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**Suzhou Dongshan Precision Manufacturing Co., Ltd.**
**蘇州東山精密製造股份有限公司**
*(A joint stock company incorporated in the People's Republic of China with limited liability)*
**(Stock Code: 2384)**

# ANNOUNCEMENT IN RELATION TO ACQUISITION AND INVESTMENTS MADE AFTER THE TRACK RECORD PERIOD

## INTRODUCTION

Reference is made to the prospectus of Suzhou Dongshan Precision Manufacturing Co., Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") dated 20 October 2026 (the "**Prospectus**"). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Prospectus.

After the end of the Track Record Period and prior to the Listing, the Group completed one acquisition and four minority investments as described in this announcement (collectively, the "**Acquisitions**"). The board (the "**Board**") of directors (the "**Directors**") of the Company would like to provide the following information on the Acquisitions to the shareholders of the Company (the "**Shareholders**") and investors.

## THE HUACUN ACQUISITION

The Company acquired an aggregate of 73.4393% of the enlarged equity interest in Jiangsu Huacun Electronic Technology Co., Ltd. (江蘇華存電子科技有限公司) ("**Jiangsu Huacun**") through equity transfers and capital increase (collectively, the "**Huacun Acquisition**"), details of which are set out below:

| Steps | Counterparty | Interest acquired/ subscribed | Date of agreement | Date of settlement |
|---|---|---|---|---|
| Capital increase | Jiangsu Huacun | 50% of the enlarged registered capital | On or about 28 July 2026 | 16 October 2026 |

| Steps | Counterparty | Interest acquired/ subscribed | Date of agreement | Date of settlement |
|---|---|---|---|---|
| Equity transfer | Nantong Zhaoshang Jianghai Industrial Development Fund Partnership (L.P.) (南通招商江海產業發展基金合夥企業(有限合夥)) ("**Zhaoshang Jianghai**") | 18.7542% | On or about 30 July 2026 | 12 October 2026 |
| Equity transfer | Nantong Haotong Equity Investment Partnership (L.P.) (南通濠通股權投資合夥企業(有限合夥)) ("**Nantong Haotong**") | 21.8730% | 14 August 2026 | 12 October 2026 |
| Equity transfer | Nantong Science and Technology Venture Capital Co., Ltd. (南通科技創業投資有限公司) ("**Nantong S&T VC**") | 6.2514% | 29 September 2026 | 12 October 2026 |
| **Total** | | **73.4393% of the enlarged registered capital** | | |

**Consideration and payment terms**

The aggregate consideration determined after arm's length negotiations between the Company and the relevant counterparties for the Huacun Acquisition is up to RMB580,539,115, comprising (i) RMB435,583,418, being the base consideration which is not subject to the achievement of any performance milestones and is payable in connection with the completion of the relevant transactions in accordance with the terms of the relevant agreements; and (ii) up to RMB144,955,697, being the contingent consideration which shall become payable only upon the achievement of certain performance milestones primarily in relation to a key product under development by Jiangsu Huacun, namely the commencement of mass production of the key product in accordance with the agreed performance requirements, and the certification of the key product by, and the receipt of orders from, data centre customers.

The consideration was funded entirely from the Company's internal resources and no proceeds from the Global Offering were or will be used for the Huacun Acquisition. A total of RMB375,604,683.6 of the consideration has been paid as of the date of this announcement.

**Completion**

Upon completion of the registration of the Huacun Acquisition with the competent market regulation authority on 16 October 2026, 73.4393% of the registered capital of Jiangsu Huacun is held by the Company. Jiangsu Huacun has become a non-wholly owned subsidiary of the Company, and its financial results has been consolidated into the consolidated financial statements of the Group since November 2026.

**Financial information of Jiangsu Huacun**

Set out below is the financial information of Jiangsu Huacun for the two years ended 31 December 2024 and 2025 based on its audited financial statements:

| | For the year ended 31 December 2024 (RMB) | For the year ended 31 December 2025 (RMB) |
|---|---|---|
| (Loss)/profit before taxation | (48,710,213.54) | (27,472,053.43) |
| (Loss)/profit after taxation | (49,752,949.93) | (28,537,870.08) |
| Total assets | 169,108,079.12 | 128,021,986.67 |

**Reasons for and benefits of the Huacun Acquisition**

The solid state drive ("**SSD**") controller chips and storage modules of Jiangsu Huacun are applied in the consumer electronics, automotive and data centre sectors, which are closely aligned with the Company's end markets. In particular, the potential end customers of its key product overlap substantially with the Company's AI data centre customers. The Huacun Acquisition enables the Company to support Jiangsu Huacun in expanding its enterprise SSD business, which is in line with the Company's strategy of developing its AI data centre infrastructure business.

## THE MINORITY INVESTMENTS

The Group made the following four minority investments (collectively, the "**Minority Investments**") through the Company or Suzhou Dongshan Industrial Investment Co., Ltd. (蘇州東山產業投資有限公司), a wholly-owned subsidiary of the Company. None of the investee companies became a subsidiary of the Company after the completion of the respective Minority Investments.

| Investee company | Form of investment | Counterparty | Amount (RMB) | Equity interest acquired | Date of agreement | Date of Settlement |
|---|---|---|---|---|---|---|
| Yuanchu Wanwu (Beijing) Technology Co., Ltd. (元觸萬物(北京)科技有限公司) ("**Yuanchu Wanwu**") | Capital increase | Yuanchu Wanwu | 5,000,000 | 2.5253% | 6 August 2026 | 14 August 2026 |

| Investee company | Form of investment | Counterparty | Amount (RMB) | Equity interest acquired | Date of agreement | Date of Settlement |
|---|---|---|---|---|---|---|
| | Capital increase | Huahe Jidian | 5,000,000 | 0.4762% | 23 September 2026 | 28 October 2026 |
| | Equity transfer | Shanghai Compound Semiconductor Technology Co., Ltd. (上海化合積電半導體科技有限公司) ("**Shanghai Huahe**") | 3,371,735 | 0.8527% | 23 September 2026 | 28 October 2026 |
| Huahe Jidian (Xiamen) Semiconductor Technology Co., Ltd. (化合積電(廈門)半導體科技有限公司) ("**Huahe Jidian**") | Equity transfer | Aowen Yinke (Anqing) Private Equity Fund Partnership (Limited Partnership) (遨問崟科(安慶)私募基金合夥企業(有限合夥)) ("**Aowen Yinke**") | 6,628,265 | 1.0521% | 23 September 2026 | 28 October 2026 |
| | Sub-total | | 15,000,000 | 2.3810% | | |
| Shenzhen Hongfucheng New Material Co., Ltd. (深圳市鴻富誠新材料股份有限公司) ("**Hongfucheng**"), a company listed on the ChiNext Market of the Shenzhen Stock Exchange (stock code: 301716) | Placing in its A share initial public offering | Hongfucheng | 35,389,495.26 | 0.6146% | 8 September 2026 | 8 September 2026 |
| CanSemi Technology Inc. (粵芯半導體技術股份有限公司) ("**CanSemi**"), a company listed on the ChiNext Market of the Shenzhen Stock Exchange (stock code: 301660) | Placing in its A share initial public offering | CanSemi | 149,999,999.92 | 0.4339% | 15 September 2026 | 17 September 2026 |
| **Total** | | | **205,389,495.18** | | | |

The aggregate amount of the Minority Investments was approximately RMB205.4 million. The consideration of the Minority Investments were determined after arm's length negotiations between the Group and the relevant counterparties with reference to, among other things, the valuations of the relevant investee companies in their latest rounds of financing, and the subscription prices under the strategic placings were at the final offer prices of the relevant A share initial public offerings. The Minority Investments were funded entirely from the Group's internal resources and no proceeds from the Global Offering were used for the Minority Investments.

**Financial information of the investee companies**

Set out below is the financial information of the investee companies for the two years ended 31 December 2024 and 2025 based on their audited financial statements:

| Investee company | Year ended 31 December | Profit/(loss) before taxation (RMB) | Profit/(loss) after taxation (RMB) | Total assets as at 31 December (RMB) |
|---|---|---|---|---|
| Huahe Jidian | 2024 | (328,441.59) | (328,441.59) | 41,899,354.68 |
| | 2025 | (13,296,636.65) | (13,296,636.65) | 85,812,481.13 |
| Hongfucheng | 2024 | 81,929,374.24 | 71,505,136.74 | 540,621,099.53 |
| | 2025 | 316,156,004.40 | 270,318,151.99 | 854,422,197.67 |
| CanSemi | 2024 | (232,723.92) | (232,723.92) | 1,960,350.63 |
| | 2025 | (249,014.97) | (249,014.97) | 2,447,017.07 |

Yuanchu Wanwu was established on 25 May 2026 and did not have financial statements for the two years ended 31 December 2024 and 2025.

**Reasons for and benefits of the Minority Investments**

The Minority Investments were strategic investments in companies whose businesses are complementary to those of the Group, in particular in the areas of thermal management, silicon photonics and robotics: (i) Yuanchu Wanwu is engaged in the research and development of electronic skin, which is synergistic with the dexterous hand products being developed by the Company; (ii) Huahe Jidian is one of the few domestic high-end materials companies with full industry chain and large-scale mass production capabilities in MPCVD diamond, focusing on thermal management materials for AI computing, which complements the Group's thermal solutions for optical modules; (iii) Hongfucheng is engaged in the research and development, production and sale of thermal interface materials and is a supplier of thermal materials to Source Photonics; (iv) CanSemi is principally engaged in wafer foundry services and has 12-inch silicon photonics fab capabilities, which is synergistic with the silicon photonics optical module products of Source Photonics.

# INFORMATION ON THE PARTIES

## The Group

The Company is a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the Main Board of the Stock Exchange (stock code: 2384) and the A Shares of which are listed on the Main Board of the Shenzhen Stock Exchange (stock code: 002384). The Group is a manufacturer primarily focused on printed circuit boards, precision components, touch panels and liquid crystal modules and optical transceivers, with a global presence and operating footprint. Its products are widely used in consumer electronics, automobiles, data centres, telecommunications equipment and industrial control devices.

## Jiangsu Huacun

Jiangsu Huacun is a limited liability company established in the PRC on 14 September 2017. It is principally engaged in the research and development of proprietary SSD controller chips, firmware development, storage module design and the provision of integrated storage solutions, with products applied in servers, computers, smart terminals and Internet of Things devices. It has been recognised as a national-level specialised and innovative "Little Giant" enterprise and a High and New Technology Enterprise.

## The sellers of equity interests of Jiangsu Huacun

Zhaoshang Jianghai is a limited partnership established in the PRC and is principally engaged in equity investment. There is no ultimate beneficial owner controlling 30% or more partnership interest of Zhaoshang Jianghai.

Nantong Haotong is a limited partnership established in the PRC and is principally engaged in equity investment. It is ultimately controlled by Governmental institutions of Nantong, Jiangsu Province.

Nantong S&T VC is a limited liability company established in the PRC and is principally engaged in venture capital investment. It is ultimately controlled by Nantong Municipal State-owned Assets Supervision and Administration Commission.

## The investee companies

Yuanchu Wanwu is a limited liability company established in the PRC and is principally engaged in the research and development of electronic skin. It is ultimately controlled by Shi Subao, the director and manager of Yuanchu Wanwu and an Independent Third Party.

Huahe Jidian is a limited liability company established in the PRC and is principally engaged in the research, development and mass production of MPCVD diamond materials, including thermal management materials for AI computing. It is ultimately controlled by Zhang Xing, the chairman of the board and general manager of Huahe Jidian, and Spleinerz Pte. Ltd, which are Independent Third Parties.

Hongfucheng is a joint stock company established in the PRC with limited liability, the shares of which are listed on the ChiNext Market of the Shenzhen Stock Exchange (stock code: 301716). It is principally engaged in the research and development, production and sale of thermal interface materials. Hongfucheng is an Independent Third Party.

CanSemi is a joint stock company established in the PRC with limited liability, the shares of which are listed on the ChiNext Market of the Shenzhen Stock Exchange (stock code: 301660). It is principally engaged in the provision of wafer foundry services and has 12-inch silicon photonics fab capabilities. CanSemi is an Independent Third Party.

**The sellers of equity interests in Huahe Jidian**

Shanghai Huahe is a limited liability company established in the PRC and a shareholding platform of Huahe Jidian, and is principally engaged in technology development and service in relation to packaging and testing of integrated circuit. It is ultimately controlled by Zhang Xing and Spleinerz Pte. Ltd, each of which is an Independent Third Party.

Aowen Yinke is a limited partnership established in the PRC and is principally engaged in equity investment. It is ultimately controlled by CM Venture Capital Fund III, LP, an Independent Third Party.

## LISTING RULES IMPLICATIONS AND REASONS FOR THE OMISSION

Pursuant to Rules 4.04(2) and 4.04(4) of the Listing Rules, the accountants' report included in the listing document of a new applicant is required to include, among others, the results and the statement of financial position of any business or subsidiary acquired, agreed to be acquired or proposed to be acquired since the date to which its latest audited financial statements have been made up, irrespective of the size of the acquisition, unless a waiver from strict compliance is obtained from the Stock Exchange. The agreements in respect of each of the Acquisitions were entered into after 30 June 2026, being the end of the Track Record Period, and before the date of the Prospectus. However, due to inadvertent oversight and misunderstanding of the Listing Rules, the Acquisitions were not disclosed in the Prospectus, which constituted a breach of the Listing Rules.

The Company reiterated that it had no intention for such breach which was solely due to the reasons stated above. To the best of the knowledge, information and belief of the Directors, each of Jiangsu Huacun, the investee companies, the sellers in relation to the Acquisitions and their respective ultimate beneficial owners is an Independent Third Party. None of them has subscribed for or been allocated any H Shares under the Global Offering. Each of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Acquisitions, whether individually or in aggregate, is less than 1%. Accordingly, each of the Acquisitions did not constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules. The Directors consider that the terms of the Acquisitions are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole. The Acquisitions are consistent with the business strategies of the Group as disclosed in the Prospectus, and do not represent any change in the principal business of the Group. As the Acquisitions were funded entirely from the internal resources of the Group and the aggregate size of the Acquisitions was immaterial to the Group, the

Acquisitions have not resulted in, and are not expected to result in, any significant change to the financial position of the Group since 30 June 2026, and have not affected the use of proceeds from the Global Offering as disclosed in the Prospectus.

## ENHANCED INTERNAL CONTROL

The Company regrets the non-compliance with the Listing Rules and would like to stress that such non-compliance was a single and isolated incident and purely inadvertent. In order to prevent the recurrence of similar matter, the Company will continue to closely monitor its acquisition and investment activities and has taken or will take the following additional measures to further enhance its internal control in this regard:

(i) the Company will review and revise its internal control, information disclosure and investment management policies to set out clear criteria for identifying acquisitions and investments which may be subject to requirements under the Listing Rules, as well as the procedures for reporting such matters and obtaining approval in advance;

(ii) the Company will establish a cross-departmental coordination and periodic self-review mechanism, strengthen the communication among its finance, legal and business departments (including its investment subsidiaries) and its company secretarial team, and conduct regular audits of the implementation of its internal controls; and

(iii) the Company has engaged Hong Kong legal advisers and a compliance adviser pursuant to Rule 3A.19 of the Listing Rules, and will seek their advice before entering into acquisitions and investments as to the applicable requirements under the Listing Rules. The Company will also arrange regular training on the Listing Rules, including the requirements applicable to acquisitions and notifiable transactions, for the Directors, senior management and relevant personnel.

The Company believes that the above measures will further strengthen its internal control and ensure its ongoing compliance with the Listing Rules.

By order of the Board
**Suzhou Dongshan Precision Manufacturing Co., Ltd.**
**Mr. Yuan Yonggang**
*Chairman of the Board and non-executive Director*

Suzhou, the People's Republic of China, 6 November 2026

*As at the date of this announcement, the Board comprises: (i) Mr. Yuan Yongfeng, Mr. Shan Jianbin, Mr. Wang Xu, Ms. Mao Xiaoyan and Mr. Ma Liqiang as executive Directors; (ii) Mr. Yuan Yonggang and Mr. Zhao Xiutian as non-executive Directors; and (iii) Dr. Wang Leigang, Mr. Poon Wing Shing Anthony, Mr. Cai Weihua and Dr. Xu Weidong as independent non-executive Directors.*