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匯聚科技有限公司
TIME Interconnect Technology Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1729)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO (1) THE MAJOR TRANSACTION IN RELATION TO THE ACQUISITION OF THE ENTIRE ISSUED SHARE CAPITAL OF THE TARGET COMPANY INVOLVING ISSUE OF CONSIDERATION SHARES UNDER GENERAL MANDATE; (2) THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2024; AND (3) THE INTERIM REPORT FOR THE SIX MONTHS ENDED 30 JUNE 2025

Reference is made to (i) the announcement of Time Interconnect Technology Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 28 August 2025 (the “**Announcement**”) in relation to the Acquisition; (ii) the annual report of the Company for the year ended 31 December 2024 (the “**2024 Annual Report**”); and (iii) the interim report of the Company for the six months ended 30 June 2025 (the “**2025 Interim Report**”). Unless otherwise defined or the context otherwise requires, terms used herein shall bear the same meanings as those defined in the Announcement, the 2024 Annual Report and the 2025 Interim Report.

The Board would like to provide the Shareholders and potential investor of the Company with the following supplemental information in relation to the Acquisition and the share option scheme of the Group as disclosed in the 2024 Annual Report and 2025 Interim Report.

SUPPLEMENTAL INFORMATION ON THE ACQUISITION

Consideration

As disclosed in the Announcement, the consideration for the Sale Shares is determined at HK\$460,000,000 after arm's length negotiation between the Vendor and the Company with reference to (i) the net asset value of the Target Group as at 30 June 2025; (ii) the financial performance of the Target Group in recent years; and (iii) the factors set out in the paragraph headed "Reasons for and the benefits of the proposed Acquisition".

In determining the consideration of the Sale Shares, the Directors have reviewed the unaudited consolidated financial statements of the Target Group and considered the net asset value of the Target Group as at 30 June 2025. The Directors noted that the Target Group owns three production facilities located in Huizhou and Nantong in the PRC and Thailand and one investment property which comprises a portion of the production facilities in Thailand that is leased to other tenants (collectively the "**Properties**"). As reflected in the unaudited consolidated financial statements of the Target Group, the Properties were measured at cost less accumulated depreciation by the Target Group, with an aggregate carrying amount of approximately RMB297,945,000 as at 30 June 2025. Upon Completion, the Properties shall be re-measured at fair value in accordance with applicable accounting standards before being consolidated into the Group's statement of financial position. The Company has consulted an independent valuer, who has provided a preliminary estimate of the fair value of approximately RMB433,550,000 for the Properties as at 30 June 2025. The preliminary estimate of the fair value of the Properties indicates a valuation surplus of approximately RMB135,605,000 over their combined carrying amount as at 30 June 2025 (the "**Valuation Surplus**"). Had this Valuation Surplus been accounted for, the Target Group's net asset value would have increased to approximately RMB315,314,000 based on the unaudited consolidated financial statements of the Target Group as at 30 June 2025.

To assess the fairness and reasonableness of the Consideration, the Directors have conducted comparable company analysis to compare the Target Group with similar comparable companies. The Directors have searched, on a best effort basis, for comparable companies that (i) are listed in the Stock Exchange, the Shenzhen Stock Exchange or the Shanghai Stock Exchange; (ii) are principally engaged in manufacturing and sales of copper wire products with products similar to the Target Group; (iii) do not own a copper mine and procure copper from suppliers for production; (iv) produce products without using the recycled copper; and (v) have non-current assets constituting more than 20% of total assets similar to the Target Group. Based on the above selection criteria, the Directors have identified three comparable companies (the "**Comparable Companies**") which, to the best of the knowledge of the Directors, comprise an exhaustive list of comparable companies.

In respect of the comparable company analysis, the Directors have considered several commonly used valuation benchmarks, including the price-to-book ratio ("**P/B ratio**"), the price-to-earnings ratio ("**P/E ratio**") and the price-to-sales ratio ("**P/S ratio**"). As observed by

the Directors, the Target Group's net profit decreased from the year ended 31 December 2022 to the year ended 31 December 2024 and subsequently experienced a rebound of net profit for the six months ended 30 June 2025 exceeding the full year net profit for the year ended 31 December 2024. Having considered the business model and financial results of the Target Group, the Directors considered that the P/E ratio and the P/S ratio may not be appropriate valuation benchmarks to evaluate the Target Group. Firstly, the Target Group's fluctuations in earnings over the recent few financial years suggested past earnings are not reliable indicators of future earnings, which undermined the principal assumption for applying the P/E ratio and the P/S ratio that investors are buying a stream of future earnings or sales and that these earnings or sales will either remain stable or grow at a rate that justifies the current price. Furthermore, the P/S ratio only focuses on sales and ignores the cost structure associated with the business of a company, and thereby is not an appropriate benchmark for the valuation of the Target Group.

Instead of the P/E ratio and the P/S ratio, the Directors considered the P/B ratio to be more suitable benchmark given that the Target Group has established operation and production facilities in the Southeast Asia countries, which are capital-intensive and require significant working capital. In addition, the parties agreed to negotiate the Consideration based on the net asset value of the Target Group, given the intention to utilise the Target Group's production capacity to produce the Group's products following Completion. Therefore, the Directors considered the P/B ratio the most suitable benchmark for valuing the Target Group. Details of the Comparable Companies are set out as below:

Company	Stock code	Principal activities	P/B ratio ^(Note) (times)
Tongling Jingda Special Magnet Wire Co., Ltd.	600577.SH	Manufacturing and sales of special conductor wire and electromagnetic wire, including bare copper wire, enameled wire and specialty wire	3.2
Anhui Truchum Advanced Materials And Technology Co., Ltd.	002171.SZ	Research and development, processing and sales of non-ferrous metal materials with products including copper wire, copper alloy wire and copper alloy strip	1.8

Company	Stock code	Principal activities	P/B ratio ^(Note) (times)
Zhejiang Tony Electronic Co Ltd.	603595.SH	Research and development, production and sales of ultra-fine alloy wire, metal-based composites and other new materials with products including pure copper wire, enameled wire and cable harness	2.8

Note:

Calculated by dividing the respective market capitalisation as at the date of the S&P Agreement by the respective net asset value as published in the most recently published financial information.

With reference to the consideration of the Sale Shares after adding the Valuation Surplus and the book value of the Shareholder's Debt, the implied P/B ratio of the Target Group is approximately 1.3 times. As illustrated in the above table, the Comparable Companies had the P/B ratios between 1.8 times and 3.2 times and the Directors noted that the implied P/B ratio of the Target Group falls below this range.

In addition to the net asset value of the Target Group, the Directors have also considered the financial performance of the Target Group in relation to the Consideration. Specifically, the Directors have reviewed the unaudited consolidated financial statement for the Target Group for the three years ended 31 December 2024 and the six months ended 30 June 2025, a brief profile of the Target Group's major customers and suppliers, and details of the Target Group's assets and liabilities. The Directors noted that the Target Group has a strong historical financial performance for the three years ended 31 December 2024. In particular, the Target Group recorded steady growth in revenue from approximately RMB2,328 million for the year ended 31 December 2022 to approximately RMB2,546 million for the year ended 31 December 2023 and further to approximately RMB3,350 million for the year ended 31 December 2024, which represents a compound annual growth rate of 20.0% over the period. While the Target Group's net profit decreased from approximately RMB53.1 million for the year ended 31 December 2022 to approximately RMB31.4 million for the year ended 31 December 2024, the Directors observed a significant turnaround with net profit rebounding to approximately RMB41.8 million for the six months ended 30 June 2025, which exceeded the full year result for the year ended 31 December 2024. Save for the fair value loss of approximately RMB5.1 million recognised for the copper futures contracts entered by the Target Group to hedge against the volatility of the copper price for its production, the net profit of the Target Group for the year ended 31 December 2024 did not include other items related to fair value changes, re-valuation gains/losses or fair value loss reversal. During the six months ended 30 June 2025, the number of

Target Group's customers increased as compared to the same period in 2024. The Directors noted that the Target Group's customer base is substantially different from that of the Group and the Target Group maintained a stable sales backlog with its customers as at 30 June 2025.

Having considered that (i) the net asset value of the Target Group would be increased after remeasuring the carrying amount to the fair value upon Completion; (ii) the implied P/B ratio of the Target Group is below the range of the Comparable Companies; (iii) the Target Group will bring financial contribution to the Group upon Completion based on its recent financial performance; and (iv) the Acquisition represents a strategic diversification which allows the Group to secure its fundamental raw materials across different countries, the Directors considered the Consideration to be fair and reasonable.

Pursuant to the S&P Agreement, the Company shall procure the Target Group to repay the Shareholder's Debt following the Completion Date. The Directors have taken into account the Shareholder's Debt recorded in the Target Group's financial statements when negotiating with the Vendor. In line with common practice for merger and acquisition transactions, the Directors believe it is appropriate to settle the Shareholder's Debt, rather than allowing it to remain with the Target Group after Completion. Accordingly, it was negotiated that the consideration for the Shareholder's Debt will be an amount equal to its outstanding value at Completion on a dollar-for-dollar basis and the Group was given six months to settle the Shareholder's Debt following Completion.

Consideration Shares

The Vendor and the Directors acknowledge the significant appreciation in the price of the Shares, which had increased by approximately 165% over the past six months before the date of the S&P Agreement. Given Completion is subject to the fulfilment of certain conditions precedent, the timing of which is not entirely within the parties' control, there is inherent uncertainty in the movement of the share price from the signing date of the S&P Agreement to the Completion Date. To mitigate the impact of share price volatility during this interim period, the Company and the Vendor have agreed to an adjustment mechanism for the Issue Price. Under this mechanism, the Issue Price will be based on the average closing price over the 30 consecutive trading days immediately prior to the Completion Date. This mechanism is designed to mitigate the potential risks of price volatility during the period prior to Completion and protect the interests of both parties by ensuring the Issue Price for the Consideration Shares better reflects the market price for the Shares at Completion by averaging out the price fluctuations over a period of 30 days such that the final Consideration is neither excessive nor inadequate at the time of the issuance of Shares. In addition, the Vendor and the Company have agreed upon a Minimum Issue Price to fix the maximum discount that can be applied for the allotment and issuance of the Consideration Shares. The Minimum Issue Price can serve to set a cap on the number of Consideration Shares to be issued by the Company to ensure it does not exceed the number of Shares available for grant under its General Mandate.

Lock-up

Following Completion, the Company intends to retain the Guarantor as a member of the senior management of the Target Group for a minimum period of four years to support the Target Group in (i) maintaining management and operational continuity; (ii) facilitating a smooth integration of the Target Group; (iii) preserving key relationships with customers, suppliers and other stakeholders; and (iv) overseeing of daily operations during the transition period. As such, the 48-month lock-up arrangement for the Consideration Shares was agreed in order to secure the continued commitment of the Guarantor and align the Guarantor's interests with the long-term performance of the Target Group during his tenure of employment with the Target Group.

SUPPLEMENTAL INFORMATION ON THE 2024 ANNUAL REPORT

In addition to the information disclosed in the section “Notes to the Consolidated Financial Statements – 31. Share-based Payment Transaction” of the 2024 Annual Report, the Board would like to provide the following supplemental information regarding the share option scheme of the Group:

- (i) during the year ended 31 December 2024, the weighted average closing price of the shares immediately before the date on which the option were exercised was HK\$4.1 (for the nine months ended 31 December 2023: N/A); and
- (ii) during the year ended 31 December 2024, the cancelled share options has an exercise price of HK\$1.506 per share (for the nine months ended 31 December 2023: N/A).

SUPPLEMENTAL INFORMATION ON THE 2025 INTERIM REPORT

In addition to the information disclosed in the section “Notes to the Condensed Consolidated Financial Statements – 16. Share-based Payment Transaction” of the 2025 Interim Report, the Board would like to provide the following supplemental information regarding the share option scheme of the Group:

- (i) during the six months ended 30 June 2025, the cancelled share options has an exercise price of HK\$1.506 per share (for the six months ended 30 June 2024: HK\$1.506 per share).

The above additional information does not affect other information contained in the Announcement, the 2024 Annual Report and the 2025 Interim Report and save as disclosed above, all other information in the Announcement, the 2024 Annual Report and the 2025 Interim Report remains unchanged.

By order of the Board
Time Interconnect Technology Limited
Cua Tin Yin Simon
Executive Director and Chief Executive Officer

Hong Kong, 10 October 2025

As at the date of this announcement, the Board comprises two executive Directors, namely Mr. Cua Tin Yin Simon and Mr. Wong Chi Kuen, one non-executive Director, namely Ms. Wang Laichun and four independent non-executive Directors, namely Mr. Ho Hin Shun, Mr. Luk Wai Shing, Mr. Chan Chung Shun Eric and Ms. Chan Kit Fun Fanny.