TechStar Acquisition Corporation

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 7855)
(Warrant Code: 4855)

ANNOUNCEMENT OF

(1) DE-SPAC TRANSACTION COMPRISING (A) THE BUSINESS COMBINATION AGREEMENT (B) REVERSE TAKEOVER INVOLVING A NEW LISTING APPLICATION BY SEYOND HOLDINGS LTD. (THE "SUCCESSOR COMPANY") (C) THE PIPE INVESTMENTS

(2) MERGER PROPOSAL

(3) PROPOSED ADOPTION OF NEW MEMORANDUM AND ARTICLES OF ASSOCIATION BY TECHSTAR

AND

(4) WITHDRAWAL OF LISTING OF TECHSTAR CLASS A SHARES AND TECHSTAR LISTED WARRANTS

The Successor Company

A. INTRODUCTION

The TechStar Board is pleased to announce that on December 20, 2024, TechStar entered into (1) the Business Combination Agreement with Seyond Holdings Ltd. (being the Target Company) and the Merger Sub (being a wholly-owned subsidiary of the Target Company) in relation to the Merger, (2) the PIPE Investment Agreements with the Target Company and the PIPE Investors in relation to the PIPE Investments, (3) the Promoters Lock-up Agreement with the Target Company and the Promoters, (4) the Target Company Shareholder Lock-up Agreement with the Target Company and the Controlling Shareholders, and (5) an Amendment to the TechStar Listed Warrants.

The De-SPAC Transaction will result in the business combination of TechStar with the Target Group and the listing of the Target Company as the Successor Company on the Stock Exchange.

B. INFORMATION ABOUT THE TARGET GROUP

The Target Group is a global leader in the design, development, and production of automotive-grade LiDAR solutions. The Target Group provides automotive-grade LiDAR solutions for autonomous driving and other automotive and non-automotive application scenarios. The Target Group ranked first globally in terms of sales revenue of passenger vehicle LiDAR solutions in 2023, according to CIC. The Target Group is the first provider of automotive grade high-performance LiDAR solutions that reach volume production, according to CIC.

C. INFORMATION ABOUT TECHSTAR

TechStar is a special purpose acquisition company incorporated for the purpose of effecting a business combination with one or more businesses, with efforts concentrated on companies in new economy sectors in China, including but not limited to innovative technology, advanced manufacturing, healthcare, life sciences, culture and entertainment, consumer and e-commerce, green energy and climate actions industries that align with the national economic trends and industrial policies. TechStar completed an offering comprising 100,100,000 TechStar Class A Shares at an offer price of HK$10.00 per TechStar Class A Share and 50,050,000 TechStar Listed Warrants on December 23, 2022.

D. REASONS FOR, AND BENEFITS OF, THE DE-SPAC TRANSACTION

As stated in TechStar's offering circular dated December 19, 2022, TechStar has identified the following general criteria and guidelines that it believes are important in evaluating a target company for the purpose of effecting a business combination with TechStar:

- alignment with economic trends and national industrial policies;
- favorable long-term growth prospects;
- large consumer or business market with differentiated products and services;

- distinct competitive advantages or under-tapped growth opportunities that Techstar team is uniquely positioned to identify;

- strong and visionary management team that can create significant value for the De-SPAC Target;

- an ethical, professional and responsible management in pursuit of ESG values;

- high-quality with competitive edges in a new economy sector in China with a differentiated value proposition and product or service barriers; and

- benefit from being a public company.

Having evaluated a number of potential target companies, TechStar considers that the Target Company satisfies the above criteria and that it would be in the interests of TechStar and the TechStar Shareholders to enter into the De-SPAC Transaction with the Target Company for the following reasons:

- enormous market and huge growth potentials for automotive-grade LiDAR solutions: China is expected to account for the largest market share of global LiDAR solutions for ADAS applications reaching a market size of US$1.0 billion and US$11.1 billion in 2024 and 2030, respectively, representing a CAGR of 50.1% for that period, according to CIC. The leading market share and rapid growth are mainly due to the large vehicle base and fastest LiDAR adoption in China. The Target Group ranked first globally in terms of sales revenue of passenger vehicle LiDAR solutions in 2023, according to CIC and generated over 90% of its revenue from PRC during the Track Record Period. Utilizing its in-house manufacturing facilities and supply chain in China, the Target Group can achieve the volume production in a timely and cost-efficient manner to seize business opportunities globally. The automotive-grade LiDAR solutions of the Target Group primarily serve the current global L2+ ADAS market, with the potential to also serve the global AD market as technologies mature. The global LiDAR solutions market, especially the automotive-grade LiDAR solutions market (which currently covers ADAS applications), is expected to experience significant growth.

- industry-leading achievements in product commercialization: The Target Group ranked first globally in terms of sales revenue of passenger vehicle LiDAR solutions in 2023, according to CIC.

- visionary leadership and robust R&D capabilities: The co-founders of the Target Group, Dr. Bao Junwei and Dr. Li Yimin, founded the Target Group with the mission to empower safe and smart living. In order to develop automotive-grade sensing hardware meeting the needs of ADAS and AD functions and safety enhancement applications, the Target Group has assembled a team of R&D scientists and experts who have brought a wide range of academic and industry skills and know-how and enabled the success of the solutions of the Target Group. The Target Group has established dual R&D and testing centers in Sunnyvale, the United States and Suzhou, China and enjoyed the access to a vast pool of talent in both countries.

- optimized and flexible technology architecture: The flexible technology architecture of Target Group allows it to easily fit solutions onto different models and machinery configurations. Backed by product design and technology architecture of the Target Group, the LiDAR solutions can meet automotive-grade standards with consistent and reliable performance, while enabling volume production. The optimized and flexible technology architecture of the Target Group allows it to develop products that address a variety of automotive application scenarios.

- market pioneer with superior performance: Lying at the foundation of the success of the LiDARs of the Target Group is their detection range, FOV, resolution, accuracy and system efficiency, which contribute to enhanced levels of safety and autonomy. The combination of long-detection range, superior image quality and high-detection resolution is critical in satisfying the object-detection needs of L2+ and above vehicle safety for ADAS and AD functions.

- strong ongoing commercialization momentum of automotive-grade LiDAR solutions: The Target Group has established relationships with suppliers, gone through automotive-grade verification and designed an optimized manufacturing process, which evidenced its success of commercialization and volume production. In light of the commercialization success on volume production, delivery, design-wins and cooperations, the Target Group believes it has promising financial prospects in terms of its long-term and short-term capabilities to generate and increase its revenue from sales of its LiDAR solutions for both its automotive and non-automotive application scenarios.

- volume production capabilities: The Target Group enjoys tremendous synergies in know-how and experience accumulated through volume production of its automotive-grade products, which in turn, enable it to form unique competitive advantages in cost efficiency of its non-automotive solutions. Meanwhile, the Target Group has also established an in-house engineering and volume production team, which is dedicated to ensuring product quality.

- strong supply chain management on quality and cost control: The supply management team of the Target Group has developed deep insights and acute business acumen to capture the latest development trends in the global market. The Target Group has established close strategic relationships with its suppliers to ensure both the quality and timeliness of key components. The strong supply chain management of the Target Group, especially its dual-supplier system, has and is expected to continue to drive cost reduction in its key raw materials.

Based on the above and having taken into account the terms of the Business Combination Agreement, the PIPE Investments, the potential terms of the Permitted Equity Financing (if any), and other arrangements as set out below, the TechStar Directors (including the TechStar independent non-executive Directors) consider that the terms of the De-SPAC Transaction are fair and reasonable and in the interests of TechStar and the TechStar Shareholders as a whole.

E. THE BUSINESS COMBINATION AGREEMENT

Pursuant to the terms of the Business Combination Agreement, the De-SPAC Transaction will be effected through the Merger of TechStar and Merger Sub, following which the separate existence of Merger Sub will cease and TechStar will continue as the surviving entity and become a directly wholly-owned subsidiary of the Successor Company.

Upon completion of the De-SPAC Transaction, (1) TechStar Shareholders (other than the Redeeming TechStar Shareholders and, if applicable, the Dissenting TechStar Shareholders) will become shareholders of the Successor Company, together with the PIPE Investors, investors of the Permitted Equity Financing (if any), and the existing shareholders of the Target Company, (2) TechStar Warrantholders will become warrantholders of the Successor Company, (3) TechStar's listing status will be withdrawn, and (4) the Target Company will become the Successor Company, and the Successor Company Shares and the Successor Company Listed Warrants will be listed on the Main Board of the Stock Exchange.

The negotiated value of the Target Company in the De-SPAC Transaction (the "**Negotiated Value**") is HK$11.7 billion. The Negotiated Value represents the fair value of the Target Company and was determined through arm's length negotiations with the PIPE Investors (who have undertaken independent due diligence on the Target Company) with reference to (1) the most recent round of pre-listing investment in the Target Company, (2) business development and performance of the Target Group, and (3) the business prospects of the Target Group.

Immediately prior to the Effective Time, the Target Company and Target Company Shareholders will restructure Target Company's share capital by effectuating the conversion of Target Company Preferred Shares and the Capitalization Issue, such that immediately after the conversion of Target Company Preferred Shares and the Capitalization Issue, the issued and outstanding share capital of the Target Company will consist of such number of Target Company Ordinary Shares equal to the quotient obtained by dividing the negotiated value by HK$10.00.

The consideration which the TechStar Shareholders will receive at the Effective Time pursuant to the De-SPAC Transaction is as follows:

(1) Immediately following the Capital Restructuring:

    (i) Each TechStar Class B Share held by the Promoters will automatically cease to exist and will be converted into one fully paid TechStar Class A Share with the terms of the TechStar Articles ("**TechStar Class B Conversion**"), and all of the TechStar Class B Shares will no longer be issued and outstanding. By virtue of the Merger, each TechStar Class A Share issued in connection with the TechStar Class B Conversion will automatically be cancelled and cease to exist in exchange for the right to receive one newly issued Successor Company Share.

(ii) Each TechStar Class A Share issued immediately prior to the Effective Time (other than any TechStar Class A Shares issued in connection with the TechStar Class B Conversion, Redeeming TechStar Shares and Dissenting TechStar Shares) will automatically be cancelled and cease to exist in exchange for the right to receive 1.10 newly issued Successor Company Shares. No fraction of a Successor Company Share will be issued, and each TechStar Shareholder that would otherwise be so entitled to a fraction of a Successor Company Share (after aggregating all fractional Successor Company Shares that otherwise would be received by such TechStar Shareholder) will instead be entitled to receive such number of Successor Company Shares to which such TechStar Shareholder would otherwise be entitled, rounded down to the nearest whole Successor Company Share.

(2) Each TechStar Listed Warrant issued and outstanding immediately prior to the Effective Time will automatically be cancelled and cease to exist in exchange for the right to receive one Successor Company Listed Warrant. Each Successor Company Listed Warrant will have and be subject to substantially the same terms and conditions as were applicable to such TechStar Listed Warrant immediately prior to the Effective Time (including any redemption rights and cashless exercise provisions) in accordance with the provisions of the Successor Company Listed Warrant Instrument. All rights with respect to TechStar Shares underlying the TechStar Listed Warrants assumed by the Successor Company will be converted into rights with respect to the Successor Company Shares.

(3) Each TechStar Promoter Warrant issued and outstanding immediately prior to the Effective Time will automatically be cancelled and cease to exist in exchange for the right to receive one Successor Company Promoter Warrant. Each Successor Company Promoter Warrant will have and be subject to substantially the same terms and conditions as were applicable to such TechStar Promoter Warrant immediately prior to the Effective Time (including any redemption rights and cashless exercise provisions) in accordance with the provisions of the Successor Company Promoter Warrant Agreement. All rights with respect to TechStar Shares underlying the TechStar Promoter Warrants assumed by the Successor Company will be converted into rights with respect to the Successor Company Shares.

(4) Each Redeeming TechStar Share issued and outstanding immediately prior to the Effective Time will automatically be cancelled and cease to exist and will represent only the right of the holder thereof to be paid a pro rata share of the TechStar Shareholder Redemption Amount in accordance with the TechStar Articles.

(5) Each Dissenting TechStar Share issued and outstanding immediately prior to the Effective Time held by a Dissenting TechStar Shareholder will automatically be cancelled and cease to exist and will represent only the right of such Dissenting TechStar Shareholder to be paid the fair value of such Dissenting TechStar Share and such other rights pursuant to Section 238 of the Cayman Companies Act.

The entitlement of the Relevant TechStar Class A Shareholders to receive the Bonus Shares, being the additional one-tenth (0.1) of a newly issued Successor Company Share for each TechStar Class A Share held by them is intended to disincentivize the TechStar Shareholders from exercising their Redemption Right and Appraisal Right in connection with the De-SPAC Transaction and to become shareholders of the Successor Company upon completion of the De-SPAC Transaction. The number of Bonus Shares to be issued was determined through commercial negotiations among the parties to the Business Combination Agreement with reference to the estimated Redemption Price.

F. PIPE INVESTMENTS AND PERMITTED EQUITY FINANCING

TechStar and the Target Company have entered into PIPE Investment Agreements with three PIPE Investors. These PIPE Investors are Huangshan Construction Investment Capital, Wealth Strategy and Zhuhai Hengqin Huagai.

Pursuant to the PIPE Investment Agreements, the PIPE Investors have agreed to subscribe for, and the Target Company (in its capacity as the Successor Company) has agreed to issue to the PIPE Investors, the PIPE Investment Shares at the price of HK$10.00 per PIPE Investment Share. The price of PIPE Investment Share at HK$10.0 represents a premium of approximately 5.26% to the average closing price of approximately HK$9.5 per TechStar Class A Shares as quoted on the Stock Exchange for the last five trading days of TechStar Class A Shares immediately prior to the date of this announcement. The gross proceeds from the PIPE Investments pursuant to the PIPE Investment Agreements will be approximately HK$551.3 million.

The PIPE Investment Amount for each PIPE Investment was determined after arm's length negotiation between the parties to the respective PIPE Investment Agreements taking into account the pre-money equity value of the Target Company of HK$11.7 billion, the effect of the De-SPAC Transaction on shareholdings in the Successor Company, the current development plan of the Target Company and its need for proceeds.

From the date of the Business Combination Agreement until the Effective Time, TechStar and the Target Company may (1) enter into one or more permitted equity subscription agreements in substantially the same form as the PIPE Investment Agreements with one or more Professional Investors, and/or (2) execute a placing agreement with one or more placing agents for placement of Successor Company Shares, in each case at the price of HK$10.00 per share, for an aggregate subscription amount of up to HK$500,000,000 that would constitute a Permitted Equity Financing. Details of any Permitted Equity Financing will be announced by TechStar.

G. IMPLICATIONS OF THE DE-SPAC TRANSACTION UNDER THE LISTING RULES AND DEEMED NEW LISTING APPLICATION

TechStar is required to comply with applicable Listing Rules regarding reverse takeovers with respect to the De-SPAC Transaction. Under Rule 14.54 of the Listing Rules, the Successor Company will be treated as if it were a new listing applicant. The Target Group is required to meet the requirements under Rules 8.04 and 8.05 of the Listing Rules and the Successor Group is required to meet all the new listing requirements set out in Chapter 8 of the Listing Rules (except Rule 8.05 of the Listing Rules). The Successor Company is required to submit a new listing application to the Stock Exchange for the listing of, and permission to deal in, the Successor Company Shares and the Successor Company Listed Warrants in accordance with the requirements for new listing applicants as set out in Chapter 9 of the Listing Rules.

The new listing application is subject to approval by the Listing Committee, which may or may not grant its approval. If such approval is not granted, the Business Combination Agreement will not become unconditional and the De-SPAC Transaction will not proceed.

The Successor Company will make an application to the Stock Exchange for the listing of, and permission to deal in, the Successor Company Shares and the Successor Company Listed Warrants on the Main Board of the Stock Exchange. TechStar will make an application to the Stock Exchange for the withdrawal of listing of the TechStar Class A Shares (which will be subject to approval by TechStar Class A Shareholders) and the TechStar Listed Warrants. Upon the Closing, the listing statuses of the TechStar Class A Shares and the TechStar Listed Warrants will be withdrawn, and the Successor Company Shares and the Successor Company Listed Warrants will become listed on the Main Board of the Stock Exchange.

The De-SPAC Transaction is conditional upon, and the terms of the PIPE Investments, and the withdrawal of listing of the TechStar Class A Shares and TechStar Listed Warrants will be subject to, approval by the TechStar Class A Shareholders at the EGM and compliance with applicable Listing Rule requirements (including the requirement for the Successor Company to have a minimum number of 100 Professional Investors at the time of listing), unless a waiver from strict compliance with any of these requirements is granted by the Stock Exchange.

H. SHARE REDEMPTIONS

Prior to the EGM to approve the De-SPAC Transaction, TechStar will provide TechStar Class A Shareholders with the opportunity to elect to redeem all or part of their holdings of TechStar Class A Shares for an amount per TechStar Class A Share equal to the Redemption Price, to be paid out of the monies held in the Escrow Account. The Redemption Price, payable in cash, will be equal to the aggregate amount then on deposit in the Escrow Account calculated as of two Business Days prior to the EGM (including interest earned on the funds held in the Escrow Account), divided by the number of the then issued and outstanding TechStar Class A Shares. The Redemption Price will in any case be no less than HK$10.00 per TechStar Class A Share, being the price at which the TechStar Class A Shares were issued in TechStar's initial offering. The Redemption Price is expected to be determined on or around two Business Days prior to the EGM.

I. APPRAISAL RIGHT OF DISSENTING TECHSTAR SHAREHOLDERS

Section 238 of the Cayman Companies Act provides for the Appraisal Right of the Dissenting TechStar Shareholders to be paid the fair value of their TechStar Shares, subject to limitations under Section 239 of the Cayman Companies Act. TechStar Shareholders have the Appraisal Right in connection with the De-SPAC Transaction under the Cayman Companies Act. TechStar Shareholders who wish to exercise their Appraisal Right must follow the statutory procedures prescribed in the Cayman Companies Act.

J. EGM AND CIRCULAR

The De-SPAC Transaction (including the terms of the Business Combination Agreement, the Bonus Share Issue, the PIPE Investments and the Permitted Equity Financing (where applicable)), and the withdrawal of the listing of TechStar Class A Shares and TechStar Listed Warrants are subject to approval of the TechStar Shareholders at the EGM by ordinary resolutions.

The Merger is subject to approval by special resolution of two-thirds of the votes cast by the holders of the TechStar Shares present in person or by proxy and entitled to vote at the EGM and the adoption of the TechStar Private Company Memorandum and Articles by TechStar is subject to approval by special resolution of three-fourths of the votes cast by the holders of the TechStar Shares present in person or by proxy and entitled to vote at the EGM. As the Merger forms part of the De-SPAC Transaction, in the event that the Merger or the adoption of the TechStar Private Company Memorandum and Articles by TechStar is not approved by the TechStar Shareholders at the EGM by special resolution, the De-SPAC Transaction will not be effected.

The Promoters and their respective close associates and any TechStar Shareholders and their close associates who have a material interest in the De-SPAC Transaction are required to abstain from voting on the relevant resolutions to be proposed at the EGM to approve the De-SPAC Transaction, the Merger, the adoption of the TechStar Private Company Memorandum and Articles and the transactions contemplated under the Business Combination Agreement.

The Circular will contain, among other things, (i) further information on the De-SPAC Transaction (including the Business Combination Agreement and the transactions contemplated thereunder, the PIPE Investments, and the Merger), the Target Group and other information as required to be disclosed under the Listing Rules; (ii) details of the exchange of TechStar Class A Shares and TechStar Warrants for Successor Company Shares and Successor Company Warrants pursuant to the De-SPAC Transaction and the withdrawal of the listing of TechStar Class A Shares and TechStar Listed Warrants; (iii) details of the Redemption Right and the Appraisal Right; (iv) a notice of the EGM; (v) a form of proxy and (vi) a form of election of redemption for the Share Redemption. Pursuant to Rule 14.60(7) of the Listing Rules, the Circular is required to be dispatched to the TechStar Shareholders within 15 Business Days from the date of this announcement.

The Circular is subject to review and comments by the Stock Exchange and will be dispatched to the TechStar Shareholders as soon as practicable after the Successor Company has obtained the approval in principle from the Listing Committee with respect to the new listing application. To allow sufficient time for TechStar and the Target Company to prepare the Circular and in view of the process required in connection with the new listing application by the Successor Company, TechStar expects that more time may be needed for the Stock Exchange to approve the Successor Company's new listing application and for the preparation of the Circular, which is expected to be dispatched in or around May 2025.

It is expected that the EGM will be convened to be held in or around May 2025.

K. CONSEQUENCES IF THE DE-SPAC TRANSACTION IS NOT APPROVED OR COMPLETED

If the De-SPAC Transaction is not approved by TechStar Class A Shareholders at the EGM or completed for any reason:

- TechStar will not redeem any TechStar Class A Shares and all Share Redemption requests will be canceled; and
- subject to the deadlines under the Listing Rules, the listings of the TechStar Class A Shares and TechStar Listed Warrants on the Stock Exchange will be maintained; however, TechStar may not have sufficient time to identify another De-SPAC target and negotiate a De-SPAC transaction before it is required to wind up as provided for in the Listing Rules.

Therefore, TechStar Class A Shareholders are strongly recommended to vote FOR the resolutions to be proposed at the EGM, EVEN IF you intend to elect to redeem some or all of your TechStar Class A Shares.

L. WARNINGS

TechStar Class A Shareholders, TechStar Warrantholders and potential investors in the securities of TechStar should note that the De-SPAC Transaction and all transactions thereunder are subject to, among other things, compliance with applicable legal and regulatory requirements, including the requirements for approval by shareholders of the companies concerned at general meetings, approval of the Stock Exchange and/or other regulators, and completion of necessary filings with the CSRC in the PRC. Accordingly, there is no certainty as to whether, and if so when, any such proposed transactions will proceed and/or will become effective. If the De-SPAC Transaction is not completed, TechStar will not redeem any TechStar Class A Shares and all Share Redemption requests will be canceled.

TechStar Class A Shareholders, TechStar Warrantholders and potential investors in the securities of TechStar should exercise caution when dealing in the shares or other securities of TechStar. Any person who is in doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional advisor(s).

A. OVERVIEW OF THE DE-SPAC TRANSACTION

The TechStar Board is pleased to announce that on December 20, 2024, TechStar entered into (i) the Business Combination Agreement with Seyond Holdings Ltd. (being the Target Company) and the Merger Sub (being a wholly-owned subsidiary of the Target Company) in relation to the Merger, (ii) the PIPE Investment Agreements with the Target Company and the PIPE Investors in relation to the PIPE Investments, (iii) the Promoters Lock-up Agreement with the Target Company, the Promoters and the other parties named therein, (iv) the Target Company Shareholder Lock-up Agreement with the Target Company and the Controlling Shareholders, and (v) an Amendment to the TechStar Listed Warrants.

The De-SPAC Transaction will result in the business combination of TechStar with the Target Group. The Target Company will become the Successor Company, and the Successor Company Shares and the Successor Company Listed Warrants will be listed on the Stock Exchange.

The Target Group is a global leader in the design, development, and production of automotive-grade LiDAR solutions. The Target Group provides automotive-grade LiDAR solutions for autonomous driving and other automotive and non-automotive application scenarios. The Target Group ranked first globally in terms of sales revenue of passenger vehicle LiDAR solutions in 2023, according to CIC. The Target Group is the first provider of automotive grade high-performance LiDAR solutions that reach volume production, according to CIC. Further details of the Target Group are set out in "B. Information About the Target Group" below.

Pursuant to the terms of the Business Combination Agreement, the De-SPAC Transaction will be effected through the Merger of TechStar and Merger Sub, following which the separate existence of Merger Sub will cease and TechStar will continue as the surviving entity and become a directly wholly-owned subsidiary of the Successor Company. Details of the Business Combination Agreement are set out in "E. The Business Combination Agreement" below.

Upon Closing, (i) TechStar Shareholders (other than the Redeeming TechStar Shareholders and, if applicable, the Dissenting TechStar Shareholders) will become shareholders of the Successor Company, (ii) TechStar Warrantholders will become warrantholders of the Successor Company, (iii) TechStar's listing status will be withdrawn, and (iv) the Target Company will become the Successor Company, and the Successor Company Shares and the Successor Company Listed Warrants will be listed on the Stock Exchange. Details of the effect of the De-SPAC Transaction on the shareholdings in TechStar and the Successor Company are set out in "H. Effect of the De-SPAC Transaction on Shareholdings in TechStar and the Successor Company" below.

In connection with the De-SPAC Transaction, TechStar will provide TechStar Class A Shareholders with the opportunity to elect to redeem all or part of their holdings of TechStar Class A Shares. See "K. Share Redemptions" below for further details. The Cayman Companies Act provides for a right of the Dissenting TechStar Shareholders to be paid the fair value of their TechStar Dissenting Shares. See "L. Appraisal Right of Dissenting TechStar Shareholders" below for further details.

The gross proceeds from the PIPE Investments pursuant to the PIPE Investment Agreements will be approximately HK$551.3 million. See "F. PIPE Investments" below for further details.

The De-SPAC Transaction (including the terms of the Business Combination Agreement, the Bonus Share Issue, the PIPE Investments and the Permitted Equity Financing (where applicable)), and the withdrawal of the listing of TechStar Class A Shares and TechStar Listed Warrants are subject to approval by the TechStar Shareholders at the EGM. The Promoters and their close associates will abstain from voting on the relevant resolutions as required by the Listing Rules. See "N. EGM and Circular" below for further details.

B. INFORMATION ABOUT THE TARGET GROUP

1. Description of principal business activities of the Target Group

The Target Group is a global leader in the design, development, and production of automotive-grade LiDAR solutions. The Target Group provides automotive-grade LiDAR solutions for autonomous driving and other automotive and non-automotive application scenarios. The Target Group ranked first globally in terms of sales revenue of passenger vehicle LiDAR solutions in 2023, according to CIC. The Target Group is the first provider of automotive grade high-performance LiDAR solutions that reach volume production, according to CIC. The Target Group's self-developed software, OmniVidi, provides its customers with fully integrated LiDAR solutions in combination with the Target Group's LiDAR hardware and features high-resolution 3D point cloud and advanced perception algorithms, playing a critical role in ensuring high levels of safety and autonomy. Since its inception, the Target Group has experienced substantial growth, consistently solidifying its position as a market leader in recent years. The Target Group began volume production and delivery of its Falcon series LiDAR solutions for installation on several models of NIO Inc. in 2022 and on additional models in 2023 and the six months ended June 30, 2024. Other OEM and ADAS or AD companies have also selected the Target Group's LiDAR solutions for integration in a number of their models or ADAS systems, which have begun volume production and delivery.

The Target Group has demonstrated significant growth in recent years. The Target Group generated unaudited total revenue of US$4.6 million, US$66.3 million, US$121.1 million and US$66.1 million in 2021, 2022, 2023 and the six months ended June 30, 2024, respectively. The Target Group recorded unaudited loss before tax of US$113.6 million, US$187.8 million, US$218.1 million and US$78.4 million in 2021, 2022, 2023 and the six months ended June 30, 2024, respectively. The Target Group recorded unaudited loss for the year/period of US$113.8 million, US$188.2 million, US$219.0 million and US$78.7 million in 2021, 2022, 2023 and the six months ended June 30, 2024, respectively. The unaudited book value of the Target Group was a total deficit of US$653.3 million as of June 30, 2024.

2. Information on the Controlling Shareholders as at the date of this announcement

As the date of this announcement, Dr. Bao Junwei controlled the exercise of approximately 21.16% of the voting rights of the Target Company, including:

- approximately 6.04% of the voting rights of the Target Company Shares held by High Altos Limited, a company wholly-owned by Dr. Bao Junwei;

- approximately 10.61% of the voting rights of the Target Company Shares held by Phthalo Blue LLC, a limited partnership of which Dr. Bao Junwei is its general partner;

- approximately 3.47% of the voting rights of the Target Company Shares held by the ESOP Proxy Grantors pursuant to the Award Agreements and the Trust Deed, in which Dr. Bao Junwei is entitled to exercise in his sole discretion the voting rights with respect to 1,876,369 Target Company Shares. The voting proxy granted by the ESOP Proxy Grantors will terminate upon the Closing pursuant to the terms of the Award Agreements and the Trust Deed; and

- approximately 1.04% of the voting rights of the Target Company Shares, which are granted to Dr. Bao Junwei by the Proxy Shareholders pursuant to Voting Proxy Agreements, in which Dr. Bao Junwei is entitled to exercise in his sole discretion the voting rights with respect to 561,931 Target Company Shares (as adjusted to 14,350,722 Successor Company Shares upon conversion from the Target Company Preferred Shares to Target Company Ordinary Shares and Capitalization Issue immediately prior to the Closing). The voting proxy granted by the Proxy Shareholders will not terminate upon the Closing pursuant to the terms of the Voting Proxy Agreements.

As the date of this announcement, Dr. Bao Junwei is considered to be in a position to control the composition of a majority of the board of the Target Company, given that he is entitled to cast six votes (out of a total of 11 votes from no more than six Directors of the Target Company (including Dr. Bao Junwei)) in the board of the Target Company, according to the Target Company Articles. As such, as of the date of this announcement, Dr. Bao Junwei, High Altos Limited and Phthalo Blue LLC are considered to be Controlling Shareholders by virtue of Rule 1.01 of the Listing Rules.

Immediately following the Closing (assuming (i) the Capital Restructuring is completed; (ii) no TechStar Class A Shareholders exercise their Redemption Right; (iii) no TechStar Class A Shareholders exercise their Appraisal Right; (iv) 55,130,000 Successor Company Shares are issued to the PIPE Investors pursuant to the PIPE Investment Agreements; and (v) there is no Permitted Equity Financing), each Director of the Successor Company is entitled to cast one vote in the board of the Successor Company. Dr. Bao Junwei, through High Altos Limited, Phthalo Blue LLC and the Voting Proxy Agreements, will be able to control the exercise of approximately 13.72% of the voting rights of the Successor Company. As such, subject to the foregoing assumptions, immediately following the Closing, Dr. Bao Junwei, High Altos Limited and Phthalo Blue LLC are considered to be a single largest group of shareholders of the Successor Company as no other Shareholder will be capable of exercising more voting rights than those exercisable by Dr. Bao Junwei (through High Altos Limited, Phthalo Blue LLC and the Voting Proxy Agreements).

3. Information about Merger Sub

Merger Sub is a newly incorporated Cayman Islands exempted company and a wholly-owned subsidiary of the Target Company. Merger Sub was incorporated solely for the purpose of effecting the Merger and has not carried on any activities other than those in connection with the Merger.

4. Information about the Target Group's existing shareholders

Other than the Controlling Shareholders as of the date of this announcement, the identities and principal business of the ultimate beneficial owners of the rest of the shareholders of the Target Company, the respective names of whom are set out in "2. Expected Shareholding and Voting Rights in the Successor Company and Potential Dilution Effect of the De-SPAC Transaction", are set out below:

1. Dr. Li Yimin

Dr. Li Yimin is an executive director and chief technology officer of the Successor Company.

2. Proxy Shareholders

Yang Zheng

Yang Zheng is the chief information officer and vice president of software and engineering of the Successor Group, and a Proxy Shareholder.

The Niu 2001 Revocable Trust

The Niu 2001 Revocable Trust is established in the U.S. and a Proxy Shareholder, its trustee is Xinhui Niu. Mr. Niu became acquainted with the Target Company through Dr. Bao Junwei as the two were in the same research group in the graduate school in UC Berkeley. They co-founded Timbre Technologies, Inc., and were colleagues until 2004 when Mr. Niu left Timbre Technologies.

Rong Shengwen

Rong Shengwen is an individual investor and a Proxy Shareholder. Mr. Rong works at Byte Dance as a Finance Business Partner Leader for Global Products and Functions, and became acquainted with the Target Company through personal acquaintance with Dr. Bao Junwei.

Zhang Wen Qi

Zhang Wen Qi is an individual investor and a Proxy Shareholder. Mr. Zhang is an investor, and became acquainted with the Target Company through personal connection with Dr. Bao Junwei's family.

Jinsong Xiao and Xingrong Zhang

Each of Jinsong Xiao and Xingrong Zhang is an individual investor and a Proxy Shareholder. Mr. Xiao works as an executive at Applied Materials, Inc. (a company whose common stock is traded on the Nasdaq Global Select Market (stock ticker: AMAT)), and became acquainted with the Target Company through personal connection with Dr. Bao Junwei. Each of Jinsong Xiao and Xingrong Zhang decided to co-invest in the Target Company under the same shareholder name.

Wang Taili (王太力)

Wang Taili is a Proxy Shareholder and a PRC qualified legal practitioner. Wang Taili became acquainted with the Target Company through the provision of legal consulting services as a consultant to certain PRC subsidiaries within the Target Group.

3. Enlightning Limited

Enlightning Limited is the employee shareholding platform established for the purpose of holding and transferring the relevant Target Company Shares in respect of the vested options/awards to specified participants under the 2016 Share Incentive Plan, which include participant who is core connected person of the Target Company.

4. Honour Key Limited

Honour Key Limited is a BVI business company incorporated in the BVI and is owned as to at least 90% by Eve One L.P., an exempted limited partnership established in Cayman Islands. Eve One L.P. is a leading, market-oriented private equity investment firm focusing on investing in mobility, energy, logistics and other related sectors, which insists on sustainable investments with a focus on innovations in decarbonization and digitalization, and its investment profiles include Dida Inc. (Stock Code: 02559). The general partner of Eve One L.P. is NIO Capital LLC, the voting power of which is ultimately held by Mr. Li Bin, and Mr. Zhu Yan, a former non-executive Director of the Target Company. No limited partner holds more than 30% ownership in Eve One L.P.

5. Dahlia Investments PTE. LTD.

Dahlia Investments Pte. Ltd. is a limited liability company incorporated in Singapore on May 28, 2004, which is an indirect wholly-owned subsidiary of Temasek Holdings (Private) Limited ("**Temasek**"). Temasek is a global investment company headquartered in Singapore, with a net portfolio value of S$389 billion (RMB2.08 trillion) as at 31 March 2024. Marking its unlisted assets to market would provide S$31 billion (RMB166 billion) of value uplift and bring its mark to market net portfolio value to S$420 billion (RMB2.25 trillion). Temasek's purpose "So Every Generation Prospers" guides it to make a difference for today's and future generations. Operating on commercial principles, Temasek seeks to deliver sustainable returns over the long term. It has 13 offices in 9 countries around the world: Beijing, Hanoi, Mumbai, Shanghai, Shenzhen, and Singapore in Asia; and London, Brussels, Paris, New York, San Francisco, Washington DC, and Mexico City outside Asia.

6. ERVC Technology IV LP

ERVC Technology IV LP is an exempted limited partnership registered under the laws of Bermuda. The general partner of ERVC Technology IV LP is ERVC Technology Advisors IV LP, and the general partner of ERVC Technology Advisors IV LP is Eight Roads GP. Eight Roads GP is indirectly wholly owned by Eight Roads Holdings Limited and Eight Roads Holdings Limited is owned as to more than one-third by Eight Roads Shareholdings Limited and Pandanus Partners L.P., whose general partner is Pandanus Associates Inc.

7. Banyan Partners Fund II, L.P.

Banyan Partners Fund II, L.P. (the "**Fund**") is an exempted limited partnership registered under the laws of Cayman Islands, the general partner of which is Banyan Partners II Ltd., an exempted company incorporated in the Cayman Islands with limited liability, which is beneficially owned by Mr. Hoi Pong Wong. The Fund has a diverse base of limited partners. The Fund is principally engaged in early and growth-stage investments in the internet and consumption, new technology and healthcare and biotech related sector.

C. INFORMATION ABOUT TECHSTAR

TechStar is a special purpose acquisition company incorporated for the purpose of effecting a business combination with one or more businesses, with efforts concentrated on companies in new economy sectors in China, including but not limited to innovative technology, advanced manufacturing, healthcare, life sciences, culture and entertainment, consumer and e-commerce, green energy and climate actions industries that align with the national economic trends and industrial policies. TechStar completed an offering comprising 100,100,000 TechStar Class A Shares at an offer price of HK$10.00 per TechStar Class A Share and 50,050,000 TechStar Listed Warrants on December 23, 2022.

TechStar is required to complete a De-SPAC transaction by December 22, 2025, being 36 months from the date of listing of the TechStar Class A Shares and TechStar Listed Warrants on the Stock Exchange, unless an extension of up to six months is approved by an ordinary resolution of the TechStar Class A Shareholders and granted by the Stock Exchange.

In the event of termination of the Business Combination Agreement (see "E. The Business Combination Agreement – 1. Principal Terms of the Business Combination Agreement – (g) Termination" below) and the De-SPAC Transaction is not completed within the required timeframe mentioned above, (i) TechStar will cease all operations except for the purpose of winding up; (ii) trading of the TechStar Class A Shares and the TechStar Listed Warrants will be suspended; (iii) as promptly as reasonably possible but no more than one month after the date that trading in the TechStar Class A Shares is suspended, TechStar will redeem the TechStar Class A Shares and distribute the funds held in the Escrow Account to holders of the TechStar Class A Shares on a pro rata basis in an amount which is not less than HK$10.00 per TechStar Class A Share (being the issue price of TechStar Class A Shares at TechStar's initial offering), which will completely extinguish the rights of the holders of the TechStar Class A Shares as TechStar Shareholders (including the right to receive further liquidation distributions, if any); (iv) the listing of the TechStar Class A Shares and the TechStar Listed Warrants on the Stock Exchange will be canceled; and (v) TechStar will be liquidated and dissolved, subject to obligations under Cayman Islands law to provide for claims of creditors and in all cases subject to the other requirements of applicable law.

D. REASONS FOR, AND BENEFITS OF, THE DE-SPAC TRANSACTION

As stated in TechStar's offering circular dated December 19, 2022, TechStar has identified the following general criteria and guidelines that it believes are important in evaluating a target company for the purpose of effecting a business combination with TechStar:

- alignment with economic trends and national industrial policies;
- favorable long-term growth prospects;
- large consumer or business market with differentiated products and services;
- distinct competitive advantages or under-tapped growth opportunities that Techstar team is uniquely positioned to identify;
- strong and visionary management team that can create significant value for the De-SPAC Target;

- an ethical, professional and responsible management in pursuit of ESG values;

- high-quality with competitive edges in a new economy sector in China with a differentiated value proposition and product or service barriers; and

- benefit from being a public company.

Having evaluated a number of potential target companies, TechStar considers that the Target Company satisfies the above criteria and that it would be in the interests of TechStar to enter into the De-SPAC Transaction with the Target Company for the following reasons:

- enormous market and huge growth potentials for automotive-grade LiDAR solutions: China is expected to account for the largest market share of global LiDAR solutions for ADAS applications reaching a market size of US$1.0 billion and US$11.1 billion in 2024 and 2030, respectively, representing a CAGR of 50.1% for that period, according to CIC. The leading market share and rapid growth are mainly due to the large vehicle base and fastest LiDAR adoption in China. The Target Group ranked first globally in terms of sales revenue of passenger vehicle LiDAR solutions in 2023, according to CIC and generated over 90% of its revenue from PRC during the Track Record Period. Utilizing its in-house manufacturing facilities and supply chain in China, the Target Group can achieve the volume production in a timely and cost-efficient manner to seize business opportunities globally. The automotive-grade LiDAR solutions of the Target Group primarily serve the current global L2+ ADAS market, with the potential to also serve the global AD market as technologies mature. The global LiDAR solutions market, especially the automotive-grade LiDAR solutions market (which currently covers ADAS applications), is expected to experience significant growth.

- industry-leading achievements in product commercialization: The Target Group ranked first globally in terms of sales revenue of passenger vehicle LiDAR solutions in 2023, according to CIC.

- visionary leadership and robust R&D capabilities: The co-founders of the Target Group, Dr. Bao Junwei and Dr. Li Yimin, founded the Target Group with the mission to empower safe and smart living. In order to develop automotive-grade sensing hardware meeting the needs of ADAS and AD functions and safety enhancement applications, the Target Group has assembled a team of R&D scientists and experts who have brought a wide range of academic and industry skills and know-how and enabled the success of the solutions of the Target Group. The Target Group has established dual R&D and testing centers in Sunnyvale, the United States and Suzhou, China and enjoyed the access to a vast pool of talent in both countries.

- optimized and flexible technology architecture: The flexible technology architecture of Target Group allows it to easily fit solutions onto different models and machinery configurations. Backed by product design and technology architecture of the Target Group, the LiDAR solutions can meet automotive-grade standards with consistent and reliable performance, while enabling volume production. The optimized and flexible technology architecture of the Target Group allows it to develop products that address a variety of automotive application scenarios.

- market pioneer with superior performance: Lying at the foundation of the success of the LiDARs of the Target Group is their detection range, FOV, resolution, accuracy and system efficiency, which contribute to enhanced levels of safety and autonomy. The combination of long-detection range, superior image quality and high-detection resolution is critical in satisfying the object-detection needs of L2+ and above vehicle safety for ADAS and AD functions.

- strong ongoing commercialization momentum of automotive-grade LiDAR solutions: The Target Group has established relationships with suppliers, gone through automotive-grade verification and designed an optimized manufacturing process, which evidenced its success of commercialization and volume production. In light of the commercialization success on volume production, delivery, design-wins and cooperations, the Target Group believes it has promising financial prospects in terms of its long-term and short-term capabilities to generate and increase its revenue from sales of its LiDAR solutions for both its automotive and non-automotive application scenarios.

- volume production capabilities: The Target Group enjoys tremendous synergies in know-how and experience accumulated through volume production of its automotive-grade products, which in turn, enable it to form unique competitive advantages in cost efficiency of its non-automotive solutions. Meanwhile, the Target Group has also established an in-house engineering and volume production team, which is dedicated to ensuring product quality.

- strong supply chain management on quality and cost control: The supply management team of the Target Group has developed deep insights and acute business acumen to capture the latest development trends in the global market. The Target Group has established close strategic relationships with its suppliers to ensure both the quality and timeliness of key components. The strong supply chain management of the Target Group, especially its dual-supplier system, has and is expected to continue to drive cost reduction in its key raw materials.

The Target Company recorded losses during the Track Record Period, primarily due to the following reasons: (i) whereas the industry of the Target Company has realized commercialization and shown great potentials for future growth, the global LiDAR solutions market, especially the automotive-grade LiDAR solutions market, is still at its early stage of development. In particular, the penetration rate of LiDAR solutions in automotive industry was still low. Since the Target Company realized volume production and massive products delivery in 2022, it has gradually achieved stronger economies of scale and improved cost control. But the yet-to-be-fully materialized economies of scale contributed to its losses during the Track Record Period; and (ii) to further reinforce the presence and competitiveness in the emerging market, the Target Company has devoted significant resources on R&D and product development to ensure the long-term competitiveness. Due to the continuous investment in the R&D of new products and autonomous driving technologies, the Target Company had incurred a significant amount of R&D expenses during the Track Record Period.

Notwithstanding the foregoing, the Target Company had achieved a steady growth in revenue and sales volume during the Track Record Period and it has shown a clear path to profitability. It is expected that this growth will be driven by several factors in the future, such as the favorable market trend, improving solutions and product offerings and customer expansion. The Target Company will also continue to improve its gross margin by optimizing product design, improving production capabilities and expanding production capacity, and controlling the cost of supplies as achieving increasing economies of scale. In addition, during the Track Record Period, the Target Company invested significant resources in R&D to strengthen its R&D capabilities to launch new products, optimize and upgrade its existing products, and maintain its market-leading position. The R&D expenses incurred by the Target Company in absolute amounts may increase alongside the development of its autonomous driving technologies and the expansion of its product portfolio in the future; however, it is expected that its R&D expenses as a percentage of revenue will gradually decrease in the future, along with the maturity of its product mix.

Based on the above and having taken into account the terms of the Business Combination Agreement, the Bonus Share Issue, the PIPE Investments and other arrangements as set out below, the TechStar Directors (including the TechStar independent non-executive Directors) consider that (i) the status of loss-marking of the Target Company during the Track Record Period will not undermine the benefits that the Target Company will bring to the TechStar Shareholders from its favorable long-term and sustained business growth and future profitability, and (ii) the terms of the De-SPAC Transaction are fair and reasonable and in the interests of the TechStar Shareholders as a whole.

E. THE BUSINESS COMBINATION AGREEMENT

1. Principal terms of the Business Combination Agreement

The principal terms of the Business Combination Agreement are set out below:

(a) Date

December 20, 2024

(b) Parties

(i) TechStar;

(ii) Target Company; and

(iii) Merger Sub (together, the "**Parties**").

To the best of the TechStar Directors' knowledge, information and belief, having made all reasonable enquiries, the Target Company and the Merger Sub and their ultimate beneficial owners are independent third parties of TechStar and its connected persons.

(c) Pre-Closing Actions

At the Effective Time, the following actions shall take place or be effected in the order set out below. The Target Company and Target Company Shareholders will restructure Target Company's share capital by effectuating the conversion of Target Company Preferred Shares and the Capitalization Issue as described in (i) to (iv) below.

(i) *Conversion of Target Company Preferred Shares*. Each Target Company Preferred Share (other than the Target Company Preferred Share designated as Series A preferred share) that is issued and outstanding immediately prior to the Effective Time will be converted into Target Company Ordinary Shares on a 1:1 basis in accordance with Target Company Articles. Each Target Company Preferred Share designated as Series A preferred share that is issued and outstanding immediately prior to the Effective Time will be converted into Target Company Ordinary Shares on a 1:3.57929 basis in accordance with the Target Company Articles.

(ii) *Organizational Documents of Target Company*. Upon the completion of the De-SPAC Transaction, Target Company Articles, as in effect immediately prior to the Effective Time, will be amended and restated to read in their entirety in the form of the amended and restated memorandum and articles of association of Target Company, and, as so amended and restated, will be the memorandum and articles of association of the Target Company, until thereafter amended in accordance with the terms thereof and the Cayman Companies Act.

(iii) *Capitalization Issue*. The Target Company will allot and issue such number of fully paid Target Company Shares at par value by way of capitalizing all or any part of any amount for the time being standing to the credit of the share premium account of the Target Company, on a pro rata basis to all Target Company Shareholders that appear on the register of members of the Target Company immediately prior to the Effective Time and after having completing the conversions specified in E(1)(c)(i) above (subject to rounding as provided in the Business Combination Agreement) (the "**Capitalization Issue**"), such that immediately after the Capitalization Issue, the share capital of the Target Company (on an outstanding share basis) will consist of such number of Target Company Ordinary Shares equal to the quotient obtained by dividing the Negotiated Value by HK$10.00.

(iv) *Treatment of Target Company Options*. Immediately following the Capitalization Issue, each Target Company Option outstanding as of the effective time of the Capitalization Issue (the "**Capitalization Issue Effective Time**") will, automatically and without any action on the part of any holder of such Target Company Option or beneficiary thereof, continue to be an option to purchase Target Company Ordinary Shares (collective, the "**Continuing Options**" and each a "**Continuing Option**") subject to substantially the same terms and conditions as were applicable to such Target Company Option immediately before the Capitalization Issue Effective Time (including expiration date and exercise or vesting provisions), except that: (A) each Continuing Option will be exercisable for that number of Target Company Ordinary Shares equal to the product (rounded down to the nearest whole Target Company Ordinary Share) of (1) the number of Pre-Capitalization Target Company Ordinary Shares subject to such Target Company Option immediately before the Capitalization Issue Effective Time multiplied by (2) the Capitalization Issue Factor; and (B) the per share exercise price for each Target Company Ordinary Share issuable upon exercise of the Continuing Option will be equal to the quotient obtained by dividing (1) the exercise price per Pre-Capitalization Target Company Ordinary Share of such Target Company Option, immediately before the Capitalization Issue Effective Time by (2) the Capitalization Issue Factor (rounded up to the nearest whole cent); provided, however, that the exercise price and the number of Target Company Ordinary Shares purchasable under each Continuing Option will, to the extent applicable, be subject to adjustments in accordance with applicable requirement of the Internal Revenue Code.

(v) *Treatment of Target Company RSUs*. Immediately following the Capitalization Issue, each Target Company RSU outstanding as of the Capitalization Issue Effective Time will, automatically and without any action on the part of any holder of such Target Company RSUs or beneficiary thereof, continue to be a restricted share unit covering such number of Target Company Ordinary Shares equal to the product (rounded down to the nearest whole Target Company Ordinary Share) of (1) the number of Pre-Capitalization Target Company Ordinary Shares subject to such Target Company RSU immediately before the Capitalization Issue Effective Time multiplied by (2) the Capitalization Issue Factor, subject to substantially the same terms and conditions as were applicable to such Target Company RSU immediately before the Capitalization Issue Effective Time (including expiration date, and vesting schedules and conditions).

(d) Merger

The Merger will be implemented by the Parties pursuant to which TechStar will become a directly wholly-owned subsidiary of the Successor Company and in consideration therefor, the TechStar Shareholders (other than the Redeeming TechStar Shareholders and, if applicable, the Dissenting TechStar Shareholders) will become shareholders of the Successor Company upon Closing.

The details of the Merger are set out below:

(i) *The Merger.* At the Effective Time, upon the terms and subject to the conditions of the Business Combination Agreement and in accordance with the applicable provisions of the TechStar Plan of Merger and the Cayman Companies Act, Merger Sub and TechStar will consummate the Merger, pursuant to which Merger Sub will merge with and into TechStar, following which the separate corporate existence of Merger Sub will cease and TechStar will continue as the surviving company after the Merger and become a directly wholly owned subsidiary of the Successor Company.

(ii) *Effective Time.* On the terms and subject to the conditions set forth in the Business Combination Agreement, on the Closing Date, TechStar and Merger Sub will execute and cause to be filed with the Cayman Registrar the TechStar Plan of Merger and other documents as may be required in accordance with the applicable provisions of the Cayman Companies Act or by any other applicable laws to make the Merger effective.

(iii) *Effect of the Merger.* At the Effective Time, all the property, rights, privileges, agreements, powers and franchises, debts, liabilities, duties and obligations of Merger Sub and TechStar will become that of TechStar as the surviving entity, being a directly wholly-owned subsidiary of the Successor Company.

(iv) *Organizational Documents of the surviving entity.* At the Effective Time, the TechStar Articles will be amended and restated and replaced in its entirety with the memorandum and articles of association of in agreed form between Target Company and TechStar, being the TechStar Private Company Memorandum and Articles.

(v) *Directors and Officers of the surviving entity.* At the Effective Time, the directors and officers of TechStar immediately prior to the Effective Time will resign, and the directors and officers of Merger Sub in each case duly appointed by the Target Company immediately prior to the Effective Time, will be the directors and officers of the surviving entity, each to hold office in accordance with the Organizational Documents of the surviving entity.

(e) Merger consideration

(i) *TechStar Class B Conversion*. Immediately prior to the Effective Time, each of TechStar Class B Shares that is issued and outstanding immediately prior to the Effective Time and held by the Promoters shall automatically be converted into one TechStar Class A Share in accordance with the terms of the TechStar Articles (such automatic conversion, the "**TechStar Class B Conversion**") and each such TechStar Class B Share shall no longer be issued and outstanding and shall be cancelled and cease to exist.

(ii) *TechStar Ordinary Shares*. At the Effective Time, (1) each TechStar Class A Share issued and outstanding immediately prior to the Effective Time (other than any TechStar Class A Shares issued or issuable upon the TechStar Class B Conversion, Redeeming TechStar Shares and Dissenting TechStar Shares) will automatically be cancelled and cease to exist in exchange for the right to receive 1.10 newly issued Successor Company Shares, and (2) each TechStar Class A Share issued or issuable upon the TechStar Class B Conversion, will automatically be cancelled and cease to exist in exchange for the right to receive one newly issued Successor Company Share. No fraction of a Successor Company Share will be issued, and each TechStar Shareholder that would otherwise be so entitled to a fraction of a Successor Company Share (after aggregating all fractional Successor Company Shares that otherwise would be received by such TechStar Shareholder) will instead be entitled to receive such number of Successor Company Shares to which such TechStar Shareholder would otherwise be entitled, rounded down to the nearest whole Successor Company Share.

(iii) *Exchange of TechStar Listed Warrants*. Each TechStar Listed Warrant issued and outstanding immediately prior to the Effective Time will automatically be cancelled and cease to exist in exchange for the right to receive one Successor Company Listed Warrant. Each Successor Company Listed Warrant will have and be subject to substantially the same terms and conditions as were applicable to such TechStar Listed Warrant immediately prior to the Effective Time (including any repurchase rights and cashless exercise provisions) in accordance with the provisions of the Successor Company Listed Warrant Instrument. All rights with respect to TechStar Shares underlying the TechStar Listed Warrants assumed by the Successor Company will be converted into rights with respect to the Successor Company Shares.

(iv) *Exchange of TechStar Promoter Warrants*. Each TechStar Promoter Warrant issued and outstanding immediately prior to the Effective Time will automatically be cancelled and cease to exist in exchange for the right to receive one Successor Company Promoter Warrant. Each Successor Company Promoter Warrant will have and be subject to substantially the same terms and conditions as were applicable to such TechStar Promoter Warrant immediately prior to the Effective Time (including any repurchase rights and cashless exercise provisions) in accordance with the provisions of the Successor Company Promoter Warrant Agreement. All rights with respect to TechStar Shares underlying the TechStar Promoter Warrants assumed by the Successor Company will be converted into rights with respect to the Successor Company Shares.

(v) *Redeeming TechStar Shares*. Each Redeeming TechStar Share issued and outstanding immediately prior to the Effective Time will automatically be cancelled and cease to exist and will represent only the right of the holder thereof to be paid a pro rata share of the TechStar Shareholder Redemption Amount in accordance with the TechStar Articles.

(vi) *Dissenting TechStar Shares*. Each Dissenting TechStar Share issued and outstanding immediately prior to the Effective Time held by a Dissenting TechStar Shareholder will automatically be cancelled and cease to exist and will represent only the right of such Dissenting TechStar Shareholder to be paid the fair value of such Dissenting TechStar Share and such other rights pursuant to Section 238 of the Cayman Companies Act.

Please refer to "H. Effect of the De-SPAC Transaction on Shareholdings in TechStar and the Successor Company" for details of the shareholding impact of the De-SPAC Transaction on the shareholders of TechStar and the Target Company.

(f) Conditions to Closing

(1) Conditions to the obligations of TechStar, Merger Sub and the Target Company

The obligations of TechStar, Merger Sub and the Target Company to complete the De-SPAC Transaction are subject to the satisfaction of the following conditions (or if permitted by applicable law, waived by written agreement):

(i) TechStar Shareholders' approval and Target Company Shareholders' approval shall have been obtained and remain valid;

(ii) The Business Combination Agreement, as amended, shall remain enforceable and valid;

(iii) Target Company shall have received and maintained written approval from the Stock Exchange for listing the Successor Company Shares and Successor Company Listed Warrants, and shall meet all new listing requirements;

(iv) Target Company shall have completed the CSRC filings related to the De-SPAC Transaction;

(v) No governmental authority shall enact any law or order that makes the Closing illegal or prohibits its consummation, and all required regulatory approvals for the De-SPAC Transaction shall have been obtained or waived;

(vi) The Capital Restructuring shall have been completed; and

(vii) The proceeds from the PIPE Investments shall be at least HK$500,000,000 and meet the independent third-party investment requirements under modified Rule 18B.41 of the Listing Rules, or comply with any waiver granted by the Stock Exchange, with all PIPE Investment Agreements remaining enforceable and valid.

(2) Additional conditions to the obligations of TechStar

The obligations of TechStar to complete the De-SPAC Transaction are subject to the satisfaction of the following additional conditions (or if permitted by applicable law, waived in writing by TechStar):

(i) Certain representations and warranties shall be true and correct in all respects as of the Closing Date. All other representations and warranties of the Target Company and Merger Sub shall be true and correct in all material respects except where the failure of such representations and warranties to be so true and correct, individually or in the aggregate, has not had, and would not reasonably be expected to have, a Target Company material adverse effect as set out in the Business Combination Agreement;

(ii) All obligations and covenants of the Target Company and Merger Sub set forth in the Business Combination Agreement to be performed by the Closing Date shall have been performed in all material respects, unless a specific materiality qualifier or similar exception applies, in which case they shall have been fully performed;

(iii) There shall have not been a Target Company material adverse effect following the date of the Business Combination Agreement that is continuing and uncured; and

(iv) TechStar shall have received a closing certificate signed by an authorized officer of Target Company.

(3) Additional conditions to the obligations of the Merger Sub and the Target Company

The obligations of the Target Company to complete the De-SPAC Transaction are subject to the satisfaction of the following additional conditions (or if permitted by applicable law, waived in writing by the Target Company):

(i) Certain representations and warranties shall be true and correct in all respects as of the Closing Date. All other representations and warranties of TechStar shall be true and correct in all material respects except where the failure of such representations and warranties to be so true and correct, individually or in the aggregate, has not had, and would not reasonably be expected to have, a TechStar material adverse effect as set out in the Business Combination Agreement;

(ii) All obligations and covenants of TechStar set forth in the Business Combination Agreement to be performed by the Closing Date shall have been performed in all material respects, unless a specific materiality qualifier or similar exception applies, in which case they shall have been fully performed;

(iii) There shall have not been a TechStar material adverse effect following the date of the Business Combination Agreement that is continuing and uncured; and

(iv) The Target Company shall have received a closing certificate and certain transaction expense certificate signed by an authorized officer of TechStar.

(g) Termination

The Business Combination Agreement may be terminated prior to the Effective Time only as follows:

(i) by mutual written consent of the Target Company and TechStar;

(ii) by written notice from the Target Company or TechStar to the other if any governmental authority shall have enacted, issued, promulgated, enforced or entered any governmental order which has become final and non-appealable and has the effect of making consummation of the transactions illegal or otherwise preventing or prohibiting consummation of the transactions;

(iii) by written notice from the Target Company to TechStar if the TechStar Board or any committee thereof has withheld, withdrawn, qualified, amended or modified, or publicly proposed or resolved to withhold, withdraw, qualify, amend or modify, the TechStar Board recommendation;

(iv) by written notice from the Target Company to TechStar if the TechStar Shareholders' approval shall not have been obtained by reason of the failure to obtain the required vote at the TechStar Shareholders' meeting duly convened therefor or at any adjournment or postponement thereof in accordance with the Business Combination Agreement;

(v) by written notice from TechStar to the Target Company if the Target Company Shareholders' approval shall have been withheld, withdrawn, qualified, amended or modified;

(vi) by written notice from TechStar to the Target Company if there is any breach of any representation, warranty, covenant or agreement on the part of the Target Company or a merger sub set forth in the Business Combination Agreement, such that the conditions set out in "– (f) Conditions to Closing – (2) Additional conditions to the obligations of TechStar" would not be satisfied at the relevant Closing Date (a "**Terminating Company Breach**"), except that, if such Terminating Company Breach is curable by the Target Company or such merger sub then, for a period of up to 30 days after receipt by the Target Company of written notice from TechStar of such breach, such termination shall not be effective, and such termination shall become effective only if the Terminating Company Breach is not cured within such 30-day period, provided that TechStar shall not have the right to terminate the Business Combination Agreement if it is then in material breach of any of its representations, warranties, covenants or agreements set forth in the Business Combination Agreement;

(vii) by written notice from the Target Company to TechStar if there is any breach of any representation, warranty, covenant or agreement on the part of TechStar set forth in the Business Combination Agreement, such that the conditions set out in "– (f) Conditions to Closing – (3) Additional conditions to the obligations of the Merger Sub and the Target Company" would not be satisfied at the relevant Closing Date ("**Terminating TechStar Breach**"), except that if any such Terminating TechStar Breach is curable by TechStar then, for a period of up to 30 days after receipt by TechStar of written notice from the Target Company of such breach, such termination shall not be effective, and such termination shall become effective only if the Terminating TechStar Breach is not cured within such 30-day period, provided that Target Company shall not have the right to terminate the Business Combination Agreement pursuant to the Section 10.1(g) if it is then in material breach of any of its representations, warranties, covenants or agreements set forth in the Business Combination Agreement;

(viii) by written notice from TechStar or the Target Company to the other, if the transactions contemplated by the Business Combination Agreement shall not have been consummated on or prior to September 30, 2025 (the "**Outside Date**"); provided that the right to terminate the Business Combination Agreement will not be available to any party whose breach of any provision of the Business Combination Agreement primarily caused or resulted in the failure of the transactions to be consummated by such time, provided, further that, to the extent permitted under the TechStar Articles and applicable law, the Outside Date may be extended to a later date by mutual written consent of the Target Company and TechStar, in which case such later date shall be deemed the "Outside Date"; or

(ix) by written notice from TechStar or the Target Company to the other, if any of the PIPE Investment Agreements are terminated resulting in the value of minimum independent third-party investment being less than HK$500 million and such shortfall is not cured within 30 business days following such termination, provided that Target Company's ability to terminate the Business Combination Agreement pursuant to this clause is subject to certain limitations.

Upon termination of the Business Combination Agreement, such agreement will become void and have no effect and the De-SPAC Transaction will not proceed, except that certain surviving provisions will survive termination.

(h) Closing

Closing will occur immediately upon completion of the transactions contemplated to take place immediately after the Effective Time, including, but not limited to, the transactions set out in "– (e) Merger consideration" above.

Subject to the satisfaction (or if applicable and permitted by law, waiver) of the Conditions, it is currently expected that Closing will take place in the second quarter of 2025.

2. Bonus Share Issue

As explained in "E. The Business Combination Agreement – 1. Principal terms of the Business Combination Agreement – (e) Merger consideration" above, immediately following the Effective Time, each TechStar Class A Share issued and outstanding immediately prior to the Effective Time (other than any TechStar Class A Shares issued or issuable upon the TechStar Class B Conversion, Redeeming TechStar Shares and Dissenting TechStar Shares) will automatically be cancelled and cease to exist in exchange for the right to receive 1.10 newly issued Successor Company Shares. No fraction of a Successor Company Share will be issued, and each TechStar Shareholder that would otherwise be so entitled to a fraction of a Successor Company Share (after aggregating all fractional Successor Company Shares that otherwise would be received by such TechStar Shareholder) will instead be entitled to receive such number of Successor Company Shares to which such TechStar Shareholder would otherwise be entitled, rounded down to the nearest whole Successor Company Share.

The entitlement of the Relevant TechStar Class A Shareholders to receive the Bonus Shares, being the additional one tenth (0.1) of a newly issued Successor Company Share for each TechStar Class A Share held by them, is intended to disincentivize the TechStar Shareholders from exercising their Redemption Right and Appraisal Right in connection with the De-SPAC Transaction and to become shareholders of the Successor Company upon completion of the De-SPAC Transaction. The number of Bonus Shares to be issued was determined through commercial negotiations among the parties to the Business Combination Agreement, with reference to the estimated Redemption Price.

For the avoidance of doubt, (i) if a Relevant TechStar Class A Shareholder has validly exercised its Redemption Right with respect to a portion (but not all) of its TechStar Class A Shares, such Relevant TechStar Class A Shareholder will receive Bonus Shares with respect to such portion of its TechStar Class A Shares that it has not elected to redeem pursuant to the exercise of the Redemption Right, and (ii) a Dissenting TechStar Shareholder (even if such shareholder fails to perfect in accordance with the prescribed statutory procedure or withdraws or otherwise loses his, her or its Appraisal Right pursuant to the Cayman Companies Act and receives one newly issued Successor Company Share for each Dissenting TechStar Share) will not receive any Bonus Shares with respect to all of his, her or its Dissenting TechStar Shares.

The Bonus Share Issue forms part of the transactions contemplated under the Business Combination Agreement as part of the De-SPAC Transaction, which is subject to the approval of the TechStar Shareholders at the EGM by ordinary resolution.

3. Basis of the Negotiated Value of the Target Company

The negotiated value of the Target Company in the De-SPAC Transaction (the "**Negotiated Value**") is HK$11.7 billion. The Negotiated Value represents the fair value of the Target Company and was determined through arm's length negotiations with the PIPE Investors (who have undertaken independent due diligence on the Target Company) with reference to:

(a) *Most recent round of pre-listing investment:* The Target Company raised an aggregate of US$144 million from four investors in the most recent round of pre-listing investment in 2023. The Target Company's post-money valuation after this round of investment was HK$10.9 billion, which was determined through arm's length negotiations between the Target Company and the then investors, with reference to (i) the business prospects of global LiDAR solutions, (ii) increase in sales volume of the Target Company's products during the material time; (iii) the Target Company's continued investment in R&D and product development through the material time which led to the launch of Robin Series (the Target Company's mid-range compact LiDAR solutions targeting urban low-to-medium speed application scenarios); and (iv) the valuation of comparable companies in the industry. The Negotiated Value represents an approximately 7.4% increase from such valuation.

(b) *Business development and performance:* The Target Group has demonstrated significant growth in recent years. The Target Group began volume production and delivery of its Falcon series LiDAR solutions for installation on several models of NIO Inc. in 2022 and on additional models in 2023. Other OEM and ADAS or AD companies have also selected its LiDAR solutions for integration in a number of their models or ADAS systems, which have begun volume production and delivery. The Target Group generated unaudited total revenue of US$4.6 million, US$66.3 million, US$121.1 million and US$66.1 million in 2021, 2022, 2023 and the six months ended June 30, 2024, respectively.

(c) *Business prospects:* The market size of global LiDAR solutions is expected to reach US$4.0 billion by 2024 and further grow to US$65.2 billion in 2030, representing CAGR of 59.5%, according to CIC. The market size of global LiDAR solutions for ADAS applications is expected to reach US$1.9 billion by 2024 and US$23.2 billion by 2030, representing a CAGR of 52.4%, according to CIC. The market size of global LiDAR solutions for AD applications is expected to reach US$0.9 billion by 2024 and further to US$28.6 billion by 2030, representing a CAGR of 78.8%, according to CIC.

The funds raised from TechStar's initial offering prior to any redemptions amounted to HK$1,001,000,000. For the purpose of Rule 18B.39 of the Listing Rules, 80% of such amount is HK$800,800,000 (the "**Benchmark Value**"). The TechStar Board and the Joint Sponsors are of the view that the Target Company has a fair market value exceeding the Benchmark Value as of the date of the Business Combination Agreement on the basis that the Negotiated Value is greater than the Benchmark Value by approximately 1,361.0%, and such Negotiated Value, having been determined by negotiations with the PIPE Investors who have undertaken independent due diligence on the Target Company, provides support for the valuation of the Target Company and represents the fair market value of the Target Company. In particular, each of PIPE Investors satisfies the relevant "sophisticated investor" requirements under the Listing Rules as discussed in "F. PIPE Investments – 4. Information on the PIPE Investors" below.

4. Board of Directors of the Successor Company

Immediately after the Effective Time, the board of directors of the Successor Company is expected to comprise five directors, as follows:

(a) two executive directors, who will be Dr. Bao Junwei and Dr. Li Yimin; and

(b) three independent non-executive directors, who will be Ms. Chen Changling, Mr. Costas John Spanos and Mr. Maximilian Ibel.

F. PIPE INVESTMENTS

On December 20, 2024, TechStar and the Target Company have entered into the PIPE Investment Agreements with the PIPE Investors as set out below.

1. Principal terms of the PIPE Investments

(a) Subject Matter

Pursuant to the PIPE Investment Agreements, the PIPE Investors have conditionally agreed to subscribe for, and the Target Company (in its capacity as the Successor Company) has conditionally agreed to issue to the PIPE Investors, the PIPE Investment Shares at the price of HK$10.00 per PIPE Investment Share.

The price of PIPE Investment Share at HK$10.0 represents a premium of approximately 5.26% to the average closing price of approximately HK$9.5 per TechStar Class A Shares as quoted on the Stock Exchange for the last five trading days of TechStar Class A Shares immediately prior to the date of this announcement.

(b) Conditions Precedent

The obligations of each PIPE Investor and the Successor Company to consummate the PIPE Investments pursuant to the relevant PIPE Investment Agreements are subject to the satisfaction of the following conditions (or if applicable, waived by the PIPE Investor and/or the Successor Company in writing as applicable to the extent permitted by applicable law):

Conditions to obligations of all parties

(i) all approvals required for the completion of the De-SPAC Transaction (including, without limitation, the shareholders' approval of TechStar, the shareholders' approval of the Target Company, and the approval granted by the Listing Committee for the purpose of authorizing the listing of, and permission to deal in, the Successor Company Shares and Successor Company Warrants) have been obtained and have not been withdrawn;

(ii) all conditions precedent to the closing of the De-SPAC Transaction as set forth in the Business Combination Agreement shall have been fulfilled (as determined by the parties to the Business Combination Agreement) or validly waived in accordance with the terms thereof (other than those conditions which, by their nature can only be satisfied at the closing of the De-SPAC Transaction, provided, however, that such conditions shall be satisfied or validly waived prior to or at the closing of the De-SPAC Transaction), and the closing of the PIPE investment shall occur concurrently with the closing of the De-SPAC Transaction; and

(iii) no Law has been enacted or promulgated by any Governmental Authority (as defined in the PIPE Investment Agreements) prohibiting the transactions contemplated in the PIPE Investment Agreements and the Business Combination Agreement, and there is no valid order or injunction from a court of competent jurisdiction precluding or prohibiting the consummation of such transactions.

Conditions to obligations of the PIPE Investors

(i) the representations and warranties made by TechStar and the Target Company in the respective PIPE Investment Agreements shall be true and accurate in all material respects at and as of the closing of the subscription of the PIPE Investor Shares (except with respect to such representations and warranties which speak as to an earlier date, which representations and warranties shall be true and correct in all material respects at and as of such date), except where the failure of such representations and warranties to be so true and correct, individually or in the aggregate, has not had, and would not reasonably be expected to have a material adverse effect on the ability of TechStar and the Target Company to consummate the De-SPAC Transaction and the subscription, as applicable; and

(ii) each of the obligations and covenants of TechStar and the Target Company as set forth in the PIPE Investment Agreements and to be performed, satisfied or complied with as of or prior to the closing of the subscription of the PIPE Investor Shares shall have been performed in all material respects.

Conditions to obligations of the Successor Company

(i) The representations and warranties made by the PIPE Investor therein shall be true and accurate in all material respects at and as of the closing of the subscription of the PIPE Investor Shares (except with respect to such representations and warranties which speak as to an earlier date, which representations and warranties shall be true and correct in all material respects at and as of such date), except where the failure of such representations and warranties to be so true and correct, individually or in the aggregate, has not had, and would not reasonably be expected to have a material adverse effect on the ability of PIPE Investor to consummate the subscription; and

(ii) each of the obligations and covenants of the PIPE Investor as set forth in PIPE Investment Agreements and to be performed as of or prior to the closing of the subscription of the PIPE Investor Shares shall have been performed, satisfied or complied with in all material respects.

(c) Closing

The PIPE Investors will subscribe for the PIPE Investment Shares contemporaneously with the closing of the Merger, at such time and in such manner as shall be determined by TechStar and the Target Company.

(d) Termination

Each of the PIPE Investment Agreements may be terminated in the following circumstances:

(i) by the Target Company, in the event that (x) the PIPE Investor fails to pay the purchase price of the PIPE Investment Shares (whether in whole or in part) at the time and in the manner set out in the PIPE Investment Agreement, or (y) if any of the warranties, undertakings, representations or acknowledgements made by the PIPE Investor ceases to be accurate and complete or becomes misleading in any respect;

(ii) with the written consent of all the parties to the PIPE Investment Agreement or for PIPE Investor, by written notice given by either party to terminate such PIPE Investment Agreement;

(iii) the date on which the Business Combination Agreement is validly terminated in accordance with the terms thereof; or

(iv) if the closing of the subscription of the PIPE Investor Shares (other than as a result of a breach of the PIPE Investor's obligations) has not occurred within thirty (30) days after the Outside Date; provided that (i) the PIPE Investor shall not have the right to terminate PIPE Investment Agreements in the event of a breach by the PIPE Investor of any of its covenants or obligations hereunder that directly or indirectly results in the failure to consummate the transactions contemplated by the Business Combination Agreement on or prior to the closing of the subscription of the PIPE Investor Shares; and (ii) nothing in PIPE Investment Agreements shall relieve any of the parties from liability for any willful breach of PIPE Investment Agreements prior to termination, and each of the parties shall be entitled to any remedies available to it at law or in equity for losses, liabilities or damages arising from any such willful breach.

(e) Restrictions on PIPE Investors

The PIPE Investors agree that:

(i) except with the prior written consent of TechStar and the Target Company, the aggregate shareholding (directly and indirectly) of each PIPE Investor and its close associates shall be less than 10% of the total issued share capital of the Successor Company (or such other percentage as may be prescribed by the Listing Rules from time to time for the purpose of the definition of substantial shareholder, or such other percentage as may from time to time be specified by the Stock Exchange for the purpose of constituting a public shareholder). The PIPE Investor shall provide written notice to TechStar and the Target Company if it reasonably expects that the aggregate shareholding (directly and indirectly) of the PIPE Investor and its close associates in the entire issued share capital of the Successor Company will reach or exceed 10% (or such other percentage applicable to substantial shareholder(s) as the Listing Rules may ascribe from time to time);

(ii) other than PIPE Investment Agreements, the PIPE Investor and its respective close associates, directors, officers, employees or agents will not enter into any other arrangement or agreement, including any side letter, with TechStar, the controlling shareholders of TechStar, the Target Company, Promoters, Controlling Shareholders or their respective close associates, directors, officers, employees or agents in each case in connection with the De-SPAC Transaction; and

(iii) the PIPE Investor may transfer all or a portion of the PIPE Investor Shares to any wholly owned subsidiary of the PIPE Investor provided that following conditions are met:

(A) Prior to such transfer, such subsidiary of the PIPE Investor shall make a written undertaking (addressed to SPAC and the Target Company in terms reasonably satisfactory to them) agreeing to, and the PIPE Investor shall undertake to procure such subsidiary of the PIPE Investor to, be bound by the obligations of the PIPE Investor under the PIPE Investment Agreement, as if such subsidiary was a party to this Agreement and subject to such obligations and restrictions hereto;

(B) Such subsidiary of the PIPE Investor is deemed to have made the same representations and warranties under the PIPE Investment Agreement;

(C) The PIPE Investor and such subsidiary of the PIPE Investor are deemed to be investors holding all of the PIPE Investor Shares and are jointly and severally subject to all of the liabilities and obligations imposed by PIPE Investment Agreement; and

(D) Such subsidiary of the PIPE Investor is (x) a qualified institutional buyer or (y) is located outside the United States, and will purchase the PIPE Investor Shares in an offshore transaction pursuant to Regulation S under the U.S. Securities Act.

The restrictions on PIPE Investors shall not contravene any applicable Listing Rules. In the event of any discrepancy or conflict between these restrictions and the Listing Rules, the Listing Rules shall prevail.

2. PIPE Investment Amount

Details of the respective PIPE Investment Amount for the subscription of PIPE Investment Shares by each PIPE Investor are set out below:

Name of PIPE Investors	Amount of PIPE Investment	Number of Successor Company Shares to be issued to the relevant PIPE Investor	PIPE Investment amount of the relevant PIPE Investor as a percentage of Negotiated Value of the Target Company	Percentage of the interests held by the relevant PIPE Investor in the Successor Company upon completion of the De-SPAC Transaction (assuming full redemption of TechStar Class A Shares) (1)	Percentage of the interests held by the relevant PIPE Investor in the Successor Company upon completion of the De-SPAC Transaction (assuming no redemption of TechStar Class A Shares) (2)
Huangshan Construction Investment Capital	HK$387,500,000	38,750,000	3.31%	3.10%	2.85%
Wealth Strategy	HK$156,000,000	15,600,000	1.33%	1.25%	1.15%
Zhuhai Hengqin Huagai	HK$7,800,000	780,000	0.07%	0.06%	0.06%
Total	**HK$551,300,000**	**55,130,000**	**4.71%**	**4.41%**	**4.06%**

Note:

(1) Assuming (i) the Capital Restructuring is completed; (ii) all TechStar Shareholders elect to redeem all TechStar Class A Shares and/or exercise their Appraisal Right in full; (iii) there is no exercise of warrants; and (iv) no new share of the Target Company is issued before the De-SPAC Transaction.

(2) Assuming (i) the Capital Restructuring is completed; (ii) no TechStar Shareholders elect to redeem any TechStar Class A Shares and/or exercise their Appraisal Right; (iii) there is no exercise of warrants; and (iv) no new share of the Target Company is issued before the De-SPAC Transaction.

The PIPE Investment Amount for each PIPE Investment was determined after arm's length negotiation between the parties to the respective PIPE Investment Agreements taking into account the pre-money equity value of the Target Company of HK$11.7 billion, the effect of the De-SPAC Transaction on shareholdings in the Successor Company, the current development plan of the Target Company and its need for proceeds.

The PIPE Investment Amount is expected to be funded by the respective PIPE Investors by internal funds. At least three Business Days prior to the scheduled date of closing of the PIPE Investments, each PIPE Investor will deliver to the Target Company its respective PIPE Investment Amount in Hong Kong dollars by wire transfer in immediately available funds without any deduction or set-off to the bank account specified by the Target Company to be held in escrow until the closing of the PIPE Investments.

3. Total Funds to be Raised from Independent PIPE Investors

Pursuant to the modified Rule 18B.41 of the Listing Rules, the total funds raised from independent third-party investors must constitute at least the prescribed percentage of the negotiated value of the De-SPAC target, or HK$500 million, whichever is lower.

As the total funds to be raised from the PIPE investments amount to approximately HK$551.3 million, exceeding HK$500.0 million, the minimum independent third-party investment requirement under Rule 18B.41 of the Listing Rules as modified by the Stock Exchange has been satisfied. Please refer to the subsection headed "F. PIPE Investment – 4. Information on the PIPE Investors" below for more details of the eligibility of relevant PIPE Investors.

4. Information on the PIPE Investors

(a) Huangshan Construction Investment Capital

Huangshan Construction Investment Private Equity Fund Management Co., Ltd. (黃山建投私募基金管理有限公司) ("**Huangshan Construction Investment Capital**") is a limited liability company incorporated in the PRC with a paid-up share capital of RMB50.0 million. It is a wholly-owned subsidiary of Huangshan Construction Investment Group Co., Ltd. (黃山市建設投資集團有限公司) ("**Huangshan Construction Investment Group**"), which is in turn wholly owned by the State-owned Assets Supervision and Administration Commission of the People's Government of Huangshan City (黃山市人民政府國有資產監督管理委員會).

Huangshan Construction Investment Capital is a platform of Huangshan Construction Investment Group with functions of professional private equity investment, equity investment management and capital operation, which wholly owns Huangshan Construction Investment (Hong Kong) International Limited in Hong Kong as its offshore arm. Huangshan Construction Investment Capital are experienced in merge and acquisition and onshore and offshore investment, such as the acquisition of Changzhou NRB Corporation (常州光洋軸承股份有限公司) ("**NRB**"), a company listed on the Shenzhen Stock Exchange (stock code: 002708) and the subscription as a cornerstone investor in the initial public offering of Ruichang International Holdings Limited on the Stock Exchange (stock code: 1334).

Huangshan Construction Investment Group is a Class I state-owned capital investment and operation company of Huangshan City with a registered capital of RMB5.0 billion, which owns approximately 90 affiliates, including NRB. The main functions of Huangshan Construction Investment Group include investment and financing of urban and rural construction, comprehensive urban operations, investment and development of strategic and emerging industries, and development and operation of industrial zone, focusing on urban and rural construction, modern service industry, logistics and trade, energy and resources industry, and investment in strategic emerging industry. Huangshan Construction Investment Group assumes the responsibility of development and construction of key projects, industrial investment and caption operation of Huangshan City. As of June 30, 2024, Huangshan Construction Investment Group's credit rating was AA+ and had total assets of approximately RMB50 billion and a diverse investment portfolio size of over RMB10 billion.

(b) Wealth Strategy

Wealth Strategy Holding Limited (富策控股有限公司) ("**Wealth Strategy**") is a company incorporated in Hong Kong and wholly owned by Wealth Strategy Group Limited, an investment company incorporated in the British Virgin Islands, which is wholly owned by Mr. Kung Hung Ka (龔虹嘉). Wealth Strategy holds approximately 3.76% of the equity interests in Zero2IPO Holdings Inc. (the holding company of Zero2IPO Capital Limited, being one of the Promoters) and controlled 30,910,000 TechStar Class A Shares, representing 24.71% of total issued TechStar Shares. Mr. Kung Hung Ka is a non-executive director of Zero2IPO Holdings Inc. and is also a director of Zero2IPO Consulting Group Co., Ltd., being one of the Promoters. Wealth Strategy is an investment holding company and had a diverse investment portfolio size of over HK$8.0 billion as of June 30, 2024, which invests directly or indirectly in life sciences, medicine, education, Internet and technology, media & telecommunications (TMT) industry.

(c) Zhuhai Hengqin Huagai

Zhuhai Hengqin Huagai Jiuyuan Investment Company Limited (珠海橫琴華蓋玖元股權投資有限公司) (“**Zhuhai Hengqin Huagai**”) is a limited liability company established under the laws of the PRC. Zhuhai Hengqin Huagai is a wholly-owned subsidiary of Huagai Capital Co., Ltd. (華蓋資本有限責任公司) (“**Huagai Capital**”), being one of investment arms of Huagai Capital. Zhuhai Hengqin Huagai holds 0.1459% of the equity interests in Zero2IPO Consulting Group Co., Ltd., being one of the Promoters.

Huagai Capital is a company established under the laws of the PRC and is ultimately controlled by Xu Xiaolin (許小林) and Lu Binghui (鹿炳輝), each of whom is an independent third party and a founder of Huagai Capital. Huagai Capital primarily invests in emerging growth companies with a focus on healthcare and technology industry. As of June 30, 2024, the amount of assets under management by Huagai Capital exceeded RMB10.0 billion.

To the best of the TechStar Directors’ knowledge, information and belief having made all reasonable enquiries, (i) each of the PIPE Investors satisfies the independence requirements as set out in Chapter 2.4 of the Guide for New Listing Applicants; (ii) each of the PIPE Investors is a Professional Investor; and (iii) each of the PIPE Investors satisfies the “sophisticated investor” requirements as set out in Chapter 2.4 of the Guide for New Listing Applicants.

5. Use of Proceeds

The gross proceeds from the PIPE Investments will be approximately HK$551.3 million. The gross proceeds arising from the PIPE Investments, after deduction of fees, commissions and expenses, will be used for the following:

(a) approximately 40% will be used on research and development to upgrade new LiDAR architectures, devices, and software, as well as team expansion for supporting research and development initiatives of the Target Group;

(b) approximately 25% will be used for build-out of self-operated manufacturing facilities and upgrade of existing production lines of the Target Group;

(c) approximately 15% will be used for roll-out and optimization of supply chain, including development and investment in upstream suppliers to deepen Target Group’s collaborations with them, enhance their capacity, and accelerate production; in particular, as the Target Group establish its “dual-supplier” system, it plans to invest in its supplier management system to build close supplier relationships, monitor and control raw material quality, and test and verify procured raw materials;

(d) approximately 10% for global expansion, including business development and sales and marketing efforts; and

(e) approximately 10% for general corporate purposes, which may include working capital needs and potential strategic investments and acquisitions, although the Target Group has not identified any specific investments or acquisition opportunities at this time.

Further details of the use of proceeds will be set out in the Circular.

G. OTHER ARRANGEMENTS

1. Promoters Lock-up Agreement

Concurrently with the execution of the Business Combination Agreement, TechStar, the Target Company and the Promoters entered into an agreement, pursuant to which, among other things, and subject to the terms and conditions set forth therein, each of the Promoters has agreed (a) not to transfer the Successor Company Shares to be received by such Promoter for a period of 12 months from the date of Closing, and (b) to unconditionally and irrevocably waive their Appraisal Right pursuant to the Cayman Companies Act in respect to all TechStar Shares held by such Promoter with respect to the Merger.

2. Target Company Shareholder Lock-up Agreement

Concurrently with the execution of the Business Combination Agreement, TechStar, the Target Company and the Controlling Shareholders (including Dr. Bao Junwei, High Altos Limited and Phthalo Blue LLC) entered into an agreement, pursuant to which, among other things, and subject to the terms and conditions set forth therein, each of the Controlling Shareholders will agree not to transfer the Successor Company Shares to be received by such holder and controlled through the Voting Proxy Agreements for a period of six months from the date of Closing.

3. Successor Company Listed Warrant Instrument

On or prior to the Closing Date, the Target Company will approve and adopt the listed warrant instrument by way of deed poll, to take effect at the Effective Time and containing the terms and conditions of the Successor Company Listed Warrants, which are substantially the same as the terms and conditions of the TechStar Listed Warrants under the TechStar Listed Warrant Instrument. Details of the terms and conditions of the Successor Company Listed Warrants will be disclosed in the Circular.

4. Successor Company Promoter Warrant Agreement

On or prior to the Closing Date, the Target Company, the Promoters and certain other parties named therein will enter into a warrant agreement, to take effect at the Effective Time and containing the terms and conditions of the Successor Company Promoter Warrants, which are substantially the same as the terms and conditions of the TechStar Promoter Warrants under the TechStar Promoter Warrant Agreement. Details of the terms and conditions of the Successor Company Promoter Warrants will be disclosed in the Circular.

5. Amendment of the TechStar Listed Warrant Instrument

Pursuant to condition 11.2(a)(iii) of the terms and conditions of the TechStar Listed Warrants set out in schedule 2 to the TechStar Listed Warrant Instrument, the TechStar Board has resolved to add the following new clause 5A to the TechStar Listed Warrant Instrument:

“5A. Exchange of Listed Warrants for Successor Company Listed Warrants and Termination of This Instrument

In the event that the Successor Company which is listed on the Stock Exchange upon the completion of a De-SPAC Transaction is the De-SPAC Target and not the Company:

(a) each Listed Warrant may by a resolution of the board of directors of the Company be cancelled in exchange for an equivalent listed warrant in the Successor Company on substantially the same terms and conditions as the Listed Warrants; and

(b) this Instrument may by a resolution of the board of directors of the Company be terminated upon the Successor Company executing a warrant instrument with substantially similar terms and conditions as this Instrument.”

For avoidance of doubt, the Company in new clause 5A refers to TechStar and Listed Warrant in new clause 5A refers to TechStar Listed Warrants.

The TechStar Board has deemed that the addition of clause 5A to the TechStar Listed Warrant Instrument (a) would not adversely affect the rights of the holders of the TechStar Listed Warrants in any material respect, on the basis that each TechStar Listed Warrant will be exchanged for an equivalent Successor Company Listed Warrant on substantially similar terms and conditions, and the Successor Company will assume each such TechStar Listed Warrant in accordance with its terms, and (b) is necessary or desirable to give effect to the arrangements of the De-SPAC Transaction with respect to the TechStar Listed Warrants. Based on the above and pursuant to the terms and conditions of the TechStar Listed Warrant Instrument, the amendment to the TechStar Listed Warrant Instrument does not require the consent of any holder of the TechStar Listed Warrants but is subject to the approval of the Stock Exchange under Rule 15.06 of the Listing Rule.

A notice of the above amendment to the TechStar Listed Warrant Instrument will be given to the holders of the TechStar Listed Warrants by way of an announcement published on the websites of the Stock Exchange and TechStar.

6. Permitted Equity Financing

From the date of the Business Combination Agreement until the Effective Time, TechStar and the Target Company may (1) enter into one or more permitted equity subscription agreements in substantially the same form as the PIPE Investment Agreements with one or more Professional Investors, and/or (2) execute a placing agreement with one or more placing agents for placement of Successor Company Shares, in each case at the price of HK$10.00 per share, for an aggregate subscription amount of up to HK$500,000,000 that would constitute a Permitted Equity Financing. The Permitted Equity Financing, if any, will be subject to approval by the TechStar Shareholders at the EGM, together with the De-SPAC Transaction as one resolution. Details of any Permitted Equity Financing will be announced by TechStar.

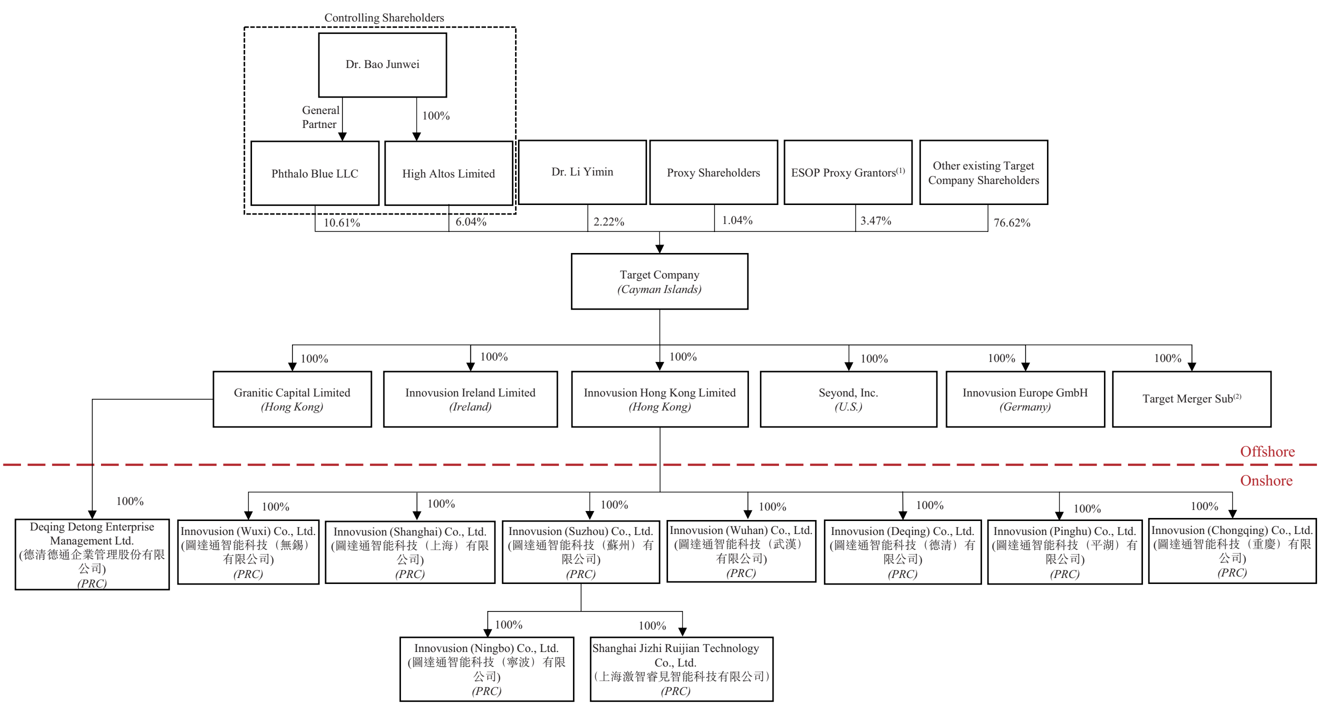
H. EFFECT OF THE DE-SPAC TRANSACTION ON SHAREHOLDINGS IN TECHSTAR AND THE SUCCESSOR COMPANY

For a description of the effect of the Merger on issued securities of TechStar and the Merger Sub, please refer to "E. The Business Combination Agreement – 1. Principal terms of the Business Combination Agreement – (e) Merger consideration".

TechStar Class A Shareholders (excluding any TechStar Class A Shares issued or issuable upon the TechStar Class B Conversion, Redeeming TechStar Shares and Dissenting TechStar Shares) and TechStar Class B Shareholder(s) will become shareholders of the Successor Company together with the PIPE Investors and the existing shareholders of the Target Company.

1. Corporate Structure

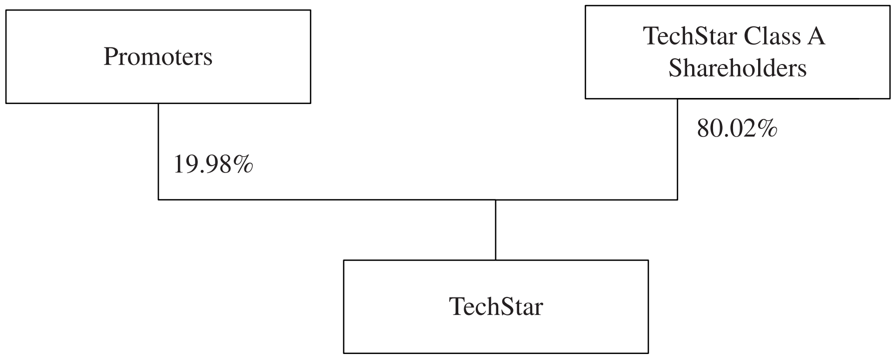
Simplified corporate structure charts of the Target Group and TechStar immediately prior to the De-SPAC Transaction are set out below:



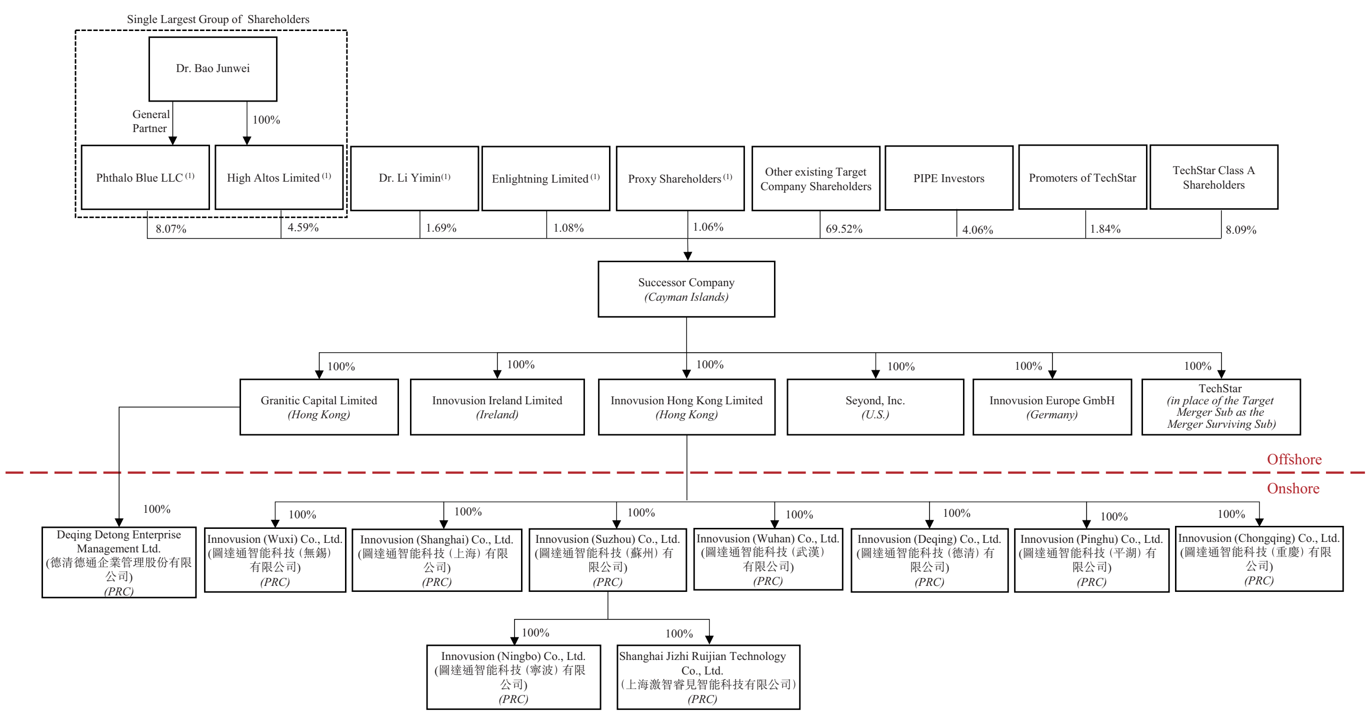
Notes:

(1) The voting proxy granted by the ESOP Proxy Grantors will terminate upon the Closing pursuant to the terms of the Award Agreements and the Trust Deed. Accordingly, Shares held by the ESOP Proxy Grantors will be counted towards public float upon the Closing. For identities of the ESOP Proxy Grantors, see "Definitions" below.

(2) Following the De-SPAC Transaction, the separate existence of Merger Sub will cease and TechStar will continue as the surviving entity and become a directly wholly-owned subsidiary of the Successor Company.



The simplified corporate structure chart of the Successor Group immediately upon Closing (assuming (i) the Capital Restructuring is completed; (ii) no TechStar Class A Shareholders exercise their Redemption Right; (iii) no TechStar Class A Shareholders exercise their Appraisal Right; (iv) 55,130,000 Successor Company Shares are issued to the PIPE Investors pursuant to the PIPE Investment Agreements; and (v) there is no Permitted Equity Financing) is set out below:



Note:

(1) Upon completion of the De-SPAC Transaction, the voting rights attached to the Successor Company Shares held by these shareholders of the Successor Company will not count towards the public float.

2. Expected Shareholding and Voting Rights in the Successor Company and Potential Dilution Effect of the De-SPAC Transaction

(a) *Assuming no redemption of TechStar Class A Shares*

Assuming (i) no TechStar Class A Shareholders elect to redeem any TechStar Class A Shares, (ii) no TechStar Class A Shareholders exercise their Appraisal Right and (iii) no new share of the Target Company is issued before completion of the proposed De-SPAC Transaction, the expected shareholding and voting rights in the Successor Company immediately after Closing are set out below:

Shareholders of the Successor Company	Number of Successor Company Shares	%
Existing Shareholders of the Target Company that will not count towards the public float		
High Altos Limited(2)	62,493,893	4.59%
Phthalo Blue LLC(2)	109,790,594	8.07%
Dr. Li Yimin(2)(5)	22,971,262	1.69%
Proxy Shareholders(3)(5)	14,350,722	1.06%
Enlightning Limited(4)(5)	14,656,737	1.08%
Existing Shareholders of the Target Company that will count towards the public float		
Honour Key Limited(5)	124,416,875	9.15%
Dahlia Investments PTE. LTD.(5)	65,562,089	4.82%
ERVC Technology IV LP(5)	57,055,869	4.19%
Banyan Partners Fund II, L.P.(5)	56,946,238	4.19%
Other existing Target Company Shareholders(6)	641,755,721	47.17%
PIPE Investors		
Huangshan Construction Investment Capital	38,750,000	2.85%
Wealth Strategy	15,600,000	1.15%
Zhuhai Hengqin Huagai	780,000	0.06%
TechStar Class A Shareholders	110,110,000	8.09%
Promoters	25,000,000	1.84%
Total	**1,360,240,000**	**100.00%**

Notes:

(1) The percentage figures are subject to rounding adjustments and may not be an arithmetic aggregation of the figures preceding them.

(2) Upon Closing, Dr. Bao Junwei and Dr. Li Yimin are executive directors of the Successor Company. High Altos Limited is wholly-owned by Dr. Bao Junwei, and Dr. Bao Junwei is the general partner of Phthalo Blue LLC. Therefore, the Successor Company Shares held by Dr. Li Yimin, High Altos Limited and Phthalo Blue LLC will not be counted towards the public float.

(3) Various Proxy Shareholder(s) agreed to grant Dr. Bao Junwei the voting rights in respect of some or all of the Successor Company Shares held by them through the Voting Proxy Agreements, such that Dr. Bao Junwei is entitled to exercise in his sole discretion the voting rights with respect to 14,350,722 Successor Company Shares. Therefore, these Successor Company Shares will not be counted towards the public float.

(4) Enlightning Limited, the employee shareholding platform established for the purpose of holding and transferring the relevant Target Company Shares in respect of the vested options/awards to specified participants under the 2016 Share Incentive Plan, which include participant who is core connected person of the Target Company. Therefore, the Successor Company Shares held by Enlightning Limited will not be counted towards the public float.

(5) For background of these existing Target Company Shareholders, see "4. Information about the Target Group's existing shareholders".

(6) There is an aggregate of other 67 existing Target Company Shareholders whose holding will count towards the public float where none of them individually holds more than 4% in the shareholding of Successor Company immediately after the Closing. Details of the shareholding percentages of such other existing Target Company Shareholders will be disclosed in the Circular.

The Successor Company Listed Warrants and the Successor Company Promoter Warrants will only become exercisable 30 days and 12 months after Closing, respectively, and subject to the satisfaction of certain conditions. If the Successor Company Warrants are exercised in full, an aggregate of 38,271,250 Successor Company Shares will be issued, representing a maximum dilution impact of 2.74% in the shareholding and the voting rights in the Successor Company immediately after Closing, assuming no TechStar Class A Shareholders elect to redeem their TechStar Class A Shares and no TechStar Class A Shareholders exercise their Appraisal Right.

As of the date of this announcement, the Target Company granted outstanding options to 675 grantees to subscribe for an aggregate of 7,240,267 Target Company Shares (adjusted to 138,598,394 Successor Company Shares upon completion of the Capitalization Issue) and outstanding restricted share units to one grantee to subscribe for an aggregate of 30,000 Target Company Shares (adjusted to 574,282 Successor Company Shares upon completion of the Capitalization Issue). 765,656 Target Company Shares (adjusted to 14,656,737 Successor Company Shares upon completion of the Capitalization Issue) have been issued to Enlightning Limited, the employee shareholding platform established under the 2016 Share Incentive Plan for the purpose of transferring Target Company Shares to specified participants of the 2016 Share Incentive Plan. As such, taking into account the 124,515,939 Successor Company Shares to be issued upon exercise of options and vesting of restricted share units under the 2016 Share Incentive Plan, there will be a maximum dilution impact of 8.39% in the shareholding and the voting rights in the Successor Company immediately after Closing, assuming no TechStar Class A Shareholders elect to redeem their TechStar Class A Shares and no TechStar Class A Shareholders exercise their Appraisal Right.

(b) *Assuming full redemption of TechStar Class A Shares*

Assuming (i) all TechStar Class A Shareholders elect to redeem their TechStar Class A Shares and/or exercise their Appraisal Right in full and (ii) no new share of the Target Company is issued before the Proposed De-SPAC Transaction, the expected shareholding and voting rights in the Successor Company immediately after Closing are set out below:

Shareholders of the Successor Company	**Number of shares**	**%**
Existing Shareholders of the Target Company that will not count towards the public float		
High Altos Limited(2)(5)	62,493,893	5.00%
Phthalo Blue LLC(2)(5)	109,790,594	8.78%
Dr. Li Yimin(2)(5)	22,971,262	1.84%
Proxy Shareholders(3)(5)	14,350,722	1.15%
Enlightning Limited(4)(5)	14,656,737	1.17%
Existing Shareholders of the Target Company that will count towards the public float		
Honour Key Limited(5)	124,416,875	9.95%
Dahlia Investments PTE. LTD.(5)	65,562,089	5.24%
ERVC Technology IV LP(5)	57,055,869	4.56%
Banyan Partners Fund II, L.P.(5)	56,946,238	4.56%
Other existing Target Company Shareholders(6)	641,755,721	51.34%
PIPE Investors		
Huangshan Construction Investment Capital	38,750,000	3.10%
Wealth Strategy	15,600,000	1.25%
Zhuhai Hengqin Huagai	780,000	0.06%
TechStar Class A Shareholders	–	–
Promoters	25,000,000	2.00%
Total	**1,250,130,000**	**100.00%**

Notes:

(1) The percentage figures are subject to rounding adjustments and may not be an arithmetic aggregation of the figures preceding them.

(2) Upon Closing, Dr. Bao Junwei and Dr. Li Yimin are executive directors of the Successor Company. High Altos Limited is wholly-owned by Dr. Bao Junwei, and Dr. Bao Junwei is the general partner of Phthalo Blue LLC. Therefore, the Successor Company Shares held by Dr. Li Yimin, High Altos Limited and Phthalo Blue LLC will not be counted towards the public float.

(3) Various Proxy Shareholder(s) agreed to grant Dr. Bao Junwei the voting rights in respect of some or all of the Successor Company Shares held by them through the Voting Proxy Agreements, such that Dr. Bao Junwei is entitled to exercise in his sole discretion the voting rights with respect to 14,350,722 Successor Company Shares. Therefore, these Successor Company Shares will not be counted towards the public float.

(4) Enlightning Limited, the employee shareholding platform established for the purpose of holding and transferring the relevant Target Company Shares in respect of the vested options/awards to specified participants under the 2016 Share Incentive Plan, which include participant who is core connected person of the Target Company. Therefore, the Successor Company Shares held by Enlightning Limited will not be counted towards the public float.

(5) For background of these existing Target Company Shareholders, see "4. Information about the Target Group's existing shareholders".

(6) There is an aggregate of other 67 existing Target Company Shareholders whose holding will count towards the public float where none of them individually holds more than 4% in the shareholding of Successor Company immediately after the Closing. Details of the shareholding percentages of such other existing Target Company Shareholders will be disclosed in the Circular.

The Successor Company Listed Warrants and the Successor Company Promoter Warrants will only become exercisable 30 days and 12 months after Closing, respectively, and subject to the satisfaction of certain conditions. If the Successor Company Warrants are exercised in full, an aggregate of 38,271,250 Successor Company Shares will be issued, representing a maximum dilution impact of 2.97% in the shareholding and the voting rights in the Successor Company immediately after Closing, assuming all TechStar Class A Shareholders elect to redeem their TechStar Class A Shares.

As disclosed in this announcement, the Target Company granted outstanding options and restricted share units to various grantees to subscribe for Target Company Shares under the 2016 Share Incentive Plan. Taking into account the 124,515,939 Successor Company Shares to be issued upon exercise of options and vesting of restricted share units under the 2016 Share Incentive Plan, there will be a maximum dilution impact of 9.06% in the shareholding and the voting rights in the Successor Company Shares immediately after Closing, assuming all TechStar Class A Shareholders elect to redeem their TechStar Class A Shares.

TechStar will apply for the withdrawal of listing of the TechStar Class A Shares and the TechStar Listed Warrants, and the Successor Company will apply for the listing of the Successor Company Shares and the Successor Company Listed Warrants.

Details of the procedures by which TechStar Class A Shareholders and TechStar Warrantholders' securities will be canceled and exchanged for Successor Company Shares and Successor Company Warrants will be set out in the Circular.

3. Public Float

Immediately after Closing, the Successor Company Shares held by the following persons will not be counted towards the public float:

(i) Phthalo Blue LLC, of which Dr. Bao Junwei, an executive director of the Successor Company, is the general partner and therefore a close associate of Dr. Bao Junwei;

(ii) High Altos Limited, wholly-owned by Dr. Bao Junwei and therefore a close associate of Dr. Bao Junwei;

(iii) Dr. Li Yimin, who is an executive director of the Successor Company;

(iv) Enlightning Limited, the employee shareholding platform established for the purpose of holding and transferring the relevant Target Company Shares in respect of the vested options/awards to specified participants under the 2016 Share Incentive Plan, which include participant who is core connected person of the Target Company; and

(v) the 14,350,722 Successor Company Shares held by various Proxy Shareholder(s) which are subject to the Voting Proxy Agreements, pursuant to which Dr. Bao Junwei is entitled to exercise in his sole discretion the voting rights with respect to these Successor Company Shares.

Except as stated above, the existing shareholders of the Target Company, the PIPE Investors, the TechStar Class A Shareholders and the Promoters will not be core connected persons of the Successor Company and will not be accustomed to taking instructions from the core connected persons in relation to the acquisition, disposal, voting or other disposition of the Successor Company Shares held by or to be allotted to them, therefore the Successor Company Shares held by them (save for such number of Successor Company Shares subject to the Voting Proxy Agreements stated in (v) above) will count towards the public float upon Closing.

Based on the above, the public float of the Successor Company immediately after Closing will be 83.51% (assuming no TechStar Class A Shareholders elect to redeem any TechStar Class A Shares and no TechStar Class A Shareholders exercise their Appraisal Right), or 82.06% (assuming all TechStar Class A Shareholders elect to redeem their TechStar Class A Shares and/or exercise their Appraisal Right in full).

Taking into account the Successor Company Shares that may be issued upon exercise of the Successor Company Warrants, the public float of the Successor Company will be 83.96% (assuming no TechStar Class A Shareholders elect to redeem any TechStar Class A Shares and no TechStar Class A Shareholders exercise their Appraisal Right), or 82.59% (assuming all TechStar Class A Shareholders elect to redeem their TechStar Class A Shares and/or exercise their Appraisal Right in full).

The Successor Company will comply with the minimum public float requirement under Rule 8.08(1)(a) of the Listing Rules under any of or any combination of the scenarios involving issue of the Successor Company Shares.

I. IMPLICATIONS OF THE DE-SPAC TRANSACTION UNDER THE LISTING RULES AND DEEMED NEW LISTING APPLICATION

TechStar is required to comply with applicable Listing Rules regarding reverse takeovers with respect to the De-SPAC Transaction. Under Rule 14.54 of the Listing Rules, the Successor Company will be treated as if it were a new listing applicant. The Target Group is required to meet the requirements under Rules 8.04 and 8.05 of the Listing Rules and the Successor Group is required to meet all the new listing requirements set out in Chapter 8 of the Listing Rules (except Rule 8.05 of the Listing Rules). The Successor Company is required to submit a new listing application to the Stock Exchange for the listing of, and permission to deal in, the Successor Company Shares and the Successor Company Listed Warrants in accordance with the requirements for new listing applicants as set out in Chapter 9 of the Listing Rules.

The new listing application is subject to approval by the Listing Committee, which may or may not grant its approval. If such approval is not granted, the Business Combination Agreement will not become unconditional and the De-SPAC Transaction will not proceed.

The Successor Company will make an application to the Stock Exchange for the listing of, and permission to deal in, the Successor Company Shares and the Successor Company Warrants on the Main Board of the Stock Exchange. TechStar will make an application to the Stock Exchange for the withdrawal of listing of the TechStar Class A Shares (which will be subject to approval by TechStar Class A Shareholders) and the TechStar Listed Warrants. Upon the Closing, the listing statuses of the TechStar Class A Shares and the TechStar Listed Warrants will be withdrawn, and the Successor Company Shares and the Successor Company Listed Warrants will become listed on the Main Board of the Stock Exchange.

The De-SPAC Transaction is conditional upon, and the terms of the Business Combination Agreement, the Bonus Share Issue, the PIPE Investments and the Permitted Equity Financing (where applicable), and the withdrawal of the listing of TechStar Class A Shares and TechStar Listed Warrants are subject to approval by the TechStar Class A Shareholders at the EGM and compliance with applicable Listing Rule requirements (including the requirement for the Successor Company to have a minimum number of 100 Professional Investors at the time of listing), unless a waiver from strict compliance with any of these requirements is granted by the Stock Exchange.

J. WAIVER FROM APPLICATION OF RULE 26.1 OF THE TAKEOVERS CODE

Following the Merger and the withdrawal of listing of the TechStar Class A Shares and the TechStar Listed Warrants, TechStar will become a private unlisted company and a wholly-owned subsidiary of the Successor Company.

Under Rule 26.1 of the Takeovers Code, the De-SPAC Transaction would trigger a technical mandatory general offer obligations unless a waiver is granted.

The Target Company has applied for, and the SFC has granted a waiver from the application of Rule 26.1 of the Takeovers Code in relation to the De-SPAC Transaction.

K. SHARE REDEMPTIONS

Prior to the EGM to approve the De-SPAC Transaction, TechStar will provide TechStar Class A Shareholders with the opportunity to elect to redeem all or part of their holdings of TechStar Class A Shares for an amount per TechStar Class A Share equal to the Redemption Price, to be paid out of the monies held in the Escrow Account. The Redemption Price, payable in cash, will be equal to the aggregate amount then on deposit in the Escrow Account calculated as of two Business Days prior to the EGM (including the gross proceeds received from the issuance of TechStar Class A Shares and interest earned on the funds held in the Escrow Account), divided by the number of the then issued and outstanding TechStar Class A Shares. The Redemption Price will in any case be no less than HK$10.00 per TechStar Class A Share, being the price at which the TechStar Class A Shares were issued in TechStar's initial offering. Accordingly, the Redemption Price will be determined on two Business Days prior to the EGM and it is estimated to be no less than HK$11.0 per TechStar Class A Share based on the current timetable.

Immediately prior to the Effective Time, the Target Company and Target Company Shareholders will restructure Target Company's share capital by effectuating the conversion of Target Company Preferred Shares and the Capitalization Issue, such that immediately after the conversion of Target Company Preferred Shares and the Capitalization Issue, the issued and outstanding share capital of the Target Company will consist of such number of Target Company Ordinary Shares equal to the quotient obtained by dividing the negotiated value by HK$10.00.

The estimated Redemption Price will be no less than 10% premium to HK$10.00. To disincentivize the TechStar Shareholders from exercising their Redemption Right and Appraisal Right in connection with the De-SPAC Transaction and to become shareholders of the Successor Company upon completion of the De-SPAC Transaction, the Relevant TechStar Class A Shareholders is entitled to receive the Bonus Shares, being the additional one tenth (0.1) of a newly issued Successor Company Share for each TechStar Class A Share held by them.

There is no limit on the number of TechStar Class A Shares which an TechStar Class A Shareholder (alone or together with their close associates) may redeem. TechStar Class A Shareholders may elect to redeem their TechStar Class A Shares irrespective of whether they vote for or against the De-SPAC Transaction at the EGM.

The election period for the Share Redemption starts on the date of the notice of the EGM and ends on the date and time of commencement of the EGM. The Share Redemption and payment of the Redemption Price to the Redeeming TechStar Shareholders will be completed within five Business Days following Closing.

A Share Redemption election will not be accepted unless the election is accompanied by the delivery of the relevant number of TechStar Class A Shares. Further details of the election procedures will be set out in the Circular and the form of election. The form of election will be dispatched to TechStar Class A Shareholders together with the notice of EGM and the Circular, as described in "N. EGM and Circular" below.

If the De-SPAC Transaction is not completed, TechStar will not redeem any TechStar Class A Shares and all Share Redemption requests will be canceled. Redeeming TechStar Shareholders are strongly recommended to vote FOR the resolution to be proposed at the EGM even if you choose to redeem all or some of TechStar Class A Shares.

TechStar Warrantholders have no redemption rights with respect to their warrants. Each TechStar Warrant will be exchanged for one Successor Company Warrant upon Closing, which will be exercisable on a cashless basis for one Successor Company Share per Successor Company Warrant at the warrant exercise price of HK$11.5.

Redeeming TechStar Shareholders who exercise their Redemption Right to redeem all of their holdings of TechStar Class A Shares will not be able to exercise their Appraisal Right. See "L. Appraisal Right of Dissenting TechStar Shareholders" below for details on the Appraisal Right.

L. APPRAISAL RIGHT OF DISSENTING TECHSTAR SHAREHOLDERS

Section 238 of the Cayman Companies Act provides for the Appraisal Right of the Dissenting TechStar Shareholders to be paid the fair value of their TechStar Dissenting Shares, subject to limitations under Section 239 of the Cayman Companies Act.

TechStar Shareholders have the Appraisal Right in connection with the De-SPAC Transaction under the Cayman Companies Act. TechStar Shareholders who wish to exercise their Appraisal Right must follow the statutory procedures prescribed in the Cayman Companies Act as further explained below.

1. Procedures for exercising the Appraisal Right

The statutory procedures prescribed in the Cayman Companies Act for exercise of the Appraisal Right are as follows:

(a) A Dissenting TechStar Shareholder should give a written objection to TechStar before the EGM, containing a statement that it proposes to object to the Merger and demands payment for its TechStar Shares if the Merger is approved by the TechStar Shareholders at the EGM (a "**Written Objection**"). For the avoidance of doubt, the giving of a Written Objection does not represent a vote at the EGM. TechStar Shareholders may vote for or against the De-SPAC Transaction at the EGM irrespective of whether they wish to exercise their Appraisal Right and are not required to vote against the De-SPAC Transaction at the EGM in order to exercise their Appraisal Right.

(b) Upon receipt of the Written Objection and within 20 days immediately following the EGM, TechStar shall give written notice of the approval of the Merger (if it is so approved at the EGM) to each Dissenting TechStar Shareholder who gave a Written Objection.

(c) Within 20 days immediately following the date on which the written notice of the approval of the Merger is given (the "**Dissenting Period**"), each Dissenting TechStar Shareholder must give TechStar a written notice of its decision to dissent ("**Appraisal Right Exercise Notice**"), stating (i) its name and address, (ii) the number and classes of TechStar Shares in respect of which it dissents, and (iii) a demand for payment of the fair value of its TechStar Shares. A Dissenting TechStar Shareholder must dissent and exercise its Appraisal Right in respect of all (and not part only) of its holding of TechStar Shares.

(d) Within seven days immediately following the date of expiration of the Dissenting Period or within seven days immediately following the date on which the TechStar Plan of Merger is filed with the Cayman Registrar, whichever is later, TechStar or the Successor Company (as applicable) will make a written offer (the "**Purchase Offer**") to each Dissenting TechStar Shareholder to purchase its Dissenting TechStar Shares at a specified price determined by the TechStar Board to be the fair value of the TechStar Shares (the "**Purchase Price Offer**"). See "—2. Fair value of TechStar Shares" below for the determination of fair value of the TechStar Shares.

(e) Within 30 days immediately following the date on which the Purchase Offer is made, if the Dissenting TechStar Shareholder agrees with the Purchase Price Offer, such amount will be paid forthwith in cash to the Dissenting TechStar Shareholder.

(f) If the Dissenting TechStar Shareholder does not agree with the Purchase Price Offer, TechStar or the Successor Company (as applicable) will, and the Dissenting TechStar Shareholder may, file a petition with the Cayman Court for a determination of the fair value of the Dissenting TechStar Shares of all Dissenting TechStar Shareholders. At the hearing of such petition, the Cayman Court shall determine the fair value of the Dissenting TechStar Shares to be paid to each Dissenting TechStar Shareholder. The costs of the proceeding may be determined by the Cayman Court and taxed upon the parties as the Cayman Court deems equitable in the circumstances (i.e. the Cayman Court will determine whether the costs of the proceedings should be borne by the Dissenting TechStar Shareholder(s) and/or TechStar or the Successor Company (as applicable) and the amount to be borne by each party).

2. Fair value of TechStar Shares

The TechStar Board will determine the fair value of the TechStar Shares with reference to the assets and liabilities position of TechStar and the Redemption Price. See "K. Share Redemptions" above for determination of the Redemption Price. If the Dissenting TechStar Shareholders do not agree with the fair value determined by the TechStar Board and file a petition with the Cayman Court for a determination of the fair value of the Dissenting TechStar Shares, the Cayman Court will determine the fair value of the Dissenting TechStar Shares as at the date of the EGM at which the Merger is approved.

3. Consequences of exercising the Appraisal Right

Under the Cayman Companies Act, upon giving the Appraisal Right Exercise Notice, the Dissenting TechStar Shareholder will cease to have any right as an TechStar Shareholder (including the Redemption Right to redeem all or part of their holdings of TechStar Class A Shares) except the Appraisal Right, the right under Section 238(12) of the Cayman Companies Act to participate fully in all proceedings until the determination of fair value is reached and the right under Section 238(16) of the Cayman Companies Act to institute proceedings to obtain relief on the ground that the Merger is void or unlawful.

Pursuant to the Business Combination Agreement, Dissenting TechStar Shareholders will also have no right to receive any Successor Company Shares or any other consideration under the De-SPAC Transaction unless and until such Dissenting TechStar Shareholder fails to perfect in accordance with the prescribed statutory procedure or withdraws or otherwise loses its Appraisal Right under the Cayman Companies Act. The TechStar Shares held by Dissenting TechStar Shareholders who fail to perfect in accordance with the prescribed statutory procedure or withdraw or otherwise lose their Appraisal Right under the Cayman Companies Act will cease to be Dissenting TechStar Shares and will be deemed to have been converted into the right to receive newly issued Successor Company Shares immediately following the Effective Time pursuant to the Business Combination Agreement. A Dissenting TechStar Shareholder (even if such shareholder fails to perfect in accordance with the prescribed statutory procedure or withdraws or otherwise loses his, her or its Appraisal Right under the Cayman Companies Act and receives one newly issued Successor Company Share for each Dissenting TechStar Share) will not receive any Bonus Shares with respect to all of his, her or its Dissenting TechStar Shares.

Rule 10.08 of the Listing Rules provides that no further shares or securities convertible into equity securities of a listed issuer (whether or not of a class already listed) may be issued or form the subject of any agreement to such an issue within six months from the date on which securities of a listed issuer first commence dealing on the Stock Exchange. One of the exceptions to Rule 10.08 of the Listing Rules is the issue of shares or securities pursuant to an agreement entered into before the commencement of dealing, the material terms of which have been disclosed in the listing document issued in connection with the initial public offering. As the issuance of Successor Company Shares to Dissenting TechStar Shareholders who fail to perfect in accordance with the prescribed statutory procedure or withdraw or otherwise lose their Appraisal Right under the Cayman Companies Act, if any, will be pursuant to the Business Combination Agreement the material terms of which will be disclosed in the Circular (which is the listing document of the Successor Company), Successor Company Shares may be issued to such Dissenting TechStar Shareholders within six months from the date of Closing.

Notwithstanding any exercise of the Appraisal Right by Dissenting TechStar Shareholders, upon the approval of the Merger and the De-SPAC Transaction by the TechStar Shareholders at the EGM, the TechStar Plan of Merger will be filed with the Cayman Registrar and the Merger will become effective at the Effective Time.

If the De-SPAC Transaction is not completed for any reason, Dissenting TechStar Shareholders will lose their Appraisal Right under the Cayman Companies Act and any Appraisal Right Exercise Notice given by Dissenting TechStar Shareholders will become void.

Further details of the Appraisal Right (including the procedures for exercising the Appraisal Right and the determination of fair value of the TechStar Shares) will be set out in the Circular. TechStar Shareholders who wish to exercise their Appraisal Right should seek their own advice on the application and procedure to be followed in respect of the Appraisal Right under the Cayman Companies Act.

M. PROPOSED ADOPTION OF TECHSTAR PRIVATE COMPANY MEMORANDUM AND ARTICLES

Following the Merger and the withdrawal of listing of the TechStar Class A Shares and the TechStar Listed Warrants, TechStar will become a private unlisted company and a wholly-owned subsidiary of the Successor Company. Subject to the approval by TechStar Shareholders at the EGM, upon the Effective Time, TechStar will adopt the TechStar Private Company Memorandum and Articles which will replace the existing TechStar Memorandum and Articles in their entirety. A summary of the TechStar Private Company Memorandum and Articles will be set out in the Circular.

N. EGM AND CIRCULAR

The De-SPAC Transaction (including the terms of the Business Combination Agreement, the Bonus Share Issue, the PIPE Investments and the Permitted Equity Financing (where applicable)), and the withdrawal of the listing of TechStar Class A Shares and TechStar Listed Warrants are subject to approval of the TechStar Shareholders at the EGM by ordinary resolutions. The Promoters and their respective close associates and any TechStar Shareholders and their close associates who have a material interest in the De-SPAC Transaction are required to abstain from voting on the relevant resolutions to be proposed at the EGM to approve the De-SPAC Transaction and the transactions contemplated thereunder.

The Merger is subject to approval by special resolution of two-thirds of the votes cast by the holders of the TechStar Shares present in person or by proxy and entitled to vote at the EGM and the adoption of the TechStar Private Company Memorandum and Articles by TechStar is subject to approval by special resolutions of three-fourths of the votes cast by the holders of the TechStar Shares present in person or by proxy and entitled to vote at the EGM. As the Merger forms part of the De-SPAC Transaction, in the event that the Merger or the adoption of the TechStar Private Company Memorandum and Articles by TechStar is not approved by the TechStar Shareholders at the EGM by special resolution, the De-SPAC Transaction will not be effected.

The Circular will contain, among other things, (i) further information on the De-SPAC Transaction (including the Business Combination Agreement, the Bonus Share Issue, the PIPE Investments and the Permitted Equity Financing (where applicable)), the Merger, the Target Group and other information as required to be disclosed under the Listing Rules; (ii) details of the exchange of TechStar Class A Shares and TechStar Warrants for Successor Company Shares and Successor Company Warrants pursuant to the De-SPAC Transaction and the withdrawal of the listing of TechStar Class A Shares and TechStar Listed Warrants; (iii) details of the Redemption Right and the Appraisal Right; (iv) a notice of the EGM; (v) a form of proxy and (vi) a form of election of redemption. Pursuant to Rule 14.60(7) of the Listing Rules, the Circular is required to be dispatched to the TechStar Shareholders within 15 Business Days from the date of this announcement.

The Circular is subject to review and comments by the Stock Exchange and will be dispatched to the TechStar Shareholders as soon as practicable after the Successor Company has obtained the approval in principle from the Listing Committee with respect to the new listing application. To allow sufficient time for TechStar and the Target Company to prepare the Circular and in view of the process required in connection with the new listing application by the Successor Company, TechStar expects that more time may be needed for the Stock Exchange to approve the Successor Company's new listing application and for the preparation of the Circular, which is expected to be dispatched in or around May 2025.

It is expected that the EGM will be convened to be held in or around May 2025.

O. CONSEQUENCES IF THE DE-SPAC TRANSACTION IS NOT APPROVED OR COMPLETED

If the De-SPAC Transaction is not approved by TechStar Shareholders at the EGM or completed for any reason:

- TechStar will not redeem any TechStar Class A Shares and all Share Redemption requests will be canceled; and
- subject to the deadlines under the Listing Rules, the listings of the TechStar Class A Shares and TechStar Listed Warrants on the Stock Exchange will be maintained; however, TechStar may not have sufficient time to identify another de-SPAC target and negotiate a de-SPAC transaction before it is required to wind up as provided for in the Listing Rules.

Therefore, TechStar Class A Shareholders are strongly recommended to vote FOR the resolutions to be proposed at the EGM, EVEN IF you intend to elect to redeem some or all of your TechStar Class A Shares.

P. DEFINITIONS

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

"2016 Share Incentive Plan"	the share incentive plan adopted by the Target Company on November 20, 2016
"AD"	Autonomous Driving
"ADAS"	Advanced Driver Assistant System
"Amendment to the TechStar Listed Warrants"	the amendment to the TechStar Listed Warrants set out in "G. Other Arrangements – 5. Amendment of the TechStar Listed Warrant Instrument"

"Appraisal Right"	the right of the Dissenting TechStar Shareholders to be paid the fair value of their TechStar Dissenting Shares pursuant to Section 238 of the Cayman Companies Act in connection with the De-SPAC Transaction
"automotive-grade"	standards that a component or product must satisfy to be incorporated into vehicles, which typically requires consistent and reliable level of high performance under varying temperatures, humidity, among other driving conditions, as well as near-zero failure rate and long lifecycles and also require product suppliers to achieve volume production
"Award Agreements"	the award agreements entered into between, among others, each of the award grantees under the 2016 Share Incentive Plan on one hand and the Target Company on the other hand, pursuant to which the grantees were granted employee incentive options or awards, and Dr. Bao Junwei is entitled to exercise in his sole discretion the voting rights with respect to Target Company Shares held by the ESOP Proxy Grantors until the Closing
"Bonus Shares"	the additional one tenth (0.1) of a newly issued Successor Company Share which the Relevant TechStar Class A Shareholders are entitled to receive for each TechStar Class A Share held by them immediately prior to the Effective Time
"Bonus Share Issue"	the issue of the Bonus Shares to the Relevant TechStar Class A Shareholders
"Business Combination Agreement"	the business combination agreement entered into on December 20, 2024 among TechStar, the Target Company, and Merger Sub
"Business Day"	any day (other than (i) Saturday and Sunday and a public holiday in Hong Kong, Cayman Islands or the PRC or (ii) a day on which a tropical cyclone warning signal no. 8 or a black rainstorm warning signal is hoisted in Hong Kong) on which licensed banks in Hong Kong, Cayman Islands or the PRC are generally open to the public in Hong Kong or the PRC (as applicable) for normal banking business and on which the Stock Exchange is open for the business of dealing in securities

"Capitalization Issue Factor"	the quotient obtained by dividing (i) HK$11.7 billion by (ii) HK$10.00 and further by (iii) the aggregate number of issued and outstanding Target Company Ordinary Shares immediately prior to the Capitalization Issue Effective Time, the Capitalization Issue Factor shall be equal to 19.14272, subject to any adjustment which may be made if any Target Company Shares are issued upon exercise of options and vesting of restricted share units under the 2016 Share Incentive Plan before the completion of the De-SPAC Transaction
"Capital Restructuring"	the restructure of Target Company's share capital by effectuating the conversion of Target Company Preferred Shares and the Capitalization Issue by the Target Company and Target Company Shareholders immediately prior to the Effective Time
"Cayman Companies Act"	the Companies Act (As Revised) of the Cayman Islands, as amended or supplemented from time to time
"Cayman Court"	the Grand Court of the Cayman Islands
"Cayman Registrar"	the Registrar of Companies in the Cayman Islands
"CIC"	China Insights Industry Consultancy Limited, the industry consultant of the Target Company
"Circular"	the circular and listing document for the deemed new listing application by the Successor Company to be dispatched by TechStar to the TechStar Shareholders in connection with the EGM
"Closing"	the closing of the De-SPAC Transaction
"Closing Date"	the day on which the Closing occurs
"Conditions"	the conditions to Closing set out in "E. The Business Combination Agreement – 1. Principal terms of the Business Combination Agreement – (f) Conditions to Closing"
"Controlling Shareholders"	Dr. Bao Junwei, High Altos Limited and Phthalo Blue LLC as the controlling shareholders of the Target Company at the date of this announcement as set out in "B. Information About the Target Group – 2. Information on the Controlling Shareholders as at the date of this announcement"
"CSRC"	the China Securities Regulatory Commission (中國證券監督管理委員會)

"De-SPAC Transaction"	the transactions contemplated by the Business Combination Agreement, including the Capital Restructuring, the Merger and the PIPE Investments, resulting in the listing of the Successor Company on the Stock Exchange subject to obtaining all the necessary approvals
"design-win"	the process of selection by the manufacturer of an assembly of a nonfungible, non-interchangeable component of the assembly
"detection range"	the maximum distance in which a LiDAR can detect a 2 meters × 2.5 meters object of certain reflectivity at POD of over 50%, according to the Test Methods of Automotive LiDAR drafted by China Association of Automobile Manufacturers
"Director(s)"	the director(s) of TechStar, the Target Company or the Successor Company, as the context requires
"Dissenting TechStar Shareholders"	TechStar Shareholders who have validly exercised their Appraisal Right in accordance with the statutory procedures prescribed under the Cayman Companies Act
"Dissenting TechStar Shares"	the TechStar Shares that are issued and outstanding immediately prior to the Effective Time and that are held by the Dissenting TechStar Shareholders who have validly exercised their Appraisal Right for such TechStar Shares in accordance with the Cayman Companies Act and otherwise complied with all of the provisions of the Cayman Companies Act relevant to the exercise and perfection of the Appraisal Right
"Effective Time"	9:00 a.m. (Hong Kong time) on the date of listing of the Successor Company Shares and the Successor Company Listed Warrants on the Main Board of the Stock Exchange
"EGM"	the extraordinary general meeting of TechStar to be convened for the TechStar Shareholders to consider and, if appropriate, approve the De-SPAC Transaction (including the terms of the Business Combination Agreement, the Bonus Share Issue, the PIPE Investments and the Permitted Equity Financing), the withdrawal of listing of the TechStar Class A Shares, the Merger and the adoption of the TechStar Private Company Memorandum and Articles by TechStar
"Escrow Account"	the ring-fenced escrow account located in Hong Kong with BOCI-Prudential Trustee Limited acting as trustee of such account pursuant to the Escrow Agreement

"Escrow Agreement"	the Deed of Trust dated November 18, 2022 between TechStar and BOCI-Prudential Trustee Limited, in its capacity as trustee of the Escrow Account
"ESOP Proxy Grantors"	the Target Company Shareholders who have granted Dr. Bao Junwei the voting rights in respect of all of the Target Company Shares held by them through Award Agreements and Trust Deed, collectively including: (i) the former employees, former consultant or employees of the Target Group who have exercised options granted and vested and were issued such number of Target Company Shares, or their relatives, namely, An Da, Chard Jeffery, Chen Jinsong, Cheung George, Ferns Jason, Green John, Hsiang Stephen, Huang Davy, Huang Min, Li Jim, Li Randy, Li Xiaotong, Liao Zhigang, Liu Yannan, Loveridge Barry, Makwana Keyur, Mao Biyu, Medvedev Alexey, Meng Xiaoting, Shuyi Tang, Sun Huitao, Surabhi Vivek, Tran Christine, Wang Ning-Yi, Xie Jacky, Yin Wei, Zhang Jiayao, Zhang Rui and Zhou Gang, and (ii) Enlightning Limited, the employee shareholding platform established for the purpose of holding and transferring relevant Target Company Shares in respect of the vested options/awards to the specified participants under the 2016 Share Incentive Plan
"FOV"	Field of View, the angular size of the scene captured by a sensor, as measured in vertical and horizontal angular extent
"HK$" or "Hong Kong dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"independent third party(ies)"	any entity(ies) or person(s) which or who is/are not a connected person (within the meaning ascribed thereto under the Listing Rules)
"Joint Sponsors"	Zero2IPO Capital Limited, CITIC Securities (Hong Kong) Limited and China Securities (International) Corporate Finance Company Limited
"LiDAR"	Light Detection and Ranging, a type of sensing technology that uses pulsed laser beams to measure an object's variable distances from the targeted surface in real time
"Listing Committee"	the listing committee of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

"Merger"	the merger of Merger Sub with and into TechStar, subject to the terms and conditions of the Business Combination Agreement and the TechStar Plan of Merger and in accordance with the laws of the Cayman Islands, with TechStar being the surviving entity following the Merger and becoming (immediately following the Merger) a directly wholly-owned subsidiary of the Target Company
"Merger Sub"	Seyond Merger Sub Limited, an exempted company incorporated under the laws of the Cayman Islands with limited liability on July 29, 2024, and a wholly-owned subsidiary of the Target Company
"Organizational Documents"	with respect to firm, corporation, company, partnership, limited liability company, incorporated or unincorporated association, trust, estate, joint venture, joint stock company, governmental authority or instrumentality or other entity of any kind, its certificate of incorporation or registration, bylaws, memorandum and articles of association, constitution, limited liability company agreement, or similar organizational documents, in each case, as amended or restated
"Permitted Equity Financing"	the subscription of Successor Company Shares on the date of the Closing and concurrently with the Closing by one or more investors pursuant to one or more subscription agreements entered into during the period from the date of the Business Combination Agreement until the Effective Time by and among such investors, the Target Company and TechStar pursuant to the Business Combination Agreement
"PIPE Investment Agreements"	the subscription agreements entered into on December 20, 2024 among TechStar, the Target Company and the PIPE Investors
"PIPE Investment Amount"	the subscription amount to be paid by the PIPE Investors to the Successor Company for the subscription of the PIPE Investment Shares
"PIPE Investment Shares"	the Successor Company Shares to be subscribed by the PIPE Investors pursuant to the PIPE Investment Agreements
"PIPE Investments"	the subscription of the PIPE Investment Shares by the PIPE Investors pursuant to the PIPE Investment Agreements

"PIPE Investor Shares"	the newly issued Successor Company Shares to be subscribed for by the PIPE Investor pursuant to the PIPE Investment Agreement and as part of the De-SPAC Transaction pursuant to the Business Combination Agreement or other related agreements
"PIPE Investors"	the independent third-party investors in the De-SPAC Transaction
"POD"	Probability of Detection, as measured by the actual number of echoes received divided by the number of echoes receivable theoretically
"PRC" or "China"	the People's Republic of China, but for the purposes of this announcement only, except where the context requires, references in this announcement to PRC or China exclude Hong Kong, Macau and Taiwan
"Pre-Capitalization Target Company Ordinary Shares"	the ordinary shares of the Target Company immediately prior to the Capitalization Issue, par value US$0.001 per share
"Professional Investor"	has the meaning given to it in section 1 of Part 1 of Schedule 1 to the SFO
"Promoters"	has the meaning ascribed to "SPAC Promoter" under the Listing Rules and, unless the context requires otherwise, refers to CNCB (Hong Kong) Capital Limited, Zero2IPO Consulting Group Co., Ltd. (清科管理顧問集團有限公司), Zero2IPO Capital Limited, Mr. NI Zhengdong, Mr. LI Zhu and Mr. LAU Wai Kit
"Promoters Lock-up Agreement"	the agreement entered into on December 20, 2024 among TechStar, the Target Company, the Promoters and other parties named therein in relation to the lock-up arrangement over the relevant Successor Company Shares held by the Promoters
"Proxy Shareholders"	the Target Company Shareholders who have granted Dr. Bao Junwei the voting rights in respect of all of the Target Company Shares held by them through Voting Proxy Agreements, including: various pre-listing investors of the Target Company, namely, Rong Shengwen, The Niu 2001 Revocable Trust, Jinsong Xiao and Xingrong Zhang, Wang Taili, Yang Zheng and Zhang Wen Qi

"Redeeming TechStar Shareholders"	TechStar Shareholders who have validly exercised their Redemption Right
"Redeeming TechStar Shares"	the TechStar Class A Shares in respect of which the relevant TechStar Shareholder has validly exercised its Redemption Right
"Redemption Price"	the per-share price at which TechStar will redeem the Redeeming TechStar Shares
"Redemption Right"	the redemption rights of TechStar Class A Shareholders in relation to the De-SPAC Transaction
"Relevant TechStar Class A Shareholders"	TechStar Class A Shareholders (excluding the holders of TechStar Class A Shares issued in connection with the TechStar Class B Conversion, the Redeeming TechStar Shareholders and, if applicable, the Dissenting TechStar Shareholders)

"resolution"	the minimum interval between scanning beams and is usually indicated by the angular resolution
"Revenue Code"	the Internal Revenue Code of 1986, as amended
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended or supplemented from time to time
"Share Redemption"	the redemption of all or part of TechStar Class A Shareholders' holdings of TechStar Class A Shares according to their election for the Redemption Price to be paid out of the monies held in the Escrow Account
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Successor Company"	the Target Company upon the Closing, of which the shares will be listed on the Main Board of the Stock Exchange
"Successor Company Listed Warrants"	warrant instruments issued by the Successor Company in consideration of the cancellation of the TechStar Listed Warrants as detailed under the section headed "E. The Business Combination Agreement" and pursuant to the Successor Company Listed Warrant Instrument
"Successor Company Listed Warrant Instrument"	the Successor Company Listed Warrant instrument to be executed by the Target Company governing the terms of the warrants
"Successor Company Promoter Warrants"	subscription warrants issued by the Successor Company in consideration of the cancellation of the TechStar Promoter Warrants as detailed under the section headed "E. The Business Combination Agreement" and pursuant to the Successor Company Promoter Warrant Agreement
"Successor Company Promoter Warrant Agreement"	the Successor Company Promoter Warrant agreement to be executed by the Target Company, the Promoters and certain other parties

"Successor Company Shares"	the ordinary shares in the share capital of the Successor Company with a par value of US$0.001 each
"Successor Company Warrants"	Successor Company Listed Warrants and Successor Company Promoter Warrants (as applicable)
"Successor Group"	the Successor Company and its subsidiaries as of Closing, including their respective predecessors
"Takeovers Code"	the Code on Takeovers and Mergers of Hong Kong
"Target Company"	Seyond Holdings Ltd. (formerly known as Innovusion Holdings Ltd.), an exempted company incorporated under the laws of the Cayman Islands with limited liability on November 4, 2016
"Target Company Articles"	amended and restated memorandum and articles of association of the Target Company, as may be amended and/or restated from time to time after the date hereof and in effect immediately prior to the Capital Restructuring
"Target Company Options"	all share options to acquire Target Company Shares granted under the 2016 Share Incentive Plan, whether or not exercisable and whether or not issued immediately prior to the Effective Time
"Target Company Ordinary Shares"	the ordinary shares of the Target Company, with par value US$0.001 per share, and with the rights, preferences and privileges set out in the Target Company Articles
"Target Company Preferred Shares"	collectively, the Series A-1 preferred shares, Series B+ preferred shares, Series A preferred shares, Series B preferred shares, Series C preferred shares, Series D preferred shares, and Series Seed preferred shares in the share capital of the Target Company, each with a par value of US$0.001 and the respective rights, preferences and privileges set out in the Target Company Articles
"Target Company RSUs"	all restricted share units to acquire Target Company Shares granted under the 2016 Share Incentive Plan, whether or not vested and whether or not issued immediately prior to the Effective Time
"Target Company Shareholder(s)"	holder(s) of Target Company Shares

"Target Company Shareholder Lock-up Agreement"	the agreement entered into on December 20, 2024 among TechStar, the Target Company and the Controlling Shareholders (including Dr. Bao Junwei, High Altos Limited and Phthalo Blue LLC) in relation to the lock-up arrangement over the relevant Successor Company Shares
"Target Company Shares"	the Target Company Ordinary Shares and the Target Company Preferred Shares
"Target Group"	the Target Company and its direct and indirect subsidiaries which will form part of the Successor Group
"TechStar"	TechStar Acquisition Corporation, an exempted company incorporated under the laws of the Cayman Islands with limited liability on April 11, 2022 whose TechStar Class A Shares and TechStar Listed Warrants are listed on the Main Board of the Stock Exchange
"TechStar Articles"	the amended and restated memorandum and articles of association of TechStar conditionally adopted on December 8, 2022 and which became effective on December 23, 2022, as in effect on the date of the Business Combination Agreement
"TechStar Board"	the board of directors of TechStar
"TechStar Class A Shareholder(s)"	holder(s) of TechStar Class A Shares
"TechStar Class A Shares"	class A ordinary shares in the share capital of TechStar with a par value of HK$0.0001 each, which will be canceled and exchanged for Successor Company Shares pursuant to the Merger. As at the date of this announcement, there are 100,100,000 TechStar Class A Shares issued and outstanding
"TechStar Class B Shareholder(s)"	holder(s) of TechStar Class B Shares
"TechStar Class B Shares"	class B ordinary shares in the share capital of TechStar with a par value HK$0.0001 each, which will be canceled and exchanged for Successor Company Shares pursuant to the Merger. As at the date of this announcement, there are 25,000,000 TechStar Class B Shares issued and outstanding

"TechStar Listed Warrants"	subscription warrants issued pursuant to the TechStar Listed Warrant Instrument and entitling the holder to purchase one TechStar Class A Share per subscription warrant at the warrant exercise price of HK$11.50 exercisable on a cashless basis. As at the date of this announcement, there are 50,050,000 TechStar Listed Warrants issued and outstanding
"TechStar Listed Warrant Instrument"	the instrument constituting the TechStar Listed Warrants by way of deed poll executed by TechStar on December 23, 2022
"TechStar Plan of Merger"	the agreed form plan of merger to be filed in accordance with the Business Combination Agreement and pursuant to Part XVI of the Cayman Companies Act with the Cayman Registrar
"TechStar Private Company Memorandum and Articles"	the amended and restated memorandum of association and articles of association of TechStar to be adopted by TechStar and become effective as at the Effective Time subject to approval of the TechStar Shareholders at the EGM by special resolution
"TechStar Promoter Warrants"	subscription warrants issued to the Promoters pursuant to the TechStar Promoter Warrant Agreement at the issue price of HK$1.00 per subscription warrant and entitling the holder to purchase one TechStar Class A Share per subscription warrant at the warrant exercise price of HK$11.50 exercisable on a cashless basis. As at the date of this announcement, there are 40,000,000 TechStar Promoter Warrants issued and outstanding
"TechStar Promoter Warrant Agreement"	the agreement relating to the TechStar Promoter Warrants dated as of December 15, 2022 by and among TechStar, the Promoters and other persons named therein
"TechStar Shareholder(s)"	holder(s) of TechStar Shares
"TechStar Shareholder Redemption Amount"	the aggregate amount payable with respect to all TechStar Class A Shares in respect of which the eligible (as determined in accordance with the TechStar Articles) holder thereof has validly exercised (and not validly revoked, withdrawn or lost) his, her or its TechStar Shareholder redemption right

"TechStar Shares"	TechStar Class A Shares and TechStar Class B Shares
"TechStar Warrants"	TechStar Listed Warrants and TechStar Promoter Warrants (as applicable)
"TechStar Warrantholders"	holders of TechStar Warrants
"Track Record Period"	the two financial years ended December 31, 2022 and 2023 and the nine months ended September 30, 2024
"Trust Deed"	the trust deed entered into between Kastle Limited (the trustee of the 2016 Share Incentive Plan) on one hand and the Target Company on the other hand, pursuant to which the employee incentive trust was established for the purpose of the 2016 Share Incentive Plan, and Dr. Bao Junwei is entitled to exercise in his sole discretion the voting rights with respect to Target Company Shares held by Enlightning Limited until the Closing
"U.S." or "United States"	the United States of America, its territories and possessions, any state of the United States and the District of Columbia
"US$"	U.S. dollars, the lawful currency of the U.S.
"Voting Proxy Agreement(s)"	the voting proxy agreements entered into between, among others, each of the Proxy Shareholders on one hand and Dr. Bao Junwei on the other hand, pursuant to which Dr. Bao Junwei is entitled to exercise in his sole discretion the voting rights with respect to certain Target Company Shares, which will continue after the Closing

Q. WARNINGS

TechStar Class A Shareholders and Warrantholders and potential investors in the securities of TechStar should note that the De-SPAC Transaction and all transactions thereunder are subject to, among other things, compliance with applicable legal and regulatory requirements, including the requirements for approval by shareholders of the companies concerned at general meetings, approval of the Stock Exchange and/or other regulators, and completion of necessary filings with the CSRC in the PRC. Accordingly, there is no certainty as to whether, and if so when, any such proposed transactions will proceed and/or will become effective. If the De-SPAC Transaction is not completed, TechStar will not redeem any TechStar Class A Shares and all Share Redemption requests will be canceled.

TechStar Class A Shareholders and Warrantholders and potential investors in the securities of TechStar should exercise caution when dealing in the shares or other securities of TechStar. Any person who is in doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional advisor(s).

By order of the TechStar Board
TechStar Acquisition Corporation
NI Zhengdong
Chairman of the TechStar Board

Hong Kong, December 20, 2024

As at the date of this announcement, the TechStar Board comprises Mr. NI Zhengdong, Mr. LUO Xuan, Mr. LI Zhu, Mr. CHEN Yaochao and Ms. JIANG Jun as the executive Directors, Mr. LAU Wai Kit as the non-executive Director, and Mr. ZHANG Min, Mr. XUE Linnan and Dr. LI Weifeng as the independent non-executive Directors.

The TechStar Directors collectively and individually accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to the Target Group). The TechStar Directors, having made all reasonable inquiries, confirm that to the best of their knowledge and belief the information contained in this announcement (other than that relating to the Target Group) is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters (other than those relating to the Target Group) the omission of which would make any statement in this announcement misleading.

As at the date of this announcement, the Directors of the Target Company are Dr. Bao Junwei, Dr. Li Yimin and Mr. Shen Xiao.

The Directors of the Target Company collectively and individually accept full responsibility for the accuracy of the information contained in this announcement (other than that relating to TechStar). The Directors of the Target Company, having made all reasonable inquiries, confirm that to the best of their knowledge and belief the information contained in this announcement (other than that relating to TechStar) is accurate and complete in all material aspects and not misleading or deceptive, and there are no other matters (other than those relating to TechStar) the omission of which would make any statement in this announcement misleading.