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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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### OVERVIEW

The history of our business could date back to February 2003, when Mr. Chan and Mr. Xiao, together with researchers associated with The Hong Kong University of Science and Technology, started the business of development of LED chips and products through Advanced Photoelectronic in Hong Kong. Our Company was established by Advanced Photoelectronic in Guangzhou, the PRC, in August 2006, and gradually integrated and consolidated the business operations of Advanced Photoelectronic. Leveraging our proprietary technologies and advanced R&D capabilities, we have since expanded our business to intelligent automotive vision, high-end lighting and advanced display, and design, develop, produce and sell a wide range of LED intelligent vision products and system solutions. Over the years, we have developed into a leading enterprise in China providing intelligent vision products and systems integrating “LED+” technologies. According to CIC, in terms of revenue in 2023, we ranked third among domestic device and module manufacturers and fifth among all manufacturers in China’s high-end lighting industry. We ranked fifth among domestic manufacturers and twelfth among all manufacturers in China’s mid- to high-end intelligent automotive vision industry. We ranked fourth among domestic and all manufacturers in China’s LCD TV backlight display industry.

### OUR MILESTONES

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

- |      |  |
|------|--|
| 2003 | Mr. Chan and Mr. Xiao co-founded Advanced Photoelectronic at The Hong Kong University of Science and Technology, and started the business of development of LED chips and products. Our business commenced.        |
| 2006 | Our Company was established by Advanced Photoelectronic in Guangzhou, Guangdong Province, the PRC.<br><br>Completed the R&D of flip-chip blue LED chips and submitted the application for invention patent.        |
| 2009 | Obtained ISO9001 and ISO14001 certifications.  |
| 2010 | Our 1W high-power flip-chip LED chip product was accredited as Indigenous Innovation Product by Department of Science and Technology of Guangdong Province (廣東省科學技術廳) jointly with other governmental departments. |

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- Ranked among the 2010-2011 Top 500 Project in Modern Industry (廣東省現代產業500強項目) by Department of Science and Technology of Guangdong Province jointly with other governmental departments.
- 2011 The construction of our Nansha LED industry base was completed, and we entered the supply chain of TCL.
- Awarded the “Technological Achievement Award of the 2011 Hong Kong Awards for Industries” by Hong Kong Science & Technology Parks and ranked among the Top 100 Growing Small and Medium-sized Enterprise (中國中小企業成長力100強企業) by China Association for the Promotion of Business Cooperation (中國企業合作促進會) and Organizing Committee of China Enterprise International Cooperation Annual Conference (中國企業國際合作年會組織委員會).
- Recognized as a national high-tech enterprise.
- Named as the Fostered Enterprise in Strategic Emerging Industries (廣東省戰略性新興產業培育企業) by The Economic and Information Commission of Guangdong Province (廣東省經濟和信息化委員會) (GDEIC).
- 2012 Awarded the 2012 China Industry Award by SEMI.
- Named as the OFweek2012 LED Industry Most Innovative Brand by GDEIC.
- High-power LED devices based on ceramic-based flip-chip structure commenced mass production.
- 2013 Named as the Key Enterprise in Strategic Emerging Industries (廣東省戰略性新興產業骨幹企業) by GDEIC.
- 2014 Entered the supply chain of Philips Lighting, and our Company was named as the Leading Technology Enterprise in the Third LED Industry Ranking (第三屆LED行業風雲榜技術領軍企業).
- 2015 Won the Second Prize of the Guangdong Province Science and Technology Award issued by the Guangdong government.
- Our engineering technology research center of LED chip devices and lighting modules was accredited as the Guangdong provincial engineering technology research center.
- 2016 Entered the supply chain of Samsung.

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Ranked among the Top 10 in International Competitiveness of China LED Packaging Enterprises (中國LED封裝企業國際競爭力TOP10) by the LED International Cooperation Promotion Association.

2017      Obtained IATF16949 certification.

Our laboratory was certified by CNAS.

Named as the Top 30 NEEQ Enterprise (新三板30強企業) in the Fourth China LED Convention Award (中國LED首創獎), and won the Innovation Award in the 2017 Guangdong Economic Ranking (2017廣東年度經濟風雲榜).

2018      Established Linlux and jointly established Lynway Vision with Geely.

Entered the supply chain of Hisense.

Ranked among “Guangzhou Forty Years, Forty Brands” Quality Brand Enterprises (廣州市“四十年 • 四十品”質量品牌企業) by the Guangzhou Municipal Quality Strong City Work Leadership Group Office (廣州市質量強市工作領導小組辦公室).

2019      Commenced mass production of our automotive-grade LED devices.

Received the Supplier Excellence Recognition from Signify (formerly known as Philips Lighting) and awarded the Outstanding Prize in the Sixth China LED Convention Award by China Illuminating Engineering Society.

2020      Ranked among the Top 15 Intellectual Properties Enterprises in the Seventh China LED Convention Award by China Illuminating Engineering Society (中國照明學會).

2021      Our automotive-grade LED products entered the supply chain of Geely, GAC and Changan Auto, and our Linlux production base and the Lynway Ningbo production base commenced operation.

Commenced mass production of our Mini LED product and our first automotive lamp product.

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Won the High Quality Development Award in China Lighting Industry (中國照明行業高質量發展獎), the 2021 Gasgoo Awards on Top 100 Chinese Novel Automotive Supply Chains (2021中國汽車新供應鏈百強金輯獎), and the Bright Award — 2021 Top 10 Packaging Brand in China Lighting Industry (光明獎 — 2021年度中國照明燈飾行業十大封裝品牌).

2022 The annual product shipment of our automotive-grade LED device products exceeded 200 million pieces, and we expanded our production capacity of Mini LED to meet the annual demand of 300,000 Mini LED backlit TVs (converted to 55-inch TVs).

Ranked among the 2022 Top 10 Outstanding Enterprises in China Bio-Light Industry by Shenzhen Facility Agriculture Association.

2023 Recognized as the Technologically Advanced Small and Medium-sized Enterprises (專精特新中小企業) by Department of Industry and Information Technology of Guangdong Province, and awarded the Excellence and Innovation Award by Guangzhou Semiconductor Industry Association.

2024 Won the Top 10 Health Lighting Brands (十大健康照明品牌) by Guangdong Illuminating Engineering Society (廣東省照明學會).

As of May 31, 2024, our standardized headlamp lens module series had been installed and applied to more than 290,000 vehicles.

### OUR MAJOR SUBSIDIARIES

As of the Latest Practicable Date, we had five wholly-owned subsidiaries. The following sets forth information about our subsidiaries that have made a material contribution to our operating results during the Track Record Period:

#### **Linlux**

Linlux was established with limited liability in the PRC on October 9, 2018. Since its establishment and up to the Latest Practicable Date, Linlux had been wholly owned by our Company. Linlux is primarily engaged in the design, R&D, production and sales of LED modules for our intelligent automotive vision, high-end lighting, and advanced display businesses.

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### Lynway Vision

Lynway Vision was established with limited liability in the PRC on October 26, 2018. Upon establishment, Lynway Vision was owned as to (i) 49% by our Company and (ii) 51% by Zhejiang Geely Automobile Parts & Components Stock Co., Ltd. (浙江吉利汽車零部件採購有限公司), a company controlled by Geely Holding, while such interest was transferred to Yaoning Technology in December 2020.

In September 2021, our Company subscribed for the increased registered capital of Lynway Vision. As a result, Lynway Vision became owned as to 51% by our Company and 49% by Yaoning Technology and hence became a non-wholly owned subsidiary of our Company. In December 2023, our Company acquired the entire interest held by Yaoning Technology in Lynway Vision, and Lynway Vision became a wholly-owned subsidiary of our Company. See “— Major Acquisitions, Disposals and Mergers” below for details of our acquisition of Lynway Vision.

Lynway Vision is primarily engaged in the design, R&D, production and sales of intelligent automotive vision products.

### CORPORATE DEVELOPMENT

The following sets forth the corporate history and shareholding changes of our Company.

#### Establishment and Initial Investments

On August 30, 2006, our Company was established as a wholly foreign-owned enterprise under the laws of PRC by Advanced Photoelectronic with a registered capital of HKD7,000,000.

After a series of shareholding changes and registered capital increases, our Company became owned as to approximately 97.58% by Advanced Photoelectronic and 2.42% by Jiangyin Haohan Photoelectric Technology Co., Ltd. (江陰浩瀚光電科技有限公司) (“**Haohan Photoelectronic**”) with a registered capital of USD27,000,000 as of January 2012.

In June 2014, the registered capital of our Company was increased in the amount of USD7,363,648.86, among which (i) USD3,681,824.43 was subscribed for by Guangdong Yueke Finance Investment Co., Ltd. (廣東省粵科財政股權投資有限公司) (“**Yueke Investment**”) at a consideration of RMB46,000,000, and (ii) USD3,681,824.43 was subscribed for by Advanced Photoelectronic at a consideration of USD7,500,000. The consideration was determined with reference to the valuation of our Company agreed between the parties after arms’ length negotiations.

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In August 2015, the registered capital of our Company was increased in the amount of USD9,112,100, among which (i) USD1,596,400 was subscribed for by Shenzhen Guomin Innovation Venture Capital (L.P.) (深圳市國民創新創業投資企業(有限合夥)) (“**Publics Venture Capital**”) at a consideration of RMB20,000,000, (ii) USD726,400 was subscribed for by Episky Corporation (Xiamen) Ltd. (晶宇光電(廈門)有限公司) (“**Episky**”) at a consideration of RMB9,100,000, and (iii) USD6,789,300 was subscribed for by Advanced Photoelectronic at a consideration of USD13,830,000. The consideration was determined with reference to the valuation of our Company agreed between the parties after arms’ length negotiations.

Upon completion of the above shareholding changes and registered capital increases, as of August 31, 2015, our registered capital was increased to USD43,475,748.86, and the then shareholding structure of our Company is set forth in the table below:

Shareholder	Registered capital subscribed for	Percentage of shareholding
	(USD)	(approximate)
Advanced Photoelectronic . . . . .	36,818,124.43	84.69%
Yueke Investment <sup>(1)</sup> . . . . .	3,681,824.43	8.47%
Publics Venture Capital <sup>(2)</sup> . . . . .	1,596,400.00	3.67%
Episky <sup>(3)</sup> . . . . .	726,400.00	1.67%
Haohan Photoelectric <sup>(4)</sup> . . . . .	653,000.00	1.50%
<b>Total</b> . . . . .	<b>43,475,748.86</b>	<b>100%</b>

*Notes:*

- (1) Yueke Investment is a limited liability company established in the PRC. As of the Latest Practicable Date, it was wholly owned by Guangdong Technology Financial Group Co., Ltd. (廣東省粵科金融集團有限公司) (“**Yueke Group**”), which was in turn owned as to 90% and 10% by the People’s Government of Guangdong Province (廣東省人民政府) and the Department of Finance of Guangdong Province (廣東省財政廳), respectively. In connection with its investment in our Company, Yueke Investment had been granted certain special rights including, among others, pre-emptive right, information right, liquidation preference right and redemption right, all of which have terminated by November 2019 prior to our submission of application for listing on STAR.
- (2) Publics Venture Capital is a limited partnership established in the PRC, the general partner of which is Mr. YE Zhixiong (葉志雄), an Independent Third Party. As of the Latest Practicable Date, it was owned as to (i) 0.5% by Mr. YE Zhixiong, and (ii) 49.5% by Mr. YE Zhiyu (葉志宇) and 50% by Ningbo Meishan Bonded Area Jiamu Ronghe Investment Partnership (Limited Partnership) (寧波梅山保稅港區嘉木融合投資合夥企業(有限合夥)) (“**Jiamu Ronghe**”), both as limited partners and Independent Third Parties. In July 2023, Publics Venture Capital transferred the Shares it held to each of Mr. YE Zhixiong, Mr. YE Zhiyu and Jiamu Ronghe at a total consideration of RMB40,000,001.9, in proportion to their respective interest in Publics Venture Capital. To the best of our Company’s knowledge, the consideration was determined with reference to the investment cost of Publics Venture Capital and taking into account that the transferees are partners of Publics Venture Capital.

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- (3) Episky is a limited liability company established in the PRC. As of the Latest Practicable Date, it was indirectly wholly owned by Epistar Corporation, a minority shareholder of Advanced Photoelectronic and an Independent Third Party.
- (4) Haohan Photoelectronic is a limited liability company established in the PRC and an Independent Third Party. As of the Latest Practicable Date, it was owned as to 90% and 10% by two individual shareholders respectively, both Independent Third Parties.

### Conversion into a Joint Stock Limited Company

In preparation of our application for listing on the NEEQ, on December 3, 2015, our Company was converted from a limited liability company into a joint stock limited company, and our Company was renamed as APT Electronics Co., Ltd. (廣東晶科電子股份有限公司). Upon completion of the conversion, the share capital of our Company became RMB280,000,000 divided into 280,000,000 Shares with a nominal value of RMB1.00 each, and the then shareholding structure of our Company is set forth in the table below:

Shareholder	Number of Shares	Percentage of shareholding
		<i>(approximate)</i>
Advanced Photoelectronic . . . . .	237,122,480	84.69%
Yueke Investment . . . . .	23,712,360	8.47%
Publics Venture Capital . . . . .	10,281,320	3.67%
Episky . . . . .	4,678,240	1.67%
Haohan Photoelectric . . . . .	4,205,600	1.50%
<b>Total . . . . .</b>	<b>280,000,000</b>	<b>100%</b>

### Prior Listing on the NEEQ and the Delisting

On April 29, 2016, our Shares became quoted and listed on the NEEQ under the stock code of 836789. During our listing on the NEEQ, our Company has undertaken a series of shareholding changes as detailed below:

### *Share allotments and financings in 2016 and 2018*

In June 2016 and January 2018, we concluded two rounds of financings through share allotments as detailed below. As a result, our share capital was increased to RMB397,390,438.

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Subscriber	Shares subscribed for	Consideration <sup>(1)</sup> (RMB)
<b>Share allotment in 2016</b>		
Zhongbao Industrial Investment Co., Ltd. (中保產業投資有限公司) (“ <b>Zhongbao Industrial</b> ”) <sup>(2)</sup> . . . . .	10,000,000	23,000,000.0
Publics Venture Capital . . . . .	8,695,653	20,000,001.9
Guangdong Technology Venture Capital Co., Ltd. (廣東省科技風險投資有限公司) (“ <b>Guangdong Technology VC</b> ”) <sup>(2)</sup> . . . . .	8,695,653	20,000,001.9
Xi’an Xijiao Science Innovation Equity Investment Partnership (Limited Partnership) (西安西交科創股權投資合夥企業(有限合夥)) (“ <b>Xijiao Science Innovation</b> ”) <sup>(2)</sup> . . . . .	4,347,827	10,000,002.1
Xinyu Guanmaoyuan Investment Management Center (Limited Partnership) (新餘官茂原投資管理中心(有限合夥)) (“ <b>Guanmaoyuan</b> ”) <sup>(2)</sup> . . . . .	3,351,304	7,707,999.2
Advanced Photoelectronic . . . . .	2,173,914	5,000,002.2
Beijing Dehang Jiye Technology Co., Ltd. (北京德夯基業科技有限公司) (“ <b>Dehang Jiye</b> ”) <sup>(2)(3)</sup> . . . . .	1,826,087	4,200,000.1
<b>Share allotment in 2018</b>		
Xinyu Dingdekai Investment Management Center (Limited Partnership) (新餘鼎德凱投資管理中心(有限合夥)) (“ <b>Dingdekai</b> ”) <sup>(2)</sup> . . . . .	18,800,000	50,760,000
Beijing Guangrong Lianmeng Semiconductor Lighting Industry Investment Center (L.P.) (北京光榮聯盟半導體照明產業投資中心(有限合夥)) (“ <b>Guangrong Lianmeng</b> ”) <sup>(2)</sup> . . . . .	12,000,000	32,400,000
Shenzhen Dongyi Investment Management Co., Ltd. (深圳市東屹投資管理有限公司) (“ <b>Dongyi Fund</b> ”) <sup>(2)</sup> . . . . .	10,000,000	27,000,000
FAN Wuzhou (樊五洲) <sup>(2)</sup> . . . . .	9,000,000	24,300,000
Guangdong SME Equity Investment Fund Limited (廣東中小企業股權投資基金有限公司) (“ <b>SME Fund</b> ”) <sup>(2)</sup> . . . . .	7,790,000	21,033,000
Xijiao Science Innovation . . . . .	5,000,000	13,500,000
GAO Tao <sup>(4)</sup> . . . . .	5,000,000	13,500,000
GUI Fan <sup>(2)</sup> . . . . .	3,000,000	8,100,000
ZHOU Baiyun <sup>(5)</sup> . . . . .	2,200,000	5,940,000
HE Jinchun <sup>(2)</sup> . . . . .	2,000,000	5,400,000
WANG Qi <sup>(2)</sup> . . . . .	2,000,000	5,400,000
WANG Hongying <sup>(6)</sup> . . . . .	1,300,000	3,510,000
Zhuhai Hengqin Yixingbanyue Investment Partnership (L.P.) (珠海橫琴依星伴月投資合夥企業(有限合夥)) (“ <b>Yixingbanyue</b> ”) <sup>(2)</sup> . . . . .	210,000	567,000
<b>Total</b> . . . . .	<b>117,390,438</b>	<b>301,318,007.4</b>



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*Notes:*

- (1) The consideration was determined in accordance with the applicable laws and regulatory requirements, after negotiations with the relevant investors taking into account various factors such as the industry where our Company operates, the growth of our business, the net asset value and earning per share.
- (2) To the best of our Company's knowledge, such investors are Independent Third Parties.
- (3) Subsequently in January 2018, Dehang Jiye transferred 1,826,087 Shares, representing the entire interest it held in our Company, to LAI Canwei (賴燦偉), an Independent Third Party. To the best of our knowledge, LAI Canwei was a controlling shareholder of Dehang Jiye at that time.
- (4) Ms. GAO Tao is the spouse of Mr. HOU Yu, the president of our Company, the general manager of Linlux and the supervisor of Lynway Vision (Guangzhou).
- (5) Ms. ZHOU Baiyun is our vice president and financial controller and supervisor of Lynway Vision.
- (6) Ms. WANG Hongying is the spouse of Mr. ZENG Zhaoming, our vice president.

### *Delisting in 2019*

With a view to the adjustment of our development strategy, and in preparation for the application of the listing of our Shares on the Science and Technology Innovation Board of the Shanghai Stock Exchange (“**STAR**”), we sought to voluntarily delist from the NEEQ in February 2019.

Our Directors confirm that, to the best of their knowledge and in respect of our business: (a) during the period of listing on the NEEQ, (i) our Company had been in compliance in all material respects with the applicable PRC securities laws and regulations and rules; (ii) our Company had not been subject to any disciplinary action by relevant PRC regulators; and (b) there were no matters in relation to our Company's prior listing on the NEEQ and delisting that need to be brought to the attention of the Stock Exchange and the investors. The Sole Sponsor concurs the view of the Directors that there were no matters in relation to the Company's prior listing on the NEEQ and delisting that need to be brought to the attention of the Stock Exchange and the investors.

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The shareholding structure of our Company immediately after delisting from the NEEQ is set out as follows:

Shareholder	Number of Shares	Percentage of shareholding <i>(approximate)</i>
Advanced Photoelectronic . . . . .	239,296,394	60.22%
Yueke Investment . . . . .	23,712,360	5.97%
Publics Venture Capital . . . . .	18,976,973	4.78%
Dingdekai . . . . .	18,800,000	4.73%
Guangrong Lianmeng . . . . .	12,000,000	3.02%
Dongyi Fund . . . . .	10,000,000	2.52%
Zhongbao Industrial . . . . .	10,000,000	2.52%
Xijiao Science Innovation . . . . .	9,347,827	2.35%
FAN Wuzhou . . . . .	9,000,000	2.26%
Guangdong Technology VC . . . . .	8,695,653	2.19%
SME Fund . . . . .	7,790,000	1.96%
GAO Tao . . . . .	5,000,000	1.26%
Episky . . . . .	4,678,240	1.18%
Haohan Photoelectronic . . . . .	4,205,600	1.06%
Guanmaoyuan . . . . .	3,351,304	0.84%
GUI Fan . . . . .	3,000,000	0.75%
ZHOU Baiyun . . . . .	2,200,000	0.55%
WANG Qi . . . . .	2,000,000	0.50%
HE Jinchun . . . . .	2,000,000	0.50%
LAI Canwei . . . . .	1,826,087	0.46%
WANG Hongying . . . . .	1,300,000	0.33%
Yixingbanyue . . . . .	210,000	0.05%
	<b>397,390,438</b>	<b>100%</b>

### Subsequent Capital Increase and Share Transfers

In June 2019, Jingyu Investment subscribed for 14,105,000 Shares at a consideration of RMB26,094,250. As a result, the total number of issued shares of our Company was increased to 411,495,438 Shares with a nominal value of RMB1.00 each. Jingyu Investment is one of our employee shareholding platforms and is controlled by Mr. Xiao as the general partner. As of the Latest Practicable Date, it was owned as to approximately (i) 27.79% by Mr. Xiao, (ii) 12.76% by HOU Yu (侯宇), the president of our Company, the general manager of Linlux and the supervisor of Lynway Vision (Guangzhou), (iii) 11.27% by ZENG Zhaoming (曾照明), vice president of our Company, (iv) 10.99% by ZHOU Baiyun (周白雲), vice president and financial controller of our Company and supervisor of Lynway Vision, (v) 3.83% by OU Weineng (區偉能), a Supervisor of our Company, and (vi) 33.36% by 28 limited partners, each an employee of our Group and an Independent Third Party holding less than 5% therein.

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In June 2019 and subsequent to our voluntary withdrawal of the STAR Application in May 2020 (as detailed below). The following share transfers were effected among our then Shareholders:

Transferor	Transferee	Shares transferred	Consideration (RMB)
<i>Transfers in June 2019<sup>(1)</sup></i>			
Advanced Photoelectronic . . . . .	Guangdong Zhongke Baiyun Emerging Industry Venture Capital Fund Co., Ltd. (廣東中科白雲新 興產業創業投資基金有限公司) (“ <b>Zhongke Baiyun</b> ”) <sup>(2)</sup>	9,939,275	29,817,825
Advanced Photoelectronic . . . . .	Ningbo Fengyan Equity Investment Partnership (L.P.) (寧波豐衍股權投資合夥企業(有限合夥)) (“ <b>Fengyan Investment</b> ”) <sup>(3)</sup>	1,000,000	3,000,000
<i>Transfers in June 2021</i>			
Dongyi Fund . . . . .	Shenzhen Gossel Investment Co., Ltd. (深圳市高塞 爾投資有限公司) (“ <b>Gossel</b> ”) <sup>(4)</sup>	8,000,000	24,000,000
Dongyi Fund . . . . .	Shenzhen Hengzhouxin Investment Co., Ltd. (深圳 市恆洲信投資有限公司) (“ <b>Hengzhouxin</b> ”) <sup>(5)</sup>	2,000,000	6,000,000
<i>Transfers in 2021</i>			
Advanced Photoelectronic . . . . .	Guangzhou Yuecai Yuanhe Venture Capital Partnership (Limited Partnership) (廣州粵財源合 創業投資合夥企業(有限合夥)) (“ <b>Yuecai Yuanhe</b> ”) <sup>(4)</sup>	7,700,000	23,100,000
Advanced Photoelectronic . . . . .	Guangdong Yuecai Emerging Industry Equity Investment Fund Partnership (L.P.) (廣東粵財新 興產業股權投資基金合夥企業(有限合夥)) (“ <b>Yuecai Emerging</b> ”) <sup>(4)</sup>	7,667,279	23,001,837
Advanced Photoelectronic . . . . .	Jiaoying Yihao (Jiaxing) Equity Investment Partnership (Limited Partnership) (交盈壹號(嘉 興)股權投資合夥企業(有限合夥)) (“ <b>Jiaoying Yihao</b> ”) <sup>(4)</sup>	3,000,000	9,000,000
Advanced Photoelectronic . . . . .	GU Wenjun (顧文軍) <sup>(4)</sup>	2,000,000	6,000,000
Advanced Photoelectronic . . . . .	Foshan Fengsheng Equity Investment Center (Limited Partnership) (佛山市峰盛股權投資中 心(有限合夥)) (“ <b>Fengsheng Investment</b> ”) <sup>(4)(6)</sup>	1,700,000	5,100,000
Advanced Photoelectronic . . . . .	Guangzhou Vision Capital Management Partnership (Limited Partnership) (廣州遠見資本管理合夥企 業(有限合夥)) (“ <b>Vision Capital</b> ”) <sup>(4)</sup>	1,700,000	5,100,000
Advanced Photoelectronic . . . . .	ZHOU Xiaoyang (周曉陽) <sup>(4)</sup>	1,300,000	3,900,000
Advanced Photoelectronic . . . . .	LIU Jun (劉軍) <sup>(4)</sup>	700,000	2,100,000

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Transferor	Transferee	Shares transferred	Consideration (RMB)
Advanced Photoelectronic . . .	Yixingbanyue <sup>(3)</sup>	217,000	651,000
Advanced Photoelectronic . . .	Guangzhou Chuangying Jianke Investment Partnership (L.P.) (廣州創盈健科投資合夥企業(有限合夥)) (“Chuangying Jianke”) <sup>(4)</sup>	64,964	194,892
<b>Transfer in May 2022</b>			
Hengzhouxin <sup>(5)</sup> . . .	FAN Wuzhou <sup>(4)(5)</sup>	2,000,000	6,000,000
<b>Transfer in June 2023</b>			
Jiamu Ronghe . . .	Shenzhen Shidiya Investment Co., Ltd. (深圳市仕地亞投資有限公司) (“Shidiya”) <sup>(4)</sup>	7,000,000	27,230,000
<b>Transfer in August 2023</b>			
Fengyan Investment <sup>(3)</sup> . . .	HUANG Dinghe (黃鼎賀) <sup>(3)(4)</sup>	1,000,000	3,000,000

*Notes:*

- (1) To the best of our Company’s knowledge, the consideration was determined after commercial negotiations taking into account various factors such as the industry where our Company operates, the growth of our business, the net asset value per share and the price of our share allotment in 2018.
- (2) Zhongke Baiyun is a limited liability company established in the PRC and an Independent Third Party.
- (3) Fengyan Investment is a limited partnership established in the PRC and an Independent Third Party. In September 2023, Fengyan Investment transferred 1,000,000 Shares to HUANG Dinghe, an Independent Third Party, at a consideration of RMB3,000,000. See “— Pre-IPO Investments — Information about Our Pre-IPO Investors” below for further details of HUANG Dinghe.
- (4) See “— Pre-IPO Investments — Information about Our Pre-IPO Investors” below for further details.
- (5) Hengzhouxin is a limited liability company established in the PRC, and is controlled by Mr. FAN Wuzhou. In May 2022, Hengzhouxin transferred 2,000,000 Shares to FAN Wuzhou at a consideration of RMB6,000,000. See “— Pre-IPO Investments — Information about Our Pre-IPO Investors” below for further details of FAN Wuzhou.
- (6) Fengsheng Investment is an investment entity of DENG Zhifeng (鄧智峰), and is a limited partnership established in the PRC, and is controlled by DENG Zhifeng as its general partner, who owns 99% of its partnership interest. In June 2024, Fengsheng Investment transferred 1,700,000 Shares to DENG Zhifeng.

### Issue and Allotment of New Shares

In December 2023, in order to streamline the corporate structure of our Group, we acquired from Yaoning Technology its entire interest in Lynway Vision in consideration of our issue and allotment of 68,582,573 Shares to Yaoning Technology. See “— Major Acquisitions, Disposals and Mergers” below for further details.

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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In December 2023, Jingrui Investment subscribed for 5,279,328 Shares at a consideration of RMB11,614,521 which was determined with reference to the valuation of our Company at that time and the net asset value per Share of our Company in 2023. Jingrui Investment is one of our employee shareholding platforms and is controlled by Mr. Xiao as the general partner. As of the Latest Practicable Date, it was owned as to approximately 0.01% by Mr. Xiao and 99.99% by 40 limited partners, including (i) 11.37% by ZENG Zhaoming (曾照明), vice president of our Company, (ii) 7.58% by HOU Yu (侯宇), president of our Company, general manager of Linlux and supervisor of Lynway Vision (Guangzhou), (iii) 7.58% by ZHOU Baiyun (周白雲), vice president and financial controller of our Company and supervisor of Lynway Vision, and (iv) 73.46% by 37 employees of our Group holding less than 10% therein, each an Independent Third Party.

In December 2023, Jingshi Investment subscribed for 6,581,700 Shares at a consideration of RMB14,479,740 which was determined with reference to the valuation of our Company at that time and the net asset value per Share of our Company in 2023. Jingshi Investment is one of our employee shareholding platforms and is controlled by Mr. Xiao as the general partner. As of the Latest Practicable Date, it was owned as to approximately 53.18% by Mr. Xiao and 46.82% by 17 limited partners, including (i) 10.64% by ZHENG Longfeng (鄭龍鋒), the board secretary of our Company, and (ii) 36.18% by 16 employees of our Group holding less than 10% therein, each an Independent Third Party.

In December 2023, Jingling Investment subscribed for 6,567,670 Shares at a consideration of RMB17,075,942 which was determined with reference to the valuation of our Company at that time and the net asset value per Share of our Company in 2023. Jingling Investment is an employee shareholding platform of Lynway Vision and is controlled by Mr. Xiao as the general partner. As of the Latest Practicable Date, it was owned as to approximately 0.01% by Mr. Xiao and 99.99% by 15 limited partners, including (i) 16.38% by LIU Tie (劉鐵), general manager of Lynway Vision and the executive director and manager of Lynway Vision (Guangzhou), and (ii) 83.61% by 14 employees of Lynway Vision holding less than 15% therein, each an Independent Third Party.

As a result of the above, the share capital of our Company was increased to 498,506,709 Shares with a nominal value of RMB1.00 each.

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

### CAPITALIZATION OF OUR COMPANY

As of the Latest Practicable Date and immediately after completion of the Global Offering (assuming the Offer Size Adjustment Option is not exercised), the summary of the capitalization of our Company is set out as follows:

Shareholder	Number of Shares	Percentage of shareholding as of the Latest Practicable Date	Percentage of shareholding immediately after completion of the Global Offering
		<i>(approximate)</i>	<i>(approximate)</i>
Advanced Photoelectronic <sup>(1)</sup> . . . . .	202,307,876	40.58%	38.02%
Jingyu Investment <sup>(1) (5) (8) (9) (10)</sup> . . . . .	14,105,000	2.83%	2.65%
Jingshi Investment <sup>(1) (5)</sup> . . . . .	6,581,700	1.32%	1.24%
Jingling Investment <sup>(1) (5)</sup> . . . . .	6,567,670	1.32%	1.23%
Jingrui Investment <sup>(1) (5) (8) (9) (10)</sup> . . . . .	5,279,328	1.06%	0.99%
Yaoning Technology . . . . .	68,582,573	13.76%	12.89%
Yueke Investment <sup>(2)</sup> . . . . .	23,712,360	4.76%	4.46%
Dingdekai <sup>(6)</sup> . . . . .	18,800,000	3.77%	3.53%
Guangrong Lianmeng . . . . .	12,000,000	2.41%	2.26%
FAN Wuzhou . . . . .	11,000,000	2.21%	2.07%
Zhongbao Industrial . . . . .	10,000,000	2.01%	1.88%
Zhongke Baiyun . . . . .	9,939,275	1.99%	1.87%
YE Zhiyu <sup>(4)</sup> . . . . .	9,393,602	1.88%	1.77%
Xijiao Science Innovation <sup>(7)</sup> . . . . .	9,347,827	1.88%	1.76%
Guangdong Technology VC <sup>(2)</sup> . . . . .	8,695,653	1.74%	1.63%
Gossel . . . . .	8,000,000	1.60%	1.50%
SME Fund <sup>(3)</sup> . . . . .	7,790,000	1.56%	1.46%
Yuecai Yuanhe <sup>(3)</sup> . . . . .	7,700,000	1.54%	1.45%
Yuecai Emerging <sup>(3)</sup> . . . . .	7,667,279	1.54%	1.44%
Shidiya . . . . .	7,000,000	1.40%	1.32%
GAO Tao <sup>(8)</sup> . . . . .	5,000,000	1.00%	0.94%
Episky . . . . .	4,678,240	0.94%	0.88%
Haohan Photoelectronic . . . . .	4,205,600	0.84%	0.79%
Guanmaoyuan <sup>(6)</sup> . . . . .	3,351,304	0.67%	0.63%
GUI Fan . . . . .	3,000,000	0.60%	0.56%
Jiaoying Yihao <sup>(7)</sup> . . . . .	3,000,000	0.60%	0.56%
Jiamu Ronghe . . . . .	2,488,486	0.50%	0.47%
ZHOU Baiyun <sup>(10)</sup> . . . . .	2,200,000	0.44%	0.41%
WANG Qi . . . . .	2,000,000	0.40%	0.38%

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Shareholder	Number of Shares	Percentage of shareholding as of the Latest Practicable Date	Percentage of shareholding immediately after completion of the Global Offering
		<i>(approximate)</i>	<i>(approximate)</i>
HE Jinchun . . . . .	2,000,000	0.40%	0.38%
GU Wenjun . . . . .	2,000,000	0.40%	0.38%
LAI Canwei . . . . .	1,826,087	0.37%	0.34%
DENG Zhifeng . . . . .	1,700,000	0.34%	0.32%
Vision Capital . . . . .	1,700,000	0.34%	0.32%
WANG Hongying <sup>(9)</sup> . . . . .	1,300,000	0.26%	0.24%
ZHOU Xiaoyang . . . . .	1,300,000	0.26%	0.24%
HUANG Dinghe . . . . .	1,000,000	0.20%	0.19%
LIU Jun . . . . .	700,000	0.14%	0.13%
Yixingbanyue <sup>(3)</sup> . . . . .	427,000	0.09%	0.08%
YE Zhixiong <sup>(4)</sup> . . . . .	94,885	0.02%	0.02%
Chuangying Jianke <sup>(3)</sup> . . . . .	64,964	0.01%	0.01%
Other public Shareholders . . . . .	33,600,000	Nil	6.31%
	<b>532,106,709</b>	<b>100%</b>	<b>100%</b>

*Notes:*

Among the existing Shareholders,

- (1) Advanced Photoelectronic, Jingyu Investment, Jingshi Investment, Jingling Investment and Jingrui Investment are concert parties. See “— The Concert Party Group” below in this section for further details.
- (2) Yueke Investment was wholly owned by Yueke Group, and Guangdong Technology VC was owned as to 80% by Yueke Group, as of the Latest Practicable Date.
- (3) Yuecai Yuanhe, Yuecai Emerging, Chuangying Jianke, SME Fund and Yixingbanyue are private equity funds, the fund managers of which are all controlled by Guangdong Yuecai Investment Holding Co., Ltd. (廣東粵財投資控股有限公司) (“**Yuecai Holding**”). See “— Information about Our Pre-IPO Investors” below in this section for further details.
- (4) Mr. YE Zhiyu and Mr. YE Zhixiong are brothers.
- (5) As of the Latest Practicable Date, Mr. Xiao was the general partner of Jingyu Investment, Jingling Investment, Jingrui Investment and Jingshi Investment, our employee shareholding platforms. The limited partners of all four employee shareholding platforms are the employees of the Group and partially overlap with each other. See “Appendix VI — Statutory and General Information — Further Information about Our Directors, Supervisors, Management and Substantial Shareholders — Share Incentive Schemes” for details.

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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- (6) As of the Latest Practicable Date, SU Yongchun (蘇永春), an Independent Third Party, was the general partner of Dingdekai and Guanmaoyuan. Dingdekai has 25 limited partners, each an Independent Third Party holding less than 15% therein.
- (7) Jiaoying Yihao is a limited partner of Xijiao Science Innovation.
- (8) Ms. GAO Tao is the spouse of Mr. HOU Yu, the president of our Company, the general manager of Linlux and the supervisor of Lynway Vision (Guangzhou), who is a limited partner of Jingyu Investment and Jingrui Investment.
- (9) Ms. WANG Hongying is the spouse of Mr. ZENG Zhaoming, our vice president, who is a limited partner of Jingyu Investment and Jingrui Investment.
- (10) Ms. ZHOU Baiyun, our vice president and financial controller and supervisor of Lynway Vision, is a limited partner of Jingyu Investment and Jingrui Investment.

### PREVIOUS A-SHARE LISTING APPLICATION

We had historically explored the opportunity of establishing a capital market platform in the A-share market. In December 2019, we applied for listing of our Shares on STAR (the “**STAR Application**”). The Shanghai Stock Exchange raised certain comments to request further information or disclosures for the purpose of STAR Application. Our Directors are of the view, and the Sole Sponsor concurs, that none of such comments raised by the Shanghai Stock Exchange will render the Group not suitable for Listing, and all information that is relevant to the Listing and reasonably necessary for the potential investors to make an informed assessment of our Group has been included in this prospectus. Subsequently, the outbreak of COVID-19 pandemic had adversely affected our operations. Considering the relatively early stage of our high-end lighting and intelligent automotive lighting businesses and the market fluctuation at that time and the needs to strategically focus on business development of our Group, we voluntarily withdrew the STAR Application in May 2020.

To the best of our Directors’ knowledge and belief, our Directors are not aware of (i) any other matters relating to the STAR Application that might potentially affect the suitability of our Group to be listed on the Stock Exchange, or (ii) any other matters that need to be brought to the attention of the Stock Exchange and investors in relation to the STAR Application. The Sole Sponsor concurs the view of the Directors that there were no other matters that need to be brought to the attention of the Stock Exchange and investors in relation to the STAR Application.

### THE CONCERT PARTY GROUP

On January 1, 2021, Mr. Xiao, APTESS Company Limited (“**APTESS**”), Mr. Yuan, Giant Power Limited (“**Giant Power**”) and Mr. Chan (together, the “**Concert Parties**”), entered into an acting-in-concert agreement, pursuant to which all the Concert Parties agreed to act in concert by aligning their votes at the board and/or the shareholders’ meetings of both our Company and



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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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Advanced Photoelectronic in accordance with the consensus achieved between them. In the event that they are unable to reach consensus on any matter presented, the parties shall vote in accordance with the direction of Mr. Xiao. The agreement has a term of ten years commencing from the date of its execution (January 1, 2021), and may be renewed upon its expiration as the Concert Parties may mutually agree. In addition, each of (i) Ms. Loh, as spouse of Mr. Chan and a shareholder of Advanced Photoelectronic and (ii) Jingyu Investment, Jingling Investment, Jingrui Investment and Jingshi Investment, as our Shareholders which are controlled by Mr. Xiao as their general partner, has been acting in concert with the Concert Parties. On December 8, 2023, Advanced Photoelectronic, Jingyu Investment, Jingling Investment, Jingrui Investment and Jingshi Investment entered into a concert party agreement to confirm the concert party relationship with respect to their shareholding interests in our Company pursuant to which all the concert parties thereunder agreed to act in concert by aligning their votes at the board and/or the shareholders' meetings of our Company in accordance with the consensus achieved between them, and in the event that they are unable to reach consensus on any matter presented, the vote of Advanced Photoelectronic shall prevail. The agreement has an initial term of three years commencing from the date of its execution (December 8, 2023), and will be automatically extended for three years if there is no objection from the parties. Accordingly, Mr. Xiao, Mr. Chan and Mr. Yuan, APTESS, Giant Power, Advanced Photoelectronic, Jingyu Investment, Jingling Investment, Jingrui Investment and Jingshi Investment together with Ms. Loh (by virtue of her spousal relationship with Mr. Chan), are parties acting in concert with respect to their interests in our Company (the “**Concert Party Group**”). As of the Latest Practicable Date, the Concert Party Group was in aggregate directly and indirectly interested in approximately 47.11% of the total share capital of our Company.

### PRE-IPO INVESTMENTS

#### Overview

We concluded several Pre-IPO investments subsequent to our voluntary withdrawal of the STAR Application. For further details, see “— Corporate Development — Subsequent Capital Increase and Share Transfers” above in this section. The following table summarizes the key terms of the Pre-IPO investments:

	<u>Transfers in 2021</u>	<u>Transfer in May 2022</u>	<u>Transfers in June 2023</u>	<u>Transfer in August 2023</u>
<b>Date of agreement</b> . . . . .	June 16, 2021	May 20, 2022	June 2, 2023	August 25, 2023
	November 24, 2021			
	November 27, 2021			
	December 1, 2021			
	December 10, 2021			
	December 20, 2021			

## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

	Transfers in 2021	Transfer in May 2022	Transfers in June 2023	Transfer in August 2023
<b>Date of settlement of consideration . . . . .</b>	On or before January 19, 2022	May 31, 2022	August 24, 2023	September 8, 2023
<b>Number of Shares acquired . . . . .</b>	36,049,243	2,000,000	7,000,000	1,000,000
<b>Consideration (in RMB) . . . . .</b>	108,147,729	6,000,000	27,230,000	3,000,000
<b>Basis of determination of the consideration . . . . .</b>	To the best of our Company's knowledge, the consideration was determined between the parties after taking into consideration various factors including but not limited to, the investment cost, our historical operating performance, market value and prospects of our business.	To the best of our Company's knowledge, the consideration was determined with reference to the investment cost of the transferor, Hengzhouxin.	To the best of our Company's knowledge, the consideration was determined between the parties after taking into consideration various factors including but not limited to, the investment cost, our historical operating performance, market value and prospects of our business.	To the best of our Company's knowledge, the consideration was determined with reference to the investment cost of the transferor, Fengyan Investment.
<b>Cost per Share (in RMB) . . . . .</b>	3.00	3.00	3.89 <sup>(2)</sup>	3.00
<b>Discount/(premium) to the Offer Price (%)<sup>(1)</sup> . . . . .</b>	9.04	9.04	(17.95)	9.04
<b>Lock-up Period . . . . .</b>	Pursuant to the applicable PRC law, within the 12 months following the Listing Date, all existing Shareholders (including the Pre-IPO Investors) cannot dispose of any of the Shares held by them.			
<b>Special rights . . . . .</b>	No special right has been granted to the Pre-IPO Investors.			
<b>Use of proceeds from the Pre-IPO Investments . . . . .</b>	As the Pre-IPO Investments were effected by way of transfer of Shares among our then existing Shareholders, no proceeds were received by our Company.			
<b>Strategic Benefits from Pre-IPO Investments . . . . .</b>	Our Pre-IPO Investors include several professional investors, including institutional fund, private investors and investment funds of local government. Our Directors were of the view that our Company could benefit from the Pre-IPO Investors' knowledge and experience, and could take advantage of their industry resources and networks, while broadening our shareholder base. And their commitment to our Company as their investment demonstrates their confidence in the operations of our Group and serves as an endorsement of Company's performance, strength and prospects.			

*Notes:*

(1) Calculated based on the assumption that the Offer Price is HK\$3.61 per Offer Share.

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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- (2) To the best of our Company's knowledge, the cost per share for the transfers in June 2023 is higher compared with other Pre-IPO Investments as based on the commercial negotiations between the relevant parties, the consideration of other Pre-IPO Investments was determined primarily with reference to the initial investment cost, while that of the transfers in June 2023 was determined with reference to, various factors such as the initial investment cost, our historical operating performance, market value and prospects of our business.

### **Information about Our Pre-IPO Investors**

To the best knowledge of our Company, each of the Pre-IPO Investors is an Independent Third Party.

#### ***Gossel***

Gossel is a limited liability company established in the PRC, which is principally engaged in equity investments in industrial companies. It is owned as to 90% by Shenzhen Huali Xinye Trading Co., Ltd. (深圳市華利鑫業貿易有限公司), a company wholly owned by WANG Aiyun (王艾雲), and 10% by XU Zhixi (許知錫), each an Independent Third Party.

#### ***Yuecai***

Yuecai Yuanhe is a limited partnership established in the PRC on December 10, 2018, which is a private equity fund managed by Yuecai Private Equity Investment (Guangdong) Co., Ltd. (粵財私募股權投資(廣東)有限公司) as the managing partner holding 5% therein, a company wholly owned by Yuecai Holding, which is in turn controlled by the People's Government of Guangdong Province. Yuecai Holding is also the holding company of the fund manager of SME Fund and directly and indirectly owns 60% of SME Fund, a Shareholder of our Company. Yuecai Yuanhe has five other partners, each an Independent Third Party holding no more than 30% interest therein.

Yuecai Emerging is a limited partnership established in the PRC on May 7, 2019, which is a private equity fund managed by Shenzhen Yuechuang as the general partner holding 1% therein, which is in turn indirectly wholly owned by Yuecai Holding. Yuecai Emerging is owned as to 34% by a private equity fund ultimately controlled by Yuecai Holding as a limited partner, and each of the other limited partners is an Independent Third Party holding no more than 30% interest therein.

Chuangying Jianke is a limited partnership established in the PRC on December 6, 2017, which is a private equity fund managed by Guangdong Finance Venture Capital Company Ltd. (廣東粵財創業投資有限公司) as the general partner holding approximately 7.76% therein, which is in turn wholly owned by Yuecai Holding. Chuangying Jianke has 49 limited partners, each an Independent Third Party holding less than 10% therein.

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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Yixingbanyue is a limited partnership established in the PRC on December 15, 2015, which is a private equity fund managed by Yuecai Zhongyin Private Equity Fund Management (Guangdong) Co., Ltd. (粵財中垠私募股權投資基金管理(廣東)有限公司) as the general partner holding approximately 0.0585% therein, which is in turn controlled by Yuecai Holding. Yixingbanyue has 44 limited partners, each an Independent Third Party holding less than 20% therein.

### *Jiaoying Yihao*

Jiaoying Yihao is a limited partnership established in the PRC on September 7, 2021 and is mainly engaged in equity investment, which is a private equity fund managed by Xi'an Xijiao 1896 Capital Management Co., Ltd. (西安西交一八九六資本管理有限公司) (“**Xijiao 1896 Capital**”) as the general partner holding 2.22% therein. Xijiao 1896 Capital is principally engaged in high-tech business incubation, equity investment and industrial cooperation. None of the partners of Jiaoying Yihao nor the shareholders of Xijiao 1896 Capital holds more than one-third of interest therein.

### *Fengsheng Investment and DENG Zhifeng*

Fengsheng Investment is an investment entity of DENG Zhifeng, and is a limited partnership established in the PRC on August 24, 2021, which is principally engaged in equity investments. It is controlled by DENG Zhifeng, as its general partner, who owns 99% of its partnership interest. DENG Zhifeng is an Independent Third Party and a private investor.

### *Vision Capital*

Vision capital is a limited partnership established in the PRC on September 7, 2021, which is principally engaged in equity investments. It is owned as 85% by YANG Dongai (楊冬艾), an Independent Third Party, as the general partner and 15% by two Independent Third Parties.

### *Shidiya*

Shidiya is a limited liability company established in the PRC on January 3, 2018, which is principally engaged in equity investments. It is owned as to 65% by HUANG Shan (黃山) and 35% by LU Jie (陸傑), each an Independent Third Party.

### *Other investors*

Each of FAN Wuzhou, HUANG Dinghe, GU Wenjun, ZHOU Xiaoyang and LIU Jun is a private investor and an Independent Third Party.

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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### Compliance with the Pre-IPO Investment Guidance

On the basis that (i) the considerations for the Pre-IPO Investments were settled more than 28 clear days before the date of our first submission of the listing application form to the Stock Exchange in relation to the Listing, and (ii) no special right has been granted to the Pre-IPO Investors, the Sole Sponsor is of the view that the Pre-IPO Investments are in compliance with Chapter 4.2 of the Guide for New Listing Applicants.

### PUBLIC FLOAT

The 283,000,066 Domestic Unlisted Shares that will not be converted into H Shares, representing approximately 53.18% of our total issued Shares upon Listing (assuming the Offer Size Adjustment Option is not exercised), will not be considered as part of the public float as the Domestic Unlisted Shares will not be converted into H Shares and will not be listed following the completion of the Global Offering.

Of the 215,506,643 H Shares to be converted from Domestic Unlisted Shares and listed on the Stock Exchange following the completion of the Global Offering:

- (a) 114,838,365 of such H Shares, representing approximately 21.58% of our total issued Shares upon Listing (assuming the Offer Size Adjustment Option is not exercised), will not be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules after the Listing as such shares are being held by Advanced Photoelectronic, Jingyu Investment, Jingshi Investment, Jingling Investment, Jingrui Investment, Yaoning Technology, Yueke Investment, Guangdong Technology VC, Yuecai Yuanhe, Yuecai Emerging, Chuangying Jianke, SME Fund, Yixingbanyue and GAO Tao, the core connected persons of our Company;

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*Note:*

As of the Latest Practicable Date, (i) Yueke Investment was wholly owned by Yueke Group, and Guangdong Technology VC was owned as to 80% by Yueke Group, which was in turn owned as to 90% and 10% by the People's Government of Guangdong Province and the Department of Finance of Guangdong Province, respectively; and (ii) Yuecai Yuanhe, Yuecai Emerging, Chuangying Jianke, SME Fund and Yixingbanyue were private equity funds, the fund managers of which were all controlled by Yuecai Holding, which was in turn controlled by the People's Government of Guangdong Province. Therefore, the People's Government of Guangdong Province will be interested in over 10% of our total issued Shares following the completion of the Global Offering, and the H Shares to be converted from Domestic Unlisted Shares held by each of Yueke Investment, Guangdong Technology VC, Yuecai Yuanhe, Yuecai Emerging, Chuangying Jianke, SME Fund and Yixingbanyue will not be considered as part of the public float.

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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- (b) 100,668,278 of such H Shares, representing approximately 18.92% of our total issued Shares upon Listing (assuming the Offer Size Adjustment Option is not exercised), will be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules after the Listing as such remaining shareholders are not core connected persons of our Company upon Listing nor accustomed to take instructions from the Company's core connected persons in relation to the acquisition, disposal, voting or other disposition of their Shares and their acquisition of Shares were not financed directly or indirectly by our Company's core connected persons.

Taking into consideration of the H Shares to be issued pursuant to the Global Offering, the public float of our Company will be approximately 25.23% upon Listing (assuming the Offer Size Adjustment Option is not exercised).

### MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

During the Track Record Period, save as disclosed below, we have not made any acquisitions, disposals or mergers that we consider to be material to us.

#### Acquisition of Lynway Vision

Lynway Vision was established in 2018 to engage in the intelligent automobile vision business. At our initiative for a strategic transformation to an intelligent vision product and system provider, we approached automotive OEMs to explore market opportunities, and became acquainted with Geely Holding and subsequently reached cooperation to jointly establish Lynway Vision.

Since the establishment of Lynway Vision in 2018, our Company has been deeply involved in the operations and development of Lynway Vision. In line with the commercial consensus between our Company and Yaoning Technology, we decided to acquire Lynway Vision in order to (i) enhance operational independence of Lynway Vision separate from the Geely Related Group, an essential step for Lynway Vision to secure additional market opportunities from other automotive OEMs, and (ii) promote our integration in the industry value chain, which would in turn enable Lynway to benefit from the enhanced business synergy.

On January 27, 2021, our Company entered into a capital increase agreement with Yaoning Technology and Lynway Vision, pursuant to which we subscribed for the newly increased registered capital of RMB4,100,000 of Lynway Vision at a consideration of RMB16,400,000, which was determined with reference to the valuation of Lynway Vision agreed between the parties

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## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

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after arm's length negotiations. The consideration has been fully settled by our internal resources. Upon completion, Lynway Vision became a subsidiary of our Company in September 2021 and was owned as to 51% by our Company and 49% by Yaoning Technology.

To streamline our corporate structure, on November 27, 2023, our Company entered into an agreement for asset purchase by share issue with Yaoning Technology pursuant to which our Company acquired 49% equity interest in Lynway Vision in consideration of our issue and allotment of 68,582,573 Shares to Yaoning Technology, which was determined with reference to the valuation of each of Lynway Vision and our Company conducted by an independent valuer. Upon completion, Lynway Vision became wholly owned by our Company.

Save for our acquisition of Lynway Vision, we believe that there has not been any material change in relationships or business arrangements between the Group and Yaoning Technology prior to and after the shareholding changes in Lynway Vision in September 2021 and November 2023, respectively.

According to Rule 4.05A of the Listing Rules, the acquisition of Lynway Vision would have been classified at the date of application for our listing, as a major transaction under Chapter 14 of the Listing Rules. See the Accountants' Report of Lynway Vision in Appendix IB to this prospectus for details.

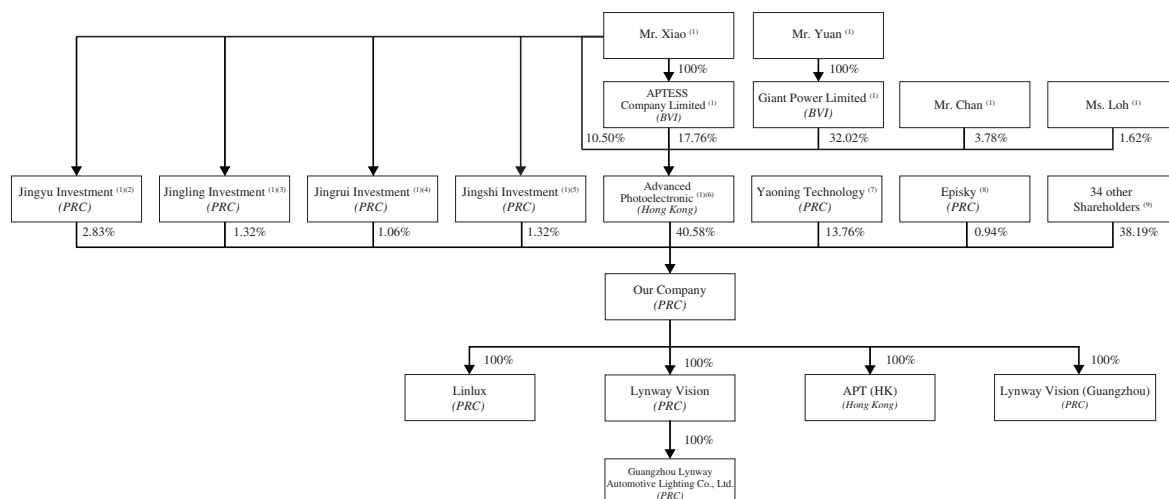
### **PRC REGULATORY REQUIREMENTS**

Our PRC Legal Advisor has confirmed that we have legally and properly completed, settled, and obtained the requisite legal approvals and completed requisite governmental registrations with relevant governmental authorities in the PRC with respect to all the aforesaid capital increases, share transfers, equity transfers and conversion into a joint stock limited company.

# HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

## CORPORATE AND SHAREHOLDING STRUCTURE

The following chart sets out the shareholding and corporate structure immediately prior to the completion of the Global Offering:



### Notes:

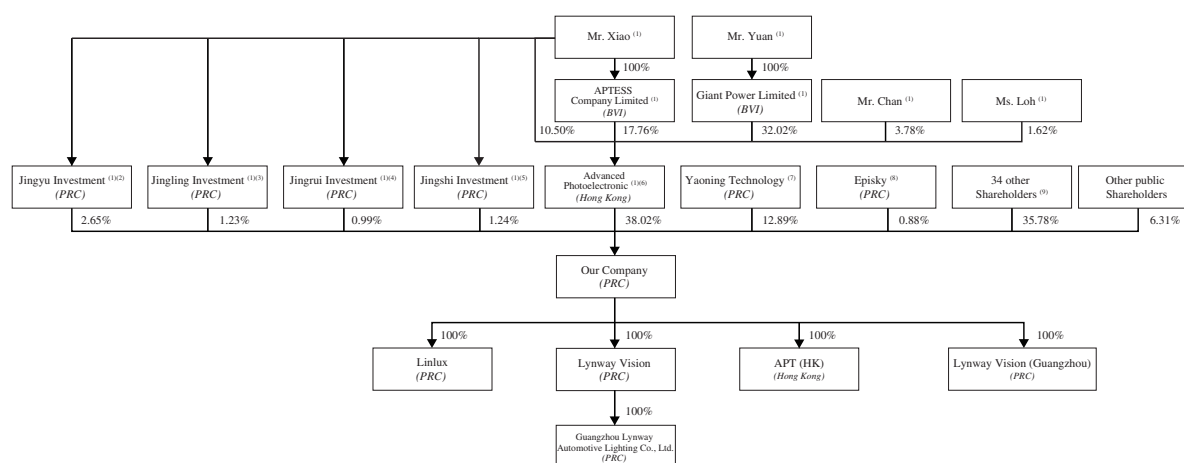
- (1) Mr. Xiao, Mr. Chan, Mr. Yuan, APTESS Company Limited, Giant Power Limited, Ms. Loh, Advanced Photoelectronic, Jingyu Investment, Jingling Investment, Jingrui Investment and Jingshi Investment are members of the “Concert Party Group.” See “— The Concert Party Group” above for further details.
- (2) Jingyu Investment is controlled by Mr. Xiao as its general partner. As of the Latest Practicable Date, it was owned as to approximately (i) 27.79% by Mr. Xiao, (ii) 12.76% by HOU Yu, president of our Company, general manager of Linlux and supervisor of Lynway Vision (Guangzhou), (iii) 11.27% by ZENG Zhaoming, vice president of our Company, (iv) 10.99% by ZHOU Baiyun, vice president and financial controller of our Company and supervisor of Lynway Vision, (v) 3.83% by OU Weineng, a Supervisor, and (vi) 33.36% by 28 other limited partners, each an employee of our Group and an Independent Third Party holding less than 15% therein.
- (3) Jingling Investment is controlled by Mr. Xiao as its general partner. As of the Latest Practicable Date, it was owned as to approximately (i) 0.01% by Mr. Xiao, (ii) 16.38% by LIU Tie, general manager of Lynway Vision and the executive director and manager of Lynway Vision (Guangzhou), as a limited partner, and (iii) 83.61% by 14 other employees of Lynway Vision holding less than 15% therein, each a limited partner and an Independent Third Party.
- (4) Jingrui Investment is controlled by Mr. Xiao as its general partner. As of the Latest Practicable Date, it was owned as to approximately 0.01% by Mr. Xiao and 99.99% by 40 limited partners, including (i) 11.37% by ZENG Zhaoming, vice president of our Company, (ii) 7.58% by HOU Yu, president of our Company, general manager of Linlux and supervisor of Lynway Vision (Guangzhou), (iii) 7.58% by ZHOU Baiyun, vice president and financial controller of our Company and supervisor of Lynway Vision, and (iv) 73.46% by 37 other limited partners, each an employee of our Group and an Independent Third Party holding less than 15% therein.



## HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

- (5) Jingshi Investment is controlled by Mr. Xiao as its general partner. As of the Latest Practicable Date, it was owned as to approximately (i) 53.18% by Mr. Xiao, (ii) 10.64% by ZHENG Longfeng, the board secretary of our Company, as a limited partner, and (iii) 36.18% by 16 other limited partners, each an employee of our Group and an Independent Third Party holding less than 15% therein.
- (6) As of the Latest Practicable Date, Advanced Photoelectric was owned as to approximately 65.68% by the Controlling Shareholder Group; 21.47% by Epistar Corporation and its subsidiaries Lighting Investment Corporation and Lighting Investment Ltd., 4.59% by Pacific Asia Partners Ltd. and Unimode Investment Co., Ltd. which were ultimately controlled by Mr. CHEN Chih-Yuan (陳致遠) and his relative, 3.15% by Formosa Luck Company Limited which was wholly owned by Yang, A-Chu (楊阿桔), 3.07% by Mr. WU Shaofan (吳少凡) and 2.04% by Grand Thrive Enterprises Ltd. which was wholly owned by Kuo, Hao-Tsun (郭皓存), each an Independent Third Party.
- (7) As of the Latest Practicable Date, Yaoning Technology was indirectly controlled by LI Xingxing (李星星), the brother-in-law of ZHENG Xin, our non-executive Director.
- (8) Episky is a wholly-owned subsidiary of Epistar Corporation, a shareholder of Advanced Photoelectric.
- (9) The 34 other Shareholders include Yueke Investment, Dingdekai, Guangrong Lianmeng, FAN Wuzhou, Zhongbao Industrial, Zhongke Baiyun, YE Zhiyu, Xijiao Science Innovation, Guangdong Technology VC, Gossel, SME Fund, Yuecai Yuanhe, Yuecai Emerging, Shidiya, GAO Tao, Haohan Photoelectric, Guanmaoyuan, GUI Fan, Jiaoying Yihao, Jiamu Ronghe, ZHOU Baiyun, WANG Qi, HE Jinchun, GU Wenjun, LAI Canwei, DENG Zhifeng, Vision Capital, WANG Hongying, ZHOU Xiaoyang, HUANG Dinghe, LIU Jun, Yixingbanyue, YE Zhixiong and Chuangying Jianke. See “— Capitalization of Our Company” above for details and shareholdings of such Shareholders.

The following chart illustrates our corporate and shareholding structure immediately after the completion of the Global Offering (assuming that the Offer Size Adjustment Option has not been exercised):



Notes (1)-(9): See the respective notes under the shareholding and corporate structure immediately prior to the completion of the Global Offering as set out above.