

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



Jiu Rong Holdings Limited **久融控股有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2358)

(1) VERY SUBSTANTIAL DISPOSAL IN RELATION TO THE SALE OF CHARGING STATIONS; AND (2) JOINT OPERATION AGREEMENT

Financial Adviser to the Company



THE DISPOSAL

The Board is pleased to announce that on 21 October 2025 (after trading hours), the Vendor, an indirect wholly-owned subsidiary of the Company and the Purchaser entered into the Agreement in relation to the Disposal. Pursuant to the Agreement, the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, the Charging Stations at the consideration of approximately RMB185.3 million (equivalent to approximately HK\$201.4 million, including value-added tax in PRC) with reference to the preliminary appraised value of approximately RMB185.5 million as at 30 June 2025 (the valuation benchmark date), prepared by an independent third party valuer, the valuation report of which shall be included in the circular. Upon Completion of the Disposal, the Company will cease to hold any rights and obligations in the assets of the Charging Stations.

THE JOINT OPERATION AGREEMENT

Upon completion of the Disposal, as the Group will continue to provide operation and management services to the Charging Stations upon Completion of the Disposal, on 21 October 2025 (after trading hours), the Vendor and the Purchaser entered into the Joint Operation Agreement, pursuant to which the Operation Manager will provide Operation and Management Services in respect of the Charging Stations for a term of three (3) years in return for the Electricity Service Fee (as defined herein) in accordance with the terms and conditions of the Joint Operation Agreement.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal exceed 75%, the Disposal constitutes a very substantial disposal for the Company pursuant to Rule 14.06(4) of the Listing Rules and is therefore subject to the notification, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules. Furthermore, as the provision of Operation and Management Services by the Group as stipulated under the Joint Operation Agreement was part of the Group's ordinary and usual course of business and is therefore exempt from compliance with the requirements under Chapter 14 of the Listing Rules.

Save as Mr. Yan Zhendong (an executive Director of the Company) who is a senior management of Hangzhou Yihe (as defined below), which is wholly-owned by SOYEA Technology, shall abstain from voting on the Disposal, none of the Directors are representatives of the Purchaser, and none of the Directors (including the independent non-executive Directors) and any representative of the Purchaser has a material interest in the Agreement and the Joint Operation Agreement, and none of the Directors shall abstain from voting on the relevant Board resolutions.

GENERAL INFORMATION

The EGM will be convened and held for the Shareholders to consider and, if thought fit, to approve the Agreement and the transactions contemplated thereunder.

The voting in respect of the Disposal at the EGM will be conducted by way of poll. As at the date of this announcement, SOYEA Technology, who holds approximately 9.99% of the total issued share capital of the Company. SOYEA Technology and its close associates shall abstain from voting on the relevant resolutions at the EGM. Save as disclosed above, to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, none of the other Shareholders has a material interest in the relevant resolutions and is required to abstain from voting on the relevant resolutions at the EGM.

A circular containing, among other things, (i) further information relating to the Disposal; (ii) the financial information of the Charging Stations; (iii) the pro-forma financial information of the remaining Group; (iv) the valuation report of the Charging Stations; (v) other information as required under the Listing Rules; and (vi) a notice of the EGM, is expected to be despatched to the Shareholders on or before 21 November 2025 so as to allow sufficient time for the preparation of the relevant information for the inclusion in the circular.

Completion of the Disposal and commencement of the Operation and Management Services are subject to fulfilment of various conditions precedents, among others, the approval of the Disposal by the Shareholders at the EGM and applicable PRC authorities. Accordingly, the Disposal and the Operation and Management Services may or may not proceed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the securities of the Company.

THE DISPOSAL

Reference is made to the inside information announcement of the Company dated 27 May 2025 regarding the potential disposal of new energy public transportation station (the “**Inside Information Announcement**”). Unless otherwise defined, terms used in this announcement shall have the same meanings as those defined in the Inside Information Announcement.

Pursuant to the Inside Information Announcement, on 26 May 2025, the Vendor has entered into a Letter of Intent with the Purchaser for the Disposal. Pursuant to the Letter of Intent, the Purchaser shall pay the Vendor the Advance Payment of RMB90.0 million (subject to interest at an annual rate of 3.6% payable by the Vendor to the Purchaser) within three days after signing the Letter of Intent. Upon the completion of the Disposal, the incurred interest will be calculated for the period from the date of receiving the Advance Payment by the Vendor up to the date of EGM convened for the Disposal on a pro-rata basis (annual interest rate of 3.6% (i.e. $\text{RMB90.0 million} \times 3.6\% = \text{RMB3.24 million}/365$) x number of days from the date of receiving the Advance Payment by the Vendor up to the date of EGM). If the Purchaser and the Vendor fail to reach an agreement on or before 31 December 2025, unless both parties agree to extend the deadline in writing, the Vendor shall refund the Advance Payment to the Purchaser, including the accrued interest. Upon the formal signing of the transaction agreement for the Disposal, the Purchaser shall simultaneously enter into an entrusted operation agreement with the Vendor to have operation rights for the Charging Stations for a period of no less than three years. Given that the Group could immediately utilise such amount upon receipt of the Advance Payment despite incurred interest, the Board considers that such payment terms (including the payment of accrued interest) were favourable to the Company and is fair and reasonable in the same manner. As at the date of this announcement, the Advance Payment has been utilised to repay bank loan from China Construction Bank of approximately RMB83.97 million with annual interest rate of 3.6%, which will be due in October 2025 in order to avoid loan default, and the remaining balance has been used as working capital.

The Board is pleased to announce that on 21 October 2025 (after trading hours), the Vendor, an indirect wholly-owned subsidiary of the Company and the Purchaser entered into the Agreement in relation to the Disposal. Pursuant to the Agreement, the Vendor conditionally agreed to sell, and the Purchaser conditionally agreed to acquire, the Charging Stations at the consideration of approximately RMB185.3 million (equivalent to approximately HK\$201.4 million, including value-added tax in PRC) with reference to the preliminary appraised value of approximately RMB185.5 million as at 30 June 2025 (the valuation benchmark date), prepared by an independent third party valuer, details of which will be included in the valuation report in the circular. Upon Completion of the Disposal, the Company will cease to hold any rights and obligations in the assets of the Charging Stations.

Upon completion of the Disposal, as the Group will continue to provide operation and management services to the Charging Stations upon Completion of the Disposal, on 21 October 2025 (after trading hours), the Vendor and the Purchaser entered into the Joint Operation Agreement, pursuant to which the Vendor will provide operation and management services in respect of the Charging Stations for a term of three (3) years in accordance with the terms and conditions of the Joint Operation Agreement.

THE AGREEMENT

Principal terms of the Agreement are summarised below:

Date : 21 October 2025 (after trading hours)

Parties : (1) the Vendor; and
(2) the Purchaser

As at the date of this announcement, to the best of the Directors' knowledge, information and belief, and having made all reasonable enquires, the Purchaser is an Independent Third Party.

Subject matter

Pursuant to the terms and conditions of the Agreement, the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to acquire, the Charging Stations.

Upon Completion, the Company will cease to hold any interest in each of the Charging Stations.

The consideration and payment terms

The consideration payable by the Purchaser to the Vendor for the Disposal shall be approximately RMB185.3 million (equivalent to approximately HK\$201.4 million), with reference to the appraised value in the valuation report to be confirmed by an independent valuer and shall be settled by way of cash as follows:

- (i) approximately 48.6% of the consideration or approximately RMB90.1 million was settled by way of cash upon the signing of the Letter of Intent, details of which are set out in the Inside Information Announcement;

- (ii) approximately 40% of the consideration or approximately RMB74.1 million will be settled by cash and payable within five (5) working days upon signing of the Agreement and the fulfilment of the conditions precedent (as stipulated below in the section headed “Conditions precedent”) and the Vendor shall provide all the underlying supporting documents to the Purchaser. The submission of the relevant documents with the Purchaser as the registered owner of the Charging Stations to relevant government authorities; and
- (iii) the remaining balance of approximately 11.4% of the consideration or approximately RMB21.1 million will be settled by cash and payable within ten (10) working days upon (a) the continual and normal operations of the Charging Stations for one (1) month from the Completion Date (as defined below); (b) the issuance of value-added tax invoice; and (c) the completion of the registration of the Purchaser as the registered owner of the Charging Stations has the relevant government authorities. In the event that the Vendor fails to fulfil the conditions herein within two (2) months from the Completion Date, the Purchaser has the right to unilaterally terminate the Agreement with accrued interest based on loan prime rate.

The above settlement terms of the consideration were arrived at after arm’s length negotiations amongst the parties to the Agreement.

Basis for the determination of the consideration

The consideration for the Disposal was determined after arm’s length negotiations between the Vendor and the Purchaser after taking into account: (i) the preliminary valuation of the entire interest in the Charging Stations to be confirmed by an independent third-party valuer; (ii) the business prospects of the Charging Stations; (iii) the net book value of approximately RMB185.1 million of the Charging Stations as at 30 June 2025; and (iv) other factors as set out in the section headed “THE REASONS FOR AND BENEFITS OF THE DISPOSAL” in this announcement below.

Based on discussions between the Vendor and the Purchaser, the Completion of the Disposal was subject to fulfilment of conditions precedent under the Agreement (including convening the shareholders' meeting), which is expected to take approximately two months' time and the Disposal was expected to be completed in November or December 2025. Given that (i) the Charging Stations incurred monthly depreciation which shall affect the net book value of the Charging Stations; (ii) the appraised value of the Charging Stations prepared by the Independent Valuer (as defined below) was as at 30 June 2025 (being the valuation benchmark date) which did not reflect the depreciation cost subsequent to the valuation date, both the Vendor and Purchaser agreed the consideration for the Disposal to reflect a discount to the appraised value in the valuation report. As a result, both parties agreed the consideration of approximately RMB185.3 million for the Charging Stations to reflect: (i) a premium of approximately RMB0.2 million (representing approximately 0.11% premium to the net book value) as compared to the net book value of approximately RMB185.1 million as at 30 June 2025; and (ii) a discount of approximately RMB0.2 million (representing approximately 0.11% discount to the preliminary appraised value) as compared to the preliminary appraised value of approximately RMB185.5 million of the Charging Stations as at 30 June 2025 (the valuation benchmark date).

Taking into consideration of the above, the Board believes that the consideration for the Disposal is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions precedent

Completion is conditional upon the fulfilment (or waiver, if applicable) of the following conditions precedent:

- (i) the transfer of the Charging Stations in agreed form and conditions in accordance with the Agreement and confirmed by the Vendor in written form, and the designated personnel of the Purchaser is in charge of the Charging Stations;
- (ii) the transfer of all relevant operating licences, contracts, and other relevant information in connection with the Charging Stations to the Purchaser;

- (iii) the Vendor has issued the value added tax invoice to the Purchaser as a result from the Disposal in accordance with the PRC tax law;
- (iv) the relevant approval and filing under the Purchaser as the owner of the Charging Stations has been submitted to the relevant governmental authorities;
- (v) both the Vendor and the Purchaser have obtained all the relevant internal approval and other regulatory approval as required for the Disposal (as applicable); and
- (vi) all the relevant certificates, documents and legal title of the Charging Stations are transferred to the Purchaser as stipulated under the Agreement.

Completion

The completion date (“**Completion Date**”) shall be effective when all transfer procedure of the Charging Stations has been completed including inventory verification on the list of assets in accordance with the appendices as set out in the Agreement and confirmed by both parties in written form, and the designated personnel of the Purchaser is in charge of the production and operation of the Charging Stations.

Valuation of the Charging Stations

In assessing the basis of the consideration in respect of the Disposal, the Company has engaged Tianyuan Appraisal Co., Ltd., the independent third-party valuer (the “**Independent Valuer**”), to conduct the valuation of the Charging Stations for the purpose of the Disposal. Subject to the final valuation report of the Independent Valuer, the preliminary appraised value in relation to the market value of the Charging Stations was approximately RMB185.5 million as at 30 June 2025 (the valuation benchmark date).

The Independent Valuer is a firm of professional surveyors and international valuation consultants. The Independent Valuer started its operation in the PRC in 2000 as a professional asset advisory and valuation consultant to multi-national enterprises and listed companies with principal businesses in the PRC and Asia-Pacific regions. The team of the Independent Valuer have obtained professional qualifications from various international valuation professional organisations from Zhejiang Provincial State-owned Assets Administration Bureau. During the past three years, the Independent Valuer has engaged in over 30 valuation projects for the companies listed on Stock Exchange.

According to the preliminary valuation report prepared by an independent valuer, there are three generally accepted approaches in arriving at the market value of the Charging Stations, namely market approach, income approach and cost approach. The preconditions for the adoption of the market approach are a developed, fair and active open market with sufficient market information and the availability of comparable transactions on the open market. For the structures and equipment within the scope of this valuation, since no market data are available, the market approach is not appropriate for the valuation of the Charging Stations. As individual assets often could not form a complete income chain on their own, their income contribution is difficult to accurately break down and measure, and factors such as electricity prices and the actual mileage of bus operations are uncertain to estimate for the valuation purpose, the Company's management is unable to make reasonable predictions about future operating income and operational risks. Therefore, the income approach is not suitable for appraising the Charging Stations. The subject assets are well-defined, with comprehensive acquisition documentation available. The assets can be verified and valued through financial records, construction documentation and physical site inspections. Consequently, the cost approach is deemed appropriate for this valuation.

In arriving at the preliminary appraised value, the Independent Valuer had, among others, assumed that:

- (i) it is assumed that all assets to be appraised are already in the transaction process, and the evaluation is conducted by simulating market conditions based on the transaction terms of the assets;
- (ii) there are willing sellers and buyers, and their positions are equal;

- (iii) both parties have the opportunity and time to access sufficient market information, and the transaction is conducted voluntarily and rationally, rather than under forced or unrestricted conditions;
- (iv) the assets to be assessed can be freely transferred in the open market;
- (v) any additional offers or discounts from specific buyers are not considered;
- (vi) the value of any asset is directly related to the macroeconomic environment in which it is situated. For this valuation, it is assumed that industrial policies, tax policies, and the macroeconomic environment remain relatively stable, with no significant changes in interest rates or exchange rates, thereby ensuring a reasonable validity period for the assessment conclusions;
- (vii) it is assumed that the subject assets within the scope of the valuation will continue to be used in their original locations and for their original purposes;
- (viii) it is assumed that the technology, structure, and functionality of the assets are generally consistent with the conditions observed through physical inspection and the expected economic useful life;
- (ix) the relevant base data and financial information provided by the Company or the Charging Stations are true, accurate, and complete.

Details of the appraisal on the Charging Stations are set out as follows:

Item (RMB'000)	Book value (A)	Appraised value (B)	Increased value (C)=(B)-(A)	Value-added rate (%) (D)=((C)/(A) x 100%)
Fixed assets	185,512.55	185,498.60	(37.31)	(0.20)

Formula: Appraisal value = replacement cost × comprehensive newness rate

The replacement cost method generally includes the necessary and reasonable costs and related taxes and fees required to purchase or build a new asset with the same function as the appraised target (e.g. construction and installation project cost, preliminary construction cost and other construction project-related expenses and construction period capital costs), the formula of which is set out below:

$$\begin{aligned}\text{Replacement cost} &= \text{construction and installation comprehensive cost} + \text{upfront charges and} \\ &\quad \text{other related expenses} + \text{capital cost of the construction period} \\ &= 328,675,800 + 13,170,400 + 0 \\ &= 341,846,200 \text{ (RMB)}\end{aligned}$$

The comprehensive newness rate is determined by in lien with the ratio of the estimated service life of the Charging Stations to its total service life. The formula is as follows:

$$\text{Newness rate} = (\text{total service life} - \text{years already spent}) / \text{total service life} \times 100\%$$

Details of the valuation on the Charging Stations, including the assumptions used by the Independent Valuer, will be set out in the valuation report which shall be enclosed in the circular.

THE JOINT OPERATION AGREEMENT

Principal terms of the Joint Operation Agreement are summarised below:

Date : 21 October 2025 (after trading hours)

Parties : (1) Operation Manager; and
(2) the Purchaser

Subject Matter

Pursuant to the Joint Operation Agreement, if the Completion materialises, the Operation Manager (or other company(ies) within the same Group) will provide Operation and Management Services to, together with the Purchaser, to jointly operate the Charging Stations during the term of the Joint Operation Agreement. Upon completion of the term of the Joint Operation Agreement, the legal title of the Charging Stations is still owned by the Purchaser, which has been transferred to the Purchaser as stipulated under the Agreement and the Charging Stations will not be repurchased by the Vendor.

Deposit

The Operation Manager shall pay a deposit in an amount with reference to the Electricity Service Fee (as defined below) to the Purchaser. The fixed deposit of RMB10.0 million was made with reference to approximately two (2) months of the Electricity Service Fee (as defined below), which was used to cover the payment for Operating and Maintenance Cost, in the event that the Operation Manager failed to pay to Purchaser in a timely manner. The deposit is refundable (after deducting any fees payable by the Operation Manager, if applicable) within five (5) working days upon the termination of the Joint Operation Agreement.

Pricing basis and payment terms

The Purchaser is responsible to conduct monthly settlement in relation to the calculation of charging service fee (“**Charging Service Fee**”) with Hangzhou Public Transport Group Co., Ltd.* (杭州市公交集團有限公司) (“**Hangzhou Public Transport**”), based on number of kilometres run by each bus type during the month. The Charging Service Fee is calculated in accordance with the total number of kilometres ran by each bus type multiply by the rate per kilometre for each bus type, at agreed price list determined by Hangzhou Public Transport, and paid on a monthly basis.

The Charging Service Fee is not subject to any monthly minimum amount. The Purchaser shall then pay the Electricity Service Fee (“**Electricity Service Fee**”) to the Operation Manager, which shall be payable within seven (7) business days of the Purchaser’s receipt of the Charging Service Fee from Hangzhou Public Transport, at which time the Purchaser shall transfer the entire remaining amount (after deducting the Monthly Investment Return Income and the Monthly Asset Fee (collectively, as defined below)) to the Operation Manager as the operating income for provision of Operation and Management Services to the Charging Stations. Under the Joint Operation Agreement, the Group will no longer own the title of the Charging Stations. The Operation Manager will continue to bear the Operating and Maintenance Cost of the Charging Stations (same as prior to entering into the Joint Operation Agreement), and the Operation Manager will also bear the Monthly Investment Return Income and Monthly Asset Fee as usage fee of the Charging Stations, of which both the sum of the Monthly Investment Return Income and Monthly Asset Fee will be lower than the depreciation cost of the Charging Stations prior to entering into the Joint Operation Agreement.

The Monthly Investment Return Income represents the investment return on the Charging Stations to the Purchaser and the Monthly Asset Fee represents the usage fee of the Charging Stations and administration fee paid to the Purchaser in order to take actions and measures, such as quality management for safety inspection and equipment inspection and preparation of necessary monthly data and liaison with relevant governmental departments, to ensure that Hangzhou Public Transport will continue to grant the Operation Manager land use right and operation right of the Charging Stations. In addition, the purpose of the administration fee is to cover the administration work such as tracking payment status and managing the discrepancies (if any), and to address any disputes or discrepancies that arise during the settlement process with Hangzhou Public Transport. The equation of the Electricity Service Fee is set forth below:

- (i) The Electricity Service Fee = Charging Service Fee for the month – Monthly Investment Return Income – Monthly Asset Fee
 - (a) Monthly Investment Return Income = (The total consideration of the Disposal (i.e. approximately RMB185.3 million, including value-added tax in PRC) + total investment incurred for maintaining operation) ^{Note 1} * 6% ^{Note 4} (i.e. annualised benchmark return rate)/12 ^{Note 2} (“**Monthly Investment Return Income**”)
 - (b) Monthly Asset Fee = (The total consideration of the Disposal (i.e. approximately RMB185.3 million) + total investment incurred for maintaining operation) ^{Note 1} * 95% (being the proportion of value expected to be retained after deducting the use of the assets)/ (9*12) ^{Note 3, 4} (“**Monthly Asset Fee**”)

Notes:

1. For the avoidance of doubt, the figure of total investment incurred for maintaining operation would only incur if construction works including but not limited to renovation, expansion and relocation of Charging Stations, replacement and upgrade of equipment and other additional new services, are required by Hangzhou Public Transport. Hence, this figure would be nil if none of the above-mentioned events occurred, in the event that the above-mentioned events occurred, the Purchaser will bear the investment for renovation, expansion or relocation plan for the Charging Stations. The Vendor will review and comment on the preliminary proposal including, among others, the reasonableness of the design, construction plan and the purchasing cost required for the construction. Upon obtaining the final approval from the Vendor, the Purchaser will proceed to commence on the construction works in relation to renovation, expansion or relocation of Charging Stations (as the case maybe). As at the date of this announcement, to the best of the Directors’ knowledge, the Group has not been informed by the Hangzhou Public Transport on any relocation or upgrade of any of the Charging Stations. The Vendor is

therefore not able to estimate this amount at this point in time as it will be subject to various factors including but not limited to the size and scale of the charging station, the required equipment and construction materials, the facilities requiring replacement or upgrade, as well as the existing infrastructure of the surrounding area of the charging station. The total investment incurred for maintaining operation is included in the formula of Monthly Asset Fee due to the fact that: (i) as mentioned above, the total investment will incur if construction works such as renovation, expansion and relocation of Charging Stations are required by Hangzhou Public Transport and the Purchaser shall bear the entire investment; (ii) the new investment plan will be formulated based on the newly added bus routes and their total mileage, as the operator of the Charging Stations, the Operation Manager will generate revenue from the additional investment made by the Purchaser; and (iii) given that the Purchaser has made upfront investments for the construction works such as renovation, expansion and relocation of Charging Stations (if being required by Hangzhou Public Transport) and a portion of the Monthly Asset Fee represents the usage fee of the Charging Stations paid to the Purchaser. Based on the above, after commercial negotiations between the Vendor and the Purchaser, both parties agree to include the investments in the formula for Monthly Investment Return Income and Monthly Asset Fee.

2. Represents the conversion of annual return into a monthly payout.
3. The asset is calculated based on 9 years of estimated useful life and is based on the general life span of charging equipment and 12 months in each calendar year.
4. To the best of the Directors' knowledge, the annualised benchmark return rate of 6% was made with reference to market internal rate of return for new investments in new energy businesses, which is in line with the state-owned enterprise for investing in new energy projects. The residual value of 5% was calculated based on the expected scrap value of the Charging Stations based on the accounting policies adopted by the Company with reference to the experience obtained from the residual value of scrapped charging station.

Based on the Company's past operational experience on the Charging Stations, public transport is a relatively stable line of business due to the public transport system in Hangzhou is planned by Hangzhou Public Transport on a three-year cycle, meaning adjustments will only be made in every three (3) years (if applicable) and no material changes is expected within such period of three (3) years. During the three years ended 31 December 2024 and six months ended 30 June 2025 (assuming that the Joint Operation Agreement becoming effective), the monthly Electricity Service Fee ranged from RMB8.3 million to RMB15.4 million, RMB7.8 million to RMB11.2 million, RMB5.4 million to RMB7.6 million and RMB3.4 million to RMB5.2 million, respectively. The monthly Electricity Service Fee for the three years ended 31 December 2024 and six months ended 30 June 2025 (assuming that the Joint Operation Agreement becoming effective) in aggregate were approximately RMB130.6 million, RMB112.4 million, RMB74.4 million and RMB27.8 million, respectively. The decrease in the Electricity Service Fee (i) for the year ended 31 December

2023 and 2024 was mainly attributable to the expansion of the Hangzhou metro network which leads to decrease in the distance travelled by the public transportation and change to smaller sized bus with lower fee; and (ii) the six months ended 30 June 2025 was mainly attributable to the adjustment to the rate per kilometre for each bus type imposed by Hangzhou Public Transport with effective from October 2024. The daily Operating and Maintenance Cost for the three years ended 31 December 2024 and six months ended 30 June 2025 in aggregate were approximately RMB73.8 million, RMB60.1 million, RMB42.7 million and RMB18.9 million, respectively. Assuming that the Joint Operation Agreement becoming effective on 1 January 2022, the approximate operating profit of the Charging Stations (i.e. Electricity Service Fee minus the Operating and Maintenance Cost) were approximately RMB56.8 million, RMB52.3 million, RMB31.7 million and RMB8.9 million, respectively.

The Group has taken measures to monitor the monthly income generated from Charging Service Fee by reviewing the number of kilometres run by each bus type during the month generated by Hangzhou Public Transport, and to control the operational costs, in particular the electricity usage and labour costs which makes up the majority of the operational cost. Should the monthly Electricity Service Fee after deducting Operating and Maintenance Cost becoming negative, the management of the Group will review the reasons making such loss and consider if such loss will persist in the future. If operational costs cannot be reduced and such loss is expected to persist, the Group will discuss with the Hangzhou Public Transport and the Purchaser to adjust the Charging Service Fee. If the increase in Charging Service Fee cannot make the Electricity Service Fee becoming positive, the management of the Group will consider to terminate the Joint Operation Agreement.

In addition, when considering whether to renew the Joint Operation Agreement upon the expiry of the three-year term (i.e. 30 September 2028), the Operation Manager will consider after deducting the Operating and Maintenance Cost from the monthly Electricity Service Fee (based on the then projected Operating and Maintenance Cost (with reference to factors such as inflation rate) and the then public transport system plan formulated by Hangzhou Public Transport in every three (3) years), whether the remaining balance will remain positive for each of (i) the upcoming three-year renewal term (i.e. 1 October 2028 to 30 September 2031); and (ii) the three-year term of the Joint Operation Agreement (i.e. 1 October 2025 to 30 September 2028). If not, the Operation Manager will not renew the Joint Operation Agreement.

In this regard, without any unforeseen circumstances, the likelihood of the operating profit of the Charging Stations (after deducting the Monthly Investment Return Income, the Monthly Asset Fee and Operating and Maintenance Cost from the Charging Service Fee for the month) becoming negative should be remote, on the assumption that the Operating and Maintenance Cost of the Charging Stations shall remain at level similar to the year ended 31 December 2022, 2023 and 2024. In the unlikely event that the Charging Service Fee is lower than the sum of Monthly Investment Return Income and Monthly Asset Fee (i.e. Electricity Service Fee is zero or negative), the Operation Manager will not receive any Electricity Service Fee from the Purchaser in such month, yet the Operation Manager will still require to bear the Operating and Maintenance Cost, and the Purchaser would not compensate the Operation Manager for such loss.

After taking into account of the above, the Board is of the view that the entering into the Agreement and the Joint Operation Agreement are fair and reasonable to the Company and in the interests of the Company and its shareholders.

The Directors noted that the Operation and Management Services would incur additional expenses as stipulated under the Monthly Asset Fee, which are expected to be approximately RMB19.5 million annually. Nevertheless, it should be noted that such financial commitment will be offset by the decrease in depreciation expenses and interest expense of the Group. The depreciation costs of the Charging Stations amounted to approximately RMB38.3 million, approximately RMB39.5 million and approximately RMB20.4 million for the two years ended 31 December 2023, 2024 and six months ended 30 June 2025 respectively. Such reduction in depreciation expenses will have a positive effect on the Company's net profit, together with the benefits as stated in the section headed "THE REASONS FOR AND BENEFITS OF THE DISPOSAL". The Directors are therefore of the view that the Disposal coupled with the Operation and Management Services would provide the Company with immediate access to the proceeds generated from the Disposal and to generate revenue from provision of Operation and Management Services and retain the operation rights of the Charging Stations at the same time which would improve the liquidity of the Group.

Term

Commencing from 1 October 2025 to 30 September 2028 (the actual commencement date is subject to the Completion Date). The renewal of the Joint Operation Agreement upon its expiry will be subject to various factors, including, among others, the then operation results of the Charging Stations and the quality of the settlement work conducted by the Purchaser, including the punctuality of settling the Electricity Service Fee. The term of the Joint Operation Agreement is determined by the mutual agreement between both parties and is not be linked to the remaining useful life of the Charging Stations.

During the term of the Joint Operation Agreement, the annual assessment period shall take place in December of each calendar year. The annual assessment will be performed by the Purchaser. The Purchaser shall evaluate the performance of the Operation Manager in relation to the operation of the Charging Stations during the applicable year. If the Operation Manager failed to satisfy the annual assessment, the Purchaser is entitled to request the Operation Manager to undertake remedial action. Set out below is the detailed criteria of the annual assessment to be performed by the Purchaser annually:

Item	Assessment content	Assessment criteria
Operation and maintenance services Assessment points: 27%	Inspection and maintenance (conduct equipment inspection and maintenance according to plan, with complete records documented properly)	Completed on time, with quality and quantity, with clear and accurate records, and implement of “Two Tickets and Three Systems”* (兩票三制), namely the safety management system implemented by power industry in PRC

Item	Assessment content	Assessment criteria
	Response time to react for troubleshooting	Equal or less than two (2) hours
	Data monitoring and analysis (real-time monitoring of equipment operating data, regular analysis, and optimisation of operating strategies)	Establish monthly energy efficiency analysis tables and report accurately which will be submitted to the Purchaser monthly
	Emergency response and drills (develop emergency plans and conduct regular emergency drills)	Each emergency plan must be conducted at least once annually
User service	Response time on user's request	Equal or less than 0.5 hour
Assessment points: 36%		
Production safety	Safety inspections (daily inspections, specific inspections, and regular inspections)	A safety inspection log must be established, and safety hazards must be promptly rectified
Assessment points: 27%		
	Safety incidents (equipment to operate safely, with no human-caused safety incidents)	Safety measures must be in place

Item	Assessment content	Assessment criteria
	Energy supply indicator (charging-to-utilisation ratio)	No less than 90%
Others	Energy-saving optimisation measures	To propose energy saving and operational optimisation measures based on actual operating environment
Assessment points: 10%		

In the event that the Vendor has any disagreement in connection with the assessment results, the Operation Manager can submit an appeal request to the Purchaser to conduct a review on the assessment on its operation of the Charging Stations. If the Operation Manager and the Purchaser were not able to reach mutual agreement on the assessment results, both parties will negotiate on the termination of the Joint Operation Agreement.

It is further agreed that upon completion of the term of the Joint Operation Agreement, subject to the performance of the Operation Manager during the term of the Joint Operation Agreement (including the fulfilment of the performance evaluation and appraisal conducted by the Purchaser) and under the circumstance that the Operation Manager can achieve stable operation and solid capability to perform its obligation, the Purchaser grant the first right of refusal to the Operation Manager for the continual operation of the Charging Stations for an extension period of three (3) years. The Operation Manager shall notify the Purchaser three (3) months in advance if it decides not to renew the agreement upon the completion of the term.

Termination

Under the following circumstances, either the Operation Manager and/or the Purchaser could terminate the Joint Operation Agreement:

- (a) The Operation Manager shall have the right to unilaterally terminate the Joint Operation Agreement immediately by providing the Purchaser with three (3) months' prior written notice. Furthermore, in the event that there is any material change to the operational cost (above 10% increment), the Operation Manager has the right to negotiate with the Purchaser on adjustment to the respective Charging Service Fee. In the event that Purchaser failed to increase the Charging Service Fee so that the Group failed to operate the Charging Stations in profit, the Group might cease the Joint Operation Agreement (subject to three (3) months' notice period).
- (b) If the Electricity Service Fee to be paid by the Purchaser was overdue for more than one (1) month, the Operation Manager has the right to unilaterally terminate the Joint Operation Agreement and request the Purchaser to bear all the unpaid fees and the related losses incurred.
- (c) If the payment of electricity fees and insurance premiums to be paid by the Operation Manager was overdue for more than one (1) month, the Purchaser has the right to unilaterally terminate the Joint Operation Agreement and request the Operation Manager to bear all the unpaid fees and the related losses incurred.
- (d) During the term of the Joint Operation Agreement, the Operation Manager shall have the right to unilaterally terminate the Joint Operation Agreement before the end of the term with a written notice of termination of at least three (3) months in advance and to ensure all the handover works have been properly handled.
- (e) If the Operation Manager failed to satisfy the annual assessment, the Purchaser is entitled to request the Operation Manager to undertake remedial action. In the event that the Operation Manager failed to do so or such remedial action was not able to satisfy the requirements set out by Hangzhou Public Transport and the Purchaser, the Purchaser reserves the right to unilaterally terminate the Joint Operation Agreement.

- (f) In the event of any occurrence of any unforeseen events, such as amendments to laws and regulations, policy changes, government directives, or severe natural disasters, both the Operation Manager and the Purchaser could mutually agree to relocate the said charging station or terminate the management on such charging station.
- (g) If the Agreement is not completed due to any reasons attributable to the Vendor or the transfer of the Charging Stations not being approved by relevant governmental authorities, the Purchaser shall have the right to request the Vendor to reverse the transaction of the Charging Stations in accordance with the provisions as set out in the Agreement (i.e. the Vendor shall refund the Advance Payment including the accrued interest to the Purchaser). The price shall be the total consideration of the Charging Stations (including interest based on the loan prime rate in PRC during the relevant period).

Service scope

Joint operation model

The main assets of the Charging Stations include charging piles, high and low-voltage equipment and related ancillary facilities (e.g., car parking facilities and surveillance equipment, etc.). During the term of the Joint Operation Agreement, the Purchaser shall grant the Operation Manager the right of operation in connection with the joint operation of the Charging Stations (no additional fees will be charged for the operation rights save for the Monthly Investment Return Income and the Monthly Asset Fee). The Purchaser shall ensure that the Charging Stations have obtained all necessary usage and operation rights from Hangzhou Public Transport. Pursuant to the Joint Operation Agreement, the Purchaser has the supervisory management rights of Charging Stations (including safety inspection, equipment inspection and maintenance of the Charging Stations and conduct annual assessment in accordance with the assessment criteria as set out above in this announcement) and the Operation Manager shall be responsible for the day-to-day operation and management of the Charging Stations, including but not limited to operation management, maintenance of equipment and safety service of the Charging Stations. The Operation Manager is the sole responsible party in terms of the operation and management of the Charging Stations. On the other hand, the Purchaser is the party responsible to conduct settlement work, based on the data provided by the Operation Manager, in relation to the

calculation of Charging Service Fee with Hangzhou Public Transport and act as the primary point of contact for liaison and correspondence with the relevant government department(s). The Operation Manager, a wholly-owned subsidiary of the Group to provide operation and management services of the Charging Stations for the public transportation system in Hangzhou, has from time-to-time access and could cross-check and verified the monthly payments with Hangzhou Public Transport against the mileage data collected through its own intelligent management system. Upon completion of the Disposal, the verification function facilitated by the Company's intelligent management system will not be affected and the calculation of the Charging Service Fees from the Purchaser can be cross-checked by the Vendor in the same manner. Detailed responsibilities of both parties are set out in the section below.

Responsibilities of both parties

- (i) the Purchaser shall be responsible for the monthly settlement, verification and collection of Charging Service Fee and the Operation Manager shall provide settlement record and other necessary support as required;
- (ii) the Operation Manager is authorised to carry out the day-to-day operation, maintenance and on-site management of the Charging Stations to the extent that it can comply with the performance evaluation and appraisal conducted by the Purchaser and the requirement of which may be subject to the customer(s);
- (iii) the Operation Manager shall be responsible for the monthly settlement, verification and payment of electricity fees with the State Grid and bears all electricity charges incurred by the Charging Stations during the term of the Joint Operation Agreement;
- (iv) the Operation Manager shall purchase insurance for the charging piles and ancillary equipment at the Charging Stations during the term of the Joint Operation Agreement;

- (v) the Purchaser serves as the primary point of contact for liaison and correspondence with the relevant government department(s). Nevertheless, the Operation Manager shall be responsible to handle the tasks including the day-to-day communication, regulatory compliance and operational related matters in relation to the government departments; and
- (vi) the Operation Manager shall, from time to time, be aware and informed of any changes in the relevant policies and regulations so as to ensure strict compliance accordingly. If the relevant policies and regulations were adjusted so that the operation of the Charging Stations would require to alter correspondingly, the Operation Manager shall promptly notify the Purchaser in writing and discussion should be held between both parties to resolve such matter.

The payment of electricity fees and insurance premiums, payable by the Operation Manager, are both operating expenses incurred from the operation of the Charging Stations. While the legal ownership of the Charging Stations has been transferred to the Purchaser, the Operation Manager retains the operational and management role, usage and facilities maintenance rights (e.g. to perform all daily maintenance work as required for ensuring stable operation of the Charging Stations), with the commercial rights to generate income from the Charging Stations. As part of the Joint Operation Agreement, the Operation Manager is responsible for the Operating and Maintenance Cost of the Charging Stations. The electricity fees of the Charging Stations vary monthly based on the actual mileage of bus operations in each month (the unit price of the electricity is determined by State Grid) and the insurance mainly includes both property insurance and public insurance, both electricity fees and the insurance costs are the basic ongoing operational expenses required to generate revenue from the Charging Service Fee. As the Operation Manager is responsible to station its operating staff at the Charging Stations to provide the Operation and Management Services, it is important for the Operation Manager to purchase all the necessary insurance, which would facilitate the Operation Manager to deliver its service standard continuously and to maintain a stable operation services for the Charging Stations.

INFORMATION ON THE CHARGING STATIONS

The Charging Stations comprises 11 new energy public transportation charging stations located in Hangzhou, the PRC. As of 30 June 2025, the carrying value of the Charging Stations is approximately RMB185.1 million. Set out below is the name and location for each of the Charging Stations:

Name of station	Location
1. Sandun Station* (三墩站)	Sandun Public Transport Parking and Charging Station, Xihu District* (西湖區三墩公交停保基地充電站)
2. Huanbei Centre* (環北中心)	Huanbeixincun Charging Station, Gongshu District* (拱墅區環北新村充電站)
3. Subsidiary Agricultural Products Logistics Centre* (農副產品物流中心)	Subsidiary Agricultural Products Logistics Centre Charging Station, Yuhang District* (餘杭區農副產品物流中心公交充電站)
4. Jiangcun* (蔣村)	Jiangcun Station Charging Station, Yuhang District* (餘杭區蔣村公站充電站)
5. Jiuhe Road* (九和路)	Jiuhe Road Charging Station, Shangcheng District* (上城區九和路充電站)
6. Yinhai Road* (銀海路)	Yinhai Road Charging Station, Qiantang District* (錢塘區銀海路充電站)
7. Ruanjia Bridge* (阮家橋)	Ruanjia Bridge Charging Station, Yuhang District* (餘杭區阮家橋充電站)
8. Hangqiao Road* (杭喬路)	Hangqiao Road Public Transport Charging Station, Shangcheng District* (上城區杭喬路公交充電站)

Name of station	Location
9. Zhennan Road* (鎮南路)	Zhennan Road Charging Station, Xihu District* (西湖區鎮南路充電站)
10. Wensan West Road* (文三西路)	Wensan West Road Charging Station, Xihu District* (西湖區文三西路充電站)
11. Zhangjia Village* (張家村)	Zhangjia Village Charging Station, Binjiang District* (濱江區張家村充電站)

FINANCIAL SUMMARY OF THE CHARGING STATIONS

Set out below is the key financial information of the Charging Stations as extracted from its unaudited financial information prepared in accordance with the Hong Kong Financial Reporting Standards for the two years ended 31 December 2023 and the 18 months ended 30 June 2025:

	For the year ended 31 December 2022 <i>HK\$' million</i>	For the year ended 31 December 2023 <i>HK\$' million</i>	For the 18 months ended 30 June 2025 <i>HK\$' million</i>
Revenue	130.7	106.6	151.8
Profit before taxation	24.9	14.7	24.2
Profit after taxation	21.2	12.5	20.6
	As at 31 December 2022 <i>HK\$' million</i>	As at 31 December 2023 <i>HK\$' million</i>	As at 30 June 2025 <i>HK\$' million</i>
Carrying value of the Charging Stations	267.4	241.7	202.9

As at 30 June 2025, the unaudited carrying value of the Charging Stations was approximately HK\$202.9 million (equivalent to approximately RMB185.1 million).

INFORMATION ON VENDOR

The Vendor is a company incorporated in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company. The Vendor is principally engaged in new energy vehicles charging business.

INFORMATION OF THE PURCHASER

The Purchaser is a company incorporated in the PRC with limited liability, which is wholly-owned by Xihu Electron Group Company Ltd.* (西湖電子集團有限公司), Xihu Electron Group Company Ltd.* (西湖電子集團有限公司) is held by Hangzhou State-Owned Capital Investment and Operation Co., Ltd.* (杭州市國有資本投資運營有限公司) and Zhejiang Financial Development Co., Ltd.* (浙江省財開集團有限公司) as to approximately 97.5% and 2.5% equity interest respectively. Hangzhou State-Owned Capital Investment and Operation Co., Ltd.* (杭州市國有資本投資運營有限公司) is a state-owned enterprise in the PRC. The Purchaser is principally engaged in the provision of centralised fast-charging stations, electric vehicle charging infrastructure operations, research and development in new energy technologies. Furthermore, the Purchaser also engages in power transmission or distribution equipment manufacturing, electric vehicle charging infrastructure (including charging piles, battery swap facilities, and control equipment leasing), battery and component sales, as well as new energy vehicle accessories. It provides parking services, photovoltaic equipment leasing, energy storage solutions, and solar power technology services.

As at the date of this announcement, SOYEA Technology Co., Ltd. (stock code: 000909) currently holds approximately 9.99% of the total issued share capital of the Company since 2022. It is owned as to approximately 30.57% by Xihu Electron Group Company Ltd.* (西湖電子集團有限公司). To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Purchaser is an Independent Third Party.

To the best of the directors' knowledge, information and belief having made all reasonable enquiry, there is, and in the past twelve months, there has been, no material loan arrangement between (a) the Purchaser, any of its directors and legal representatives and/or any ultimate beneficial owner(s) of the Purchaser who can exert influence on the transaction; and (b) the Company, any connected person at the Company's level and/or any connected person of the Company's subsidiaries involved in the transaction.

INFORMATION OF HANGZHOU PUBLIC TRANSPORT

Hangzhou Public Transport is established in 1922 and is state owned. It provides transportation services, and also provides car rental, car repair, tourists transportation etc. As at 30 June 2025, Hangzhou Public Transport has more than 20,000 staff and operates more than 1,144 routes.

THE REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in (1) manufacturing and sales of smart television and digital television (“**TV**”), high definition liquid crystal display TV and set-top box as well as provision of application of solutions regarding integration of telecommunication, TV and internet in the digital video industry (“**Digital Video Business**”); (2) the construction, application and management of new energy vehicles and related products, charging facilities and intelligent management systems and processing services in relation to new energy vehicles spare parts (“**New Energy Vehicles Business**”); (3) the application and management of cloud ecological big data industry (“**Cloud Ecological Big Data Business**”); (4) properties development of big data industrial park commercial and residential properties (“**Properties Development**”); (5) properties investment for rental income from the big data industrial park (“**Properties Investments**”); and (6) general trading of commodities and goods (“**General Trading**”).

Set out below is a summary of the unaudited segment financial information of the Group for the 18 months ended 30 June 2025:

<i>HK\$'000</i>	Reporting segment revenue	Reporting segment profit/(loss)	Reporting segment assets
Digital Video Business	465,046	(129,237)	544,259
New Energy Vehicles Business	341,698	(14,156)	543,184
Cloud Ecological Big Data Business	4,472	(110,882)	3,141
Properties Development	–	–	82,439
Properties Investments	–	(84,956)	618,521
General Trading	7,604	7,604	–
Total	818,820	(331,627)	1,791,544

Based on the unaudited financial information of the Group and the Charging Stations for the 18 months ended 30 June 2025 respectively, the percentage contribution in revenue, profit and asset value of the Charging Stations to be disposed of under the New Energy Vehicles Business segment is set forth below:

<i>HK\$'000</i>	For the 18 months ended		As at
	30 June 2025		30 June 2025
	Revenue	Profit/(loss)	Asset value
Charging Stations	151,835	20,602	202,861
New Energy Vehicles Business	341,698	(14,156)	543,184
		<i>(Note)</i>	
Percentage contribution of the Charging Stations	44.4%	(145.5)%	37.4%

Note: the loss was mainly attributable to the depreciation cost of the charging station assets.

The Group has been making a loss of approximately HK\$383.3 million and HK\$306.2 million for the year ended 31 December 2023 and 18 months ended 30 June 2025, and the Group had bank and other loans of approximately HK\$870 million, of which HK\$685 million have been due and will be due within one year. The Group has been continuing to review the existing businesses of the Group. In order to achieve working capital optimisation and relieve financial pressure, the Group intends to dispose the Charging Stations to improve its financial conditions, in particular to receive upfront cash from the Disposal to repay part of the loans and to lower its gearing ratio, the depreciation and amortisation cost, while continue to operate the Charging Stations under the Joint Operation Agreement to generate revenue. If the Disposal does not materialise, the Group will continue to own the Charging Stations and will be responsible for making full amount of new capital investment for renovation, expansion and relocation of Charging Stations, replacement and upgrade of equipment and other additional new services if required by Hangzhou Public Transport. The Group could provide counter-proposal on the amount of new capital investment based on the charging stations conditions but have no control whether Hangzhou Public Transport will accept such proposal and do not have the right to reject making such investment. If the Group fails to make such investment, Hangzhou Public Transport has the right to unilaterally terminate the Group's operation right of the Charging Stations. Under the transactions as contemplated under the Agreement and the Joint Operation Agreement, the Group will only be responsible for such investment by way of payment as part of Monthly Asset Fee in 108 instalments (9 years) during the term of the Joint Operation Agreement, and the Group will no longer need to bear such investment if the Joint Operation Agreement expires or terminated by either party.

The table below sets out the benefits of the arrangement under the Joint Operation Agreement as compared to the current operation model:

	Current arrangement	Joint Operation Agreement
Titles of the Charging Stations	The Group	The Purchaser
Cash inflow	Charging Service Fee	Cash consideration from the Disposal and generates revenue from Charging Service Fee
New investment incurred for maintaining operation of the Charging Stations	The Group bears the full amount of the total investment incurred, namely construction works including but not limited to renovation, expansion and relocation of Charging Stations, replacement and upgrade of equipment and other additional new services, if required by Hangzhou Public Transport, which requires to be paid based on the progress of construction	Only be responsible for such investment by way of payment as part of Monthly Asset Fee in 108 instalments (9 years) during the term of the Joint Operation Agreement
Operational risk	Bear the entire operational risk and asset depreciation	Only applicable during the term of the Joint Operation Agreement, and could provide 3-month prior notice to terminate the Joint Operation Agreement if continue to operate at a loss

	Current arrangement	Joint Operation Agreement
Fixed overhead	The Company has recorded depreciation cost of approximately RMB38.3 million, RMB39.5 million and RMB20.4 million for the two years ended 31 December 2024 and six months ended 30 June 2025 respectively	In the form of Monthly Asset Fee, and only applicable during the term of the Joint Operation Agreement. For illustration purpose, assuming that the Joint Operation Agreement becoming effective, the Company would incur Monthly Asset Fee of approximately RMB19.0 million and Monthly Investment Return of approximately RMB11.1 million for the three years ended 31 December 2024 (assuming no additional investment was made for maintaining operation of the Charging Stations)

Pursuant to the Joint Operation Agreement, if Hangzhou Public Transport requires renovation, expansion and relocation of Charging Stations, replacement and upgrade of equipment and other additional new services, the preliminary proposal will be formulated by the Purchaser. Therefore, if additional investment is required for the Charging Stations, the Purchaser will submit the preliminary proposal to Hangzhou Public Transport and the Operation Manager, Hangzhou Public Transport and the Operation Manager will duly review and comment on the preliminary proposal including, among others, feasibility and reasonableness of the proposal. If (i) the additional Charging Service Fees (resulting from the total number of kilometres covered by the newly added bus routes) were not able to cover the increased operating costs or (ii) additional capital investment based on the previous experience in construction of charging stations of the Group would result in the Charging Stations in general to operate at a loss, such proposal will be determined as unfeasible and the Operation Manager may consider to terminate the Joint Operation Agreement.

Given that the Group has high gearing ratio and low cash balance as at 31 December 2024, the Group will have difficulty in financing or made further upfront payment of such investments with internal resources (if necessary). In addition, if the Group continues to own the Charging Stations and in the event that the increase in operational cost could not be transferred to Hangzhou Public Transport in order to run the Charging Stations in profit, the Group do not have the right to terminate the operational rights of the Charging Stations. Furthermore, if the Charging Stations were sold later, the valuation of the Charging Stations will be reduced due to the recurring depreciation cost. Also, in the event that the Group lost its operational rights of any or all of the Charging Stations, the investment of the Charging Stations made by the Group will become sunk cost and will adversely affect the financials of the Group.

The Board is of the view that, the potential Disposal and the entering into the Joint Operation Agreement, if materialised, will improve the financial conditions of the Group and give the Group flexibility under the arrangement under the Joint Operation Agreement, such as giving 3-month prior notice to the Purchaser to terminate the Joint Operation Agreement if operation continues at a loss. In this regard, the Company started to explore the possibility of disposing of its fixed assets (including the Charging Stations) under the condition that the Company can retain the operation rights. Subsequently, business discussions and negotiations were held with several potential counterparties, to explore their interests in purchasing any assets of the new energy vehicle business (including the Charging Stations) in particular commenced in (i) June 2024 with a subsidiary of a state-owned enterprise established in the PRC in 2017, which is mainly engaged in the sales of charging equipment for new energy vehicle, smart power transmission, charging piles and the operation new energy vehicle charging infrastructure including fast charging stations and car park services; (ii) October 2024 with a state-owned enterprise located in Zhejiang, Hangzhou, which principally engaged in power production and supply, industrial water treatment, and electromechanical equipment installation and maintenance; and (iii) January 2025 with the Purchaser. In June 2025, after considering the factors such as payment terms and the project timetable as well as the Purchaser is willing to enter into the Joint Operation Agreement with the Group (representing all the charging stations of public transportation of the Group) upon Completion, the Company has selected the Purchaser as the strategic partner and the deal was then proceeded to the advance stage of business negotiation process.

The Company considers that transactions contemplated under the Agreement and the Joint Operation Agreement would enable the Group to retain the operation rights and generate stable revenue and improve profitability, yet shifted certain of the fixed operational costs, such as finance cost (in the form of Monthly Investment Return) and depreciation and administration fee (in the form of Monthly Asset Fee) to the Purchaser, and the Purchaser will bear further capital expenditure (if any) to upgrade the Charging Stations. If the Joint Operation Agreement subsequently terminates or expires, the Group will no longer necessary to pay for Monthly Investment Return Income and Monthly Asset Fee. The Company considers that the Disposal represent a good opportunity for the Group to lock the value in the Charging Stations and the Disposal would allow the Group to realise the investments in the Charging Stations to repay part of the external outstanding debts owed by the Group which will mature in the next 12 to 18 months. Upon Completion, the Company will cease to hold any interest in each of the Charging Stations and the financial results will be improved as shown in the pro-forma statements of the Group to be included in the circular, assets and liabilities of the Charging Stations will no longer be included in the consolidated financial statements of the Company. For the year ended 31 December 2023, the Charging Stations were recorded in plant and machinery under property, plant and equipment in the Group's financial statements.

As stated in the second interim report of the Group for the twelve months ended 31 December 2024, the Group operated 120 charging stations in total, of which: (i) 102 new energy charging stations in Hangzhou; (ii) four (4) electric vehicles charging stations in Wuhan; (iii) one (1) electric vehicles charging station in Suzhou; and (iv) 13 electric vehicles charging stations in Nanjing.

Subsequent to the publication of the second interim report of the Group for the twelve months ended 31 December 2024, on 10 September 2025, the Company and Nanjing GWDR Power Technology Co., Ltd.* (南京國網電瑞電力科技有限責任公司) entered into a sale and purchase agreement to dispose Jiangsu Jiurong Integrated Energy Service Limited* (江蘇久融綜合能源服務有限公司) and its 13 electric vehicle charging stations as part of its strategic transformation, and the disposal has been completed. Please refer to the announcement of the Company dated 10 September 2025 (“**Disposal of Nanjing Stations**”) for further details. After the Disposal of Nanjing Stations, the Company will no longer operate any electric vehicle charging stations in Nanjing. Nevertheless, it is the intention of the Company to continue to operate the remaining charging stations without any changes to the current mode of operation.

Set out below is the list of charging stations operated by the Company as at the date of this announcement and after the completion of the Disposal and the Disposal of Nanjing Stations:

Location	Number of charging stations	Nature and usage	Operation status	Total revenue (RMB' million)		Book value as at 31 December 2024 (RMB' million)
				FY2023	FY2024	
Hangzhou	84	Electric vehicle/public transportation	Active	153.07	127.43	251.95
Wuhan	4	Electric vehicle/public transportation	Active	Nil	Nil	0.16
Nanjing	0	Electric vehicle	Active but ceased ownership after Disposal of Nanjing Stations	6.21	3.62	11.23
Suzhou	1	Electric vehicle/public transportation	Active	0.17	0.10	0.23
Total	89					

In order to steadily promote the strategic deployment of asset-light model, the Company has no plans to further invest in asset of new energy vehicles charging stations, but instead would seek to operate with other parties which own new energy vehicles charging stations to leverage on the Group's extensive experience in the operation and management of New Energy Vehicles Business, and further consolidate the Group's market position in the New Energy Vehicles Business industry going forward. For the remaining charging stations which need upgrade, the Company intends to engage potential strategic partners in (a) investing and upgrading those charging stations; and (b) establishing joint operations under arrangement similar to the Joint Operation Agreement. In this regard, the Disposal would enable the Group to adopt the asset-light model and make service fees from operation and management of charging stations, to reduce spending on capital expenditure and depreciation cost to improve

the financials of the Group. The Board considers that the Disposal is part of an overall strategy to facilitate the Group's transformation away from an asset-heavy business model to the asset-light operation model. Pursuant to the Joint Operation Agreement, typical of an asset-light operation model, the Group will continue to utilise its expertise and experience to manage the Charging Stations after Completion.

To the best of the Directors' knowledge and belief, save as the above, the potential disposal of its entire equity interest in Hangzhou Lu Yun Property Limited, an indirect wholly-owned subsidiary of the Company, details of which are set out in the inside information announcements of the Company dated 28 June 2024, 31 December 2024 and 30 June 2025 respectively or part of the assets owned by Hangzhou Lu Yun Property Limited, there is no intention, understanding, negotiation, or arrangement to downsize, discontinue or dispose any of its existing businesses as at the date of this announcement. The Directors will continue to review the existing businesses of the Group, and will make announcements in connection with further disposal/acquisitions to be made by the Group as and when necessary in accordance with the Listing Rules.

In view of the above, the Directors, save as Mr. Yan Zhendong who has abstained from voting, (including all the independent non-executive Directors) consider that although the Disposal is not in ordinary and usual course of business of the Group, the terms and conditions for the Disposal are on normal commercial terms, fair and reasonable, and are in the interest of the Company and its Shareholders as a whole.

THE REASONS FOR AND BENEFITS OF ENTERING INTO THE JOINT OPERATION AGREEMENT

Part of the core business of the Company includes the application and management of new energy vehicles and related products as well as charging facilities (i.e. the New Energy Vehicles Business segment) in the PRC. By entering into the Joint Operation Agreement, the Group can continue to utilise its expertise and experience to manage the Charging Stations and to continue to generate recurring revenue for the Group by collecting Electricity Service Fee in return.

The Directors (including all the independent non-executive Directors) are of the view that the Joint Operation Agreement was entered into on normal commercial terms, fair and reasonable, in the ordinary and usual course of business of the Group and in the interest of the Company and its Shareholders as a whole.

FINANCIAL EFFECTS OF THE DISPOSAL

Upon Completion, the Company will cease to hold any interest in each of the Charging Stations and the financial results, assets and liabilities of the Charging Stations will no longer be included in the consolidated financial statements of the Company.

Nevertheless, it should be noted that the analysis below is for illustrative purposes only and does not purport to represent the actual financial performance and position of the Group upon Completion. The actual amount of accounting gain or loss as a result of the Disposal will be assessed based on the financial position of the Charging Stations as at Completion, and eventually be recognised in the audited consolidated financial statements of the Company.

Since the total consideration which amount to approximately RMB185.3 million (equivalent to approximately HK\$201.4 million, including value-added tax in PRC) will be settled in cash by the Purchaser, it is expected that the Group's total assets will be increased by approximately RMB0.2 million (being the total consideration of RMB185.3 million of the Disposal (before tax) minus the unaudited carrying value of the Charging Stations of approximately RMB185.1 million as at 30 June 2025). Furthermore, it is also expected that the Group would record an unaudited gain on disposal of approximately RMB0.2 million from the Disposal, which is one-off in nature. The actual gain or loss will be determined based on the net proceeds received, the carrying value of the Charging Stations at Completion and subject to the review and final audit by the auditors of the Company.

According to the Company's second interim report dated 28 February 2025, the gearing ratio calculated as the Group's net debt divided by the capital plus net debt, was approximately 0.74 as at 31 December 2024 (0.74 as at 31 December 2023). The management of the Company expects the Disposal will facilitate the Group to alleviate the financial burden through reduction of debt on its balance sheet and finance costs on its profit and loss statement. Accordingly, the Group's gearing ratio is expected to be reduced following the Completion of the Disposal. Based on the unaudited financial information of the Group for the 18 months ended 30 June 2025, the gearing ratio calculated as the Group's net debt divided by the capital plus net debt, is expected to be approximately 0.73 following the completion of the Disposal as at 30 June 2025 from 0.74 as at 31 December 2024.

Upon Completion, as stipulated under the Joint Operation Agreement, the Group will continue to provide Operation and Management Services to the Charging Stations after Completion in return for the Electricity Service Fee during the term of the Joint Operation Agreement, which would serve as an income stream of the Group.

USE OF PROCEEDS

The Group expects to realise net proceeds of approximately RMB185.3 million from the Disposal, will be utilised by the Group in the following manner:

- (a) approximately 45% will be utilised for the repayment of bank loans of the Group to China Construction Bank, which amounted to approximately RMB83.97 million and will be matured on 31 October 2025;
- (b) approximately 42% will be utilised for the repayment of other payable and working capital of the Group, which amounted to approximately RMB77.36 million. The other payable mainly consist of payable of rental expenses, procurement and construction cost which were due in 2023 and 2024; and
- (c) approximately 13% will be utilised for settling the relevant tax expenses in the PRC of approximately RMB23.97 million incurred from the Disposal, which mainly include value-added tax of approximately RMB20.71 million and additional tax of approximately RMB3.26 million.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal exceed 75%, the Disposal constitutes a very substantial disposal for the Company pursuant to Rule 14.06(4) of the Listing Rules and is therefore subject to the notification, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules. Furthermore, as the provision of Operation and Management Services by the Group as stipulated under the Joint Operation Agreement was part of the Group's ordinary and usual course of business and is therefore exempt from compliance with the requirements under Chapter 14 of the Listing Rules.

Save as Mr. Yan Zhendong (an executive Director of the Company) who is a senior management of Hangzhou Yihe Network Co., Ltd.* (杭州易和網路有限公司) (“**Hangzhou Yihe**”), which is wholly-owned by SOYEA Technology, shall abstain from voting on the Disposal, none of the Directors are representatives of the Purchaser, and none of the Directors (including the independent non-executive Directors) and any representative of the Purchaser has a material interest in the Agreement and the Joint Operation Agreement, and none of the Directors shall abstain from voting on the relevant Board resolutions.

The EGM will be convened and held for the Shareholders to consider and, if thought fit, to approve the Agreement and the transactions contemplated thereunder.

The voting in respect of the Disposal at the EGM will be conducted by way of poll. As at the date of this announcement, SOYEA Technology, who holds approximately 9.99% of the total issued share capital of the Company. SOYEA Technology and its close associates shall abstain from voting on the relevant resolutions at the EGM. Save as disclosed above, to the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, none of the other Shareholders has a material interest in the relevant resolutions and is required to abstain from voting on the relevant resolutions at the EGM.

A circular containing, among other things, (i) further information relating to the Disposal; (ii) the financial information of the Charging Stations; (iii) the pro-forma financial information of the remaining Group; (iv) the valuation report of the Charging Stations; (v) other information as required under the Listing Rules; and (vi) a notice of the EGM, is expected to be despatched to the Shareholders on or before 21 November 2025 so as to allow sufficient time for the preparation of the relevant information for the inclusion in the circular.

Completion of the Disposal and commencement of the Operation and Management Services are subject to fulfilment of various conditions precedents, among others, the approval of the Disposal by the Shareholders at the EGM and applicable PRC authorities. Accordingly, the Disposal and the Operation and Management Services may or may not proceed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

“Agreement”	the purchasing agreement dated 21 October 2025 entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Charging Stations
“Board”	the board of Directors
“Charging Stations”	the Charging Stations comprises 11 new energy public transportation charging stations and their related assets (including charging equipment) located in Hangzhou, the PRC
“Company”	Jiu Rong Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2358)
“Completion”	completion of the Disposal in accordance with the Agreement
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	the sale of the Charging Stations by the Vendor to the Purchaser pursuant to the Agreement
“EGM”	the extraordinary general meeting of the Company to be convened and held for the purpose of considering and, if thought fit, approving the Agreement and the Joint Operation Agreement and the transactions contemplated thereunder

“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Third Party(ies)”	third parties independent of the Company and its connected persons as defined under Chapter 14A of the Listing Rules
“Joint Operation Agreement”	the joint operation agreement dated 21 October 2025 entered into between the Operation Manager and the Purchaser in relation to the joint operation and cooperation of the Charging Stations
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Operation and Management Services”	the operation and management services in respect of the Charging Stations pursuant to the Joint Operation Agreement
“Operating and Maintenance Cost”	the daily operating and maintenance cost of the Charging Stations, including electricity, labour and insurance
“PRC” or “China”	the People’s Republic of China, which for the purpose of this announcement, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Purchaser”	Hangzhou Xihu New Energy Technology Co., Ltd.* (杭州西湖新能源科技有限公司), which is direct wholly-owned by Xihu Electron Group Company Ltd.* (西湖電子集團有限公司)
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	the ordinary share(s) of HK\$0.10 each in the capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)

“SOYEA Technology”	SOYEA Technology Co., Limited* (數源科技股份有限公司), shares of which is currently listed on the Shenzhen Stock Exchange (stock code: 000909). It is owned as to 30.57% by Xihu Electron Group Company Ltd.* (西湖電子集團有限公司), which holds the entire equity interest in the Purchaser
“State Grid”	State Grid Corporation of China (國家電網有限公司)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Vendor” or “Operation Manager”	Jiu Rong New Energy Science and Technology Limited* (久融新能源科技有限公司), a company established in the PRC with limited liability, an indirect wholly-owned subsidiary of the Company
“%”	per cent.

For the purpose of this announcement, unless otherwise stated, the conversion of RMB into HK\$ is based on the exchange rate of HK\$1.00 to RMB0.92. The exchange rate has been used, where applicable, for the purposes of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates at all.

** In this announcement, the English names of the PRC entities marked in asterisks are direct translations of their respective Chinese names and are included herein for identification purpose only. In the event of any inconsistency, the Chinese names shall prevail.*

By order of the Board
Jiu Rong Holdings Limited
Chen Yunxiang
Executive Director

Hong Kong, 21 October 2025

As at the date of this announcement, the Executive Directors are Mr. Chen Yunxiang, Ms. Liu Bingjie and Mr. Yan Zhendong, the Independent Non-executive Directors are Mr. Chen Zheng, Mr. Wong Chi Kin and Mr. Hua Nengdong.

In the case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.