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**QINGDAO AINNOVATION TECHNOLOGY GROUP CO., LTD\***

**青島創新奇智科技集團股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 2121)**

**ISSUANCE OF NEW H SHARES UNDER THE GENERAL MANDATE  
AND  
CONNECTED TRANSACTION IN RELATION TO THE APPOINTMENT OF  
PLACING AGENT**

**Overall Coordinators, Joint Placing Agents and Capital Market Intermediaries**



**Goldman Sachs 高盛**

## **ISSUANCE OF NEW H SHARES UNDER GENERAL MANDATE**

The Board is pleased to announce that the Company and the Joint Placing Agents entered into the Placing Agreement on 6 June 2023 (after trading hours of the Stock Exchange) in relation to the Placing of up to 19,900,000 new H Shares at the Placing Price of HK\$19.70 per H Share, pursuant to which the Joint Placing Agents (as the joint placing agents of the Company) will, during the Placing Period, on a best efforts basis, procure Placees to subscribe for the Placing Shares (on the terms and subject to the conditions of the Placing Agreement). It is expected that none of the Placees will become a substantial shareholder of the Company immediately after the Completion of the Placing; the Placees and their respective ultimate beneficial owner are independent of and not connected with the Company and therefore are not connected persons of the Company.

Assuming all the Placing Shares are fully placed, the maximum gross proceeds from the Placing are expected to be approximately HK\$392,030,000 in aggregate, and the maximum net proceeds (after deducting the commissions, discretionary fee (assuming that it is paid in full) and estimated expenses) from the Placing are expected to be approximately HK\$378,856,331 in aggregate. To improve financial strength, market competitiveness and comprehensive strength of the Company and promote its long-term and healthy sustainable development, all the net proceeds from the Placing will be used for the following purposes: (i) approximately 40% for research investment, (ii) approximately 10% for sales marketing investment, (iii) approximately 30% for strategic expansion investment, (iv) approximately 10% for enhancement of internal system and IT infrastructure investment, and (v) approximately 10% for working capital. The Placing Shares will be allotted and issued under the General Mandate.

The Placing Shares represent approximately 3.65% of the existing issued share capital of the Company (namely 545,150,738 H Shares) as at the date of this announcement, and approximately 3.52% of the issued share capital of the Company as enlarged by the allotment and issuance of the Placing Shares (assuming that except for the Placing Shares allotted and issued, there is no change in the issued Shares of the Company from the date of this announcement up to the Closing Date). The total nominal value of the maximum number of Placing Shares placed under the Placing will be RMB19,900,000.

The Placing Price of HK\$19.70 represents:

- (a) a discount of approximately 16.17% to the closing price of HK\$23.50 per H Share as quoted on the Stock Exchange on 6 June 2023 (being the date of the Placing Agreement);
- (b) a discount of approximately 9.56% to the average closing price of approximately HK\$21.78 per H Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 5 June 2023 (being the date immediately prior to the date of the Placing Agreement);

- (c) a discount of approximately 8.06% to the average closing price of approximately HK\$21.43 per H Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including 5 June 2023 (being the date immediately prior to the date of the Placing Agreement); and
- (d) a discount of approximately 5.17% to the average closing price of approximately HK\$20.78 per H Share as quoted on the Stock Exchange for the last twenty consecutive trading days prior to and including 5 June 2023 (being the date immediately prior to the date of the Placing Agreement).

The Company will apply to the Listing Committee for listing of, and permission to deal in, the Placing Shares.

**As the Completion of the Placing is subject to the fulfilment of certain conditions precedent set out in the Placing Agreement and the Joint Placing Agents not exercising their termination right, the Placing may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

#### **CONNECTED TRANSACTION IN RELATION TO THE APPOINTMENT OF THE PLACING AGENT**

CICC, being one of the Joint Placing Agents and an indirectly wholly-owned subsidiary of China International Capital Corporation Limited, is an associate of CICC ALPHA. CICC ALPHA indirectly holds approximately 14.02% of the issued share capital of the Company as at the date of the announcement and is a substantial shareholder of the Company. Therefore, CICC ALPHA is a connected person of the Company. Hence, CICC is a connected person of the Company, and the transactions contemplated under the Placing Agreement constitute connected transaction of the Company.

As the highest percentage ratio (as defined in the Listing Rules) in respect of the maximum placing commission and discretionary fee (if any) payable to CICC by the Company in respect of the Placing under the Placing Agreement exceeds 0.1% but is less than 5%, the connected transaction contemplated under the Placing Agreement is subject to the reporting and announcement requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Director has any material interest in respect of the appointment of CICC as one of the Joint Placing Agents for the Placing, and as such, no Director is required to abstain from voting on such resolution in the Board meeting.

## **Placement of New H Shares**

The Board is pleased to announce that the Company and the Joint Placing Agents entered into the Placing Agreement on 6 June 2023 (after trading hours of the Stock Exchange) in relation to the Placing of up to 19,900,000 new H Shares at the Placing Price of HK\$19.70 per H Share, pursuant to which the Joint Placing Agents (as the joint placing agents of the Company) will, during the Placing Period, on a best efforts basis, procure Placees to subscribe for the Placing Shares (on the terms and subject to the conditions of the Placing Agreement). The principal terms of the Placing Agreement are as follows:

### **Placing Agreement**

#### **Date**

6 June 2023 (after trading hours of the Stock Exchange)

#### **Parties**

- (1) The Company (as the issuer); and
- (2) Joint Placing Agents (as the overall coordinators, joint placing agents and capital market intermediaries for the placement of the Placing Shares)

#### **Placing**

Pursuant to the Placing Agreement, the Company has agreed to issue and the Joint Placing Agents (as the joint placing agents of the Company), on a several basis, have agreed to make their best efforts to procure the Placees to subscribe for the Placing Shares at the Placing Price during the Placing Period under the terms and conditions of the Placing Agreement.

The Placing Shares will be allotted and issued under the General Mandate.

#### **Placing Shares**

Under the terms of the Placing Agreement and subject to the conditions of Placing Agreement, the Company will issue up to 19,900,000 new H Shares with a nominal value of RMB1.00 each in the registered share capital of the Company.

The Placing Shares represent approximately 3.65% of the existing issued share capital of the Company (namely 545,150,738 H Shares) as at the date of this announcement, and approximately 3.52% of the issued share capital of the Company as enlarged by the allotment and issuance of the Placing Shares (assuming that except for the Placing Shares allotted and issued, there is no change in the issued Shares of the Company from the date of this announcement up to the Closing Date). The total nominal value of the maximum number of Placing Shares placed under the Placing will be RMB19,900,000.

## **Placees**

The Joint Placing Agents will procure not less than six Placees, who will be professional, institutional or other investors, to subscribe for the Placing Shares. The Placees of the Placing Shares shall be determined by the Joint Placing Agents subject to the requirements of the Listing Rules. In particular, each Joint Placing Agent shall use its reasonable efforts, such as basing their selection on the information available to them, the information provided by the Company and/or the confirmation made by the Placees procured by the Joint Placing Agent, to ensure that each of the Placees and the ultimate beneficial owners of the relevant Placing Shares (if applicable) is and will be Independent Persons and non-connected persons of the Company as a result of the Placing. It is expected that none of the Placees will become a substantial shareholder of the Company immediately after the Completion of the Placing.

## **Placing Price**

The Placing Price of HK\$19.70 represents:

- (a) a discount of approximately 16.17% to the closing price of HK\$23.50 per H Share as quoted on the Stock Exchange on 6 June 2023 (being the date of the Placing Agreement);
- (b) a discount of approximately 9.56% to the average closing price of approximately HK\$21.78 per H Share as quoted on the Stock Exchange for the last five consecutive trading days up to and including 5 June 2023 (being the date immediately prior to the date of the Placing Agreement);
- (c) a discount of approximately 8.06% to the average closing price of approximately HK\$21.43 per H Share as quoted on the Stock Exchange for the last ten consecutive trading days up to and including 5 June 2023 (being the date immediately prior to the date of the Placing Agreement); and
- (d) a discount of approximately 5.17% to the average closing price of approximately HK\$20.78 per H Share as quoted on the Stock Exchange for the last twenty consecutive trading days prior to and including 5 June 2023 (being the date immediately prior to the date of the Placing Agreement).

Assuming all the Placing Shares are fully placed, the maximum gross proceeds from the Placing are expected to be approximately HK\$392,030,000 in aggregate, and the maximum net proceeds (after deducting the commissions, discretionary fee (assuming that it is paid in full) and estimated expenses) from the Placing are expected to be approximately HK\$378,856,331 in aggregate, and the net Placing Price is expected to approximately HK\$19.04 per Placing Share.

The Placing Price was determined based on the prevailing market prices of the H Shares and was arrived at by the Company and the Joint Placing Agents through arm's length negotiation. The Directors (including the independent non-executive Directors) consider that the terms of the Placing Agreement (including the Placing Price and placing commission) are fair and reasonable, are conducted in the ordinary and usual course of business of the Group and on normal commercial terms, and are in the best interests of the Company and its Shareholders as a whole.

### **Status of Placing Shares**

The Placing Shares, when issued pursuant to the Placing Agreement, will be allotted and issued fully paid up and rank *pari passu* in all respects with the other Shares in issue at that time which are free from any liens, charges and encumbrances, and together with all the rights attaching thereto as at the issuance date of the Placing Shares, including the right to receive all dividends declared, made or paid with a record date which falls on or after the date of issue of the Placing Shares.

### **Lock-up Period**

Pursuant to the Placing Agreement, for a period from the date of the Placing Agreement up to 90 days after the Closing Date, neither the Company nor any of its subsidiaries or affiliates over which it exercises management or voting control, nor any person acting on its or their behalf, except for the Placing Shares, will (i) sell, transfer, dispose, allot or issue or offer to sell, transfer, dispose, allot or issue or grant any option, right or warrant to subscribe (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar to any Shares or interest in Shares (whether by actual disposition or effective economic disposition or swap due to or otherwise by way of cash settlement or otherwise); or (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with similar economic effect as any of the transactions described in (i) above; or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above, in each case, without first having obtained the written consent of CICC and GS.

In connection with the Placing Agreement and transactions contemplated there under, each Single Largest Shareholder has executed a lock-up undertaking on the date of the Placing Agreement, pursuant to which it will not, between the date of the Placing Agreement and the date which is 90 days after the Closing Date, (i) sell, transfer, dispose, or offer to sell, transfer, dispose (either conditionally or unconditionally, or directly or indirectly, or otherwise) any Shares or any interests in Shares or any securities convertible into or exercisable or exchangeable for or substantially similar

to any Shares or interest in Shares or (ii) agree (conditionally or unconditionally) to enter into or effect any such transaction with the same economic effect as any of the transactions described in (i) above or (iii) announce any intention to enter into or effect any such transaction described in (i) or (ii) above without first having obtained the written consent of CICC and GS.

### **Placing Conditions**

Completion of the Placing is conditional upon the fulfilment or waiver (in respect of Condition (2) only) of the following conditions (the “**Conditions**”):

- (1) the Listing Committee granting the listing of, and permission to deal in, the Placing Shares (and such listing and permission not subsequently being revoked prior to the delivery of definitive share certificate(s) representing the Placing Shares);
- (2) the delivery to CICC and GS of letter of lock-up undertaking by each Single Largest Shareholder;
- (3) the delivery of the final draft or substantially complete draft of the CSRC Filings and the opinion by the PRC counsel of the Company in relation to the CSRC Filings, such drafts to be in form and substance satisfactory to CICC and GS; and
- (4) the delivery of a no-registration opinion by the U.S. legal counsel of CICC and GS, in the form satisfactory to CICC and GS.

The Company shall use its reasonable endeavours to procure the fulfilment of the foregoing conditions (other than the condition set out in (4) above) on or before the Closing Date. If any of the Conditions is not fulfilled to the satisfaction of CICC and GS or waived (in respect of Condition (2) only) at or prior to 8:00 a.m. (Hong Kong time) on the Closing Date or such later time as may be agreed between the Company and CICC and GS, the Placing Agreement shall terminate with immediate effect and all obligations of each of the parties under the Placing Agreement shall cease and terminate and no party shall have any claim against any other party in respect of any matter arising out of or in connection with the Placing Agreement except for any antecedent breach of any obligation under the Placing Agreement or as otherwise stipulated in the Placing Agreement.

### **Completion**

Subject to the Conditions, completion of the Placing shall take place on the Closing Date or as soon as practicable thereafter or such other time and/or date as CICC, GS and the Company may agree in writing.

## Termination

If at any time at or prior to 8:00 a.m. (Hong Kong time) on the Closing Date, any of the following events occurs, then and in any such case, CICC and GS may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company, which notice may be given at any time prior to 8:00 a.m. (Hong Kong time) on the Closing Date:

(1) there develops, occurs or comes into force:

- (i) any new law or regulation or any change (whether or not permanent) or development (whether or not permanent) involving a prospective change in existing laws or regulations or the interpretation or application thereof by any court or other competent authority which in the sole opinion of CICC and GS is or is likely to be materially adverse to the success of the Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith; or
- (ii) any event, or series of events beyond the control of CICC and GS (including, without limitation, any calamity, act of government, strike, labour dispute, lock-out, aircraft collision, severe transportation disruption, fire, explosion, flooding, earthquake, civil commotion, economic sanctions, epidemic, pandemic, outbreak of infectious disease, outbreak or escalation of hostilities, act of terrorism and act of God) in or affecting Hong Kong, the PRC, the United Kingdom, the European Union or the United States, or the declaration by Hong Kong, the PRC, the United Kingdom, the European Union (or any member thereof) or the United States of war or a state of emergency or calamity or crisis; or
- (iii) any change (whether or not permanent) or development (whether or not permanent) involving a prospective change in local, national or international financial, political, economic, legal, military, industrial, fiscal, regulatory, currency or market conditions (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets, interbank markets and credit markets) which in the sole opinion of CICC and GS is or is likely to be materially adverse to the success of the Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith; or
- (iv) any change (whether or not permanent) or development (whether or not permanent) involving a prospective change in local, national or international securities market conditions or currency exchange rates or exchange controls which in the sole opinion of CICC and GS is or is likely to be materially adverse to the success of the Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith; or
- (v) any suspension of or limitation in dealings in the H Shares during the Placing Period whatsoever (other than as a result of the Placing); or

- (vi) any moratorium, suspension or restriction or limitation on trading in shares or securities generally on the Stock Exchange, the New York Stock Exchange, the NASDAQ Global Market, the Shanghai Stock Exchange, the London Stock Exchange or the Shenzhen Stock Exchange due to exceptional financial circumstances or otherwise at any time prior to the Closing Date; or
- (vii) the commencement by any state, governmental, judicial, regulatory or political body or organisation of any action against any Director or an announcement by any state, governmental, judicial, regulatory or political body or organisation that it intends to take any such action; or
- (2) (i) any breach of any of the representations, warranties and undertakings by the Company set out in the Placing Agreement comes to the knowledge of CICC and GS; or (ii) any event occurs or any matter arises on or after the date hereof and prior to the Completion of the Placing on the Closing Date which if it had occurred or arisen before the date hereof would have rendered any of such representations, warranties and undertaking untrue or incorrect; or (iii) there has been a breach of, or failure to perform, any other provision of the Placing Agreement on the part of the Company; or
- (3) there is any change, or any development involving a prospective change, in or affecting the business, general affairs, management, prospects, assets and liabilities, shareholders' equity, results of operations or position, financial or otherwise, of the Group (other than those already disclosed to the public on or before the date of the Placing Agreement) as a whole which in the sole opinion of CICC and GS is or is likely to be materially adverse to the success of the Placing, or makes or is likely to make it impracticable or inadvisable or inexpedient to proceed therewith.

### **Joint Placing Agents and Commission**

CICC and GS will act as Joint Placing Agents of the Company in respect of the Placing. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, GS is independent of and not connected with the Company and therefore is not a connected person of the Company and is independent of any connected person of the Company. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, CICC is an associate of CICC ALPHA. CICC ALPHA indirectly holds approximately 14.02% of the issued share capital of the Company as at the date of the announcement and is a substantial shareholder of the Company. Therefore, CICC ALPHA and CICC are connected persons of the Company.

In consideration of the services of the Placing Agents in relation to the Placing, the Joint Placing Agents will be entitled to receive (1) a fixed commission representing 2% of the amount equal to the Placing Price multiplied by the number of Placing Shares in the proportion of the Placing Shares as agreed on under the Placing Agreement, which the settlement agent of the Placing shall be authorised to deduct from the payment on behalf of the Joints Placing Agents, and (2) an additional discretionary fee (at a percentage to be determined at the Company's sole discretion) out of the aggregate discretionary fee pool of up to 0.5% of the amount equal to the Placing Price multiplied by the number of Placing Shares, which (if any) the Company will pay within 30 business days after Completion of the Placing. The placing commission and discretionary fee (if any) were agreed on after arm's length negotiations between the Company and the Joints Placing Agents under normal commercial terms and with reference to the prevailing market conditions.

### **General Mandate to Issue the Placing Shares**

The Placing Shares will be issued by the Company under the General Mandate, pursuant to which the Board is authorized to issue, allot and deal with up to 20% of the H Shares of the Company in issue as at the date of the 2022 annual general meeting of the Company. The Board has approved the Placing under the General Mandate and the Placing does not require the Shareholders' approval.

### **Reasons for the Placing and Use of Proceeds**

Assuming all the Placing Shares are fully placed, the maximum gross proceeds from the Placing are expected to be approximately HK\$392,030,000 in aggregate, and the maximum net proceeds (after deducting the commissions, discretionary fee (assuming that it is paid in full) and estimated expenses) from the Placing are expected to be approximately HK\$378,856,331 in aggregate. To improve financial strength, market competitiveness and comprehensive strength of the Company and promote its long-term and healthy sustainable development, all the net proceeds from the Placing will be used for the following purposes: (i) approximately 40% for research investment, (ii) approximately 10% for sales marketing investment, (iii) approximately 30% for strategic expansion investment, (iv) approximately 10% for enhancement of internal system and IT infrastructure investment, and (v) approximately 10% for working capital. To the extent that the net proceeds of the Placing are not immediately used for the purposes described above and to the extent permitted by the relevant laws and regulations, the Company may place such proceeds in short-term interest-bearing deposits with licensed banks or authorized financial institutions in Mainland China or Hong Kong, or use it to purchase wealth management products issued by licensed banks or other relevant licensed institutions in Mainland China or Hong Kong, including but without limitation to structured deposits, treasury bonds, central bank bills, bond repurchase, money funds and bond funds.

### **Equity Financing Activities in the Past 12 Months**

The Company had no financing activities involving issuance of equity securities in the past 12 months immediately prior to the date of this announcement.

## Impact of the Placing on the Shareholding Structure of the Company

The table below sets forth the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the Completion of the Placing, assuming the Placing will be completed in full and there will be no other changes in the total share capital in issue of the Company from the date of this announcement up to the Completion of the Placing.

|   | As at the date of this announcement |   | Immediately after the Completion of the Placing |   |
|---|-------------------------------------|---|---|---|
|   | Number of Shares                    | Approximate percentage of the total number of Shares in issue <sup>Note</sup> | Number of Shares                                | Approximate percentage of the total number of Shares in issue <sup>Note</sup> |
| Total number of H Shares held by core connected persons     | 377,095,999                         | 69.17%  | 377,095,999                                     | 66.74%  |
| Number of H Shares held by other public holders of H Shares | 168,054,739                         | 30.83%  | 168,054,739                                     | 29.74%  |
| Placees   | <u>0</u>                            | <u>0.00%</u>  | <u>19,900,000</u>                               | <u>3.52%</u>  |
| <b>Total</b>  | <u><u>545,150,738</u></u>           | <u><u>100.00%</u></u>   | <u><u>565,050,738</u></u>                       | <u><u>100.00%</u></u>   |

*Note: The percentages may not add up to 100% due to rounding.*

## Application for Listing

The Company will apply to the Listing Committee for listing of, and permission to deal in, the Placing Shares.

## REGISTRATION AND FILING WITH REGULATORY AUTHORITIES IN THE PRC

After the Placing Shares are issued and listed on the Stock Exchange, the Company will register and file with the regulatory authorities in the PRC in accordance with the relevant applicable laws and regulations, including the filing with the CSRC.

## **Listing Rules Implications**

CICC, being one of the Joint Placing Agents and an indirectly wholly-owned subsidiary of China International Capital Corporation Limited, is an associate of CICC ALPHA. CICC ALPHA indirectly holds approximately 14.02% of the issued share capital of the Company as at the date of the announcement and is a substantial shareholder of the Company. Therefore, CICC ALPHA is a connected person of the Company. Hence, CICC is a connected person of the Company, and the transactions contemplated under the Placing Agreement constitute connected transaction of the Company.

As the highest percentage ratio (as defined in the Listing Rules) in respect of the maximum placing commission and discretionary fee (if any) payable to CICC by the Company in respect of the Placing under the Placing Agreement exceeds 0.1% but is less than 5%, the connected transaction contemplated under the Placing Agreement is subject to the reporting and announcement requirements but exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no Director has any material interest in respect of the appointment of CICC as one of the Joint Placing Agents for the Placing, and as such, no Director is required to abstain from voting on such resolution in the Board meeting.

## **General Information**

The Company is a company established under the laws of the PRC on 6 February 2018 with limited liability, which focuses on developing and delivering AI-based products and solutions for the manufacturing and financial services industries in China.

CICC is a company incorporated in Hong Kong with limited liability and licensed under the SFO to carry on Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities.

GS is a company incorporated in Delaware, U.S.A. with limited liability and licensed under the SFO to carry on Type 1 (dealing in securities), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 9 (asset management) regulated activities.

**As the Completion of the Placing is subject to the fulfilment of certain conditions precedent set out in the Placing Agreement and the Joint Placing Agents not exercising their termination right, the Placing may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.**

## Definitions

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings:

|                                 |   |
|---------------------------------|---|
| “associate(s)”                  | has the meaning ascribed to it under the Listing Rules  |
| “Board”                         | the board of directors of our Company   |
| “Business Day”                  | any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which licensed banks in Hong Kong are generally open for normal banking business and on which the Stock Exchange is open for dealing in securities in Hong Kong and the U.S.  |
| “Capital Market Intermediaries” | CICC and GS   |
| “CICC”                          | China International Capital Corporation Hong Kong Securities Limited  |
| “CICC ALPHA”                    | CICC ALPHA (Beijing) Private Equity Investment Fund Management Co., Ltd.* (中金甲子(北京)私募投資基金管理有限公<br>司)  |
| “Closing Date”                  | the Business Day after the date on which the Conditions are fulfilled but in any event no later than 14 June 2023, or such other date as the Company and the CICC and GS may agree in writing   |
| “Company”                       | Qingdao AInnovation Technology Group Co., Ltd* (青島創新奇智科技集團股份有限公司), which was established with limited liabilities under the laws of the PRC on 6 February 2018 and converted into a joint stock limited company on 19 May 2021, whose H shares are listed on the Main Board of Stock Exchange on 27 January 2022 (stock code: 2121) |
| “Completion”                    | completion of the Placing pursuant to the Placing Agreement   |
| “connected person(s)”           | has the meaning ascribed to it under the Listing Rules  |
| “connected transaction(s)”      | has the meaning ascribed to it under the Listing Rules  |
| “CSRC”                          | China Securities Regulatory Commission (中國證券監督管理委員會)  |

|                               |   |
|-------------------------------|---|
| “CSRC Filing(s)”              | any letters, filings, correspondences, communications, documents, responses, undertakings and submissions in any form, including any amendments, supplements and/ or modifications thereof, made or to be made to the CSRC, relating to or in connection with the Placing pursuant to the CSRC Filing Rules and other applicable rules and requirements of the CSRC (including, without limitation, the CSRC Filing Report) |
| “CSRC Filing Report”          | the filing report of the Company in relation to the Placing, including any amendments, supplements and/or modifications thereof, to submitted to the CSRC pursuant to the CSRC Filing Rules   |
| “CSRC Filing Rules”           | the Trial Administrative Measures of Overseas Securities Offering and Listing by Domestic Companies (《境內企業境外發行證券和上市管理試行辦法》) and supporting guidelines issued by the CSRC on 17 February 2023, as amended, supplemented or otherwise modified from time to time  |
| “Director(s)”                 | the director(s) of our Company  |
| “General Mandate”             | the general mandate to allot and issue the Shares of the Company granted at the 2022 annual general meeting, pursuant to which the Directors may allot and issue no more than 20% of the total number of issued Shares as at the date of the 2022 annual general meeting  |
| “Group”                       | the Company together with its subsidiaries  |
| “GS”                          | Goldman Sachs (Asia) L.L.C.   |
| “H Share(s)”                  | overseas-listed shares in the share capital of our Company, with a nominal value of RMB1.00 each, which are to be traded in Hong Kong Dollars and are listed and traded on the Stock Exchange   |
| “Hong Kong dollars” or “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong   |
| “Hong Kong”                   | the Hong Kong Special Administrative Region of the PRC  |
| “Independent Person”          | any person (and whose ultimate beneficial owner(s)) who is independent of, and not acting in concert with the Company, any of the associates or connected persons of the Company, or any of the parties acting in concert with any of the foregoing   |
| “Joint Placing Agents”        | CICC and GS, being the joint placing agents in respect of the Placing   |

|                                   |   |
|-----------------------------------|---|
| “Listing Committee”               | the Listing Committee of the Stock Exchange   |
| “Listing Rules”                   | The Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended, supplemented, or otherwise modified from time to time  |
| “Placee(s)”                       | any professional, institutional and other investors procured by the Joint Placing Agents to subscribe for any Placing Shares pursuant to its obligations under the Placing Agreement                                  |
| “Placing”                         | placement of the Placing Shares by the Joint Placing Agents or their representatives under the terms and conditions of the Placing Agreement  |
| “Placing Agreement”               | the placing agreement entered into between the Company and the Joint Placing Agents on 6 June 2023  |
| “Placing Period”                  | the period commencing upon the execution of the Placing Agreement and terminating at 8:00 a.m. (Hong Kong time) on the Closing Date (or such later time and date as the Company and CICC and GS may agree in writing) |
| “Placing Price”                   | HK\$19.70 per Placing Share   |
| “Placing Shares”                  | up to 19,900,000 new H Shares to be issued by the Company under the terms and conditions of the Placing Agreement   |
| “PRC” or “China”                  | the People’s Republic of China, but for the purpose of this announcement only, do not apply to Hong Kong, the Special Administrative Region of Macau and Taiwan   |
| “RMB”                             | Renminbi, the lawful currency of the PRC  |
| “Securities Act”                  | the United States Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder  |
| “Share(s)”                        | H Share(s)  |
| “Shareholder(s)”                  | holder(s) of the Shares   |
| “Overall Coordinator(s)”          | CICC and GS   |
| “Stock Exchange”                  | The Stock Exchange of Hong Kong Limited   |
| “subsidiary” or<br>“subsidiaries” | has the meaning ascribed to it under the Listing Rules  |
| “substantial shareholder(s)”      | has the meaning ascribed to it under the Listing Rules  |

|                                    |   |
|------------------------------------|---|
| “Single Largest Shareholder Group” | a group of entities and individuals collectively holding approximately 28.33% of the equity interest in our Company, namely Sinovation Ventures (Beijing) Enterprise Management Limited* (創新工場(北京)企業管理股份有限公司), Beijing Sinovation Ventures Yucheng Management Consulting Co., Ltd.* (北京創新工場育成管理諮詢有限公司), Mr. Wang Hua, Ms. Tao Ning, Ms. Lang Chunhui and Mr. Zhang Ying |
| “SFO”                              | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)   |
| “Single Largest Shareholder”       | Each member of the Single Largest Shareholder Group   |
| “United States” or “U.S.”          | has the meaning ascribed to it under Rule 902 of Regulation S under the Securities Act  |
| “%”                                | per cent  |

By Order of the Board  
**QINGDAO AINNOVATION TECHNOLOGY GROUP CO., LTD**  
 青島創新奇智科技集團股份有限公司  
**Xu Hui**  
*Executive Director and Chief Executive Officer*

Hong Kong, 7 June 2023

*As at the date of this announcement, the Board of the Company comprises Mr. Xu Hui as executive Director; Dr. Kai-Fu Lee and Mr. Wang Hua and Mr. Wang Jinqiao as non-executive Directors; Mr. Xie Deren, Ms. Ko Wing Yan Samantha and Ms. Jin Keyu as independent non-executive Directors.*

*\* For identification purposes only*