. 8, Changzhou Lihang Kaibo No. 9 and Changzhou Lihang Kaibo No. 10, which hold approximately [REDACTED] and [REDACTED] of the interest in our Company, respectively. Please see “Statutory and General Information – 5. Share Incentive Schemes” of Appendix VI to this document for further details of the Employee Shareholding Platforms.
6. The Luoyang Company Minority Shareholders comprise Missile Laboratory, Shunying Investment, Zhongguancun Guosheng, China Aviation Investment Holding Company and Hongdu Airline, which holds approximately [REDACTED] and [REDACTED] of the Shares of our Company immediately after completion of the [REDACTED], respectively.
7. The remaining 49% of the equity interests in Chengdu Company was held by Chengdu Heavy Industry Longjin.
8. The remaining 49% of the equity interests in Wuhan Company was held by Wuhan Jingkai Investment.
9. The remaining 80% of the equity interests in Hefei Company was held by Hefei Beicheng Investment. Pursuant to the voting rights entrustment agreement and acting-in-concert agreement entered into between our Company and Hefei Beicheng Investment on September 25, 2021, Hefei Beicheng Investment agreed to entrust the voting rights representing 31% of the equity interests in Hefei Company to our Company for a period of seven years commencing from the date of the aforesaid agreements. Furthermore, pursuant to the articles of association of Hefei Company, the board of directors of Hefei Company shall comprise of three directors, of which our Company is entitled to nominate two directors while Hefei Beicheng Investment is entitled to nominate one director. In light of the aforesaid arrangement, our Company has over 50% of voting rights in Hefei Company and the control of the board of directors of Hefei Company, and Hefei Company is therefore deemed as a subsidiary of our Company and its financials are consolidated into the accounts of our Company.
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12. Lihang Jinzhi, Jinyuan Investment, Jinyuan Industry, Xiamen Jinli No. 2 and Jinli Investment are our [REDACTED] Investors. Since each of Lihang Jinzhi, Jinyuan Industry, Xiamen Jinli No. 2 and Jinli Investment was ultimately controlled by Jinyuan Investment, therefore Jinyuan Investment is deemed to be interested in the Shares held by aforesaid entities in the Company. Accordingly, Jinyuan Investment directly and indirectly controls an aggregate of approximately [REDACTED] of our Company’s voting rights immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercise). Please see “Substantial Shareholders” in this document for further details. In addition, the executive partner of Lihang Jinzhi (being Xiamen Lihang Equity Investment), holding approximately 0.66% of Lihang Jinzhi’s capital, is one of our Employee Shareholding Platforms established for the purpose of the implementation of the 2019 Share Incentive Scheme. For further details of the 2019 Share Incentive Scheme, please see “Statutory and General Information – 5. Share Incentive Schemes – A. 2019 Share Incentive Scheme” in Appendix VI to this document.