

Kunshan Dongwei Technology Co., Ltd.
Announcement on the Plan of Directors and
Supervisors' Shareholding Reduction through Call
Auction

The board of directors, all directors and relevant shareholders of the company guarantee that there are no false records, misleading statements or major omissions in the content of this announcement, and they shall bear the legal responsibility for the authenticity, accuracy and integrity of the content in accordance with the law.

Important tips:

- Basic information on shareholding of directors and supervisors

As of the disclosure date of this announcement, Mr. Xiao Zhiguo, director of Kunshan Dongwei Technology Co., Ltd. (hereinafter referred to as the "Company"), directly holds 10,567,065 shares of the Company, accounting for 4.60% of the Company's total share capital. The above-mentioned shares come from the shares held by Mr. Xiao Zhiguo before the initial public offering and from the company's implementation of the 2022 profit distribution and capital reserve conversion plan, all of which are unrestricted tradable shares.

Director and core technician Mr. Jiang Zejun directly holds 3,688,052 shares of the Company, accounting for 1.61% of the company's total share capital. The above-mentioned shares come from the shares held by Mr. Jiang Zejun before the initial public offering and from the company's implementation of the 2022 profit distribution and capital reserve conversion plan, all of which are unrestricted tradable shares.

Director Mr. Shi Guowei directly holds 3,134,909 shares of the Company, accounting for 1.37% of the company's total share capital. The above-mentioned shares come from the shares held by Mr. Shi Guowei before the initial public offering and from the company's implementation of the 2022 profit distribution and capital reserve

conversion plan, all of which are unrestricted tradable shares.

Supervisor Mr. Wei Yongjun directly holds 5,780,073 shares of the Company, accounting for 2.52% of the company's total share capital. The above-mentioned shares come from the shares held by Mr. Wei Yongjun before the initial public offering and from the company's implementation of the 2022 profit distribution and capital reserve conversion plan, all of which are unrestricted tradable shares.

Supervisor Mr. Zhang Zhen directly holds 236,800 shares of the Company, accounting for 0.10% of the company's total share capital. The above-mentioned shares come from the shares held by Mr. Zhang Zhen before the initial public offering and from the company's implementation of the 2022 profit distribution and capital reserve conversion plan, all of which are unrestricted tradable shares.

- Main content of the plan

The Company received the Notification Letter of Shareholding Reduction from Mr. Xiao Zhiguo, Mr. Shi Guowei, Mr. Jiang Zejun, Mr. Wei Yongjun and Mr. Zhang Zhen on July 5, 2023. Due to personal financial needs and arrangements, they plan to reduce their shares through call auction under the premise of complying with relevant shareholding reduction regulations. Mr. Xiao Zhiguo plans to reduce his holdings by no more than 500,000 shares, accounting for no more than 0.22% of the Company's total share capital; Mr. Jiang Zejun plans to reduce his holdings by no more than 900,000 shares, accounting for no more than 0.39% of the Company's total share capital; Mr. Shi Guowei plans to reduce his holdings by no more than 620,000 shares, accounting for no more than 0.27% of the Company's total share capital; Mr. Wei Yongjun plans to reduce his holdings by no more than 500,000 shares, accounting for no more than 0.22% of the Company's total share capital. Mr. Zhang Zhen plans to reduce his holdings by no more than 59,000 shares, accounting for no more than 0.03% of the Company's total share capital.

The reduction of shareholdings through call auction shall be carried out within 6 months after 15 trading days from the date of disclosure of this Announcement, and within any 90 consecutive calendar days, the total number of reduced shares shall not

exceed 1% of the total number of the Company's shares. During this period, in case of any window period stipulated by laws and regulations, the shareholding reduction shall not be carried out. During the shareholding reduction period, if there are any changes in shares such as bonus shares, shares converted from capital reserve and allotment of shares, the number of shares to be reduced shall be adjusted accordingly, and the price shall be determined according to the market price when the reduction is implemented, and it shall not be lower than the company's IPO price.

I. Basic information of the entities of centralized bidding to reduce holdings

Name of shareholder	Title of shareholders	Quantity of stock keeping (shares)	Shareholding ratio	Source of current shareholding
Xiao Zhiguo	Directors, supervisors and senior managers	10,567,065	4.60%	Acquired before IPO: 7,139,909 shares Acquired by other means: 3,427,156 shares
Jiang Zejun	Directors, supervisors and senior managers	3,688,052	1.61%	Acquired before IPO: 2,491,927 shares Acquired by other means: 1,196,125 shares
Shi Guowei	Directors, supervisors and senior managers	3,134,909	1.37%	Acquired before IPO: 2,118,182 shares Acquired by other means: 1,016,727 shares
Wei Yongjun	Directors, supervisors and senior managers	5,780,073	2.52%	Acquired before IPO: 3,905,455 shares Acquired by other means: 1,874,618 shares
Zhang	Directors,	236,800	0.10%	Acquired before IPO: 160,000

Zhen	supervisors and senior managers			shares Acquired by other means: 76,800 shares
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There are no persons acting in concert among the above-mentioned shareholding reduction entities.

Director Jiang Zejun has not reduced his shareholding in the past 12 months. Directors Xiao Zhiguo and Shi Guowei, supervisors Wei Yongjun and Zhang Zhen have reduced their shareholdings in the past 12 months as follows:

Name of shareholder	Number of shares to be reduced (shares)	Reduction ratio	Reduction period	Reduction price range (RMB/share)	Disclosure date of previous shareholding reduction plan
Xiao Zhiguo	1,000,000	0.679%	7/26/2022~ 8/8/2022	113-132	6/18/2022
Shi Guowei	700,000	0.476%	7/25/2022~ 8/11/2022	113-142	6/18/2022
Wei Yongjun	240,000	0.16%	9/14/2022~ 11/3/2022	133.02-166.50	8/9/2022
Zhang Zhen	40,000	0.027%	11/9/2022~ 11/10/2022	175.46-180.90	7/27/2022

II. Main content of the plan

Name of shareholder	Number of shares planned to be reduced (shares)	Planned ratio of shareholding reduction	Ways of shareholding reduction	During shareholding reduction through call auction	Reasonable price range for the shareholding	Source of shares to be reduced	Reasons for proposed reduction

		n			ing reduction		n
Xiao Zhiguo	No more than 500,000 shares	No more than 0.22%	Shareholding reduction through call auction, no more than: 500000 shares	7/28/2023~ 1/27/2024	At market price	Pre-IPO shares and shares converted from capital reserve	Personal financial needs
Jiang Zejun	No more than 900,000 shares	No more than 0.39%	Shareholding reduction through call auction, no more than: 900000 shares	7/28/2023 ~ 1/27/2024	At market price	Pre-IPO shares and shares converted from capital reserve	Personal financial needs
Shi Guowei	No more than 620,000 shares	No more than 0.27%	Shareholding reduction through call auction, no more than: 620000 shares	7/28/2023~ 1/27/2024	At market price	Pre-IPO shares and shares converted from capital reserve	Personal financial needs
Wei Yongjun	No more than 500000	No more than	Shareholding reduction through call	7/28/2023 ~ 1/27/2024	At market price	Pre-IPO shares and	Personal financial needs

	shares	0.22%	auction, no more than: 500000 shares			shares converted from capital reserve	
Zhang Zhen	No more than 59,000 shares	No more than 0.03%	Shareholding reduction through call auction, no more than: 59000 shares	7/28/2023~ 1/27/2024	At market price	Pre-IPO shares and shares converted from capital reserve	Personal financial needs

(I) Do relevant shareholders have other arrangements? Yes No

(II) Have the major shareholders, directors, supervisors and senior managers previously made commitments on the proportion of shares held, the number of shares held, the period of shareholding, the ways of shareholding reduction, the number of shares reduced, and the price of shareholding reduction, etc.? Yes No

1. Commitments of directors Xiao Zhiguo and Shi Guowei regarding the lock-up of shares

(1) Within 12 months from the listing date of the Company's shares, I shall not transfer or entrust others to manage the Company's shares directly or indirectly held by me before this issue, nor shall the Company repurchase such shares;

(2) If the closing price of the shares is lower than the issue price for 20 consecutive trading days within 6 months after the listing of the Company, or the closing price at the end of 6 months after the listing of the Company is lower than the issue price, the lock-up period of the Company's shares held directly or indirectly by me will be

automatically extended for 6 months (the above issue price will be adjusted accordingly in the event of dividend distribution, conversion of share capital, allotment of shares and other ex-dividend and ex-right matters).

(3) Except for the aforesaid lock-up period, the number of shares transferred each year during the period of serving as a director, supervisor or senior manager of the Company shall not exceed 25% of the total number of shares directly or indirectly held by me; within 6 months after leaving office, I will not transfer the Company's shares directly or indirectly held by me.

2. Commitments of director and core technician Jiang Zejun regarding the lock-up of shares

(1) Within 12 months from the listing date of the Company's shares, I shall not transfer or entrust others to manage the Company's shares directly or indirectly held by me before this issue, nor shall the Company repurchase such shares;

(2) If the closing price of the shares is lower than the issue price for 20 consecutive trading days within 6 months after the listing of the Company, or the closing price at the end of 6 months after the listing of the Company is lower than the issue price, the lock-up period of the Company's shares held directly or indirectly by me will be automatically extended for 6 months (the above issue price will be adjusted accordingly in the event of dividend distribution, conversion of share capital, allotment of shares and other ex-dividend and ex-right matters).

(3) Except for the aforesaid lock-up period, the number of shares transferred each year during the period of serving as a director, supervisor or senior manager of the Company shall not exceed 25% of the total number of shares directly or indirectly held by me; within 6 months after leaving office, I will not transfer the Company's shares directly or indirectly held by me.

(4) Except for the aforesaid lock-up period, within 4 years from the expiration date of the restriction period of the Company's shares held by me, the shares transferred each year shall not exceed 25% of the total number of the shares held by me directly or indirectly in the Company, and the reduction proportion can be accumulative; within 6

months after resignation, I will not transfer the shares directly or indirectly held by me in the Company.

3. Commitments of supervisors Wei Yongjun and Zhang Zhen regarding the lock-up of shares:

(1) Within 12 months from the listing date of the Company's shares, I shall not transfer or entrust others to manage the Company's shares directly or indirectly held by me before this issue, nor shall the Company repurchase such shares;

(2) Except for the aforesaid lock-up period, the number of shares transferred each year during the period of serving as a director, supervisor or senior manager of the Company shall not exceed 25% of the total number of shares directly or indirectly held by me; within 6 months after leaving office, I will not transfer the Company's shares directly or indirectly held by me.

4. Commitments of directors Xiao Zhiguo and Shi Guowei, director and core technician Jiang Zejun, supervisors Wei Yongjun and Zhang Zhen regarding the failure to fulfill the constraint measures of the commitment regarding the lock-up of shares:

"If I violate the above-mentioned share circulation restrictions and voluntary lock-up commitments, I will publicly explain the specific reasons for the non-fulfillment at the Company's meeting of the shareholders general assembly and the newspapers designated by China Securities Regulatory Commission, and apologize to the Company's shareholders and social public investors; if any income is obtained due to failure to fulfill the share circulation restrictions and voluntary lock-up commitments, the income shall belong to the Company, and the aforementioned income shall be paid to the Company's account within five working days since obtaining it. "

Xiao Zhiguo, a shareholder who held more than 5% of the Company's shares before the public offering, made a commitment to shareholding intentions and shareholding reduction intentions:

“(1) Conditions and number of shares to be reduced

I will strictly comply with the share lock-up commitment set forth in the Company's initial public offering and listing prospectus on the STAR Market and other public

disclosure documents, and will not reduce my holdings of the Company's shares during the share lock-up period.

If I intend to reduce my holdings of the Company's shares within two years after the expiration of the lock-up period, the annual reduction shall not exceed 25% of the total number of shares held by me before the initial public offering of the Company (if the Company's equity allocation, and capital and share reduction result in any change in the Company's shares held by me, the amount of transferable shares in the corresponding year shall be adjusted accordingly).

(2) Share reduction price

If I intend to reduce my holdings of the Company's shares within two years after the expiration of the lock-up period, the reduction price shall not be lower than the issue price of the Company's initial public offering of shares (if there are ex-right and ex-dividend matters such as dividend payouts, stock dividends, and conversion of capital reserve to share capital after the offering of the Company's shares, the issue price will be adjusted accordingly).

(3) Procedures and methods of reducing shares

For the procedure for reducing shares after the expiration of the lock-up period, I will strictly follow the Opinions of the China Securities Regulatory Commission on Further Promoting the IPO System Reform, Rules of the Shanghai Stock Exchange for the Listing of Stocks on the STAR Market, Several Provisions on the Reduction of Shares Held in a Listed Company by the Shareholders, Directors, Supervisors, and Senior Executives of the Listed Company, Detailed Implementing Rules of the Shanghai Stock Exchange for Shareholding Reduction by Shareholders, Directors, Supervisors and Senior Executives of Listed Companies, and other relevant laws and regulations. The reduction method shall comply with the relevant laws and regulations applicable at that time, including but not limited to the methods by auction, block trading and agreement transfer, etc.

(4) Disclosure of information on reduction of shares

For the reduction of shares (through auction), I will report to the Shanghai Stock Exchange 15 trading days before the first reduction and disclose the share reduction

plan in advance. For the reduction of the Company's shares by other means, I will promptly and accurately perform the information disclosure obligation three trading days in advance in accordance with the rules of the securities regulatory authority and the Shanghai Stock Exchange at that time.

(5) Others

I will strictly abide by the above commitments. If I violate the above commitment to reduce my shares, all proceeds from the reduction of shares shall belong to the Company. If I fail to turn over the proceeds of illegal reduction of shares to the Company, the Company shall have the right to recover the amount of cash dividends payable to me equal to the proceeds of illegal reduction of shares.

6. The directors and core technicians who hold the Company's shares made a commitment to shareholding intentions and shareholding reduction intentions:

“(1) Conditions and number of shares to be reduced

I will strictly comply with the share lock-up commitment set forth in the Company's initial public offering and listing prospectus on the STAR Market and other public disclosure documents, and will not reduce my holdings of the Company's shares during the share lock-up period.

If I intend to reduce my holdings of the Company's shares within two years after the expiration of the lock-up period, the annual reduction shall not exceed 25% of the total number of shares held by me before the initial public offering of the Company (if the Company's equity allocation, and capital and share reduction result in any change in the Company's shares held by me, the amount of transferable shares in the corresponding year shall be adjusted accordingly).

(2) Share reduction price

If I intend to reduce my holdings of the Company's shares within two years after the expiration of the lock-up period, the reduction price shall not be lower than the issue price of the Company's initial public offering of shares (if there are ex-right and ex-dividend matters such as dividend payouts, stock dividends, and conversion of capital reserve to share capital after the offering of the Company's shares, the issue price will be adjusted accordingly).

(3) Procedures and methods of reducing shares

For the procedure for reducing shares after the expiration of the lock-up period, I will strictly follow the Opinions of the China Securities Regulatory Commission on Further Promoting the IPO System Reform, Rules of the Shanghai Stock Exchange for the Listing of Stocks on the STAR Market, Several Provisions on the Reduction of Shares Held in a Listed Company by the Shareholders, Directors, Supervisors, and Senior Executives of the Listed Company, Detailed Implementing Rules of the Shanghai Stock Exchange for Shareholding Reduction by Shareholders, Directors, Supervisors and Senior Executives of Listed Companies, and other relevant laws and regulations. The reduction method shall comply with the relevant laws and regulations applicable at that time, including but not limited to the methods by auction, block trading and agreement transfer, etc.

(4) Disclosure of information on reduction of shares

For the reduction of shares (through auction), I will report to the Shanghai Stock Exchange 15 trading days before the first reduction and disclose the share reduction plan in advance. For the reduction of the Company's shares by other means, I will promptly and accurately perform the information disclosure obligation three trading days in advance in accordance with the rules of the securities regulatory authority and the Shanghai Stock Exchange at that time.

(5) Others

I will strictly abide by the above commitments. If I violate the above commitment to reduce my shares, all proceeds from the reduction of shares shall belong to the Company. If I fail to turn over the proceeds of illegal reduction of shares to the Company, the Company shall have the right to recover the amount of cash dividends payable to me equal to the proceeds of illegal reduction of shares.

I will not give up fulfilling the above commitments due to job change, resignation or other reasons. "

Is the proposed shareholding reduction consistent with the previously disclosed commitments? Yes No

(III) Is it that the controlling shareholders, actual controllers, directors, supervisors and senior managers of an unprofitable company at the time of listing plan to reduce their pre-IPO shares? Yes No

(IV) Other matters required by the Exchange.

None

III. The controlling shareholders or actual controllers reduce the pre-IPO shares

Is it that the controlling shareholders or the actual controllers plan to reduce their pre-IPO shares? Yes No

IV. Warning of relevant risks in the plan of shareholding reduction through call auction

(I) Uncertainty risks in the implementation of the shareholding reduction plan, such as the preconditions and restrictive conditions for the implementation of the plan, and the specific circumstances of the achievement or elimination of relevant conditions, etc.

The implementation or not of this shareholding reduction plan will be determined based on market conditions and the Company's stock price, etc. There are uncertainties in the time, number and price of reduction in this plan, and also the uncertainty in on-schedule implementation and completion. Investors shall pay attention to investment risks.

(II) Will the implementation of the shareholding reduction plan lead to the risk of changes in the control rights of the listed company? Yes No

(III) Other risk warning

1. This shareholding reduction plan is in compliance with the Company Law of the People's Republic of China, Law of the People's Republic of China on Securities, Several Regulations on Shareholding Reduction of Shareholders, Directors, Supervisors and Senior Managers of Listed Companies, Rules of Shanghai Stock

Exchange on the Listing of Sci-Tech Innovation Board Stocks, Implementation Rules of Shanghai Stock Exchange for Shareholders, Directors, Supervisors, and Senior Managers of Listed Companies to Reduce Shareholdings, and other relevant laws, regulations and regulatory documents.

2. During the implementation of this shareholding reduction plan, shareholders will strictly abide by the relevant laws and regulations, departmental rules and regulatory documents, and perform information disclosure obligations in a timely manner.

3. The shareholders of this shareholding reduction are not the controlling shareholders or actual controllers of the Company. This shareholding reduction plan is a normal shareholding reduction, and will not have a significant impact on the corporate governance structure, equity structure and future continuous operations, nor will it lead to changes in corporate control.

Investors are advised to invest rationally and pay attention to investment risks.

Hereby announced.

Board of Directors of Kunshan Dongwei Technology Co., Ltd.

July 6, 2023