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**APT Electronics Co., Ltd.**  
**廣東晶科電子股份有限公司**

*(A joint stock company incorporated in the People's Republic of China with limited liability)*

**(Stock Code: 2551)**

**CONNECTED TRANSACTION AND DISCLOSEABLE TRANSACTION  
INDIRECT INVESTMENT IN THE  
TARGET COMPANY THROUGH EQUITY TRANSFER AND  
CAPITAL INCREASE**

**THE EQUITY TRANSFER**

The Board is pleased to announce that on April 8, 2026, Guangzhou Tianze and the Vendors entered into the Equity Transfer Agreements, pursuant to which Guangzhou Tianze has conditionally agreed to acquire, and the Vendors have conditionally agreed to sell, an aggregate amount of registered capital of RMB8,156,226 in the Target Company, representing approximately 3.26% of the equity interests in the Target Company as at the date of this announcement, at a price of approximately RMB23.0989 per registered capital. The total consideration for the Equity Transfer shall be RMB188.40 million.

**THE CAPITAL INCREASE**

On April 8, 2026, Guangzhou Tianze and the Target Company entered into the Capital Increase Agreement, pursuant to which Guangzhou Tianze shall subscribe for newly increased registered capital of RMB17,517,705 in the Target Company, representing approximately 6.54% of the total enlarged equity interests of the Target Company immediately following the Capital Increase, at a price of approximately RMB25.6655 per registered capital. The total consideration for the Capital Increase shall be RMB449.60 million.

Immediately following completion of the Equity Transfer and the Capital Increase, and assuming no further changes in the registered capital of the Target Company, it is expected that Guangzhou Tianze will hold an aggregate of approximately 9.5799% of the equity interests in the Target Company. The Target Company will not become a subsidiary of Guangzhou Tianze, and its financial statements will not be consolidated into the financial statements of Guangzhou Tianze. The completion of the Equity Transfer and the Capital Increase is not inter-conditional with each other.

## **LISTING RULES IMPLICATIONS**

The Equity Transfer and the Capital Increase are transactions entered into by Guangzhou Tianze, being an investment fund in which the Company participates as a limited partner while its general partner is an Independent Third Party. As at the date of this announcement, the Company holds approximately 40.12% of the partnership interests in Guangzhou Tianze solely as a limited partner. Accordingly, the Company's interest in Guangzhou Tianze is accounted for as a financial asset in its consolidated financial statements, and Guangzhou Tianze is not a subsidiary of the Company.

Through its interest in Guangzhou Tianze as a limited partner, the Company is expected to have an effective economic interest of approximately 3.8435% in the Target Company upon completion of the Equity Transfer and the Capital Increase, with the aggregate consideration attributable to the Company in respect of the Equity Transfer and the Capital Increase, being contributed indirectly through its capital contribution to Guangzhou Tianze, amounting to approximately RMB256 million (the "**Indirect Investment**"). Given the Equity Transfer and the Capital Increase were not entered into by the Company or its subsidiaries, they do not constitute transactions of the Company under the Listing Rules. Notwithstanding this, given that the Indirect Investment represents an indirect effective economic interest in the Target Company, the Company has, for prudence purpose and to enhance transaction transparency, treated the Indirect Investment as a transaction of the Company for the purposes of Chapters 14 and 14A of the Listing Rules.

### **Discloseable Transaction**

As the highest applicable percentage ratio of the Indirect Investment exceeds 5% but is less than 25%, it is deemed as a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and are therefore subject to the reporting and announcement requirements.

### **Connected Transaction**

As at the date of this announcement, Guangdong Lianxinneng (as a Vendor) is ultimately controlled by Mr. Xiao (who is a controlling shareholder and the executive Director of the Company) as to approximately 60.95% equity interests, therefore Guangdong Lianxinneng is a connected person of the Company.

As at the date of this announcement, the managing partner of Guangzhou Hanrui (as a Vendor) is Mr. Xiao, therefore Guangzhou Hanrui is ultimately controlled by Mr. Xiao and a connected person of the Company.

As at the date of this announcement, the managing partner of Huzhou Laozhongshi (as a Vendor) is Mr. Xiao, therefore Huzhou Laozhongshi is ultimately controlled by Mr. Xiao and a connected person of the Company.

As at the date of this announcement, the Target Company is ultimately controlled by Mr. Xiao as to approximately 37.2099% through Guangdong Lianxinneng (directly holding as to approximately 19.2443% of the Target Company), Guangzhou Hanrui (directly holding as to approximately 9.9809% of the Target Company), Huzhou Laozhongshi (directly holding as to approximately 4.7908% of the Target Company) and Guangzhou Xinxin (directly holding as to approximately 3.1939% of the Target Company), therefore, the Target Company constitutes a connected person of the Company under Chapter 14A of the Listing Rules. The Indirect Investment is treated as a connected transaction of the Company under the Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio of the Indirect Investment exceeds 5%, it is deemed as a connected transaction of the Company under Chapter 14A of the Listing Rules, and are therefore subject to reporting, announcement and the Independent Shareholders' approval requirements under the Listing Rules. The Controlling Shareholder Group and its associates shall abstain from voting on the proposed resolutions to approve the Equity Transfer and the Capital Increase at the EGM to be held by the Company.

## **GENERAL**

The EGM will be convened by the Company for the Independent Shareholders to consider and, if thought fit, approve, among other things, the Equity Transfer and the Capital Increase and the agreements relating thereto.

The Independent Board Committee, comprising all of the independent non-executive Directors, namely Ms. Zhang He, Ms. Lin Nan, Ms. Ding Hui and Mr. Chan Chi Kong, will be established to advise the Independent Shareholders regarding, among other things, the terms and conditions of the Equity Transfer Agreements, the Capital Increase Agreement and the transactions contemplated thereunder.

An independent financial adviser will be appointed by the Company to advise the Independent Board Committee and Independent Shareholders regarding, among other things, the terms and conditions of the Equity Transfer Agreements, the Capital Increase Agreement and the transactions contemplated thereunder.

A circular containing, among other things, (i) further details of the the Equity Transfer Agreements, the Capital Increase Agreement and the transactions contemplated thereunder (including the Equity Transfer and the Capital Increase); (ii) the recommendations of the Independent Board Committee in relation to the Equity Transfer Agreements, the Capital Increase Agreement and the transactions contemplated thereunder (including the Equity Transfer and the Capital Increase); (iii) a letter of advice from an independent financial adviser in relation to the Equity Transfer Agreements, the Capital Increase Agreement and the transactions contemplated thereunder (including the Equity Transfer and the Capital Increase); (iv) the notice convening the EGM; and (v) other information in relation to the EGM and as otherwise required under the Listing Rules, will be published by the Company on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's website ([www.apt-hk.com](http://www.apt-hk.com)) and despatched to the Shareholders in accordance with the requirements of the Listing Rules. As additional time is required for the preparation of the relevant information to be included in the circular, the circular, together with the notice of the EGM is expected to be despatched to the Shareholders on or before May 15, 2026.

**Shareholders and potential investors should note that the completions of the Equity Transfer and the Capital Increase are subject to, among other things, approval from the Independent Shareholders and relevant regulatory authorities. Therefore, the Equity Transfer and/or the Capital Increase may or may not proceed. Shareholders and potential investors are therefore advised to exercise caution when dealing in the securities of the Company.**

## **INTRODUCTION**

The Board is pleased to announce that on April 8, 2026, Guangzhou Tianze and the Vendors entered into the Equity Transfer Agreements, pursuant to which Guangzhou Tianze has conditionally agreed to acquire, and the Vendors have conditionally agreed to sell, an aggregate amount of registered capital of RMB8,156,226 in the Target Company, representing approximately 3.26% of the equity interests in the Target Company as at the date of this announcement, at a price of approximately RMB23.0989 per registered capital. The total consideration for the Equity Transfer shall be RMB188.40 million.

On April 8, 2026, Guangzhou Tianze and the Target Company entered into the Capital Increase Agreement, pursuant to which Guangzhou Tianze shall subscribe for newly increased registered capital of RMB17,517,705 in the Target Company, representing approximately 6.54% of the total enlarged equity interests of the Target Company immediately following the Capital Increase, at a price of approximately RMB25.6655 per registered capital. The total consideration for the Capital Increase shall be RMB449.60 million.

Immediately following completion of the Equity Transfer and the Capital Increase, and assuming no further changes in the registered capital of the Target Company, it is expected that Guangzhou Tianze will hold an aggregate of approximately 9.5799% of the equity interests in the Target Company. The Target Company will not become a subsidiary of Guangzhou Tianze, and its financial statements will not be consolidated into the financial statements of Guangzhou Tianze. The completion of the Equity Transfer and the Capital Increase is not inter-conditional with each other.

### **I. PRINCIPAL TERMS OF THE EQUITY TRANSFER AGREEMENTS**

The principal terms of each of the Equity Transfer Agreements are summarized as follows:

#### **1. Date**

April 8, 2026

## 2. Parties

- (i) Guangzhou Tianze as the Purchaser;
- (ii) Guangdong Lianxinneng;
- (iii) Guangzhou Hanrui;
- (iv) Huzhou Shanglian;
- (v) Huzhou Laozhongshi;
- (vi) Ms. Wang Yingying (王穎穎);
- (vii) Beijing Bohao;
- (viii) Huzhou Jingxinlian;

(the abovementioned parties (ii) to (viii), each a “Vendor”, collectively the “Vendors”)

- (ix) the Target Company.

To the best of the Directors’ knowledge, information and belief and after making all reasonable enquiries, as at the date of this announcement, each of Huzhou Shanglian, Ms. Wang Yingying, Beijing Bohao and Huzhou Jingxinlian and their respective ultimate beneficial owners (if any) are Independent Third Parties. Guangdong Lianxinneng, Guangzhou Hanrui, Huzhou Laozhongshi and their respective ultimate beneficial owners are connected persons of the Company.

## 3. Subject Matter

Pursuant to the Equity Transfer Agreements, the Purchaser has conditionally agreed to acquire, and the Vendors have conditionally agreed to sell, an aggregate amount of registered capital of RMB8,156,226 in the Target Company, representing approximately 3.26% of the equity interests in the Target Company as at the date of this announcement, at a price of approximately RMB23.0989 per registered capital.

#### 4. Consideration and Payment

The total consideration for the Equity Transfer shall be RMB188.40 million. The consideration for the Equity Transfer shall be settled by Purchaser in cash and will be funded by its internal sources.

Details of the equity interests in the Target Company to be transferred by each Vendor to the Purchaser and the respective consideration are set out below:

Name of Vendor	Registered Capital Corresponding to the Equity Interests to be acquired by the Purchaser (RMB)	Shareholding Percentage <sup>(1)</sup>	Consideration <sup>(2)</sup> (RMB'0,000)
Guangdong Lianxinneng <sup>(3)</sup>	5,913,697	2.36%	13,660
Guangzhou Hanrui <sup>(3)</sup>	757,611	0.30%	1,750
Huzhou Shanglian	409,110	0.16%	945
Huzhou Laozhongshi <sup>(3)</sup>	363,653	0.15%	840
Wang Yingying	333,349	0.13%	770
Beijing Bohao	242,436	0.10%	560
Huzhou Jingxinlian	136,370	0.05%	315
<b>Total</b>	<b>8,156,226</b>	<b>3.26%</b>	<b>18,840</b>

Notes:

- (1) The above percentage figures have been rounded to the nearest two decimal places and, as a result, may not sum to the stated total due to rounding differences.
- (2) Each of the Vendors agrees that all consideration received under the Equity Transfer shall be used in full to fulfill its obligations to make paid-in capital contributions to the Target Company and/or its subsidiary.
- (3) As disclosed in this announcement, Guangdong Lianxinneng, Guangzhou Hanrui and Huzhou Laozhongshi are connected persons of the Company. The original acquisition costs of the registered capital to be sold by Guangdong Lianxinneng, Guangzhou Hanrui and Huzhou Laozhongshi are the registered capital contributed or acquired by them at the price of RMB1.00 per registered capital, being aggregately RMB5,913,697, RMB757,611 and RMB363,653 respectively.

The Purchaser shall make payment of the aforementioned consideration to the respective designated bank account of each Vendor within seven Business Days after the date on which the conditions precedent (as disclosed below) have been fulfilled (or waived).

The consideration for the Equity Transfer was determined after arm's length negotiations between the Purchaser and the Vendors on normal commercial terms with reference to, among others: (i) the appraised per-share value of the Series D Preferred Shares of the Target Company of RMB26.06 (the "**Appraised Value**") as assessed by an independent valuer of the Company (Jones Lang LaSalle Corporate Appraisal and Advisory Limited, the "**Valuer**"), as at December 31, 2025 ("**Valuation Date**"); (ii) the business development and future prospects of the Target Company; (iii) the reasons and benefits as stated under the section headed "Reasons for and Benefits of the Equity Transfer and the Capital Increase" in this announcement; and (iv) the valuation of Target Company in the previous financing rounds. Please refer to Appendix to this announcement for a summary of the Valuation Report including, among others, the valuation method, the key assumptions and key inputs.

## **5. Conditions Precedent**

The obligation of the respective Vendor to complete the Equity Transfer shall be subject to the satisfaction of each of the following conditions on or prior to the completion (such conditions may be waived in whole or in part at the sole discretion of the respective Vendor):

- (i) the Purchaser and the Target Company having executed and delivered to the Vendor the Equity Transfer Agreement, as well as other ancillary agreements, resolutions and other documents required to be executed for the completion of such equity transfer or executed at the request of the Purchaser; and
- (ii) the representations and warranties made by the Purchaser set forth in the Equity Transfer Agreement being true and accurate in all material respects when made, and remaining true and accurate in all material respects as of the completion date with the same force and effect as if made on the completion date (except for representations and warranties made relating to a specific date).

The obligation of the Purchaser to complete the Equity Transfer shall be subject to the satisfaction of each of the following conditions on or prior to the completion (such conditions may be waived in whole or in part at the sole discretion of the Purchaser):

- (i) the Vendor, the Target Company and its shareholders having executed and delivered to the Purchaser all transaction documents, including but not limited to the Equity Transfer Agreement, the articles of association, and other ancillary agreements, resolutions and other documents required for the completion of the Equity Transfer or executed at the request of the Purchaser;
- (ii) the representations and warranties made by the Target Company and the Vendor set forth in the Equity Transfer Agreement being true and accurate in all material respects when made, and remaining true and accurate in all material respects as of the completion date with the same force and effect as if made on the completion date (except for representations and warranties made relating to a specific date);
- (iii) the shareholders of the Target Company having waived their pre-emptive rights in respect of the Equity Transfer, or any other rights that would impede the Purchaser's rights under the transaction documents;
- (iv) as of the completion date, no event or events that would have a material adverse effect have occurred with respect to the Target Company, and there is no evidence indicating that such events that may result in a material adverse effect will occur;
- (v) the Target Company, the Purchaser and the Vendor having obtained all approvals, consents or waivers from any governmental authorities or third parties for the execution of the transaction documents and the completion of the Equity Transfer (if applicable);
- (vi) the obligations prior to the completion date set forth in the Equity Transfer Agreement having been duly and effectively performed as of the completion date.

## **6. Effectiveness**

The Equity Transfer Agreements shall become effective upon satisfaction with all the following conditions:

- (i) the Company (as a limited partner of the Guangzhou Tianze) having completed all of its internal decision-making procedures and external regulatory approvals in respect of Guangzhou Tianze's investment in the Target Company, and the relevant regulatory authorities having confirmed no further objections;
- (ii) the shareholders of the Target Company having duly waived their pre-emptive rights in respect of the Equity Transfer, or any other rights that would impede the Purchaser's rights under the transaction documents, and the board and general meeting of the Target Company having approved the Equity Transfer;
- (iii) the partners of Guangzhou Tianze having made their capital contributions in full, and Guangzhou Tianze having completed the fund filing with the Asset Management Association of China.

## **7. Special Rights**

In accordance with the Equity Transfer Agreements, the Purchaser shall be entitled to the special rights including liquidation preference right, right to information, pre-emptive right, right of first refusal, anti-dilution right, tag-along right, redemption right, most-favored-nation treatment and the right to appoint one observer to attend board meetings without any voting rights. Such special rights shall be subject to the shareholders' agreement to be jointly entered into among Guangzhou Tianze, the Target Company and other shareholders of the Target Company after the completion of the Equity Transfer.

## **8. Completion**

Subject to the terms and conditions of the Equity Transfer Agreement, the completion shall occur on the date on which all the conditions precedent under the Equity Transfer Agreement have been satisfied (or waived by the relevant parties) and the Purchaser has paid the consideration to the designated bank account in accordance with the requirements of the Equity Transfer Agreement.

## 9. Termination

The Equity Transfer Agreement may be terminated in the following circumstances:

- (a) a party under the Equity Transfer Agreement may terminate the agreement by giving written notice to the other party, specifying the effective date of termination, upon the occurrence of any of the following events:
  - (i) any representation, warranty or statement made by a party under the Equity Transfer Agreement or any transaction document is materially untrue, inaccurate or contains a material omission;
  - (ii) a party commits a material breach of the Equity Transfer Agreement or any transaction document, as a result of which the Equity Transfer contemplated hereby cannot be consummated.
- (b) by mutual written agreement of all parties under the Equity Transfer Agreement;
- (c) if the Equity Transfer cannot be completed within ninety days after the effective date of the transaction documents, or such other period as may be mutually agreed by all parties, a party may terminate the Equity Transfer Agreement upon written notice to the other parties;
- (d) if any governmental authority promulgates any law or regulation, or issues any order, decree, ruling, or takes any other legal action that restricts, prevents or otherwise prohibits the Equity Transfer under the Equity Transfer Agreement, or renders the Equity Transfer illegal or impossible to complete, and such order, decree, ruling or other legal action is final and not subject to reconsideration, litigation or appeal, any party hereto may terminate the Equity Transfer Agreement upon written notice to the other parties;
- (e) upon the occurrence of a statutory force majeure event that prevents the parties from performing the Equity Transfer Agreement or achieving the purposes hereof, each party shall have the right to terminate the Equity Transfer Agreement.

The right of any party to terminate the Equity Transfer Agreement in advance shall be in addition to any other remedies available to such party. Such termination shall not release any obligations of the breaching party until the termination date, nor shall it release the breaching party from liability for compensating the other party for losses caused by the breach of the Equity Transfer Agreement or any other transaction document.

## **II. PRINCIPAL TERMS OF THE CAPITAL INCREASE AGREEMENT**

The principal terms of the Capital Increase Agreement are summarized as follows:

### **1. Date**

April 8, 2026

### **2. Parties**

(i) Guangzhou Tianze as the Investor; and

(ii) the Target Company

### **3. Subject Matter**

Pursuant to the Capital Increase Agreement, the Investor shall subscribe for newly increased registered capital of RMB17,517,705 in the Target Company, representing approximately 6.54% of the total enlarged equity interests of the Target Company immediately following the Capital Increase, at a price of approximately RMB25.6655 per registered capital.

### **4. Consideration and Payment**

The total consideration for the Capital Increase shall be RMB449.60 million. The consideration for the Capital Increase shall be settled by the Investor in cash and will be funded by its internal sources.

Guangzhou Tianze shall make payment of the aforementioned consideration to the designated bank account of the Target Company within ten Business Days after the date on which the conditions precedent (as disclosed below) have been fulfilled (or waived).

The consideration for the Capital Increase was determined after arm's length negotiations between the Investor and the Target Company on normal commercial terms with reference to, among others: (i) the Appraised Value of the Series D Preferred Shares of the Target Company assessed by the Valuer as at the Valuation Date; (ii) the business development and future prospects of the Target Company; (iii) the reasons and benefits as stated under the section headed "Reasons for and Benefits of the Equity Transfer and the Capital Increase" in this announcement; and (iv) the valuation of Target Company in the previous financing rounds. Please refer to Appendix to this announcement for a summary of the Valuation Report including, among others, the valuation method, the key assumptions and key inputs.

## 5. Conditions Precedent

The obligation of the Investor to pay the capital increase contribution shall be subject to the satisfaction or waiver by the Investor (as the case may be) of the following conditions within the completion period (being on or before July 31, 2026 or any other date as may be separately agreed by both parties):

- (i) both parties having executed and delivered the transaction documents, including without limitation the Capital Increase Agreement, the articles of association, and the transaction documents remaining in full force and effect;
- (ii) the general meeting of the Target Company having resolved to approve the Capital Increase, and the shareholders holding more than two-thirds of the voting rights of the Target Company having signed the resolutions;
- (iii) there being no applicable law or judgment, award, ruling, injunction or order of any governmental authority that restricts, prohibits or cancels the Capital Increase, and no pending or reasonably foreseeable lawsuits, arbitrations, judgments, awards, injunctions or orders that have had or would have an adverse effect on the Capital Increase;
- (iv) the representations and warranties made by the Target Company being true, accurate, complete and not misleading from the effective date of the Capital Increase Agreement to the completion date;
- (v) the Target Company having performed and complied in all material respects with all covenants and undertakings required to be performed or complied with by the Target Company under the transaction documents on or before the completion date;
- (vi) no material adverse event having occurred in respect of the Target Company from the date of execution of the Capital Increase Agreement to the completion date;
- (vii) the Target Company having delivered to the Investor a confirmation letter (set forth in the appendix to the agreement) which confirms that all conditions precedent have been satisfied and the relevant documents;
- (viii) the Target Company having delivered to the Investor a payment notice for the Capital Increase that complies with the Investors' requirements.

Subject to the applicable laws, the Investor may, in its sole discretion, waive any conditions precedent and agree in writing on a time limit for the Target Company to fulfill the obligations under such waived condition.

If the Investor waives any conditions precedent in writing based on the undertakings of the Target Company, such waived condition shall automatically convert into a matter to be completed by the Target Company within a period acceptable to the Investor after the completion date. The Target Company shall comply with such written waiver agreement of the conditions precedent and perform such undertaken obligations on a timely basis.

## **6. Effectiveness**

The Capital Increase Agreement shall become effective upon satisfaction with all the following conditions:

- (i) the Company (as a limited partner of the Guangzhou Tianze) having completed all of its internal decision-making procedures and external regulatory approvals in respect of Guangzhou Tianze's investment in the Target Company, and the relevant regulatory authorities having confirmed no further objections;
- (ii) the board and general meeting of the Target Company having approved the Capital Increase;
- (iii) the partners of Guangzhou Tianze having made their capital contributions in full, and Guangzhou Tianze having completed the fund filing with the Asset Management Association of China.

## **7. Special Rights**

In accordance with the Capital Increase Agreement, the Investor shall be entitled to the special rights including liquidation preference right, right to information, pre-emptive right, right of first refusal, anti-dilution right, tag-along right, redemption right, most-favored-nation treatment and the right to appoint one observer to attend board meetings without any voting rights. Such special rights shall be subject to the shareholders' agreement to be jointly entered into among Guangzhou Tianze, the Target Company and other shareholders of the Target Company after the completion of the Capital Increase.

## **8. Completion**

The completion shall occur on the date on which the Investor has paid full capital contribution to the designated bank account of the Target Company, which shall not be later than July 31, 2026 or any other date otherwise agreed by the parties.

## **9. Termination**

The Capital Increase Agreement may be terminated before the completion date under the following circumstances:

- (i) by mutual written agreement of the parties to terminate the Capital Increase Agreement;
- (ii) if the Investor breaches its obligation to pay the capital increase contribution as stipulated, and such breach has a material adverse effect on the performance hereof, and such breach is incapable of being rectified or is not rectified within five Business Days after the Target Company delivers a written notice to the Investor, the Target Company may elect to terminate the Capital Increase Agreement with such defaulting Investor, without affecting the validity of the provisions with other non-defaulting investors;
- (iii) if the conditions precedent are not fully satisfied within the completion period and are not waived by the Investor, the Capital Increase Agreement shall terminate upon the Investor delivering a written termination notice to the other party hereto;
- (iv) if the Target Company breaches any covenants, undertakings or obligations hereunder, or any representations and warranties made by them herein are proven to be false, materially inaccurate or materially misleading, and such breach has a material adverse effect on the performance of the Capital Increase Agreement, and such breach is incapable of being rectified or is not rectified within five Business Days after the Investor delivers a written notice to the other party (the mere disclosure of the breach shall not constitute a rectification), the Capital Increase Agreement shall terminate upon the Investor delivering a written termination notice to the other party hereto. If the Investor has already paid the capital increase contribution, the Target Company, within three Business Days from the date of the aforesaid notice, shall refund all such amounts and pay the fund occupation cost (calculated at an annual interest rate of 6% (simple interest) from the date of actual payment by the Investor to the date of full refund to the Investor);
- (v) other circumstances as otherwise agreed in the Capital Increase Agreement.

### III. INFORMATION OF THE PARTIES

#### (a) Guangzhou Tianze

Guangzhou Tianze is a limited partnership enterprise established under the laws of the PRC. Guangzhou Tianze focuses on the semiconductor and integrated circuit sector, being one of the 15 strategic industrial clusters under the development of Guangzhou's "12218" modern industrial system and prioritizes supporting the Government's development of strategic industries. It has six partners including Wanlian Tianze Capital Investment Co., LTD.\* (萬聯天澤資本投資有限公司) (holding 8.53% partnership interests and also being the general partner, executive partner and fund manager of Guangzhou Tianze, and being responsible for the investment, management and operation of the fund), the Company (holding 40.12% partnership interests), and other four limited partners (each holding less than 20% partnership interests). For the details of the proposed formation of Guangzhou Tianze and shareholding structure of the limited partners and general partner, please refer to the announcement of the Company dated February 24, 2026.

Guangzhou Tianze is not a subsidiary of nor controlled by the Company and its financial statements is not consolidated into the financial statements of the Company.

**(b) The Vendors**

***Guangdong Lianxinneng***

Guangdong Lianxinneng is a limited liability company under the laws of the PRC and is principally engaged in financing consulting services, enterprise management consulting, financial consulting, and investment activities with its own funds. As at the date of this announcement, its ultimate beneficial owner is Mr. Xiao who holds as to approximately 60.95% equity interests, and the remaining approximately 39.05% equity interests is held by the other eleven shareholders (each holding less than one-third equity interests).

Mr. Xiao is the controlling shareholder and the executive Director of the Company and hence Guangdong Lianxinneng is a connected person of the Company.

***Guangzhou Hanrui***

Guangzhou Hanrui is a limited partnership enterprise established under the laws of the PRC, and is principally engaged in the investment activities with its own funds. As at the date of this announcement, it is ultimately controlled by Mr. Xiao who is the managing partner holding as to 57% partnership interests, and the remaining 43% partnership interests is held by the other five limited partners (each holding less than one-third partnership interests). Guangzhou Hanrui is a connected person of the Company.

***Huzhou Shanglian***

Huzhou Shanglian is a limited partnership enterprise established under the laws of the PRC, and is principally engaged in equity investment, financial consulting and enterprise management consulting. As at the date of this announcement, it is owned as to 99% partnership interests by Ms. Yan Wenqi (嚴文綺) and as to 1% partnership interests by Mr. Li Min (李敏) (also being the managing partner). Huzhou Shanglian and its ultimate beneficial owner are Independent Third Parties.

***Huzhou Laozhongshi***

Huzhou Laozhongshi is a limited partnership enterprise established under the laws of the PRC, and is principally engaged in equity investment, financial consulting and enterprise management consulting. As at the date of this announcement, it is owned as to 87.42% partnership interests by Mr. Lu Xianyao (陸獻堯), as to 0.01% partnership interests by Mr. Xiao (also being the managing partner), and as to 12.58% partnership interests by the remaining two limited partners. Huzhou Laozhongshi is a connected person of the Company.

### ***Ms. Wang Yingying***

Ms. Wang Yingying, who holds approximately 3.7824% equity interests of the Target Company as at the date of this announcement, is an Independent Third Party.

### ***Beijing Bohao***

Beijing Bohao is a limited partnership enterprise established under the laws of the PRC, and is principally engaged in technology promotion services and enterprise management services and other services. As at the date of this announcement, it is owned as to 50% partnership interests by Mr. Sun Haoran (孫昊然) and as to 50% partnership interests by Mr. Geng Bo (耿博) (also being the managing partner). Beijing Bohao and its ultimate beneficial owner are Independent Third Parties.

### ***Huzhou Jingxinlian***

Huzhou Jingxinlian is a limited partnership enterprise established under the laws of the PRC, and is principally engaged in equity investment, financial consulting and enterprise management consulting. As at the date of this announcement, it is owned as to 99% partnership interests by Ms. Lu Tian (陸天) and as to 1% partnership interests by Mr. Lu Chongyuan (陸崇源) (also being the managing partner). Huzhou Jingxinlian and its ultimate beneficial owner are Independent Third Parties.

## **(c) The Target Company**

The Target Company is a limited liability company established under the laws of the PRC. It focuses on the application of silicon carbide power semiconductor products and integrates chip, device and module design, R&D, packaging manufacturing, testing and sales. As at the date of this announcement, it is ultimately controlled by Mr. Xiao as to approximately 37.2099% through Guangdong Lianxinneng (directly holding as to approximately 19.2443% of the Target Company), Guangzhou Hanrui (directly holding as to approximately 9.9809% of the Target Company), Huzhou Laozhongshi (directly holding as to approximately 4.7908% of the Target Company) and Guangzhou Xinxin (directly holding as to approximately 3.1939% of the Target Company), therefore, the Target Company is a connected person of the Company.

### ***Shareholding Structure of the Target Company***

Details of the shareholding structure of the Target Company as at the date of this announcement and immediately after the completion of the Equity Transfer and the Capital Increase (assuming there will be no change in the shareholding structure of the Target Company since the date of this announcement save for the Equity Transfer and the Capital Increase) are set out below:

Name of Shareholders	As at the Date of this Announcement		Immediately after the Completion of the Equity Transfer and the Capital Increase	
	Registered Capital (RMB)	Shareholding Percentage	Registered Capital (RMB)	Shareholding Percentage
Guangzhou Tianze	—	—	25,673,931	9.5799%
Guangdong Lianxinneng	48,202,968	19.2443%	42,289,271	15.7798%
Guangzhou Hanrui	25,000,000	9.9809%	24,242,389	9.0458%
Huzhou Shanglian	12,601,484	5.0309%	12,192,374	4.5494%
Huzhou Laozhongshi	12,000,000	4.7908%	11,636,347	4.3420%
Wang Yingying	9,474,219	3.7824%	9,140,870	3.4108%
Beijing Bohao	8,000,000	3.1939%	7,757,564	2.8946%
Huzhou Jingxinlian	4,500,000	1.7966%	4,363,630	1.6282%
Other shareholders	130,700,614	52.1802%	130,700,614	48.7695%
<b>Total</b>	<b><u>250,479,285</u></b>	<b><u>100.0000%</u></b>	<b><u>267,996,990</u></b>	<b><u>100.0000%</u></b>

### ***Financial Information of the Target Company***

The following table sets forth the financial information of the Target Company for the two financial years ended December 31, 2024 and 2025 based on the financial statements prepared in accordance with the China Accounting Standards for Business Enterprises (the “CAS”):

	For the year ended December 31,	
	2024 (RMB'million) (Audited)	2025 (RMB'million) (Unaudited)
Net loss before taxation	(187.71)	(187.30)
Net loss after taxation	(187.71)	(187.30)

According to the financial statements prepared in accordance with the CAS, the audited total asset and net asset of the Target Company as at December 31, 2024 is approximately RMB1,151.47 million and RMB612.73 million respectively, and the unaudited total asset and net asset of the Target Company as at December 31, 2025 is approximately RMB954.55 million and RMB431.14 million respectively.

Given the Target Company recently completed a share exchange transaction with Ascen Power and its minority shareholders, pursuant to which the Target Company would acquire an additional equity interest in Ascen Power by way of subscribing for registered capital of the Target Company by those minority shareholders of Ascen Power. Upon completion of such transaction, the Target Company would hold an aggregate 56.46% equity interest in Ascen Power and which will be a subsidiary of the Target Company. For illustrative purposes and to provide shareholders and potential investors with additional information, set out below is the financial information of the Ascen Power for the two financial years ended December 31, 2024 and 2025, based on the financial statements prepared in accordance with the CAS:

	<b>For the year ended</b>	
	<b>December 31,</b>	
	<b>2024</b>	<b>2025</b>
	<i>(RMB' million)</i>	<i>(RMB' million)</i>
	<i>(Audited)</i>	<i>(Unaudited)</i>
Net loss before taxation	(142.10)	(489.10)
Net loss after taxation	(142.10)	(522.41)

According to the financial statements prepared in accordance with the CAS, the audited total asset and net asset of the Ascen Power as at December 31, 2024 is approximately RMB3,397.48 million and RMB937.93 million respectively, and the unaudited total asset and net asset of the Ascen Power as at December 31, 2025 is approximately RMB3,265.05 million and RMB415.52 million respectively.

#### **IV. FINANCIAL IMPACTS OF THE EQUITY TRANSFER AND CAPITAL INCREASE ON THE GROUP**

Upon completion of the Equity Transfer and the Capital Increase, Guangzhou Tianze will hold approximately 9.5799% of the equity interests in the Target Company and the Company, as a limited partner of Guangzhou Tianze, will have an effective economic interest of approximately 3.8435% in the Target Company. Therefore, the Target Company will not become a subsidiary of the Company, and the financial results of the Target Company will not be consolidated into the consolidated financial statements of the Group.

## **V. REASONS FOR AND BENEFITS OF THE EQUITY TRANSFER AND THE CAPITAL INCREASE**

Guangzhou Tianze mainly focuses on investments in the semiconductor and integrated circuit sector, being one of the 15 strategic industrial clusters under the development of Guangzhou's "12218" modern industrial system, and prioritizes supporting the government's development of strategic industries. The Target Company and Ascen Power are national high-tech enterprises specializing in the R&D, production and sales of third-generation semiconductor silicon carbide power chips, devices and modules, the products of which are widely used in new energy vehicles, new-type displays, photovoltaic power, energy storage, AI data centers and other industries. As a rare leading silicon carbide IDM company in China capable of domestic substitution, the Target Company is a Guangzhou "Unicorn" innovative enterprise and a key project under Guangdong Province's "Strong Chip Project".

The investment in the Target Company represents a proactive strategic choice shifting from "endogenous development" to "extensional layout". It aims to further improve the layout of the "third-generation semiconductor" industrial cluster and deeply unlock the synergy value of the industrial chain. On the one hand, it helps to address the comprehensive needs of leading customers, particularly those in the new energy vehicle sector, through holistic coordination or even joint development, providing customers with an integrated solution and service system of "optoelectronic semiconductors + power semiconductors", thereby enhancing project introduction efficiency and long-term collaboration stickiness; on the other hand, in emerging sectors such as Micro LED and AR+AI display, both parties have respective advantages in product R&D, process implementation, mass production, demonstrating strong synergistic effects.

The Board believes that the investment will effectively enhance Shareholders' value and contribute to the growth of the Company's capital market value.

The Directors of the Company (excluding the Independent Board Committee) consider that the transaction terms involved in the Equity Transfer and the Capital Increase are conducted on an arm's length basis and on normal commercial terms, and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Mr. Xiao has a material interest in the Equity Transfer and the Capital Increase due to the Target Company is ultimately controlled by him and Mr. Chan Philip Ching Ho and Mr. Yuan Lie Ming Peter are acting-in-concert with Mr. Xiao, as such, they have abstained from voting at the board meeting approving the Equity Transfer and the Capital Increase. Save as disclosed above, none of the other Directors has a material interest in the relevant transactions which would require him/her to abstain from voting on the relevant Board resolutions.

## VI. LISTING RULES IMPLICATIONS

The Equity Transfer and the Capital Increase are transactions entered into by Guangzhou Tianze, being an investment fund in which the Company participates as a limited partner while its general partner is an Independent Third Party. As at the date of this announcement, the Company holds approximately 40.12% of the partnership interests in Guangzhou Tianze solely as a limited partner. Accordingly, the Company's interest in Guangzhou Tianze is accounted for as a financial asset in its consolidated financial statements, and Guangzhou Tianze is not a subsidiary of the Company.

Through its interest in Guangzhou Tianze as a limited partner, the Company is expected to have an effective economic interest of approximately 3.8435% in the Target Company upon completion of the Equity Transfer and the Capital Increase, with the aggregate consideration attributable to the Company in respect of the Equity Transfer and the Capital Increase, being contributed indirectly through its capital contribution to Guangzhou Tianze, amounting to approximately RMB256 million. Given the Equity Transfer and the Capital Increase were not entered into by the Company or its subsidiaries, they do not constitute transactions of the Company under the Listing Rules. Notwithstanding this, given that the Indirect Investment represents an indirect effective economic interest in the Target Company, the Company has, for prudence purpose and to enhance transaction transparency, treated the Indirect Investment as a transaction of the Company for the purposes of Chapters 14 and 14A of the Listing Rules.

### **Discloseable Transaction**

As the highest applicable percentage ratio of the Indirect Investment exceeds 5% but is less than 25%, it is deemed as a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and are therefore subject to the reporting and announcement requirements.

### **Connected Transaction**

As at the date of this announcement, Guangdong Lianxinneng (as a Vendor) is ultimately controlled by Mr. Xiao (who is a controlling shareholder and the executive Director of the Company) as to approximately 60.95% equity interests, therefore Guangdong Lianxinneng is a connected person of the Company.

As at the date of this announcement, the managing partner of Guangzhou Hanrui (as a Vendor) is Mr. Xiao, therefore Guangzhou Hanrui is ultimately controlled by Mr. Xiao and is a connected person of the Company.

As at the date of this announcement, the managing partner of Huzhou Laozhongshi (as a Vendor) is Mr. Xiao, therefore Huzhou Laozhongshi is ultimately controlled by Mr. Xiao and is a connected person of the Company.

As at the date of this announcement, the Target Company is ultimately controlled by Mr. Xiao as to approximately 37.2099% through Guangdong Lianxinneng (directly holding as to approximately 19.2443% of the Target Company), Guangzhou Hanrui (directly holding as to approximately 9.9809% of the Target Company), Huzhou Laozhongshi (directly holding as to approximately 4.7908% of the Target Company) and Guangzhou Xinxin (directly holding as to approximately 3.1939% of the Target Company), therefore, the Target Company constitutes a connected person of the Company under Chapter 14A of the Listing Rules. The Indirect Investment is treated as a connected transaction of the Company under the Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio of the Indirect Investment exceeds 5%, it is deemed as a connected transaction of the Company under Chapter 14A of the Listing Rules, and are therefore subject to reporting, announcement and the Independent Shareholders' approval requirements under the Listing Rules. The Controlling Shareholder Group and its associates shall abstain from voting on the proposed resolutions to approve the Equity Transfer and the Capital Increase at the EGM to be held by the Company.

## **VII. GENERAL**

The EGM will be convened by the Company for the Independent Shareholders to consider and, if thought fit, approve, among other things, the Equity Transfer and the Capital Increase and the agreements relating thereto.

The Independent Board Committee, comprising all of the independent non-executive Directors, namely Ms. Zhang He, Ms. Lin Nan, Ms. Ding Hui and Mr. Chan Chi Kong, will be established to advise the Independent Shareholders regarding, among other things, the terms and conditions of the Equity Transfer Agreements, the Capital Increase Agreement and the transactions contemplated thereunder.

An independent financial adviser will be appointed by the Company to advise the Independent Board Committee and Independent Shareholders regarding, among other things, the terms and conditions of the Equity Transfer Agreements, the Capital Increase Agreement and the transactions contemplated thereunder.

A circular containing, among other things, (i) further details of the the Equity Transfer Agreements, the Capital Increase Agreement and the transactions contemplated thereunder (including the Equity Transfer and the Capital Increase); (ii) the recommendations of the Independent Board Committee in relation to the Equity Transfer Agreements, the Capital Increase Agreement and the transactions contemplated thereunder (including the Equity Transfer and the Capital Increase); (iii) a letter of advice from an independent financial adviser in relation to the Equity Transfer Agreements, the Capital Increase Agreement and the transactions contemplated thereunder (including the Equity Transfer and the Capital Increase); (iv) the notice convening the EGM; and (v) other information in relation to the EGM and as otherwise required under the Listing Rules, will be published by the Company on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company's website ([www.apthk.com](http://www.apthk.com)) and despatched to the Shareholders in accordance with the requirements of the Listing Rules. As additional time is required for the preparation of the relevant information to be included in the circular, the circular, together with the notice of the EGM is expected to be despatched to the Shareholders on or before May 15, 2026.

**Shareholders and potential investors should note that the completions of the Equity Transfer and the Capital Increase are subject to, among other things, approval from the Independent Shareholders and relevant regulatory authorities. Therefore, the Equity Transfer and/or the Capital Increase 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, unless the context otherwise requires, the following defined expressions shall have the following meanings:

“Ascen Power”	Ascen Power Semiconductor Co., Ltd. (廣東芯粵能半導體有限公司), a limited liability company established under the laws of the PRC
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Beijing Bohao”	Beijing Bohao Technology Innovation Center (Limited Partnership)* (北京搏皓科技創新中心(有限合夥)), a limited partnership established under the laws of the PRC
“Board”	the board of directors of the Company
“Business Days”	days other than Saturday, Sunday or public holiday in China
“Capital Increase”	the proposed subscription for newly increased registered capital of RMB17,517,705 in the Target Company by Guangzhou Tianze pursuant to the Capital Increase Agreement
“Capital Increase Agreement”	the conditional capital increase agreement entered into between Guangzhou Tianze and the Target Company
“China” or “PRC”	the People’s Republic of China, for the purpose of this announcement only, excluding Hong Kong, Macau Special Administrative Region and Taiwan of the People’s Republic of China
“Company”	APT Electronics Co., Ltd. (廣東晶科電子股份有限公司), the H Shares of which have been listed on the Stock Exchange (Stock Code: 2551)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“controlling shareholder(s)”	has the meaning ascribed to it under the Listing Rules

“Controlling Shareholder Group”	the controlling shareholder group of the Company, including Mr. Xiao, Mr. Chan Philip Ching Ho (the non-executive Director), Mr. Yuan Lie Ming Peter (the non-executive Director), APTESS Company Limited, Giant Power Limited, Ms. Loh Rebecca May-Leung (the spouse of Mr. Chan Philip Ching Ho), Advanced Photoelectronic Technology Limited (微晶先進光電科技有限公司), Guangzhou Jingyu Equity Investment Partnership (Limited Partnership) (廣州晶裕股權投資合夥企業(有限合夥)), Guangzhou Jingling Investment Partnership (Limited Partnership) (廣州晶領投資合夥企業(有限合夥)), Guangzhou Jingrui Investment Partnership (Limited Partnership) (廣州晶瑞投資合夥企業(有限合夥)) and Guangzhou Jingshi Investment Partnership (Limited Partnership) (廣州晶實投資合夥企業(有限合夥)) by virtue of the acting-in-concert agreements and relationship among them
“Director(s)”	director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Equity Transfer Agreements, the Capital Increase Agreement and the transactions contemplated thereunder
“Equity Transfer”	the proposed equity transfer of an aggregate amount of registered capital of RMB8,156,226 of the Target Company by Guangzhou Tianze from the Vendors pursuant to the Equity Transfer Agreements
“Equity Transfer Agreement”	the respective conditional equity transfer agreement entered into between Guangzhou Tianze, the respective Vendor and the Target Company, collectively referred as “Equity Transfer Agreements”
“Group”	the Company and its subsidiaries
“Guangdong Lianxinneng”	Guangdong Lianxinneng Innovation Investment Co., Ltd.* (廣東聯芯能創新投資有限公司), a limited liability company established under the laws of the PRC
“Guangzhou Hanrui”	Guangzhou Hanrui Science and Technology Innovation Investment Partnership (Limited Partnership)* (廣州瀚睿科創投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC

“Guangzhou Tianze” or “Purchaser” or “Investor”	Guangzhou Tianze Jingxin Venture Investment Fund Partnership (Limited Partnership)* (廣州天澤晶芯創業投資基金合夥企業(有限合夥)), a limited partnership established under the laws of the PRC, in which the Company holds a 40.12% partnership interest as a limited partner
“Guangzhou Xinxin”	Guangzhou Xinxin Investment Partnership (Limited Partnership)* (廣州芯欣投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC, the managing partner of which is Mr. Xiao
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Huzhou Jingxinlian”	Huzhou Jingxinlian Equity Investment Partnership (Limited Partnership)* (湖州京芯聯股權投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC
“Huzhou Laozhongshi”	Huzhou Laozhongshi Equity Investment Partnership (Limited Partnership)* (湖州老忠實股權投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC
“Huzhou Shanglian”	Huzhou Shanglian Equity Investment Partnership (Limited Partnership)* (湖州熵聯股權投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC
“Independent Board Committee”	an independent board committee of the Board comprising of Ms. Zhang He, Ms. Lin Nan, Ms. Ding Hui and Mr. Chan Chi Kong, all of whom are independent non-executive Directors, to advise the Independent Shareholders in relation to the Equity Transfer and the Capital Increase
“Independent Shareholder(s)”	the Shareholders who are not required under the Listing Rules to abstain from voting on the resolutions relating to the Equity Transfer and the Capital Increase to be proposed at the EGM
“Independent Third Party(ies)”	individuals or companies, as far as the Directors are aware after having made all reasonable enquiries, being not connected persons of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“Mr. Xiao”	Mr. Xiao Guowei David (肖国偉), a controlling shareholder and an executive Director of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Series D Preferred Share”	each Series D Preferred Share represents one unit of registered capital of the Target Company with a nominal value of RMB1.00, being the registered capital to be subscribed for by Guangzhou Tianze pursuant to the Capital Increase Agreement and the Equity Transfer Agreements; for the avoidance of doubt, each such Series D Preferred Share shall also represent one unit of registered capital of the Target Company with a nominal value of RMB1.00 previously subscribed for by the minority shareholders of Ascen Power as consideration in connection with the acquisition by the Target Company of the remaining minority equity interests in Ascen Power as part of the relevant restructuring
“Shareholder(s)”	Shareholder(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	AccoPower Semiconductor Co., Ltd. (廣東芯聚能半導體有限公司), a limited liability company established under the laws of the PRC
“Valuation Report”	The valuation report on the market value of the Series D Preferred Shares as of the Valuation Date issued by Valuer
“%”	percent

\* *For identification purpose only*

By order of the Board  
**APT Electronics Co., Ltd.**  
**Xiao Guowei David**  
*Chairperson of the Board*

Hong Kong, April 8, 2026

*As at the date of this announcement, the Board comprises Mr. Xiao Guowei David and Mr. Hou Yu as executive Directors, Mr. Chan Philip Ching Ho, Mr. Yuan Lie Ming Peter and Mr. Huang Guansheng as non-executive Directors; Ms. Zhang He, Ms. Lin Nan, Ms. Ding Hui and Mr. Chan Chi Kong as independent non-executive Directors.*

## Appendix — Valuation of the Target Company

### VALUATION METHODOLOGY

In arriving at our assessed value, we have considered three generally accepted approaches, namely market approach, cost approach and income approach.

To select the most appropriate method, we evaluated the valuation purpose, the basis of value, and the availability and reliability of information, along with each approach's suitability given the nature of the Subject, being one Series D Preferred Share of the Target Company, representing RMB1.00 registered capital.

The income approach was deemed inappropriate due to the high sensitivity of results to assumptions and the lack of a sufficient historical financial track record for the Target Company and Ascen Power to support objective long-term financial projections as of the Valuation Date. The cost approach was also unsuitable because it does not capture the economic earnings potential of the business of Target Company and Ascen Power. Therefore, we adopted the market approach.

There are two common methods under market approach, namely, Guideline Public Companies Method and Guideline Transaction Method (also known as the Precedent Transaction Method). Guideline Public Companies Method requires identifying suitable guideline public companies and selection of appropriate trading multiples, while Guideline Transaction Method takes reference to recent mergers and acquisitions transaction between unrelated parties and ratio of transaction price to target company's financial metrics.

#### Valuation Methodology for Ascen Power

As the Target Company holds a material interest in Ascen Power, it is necessary to evaluate Ascen Power before valuing the Target Company.

We applied the Guideline Transaction Method to value Ascen Power, using Recent Ascen Power Transaction (29 November 2024) as the primary observable market evidence. Ascen Power completed two arm's-length financing rounds in 2024, both at RMB14.50 per share — providing direct pricing for its Series A/A+ preferred shares.

Because those shares carry preferential rights senior to the ordinary shares held by the Target Company, we adjusted for share class differences using an Option Pricing Model (“OPM”). The OPM reflects the contractual terms of each class under liquidation and continuation scenarios. The OPM back-solve derived Ascen Power's total equity value as of 29 November 2024. To reflect market conditions as of the Valuation Date (31 December 2025), we adjusted the total equity value of Ascen Power based on market capitalization movement of the comparable companies.

As of the Valuation Date, the Target Company directly held 34.9398% equity interest in Ascen Power and was, at that time, contemplating a share exchange transaction with Ascen Power and its minority shareholders, pursuant to which the Target Company would acquire an additional 21.5160% equity interest in Ascen Power by way of subscribing for registered capital of the Target Company by those minority shareholders of Ascen Power. Upon completion of such transaction, the Target Company would hold an aggregate 56.4558% equity interest in Ascen Power and which will be a subsidiary of the Target Company. For prudence and valuation purposes only, it has been assumed that the contemplated share exchange between the Target Company and Ascen Power had been completed as of the Valuation Date. This enables direct application of the Target Company's 56.4558% ownership interest to the adjusted total equity value of Ascen Power.

### **Valuation Methodology for the Target Company**

We applied the Guideline Public Companies Method to value the Target Company. This method was selected over the Guideline Transaction Method because the Target Company's business model has materially evolved since its equity transactions in August 2023 and October 2024 — shifting from reliance on imported chips to full-stack SiC power module solutions.

The market value of the Target Company was developed by analyzing benchmark valuation multiples from publicly traded companies comparable to the Target Company. This approach aligns with the availability of a robust set of guideline companies operating in similar sectors and exhibiting comparable risk and growth profiles.

Because the Target Company's equity classes carry differential rights, we allocated the total equity value across share classes using the OPM. For valuation purposes only, we assumed the contemplated share exchange between the Target Company and Ascen Power is completed as of the Valuation Date. This means Series D Preferred Shares exist with rights identical to Series C Preferred Shares, and all contractual terms of the share exchange (including capital structure changes and extinguishment of preferential rights in Ascen Power) are effective. The OPM reflects these terms under liquidation and continuation scenarios.

## RECENT TRANSACTIONS OF SHARES IN ASCEN POWER

### Recent Ascen Power Transaction (29 November 2024)

In 2024, Ascen Power commenced its Series A financing round. On 22 August 2024, Guangdong Semiconductor and Integrated Circuit Industry Equity Investment Fund II, L.P. (廣東省半導體及集成電路產業股權投資基金二期合夥企業(有限合夥)), SDIC (Guangdong) Technology Commercialization Venture Investment Fund, L.P. (國投(廣東)科技成果轉化創業投資基金合夥企業(有限合夥)), and Guangzhou Industrial Investment Holdings Semiconductor & IC Dedicated Fund of Funds, L.P. (廣州產投半導體與集成電路專項母基金合夥企業(有限合夥)) agreed to subscribe newly issued shares of Ascen Power with a nominal value of RMB55,172,414 for a consideration of RMB800,000,000. The newly issued shares were Series A preferred shares. On 29 November 2024, Guangzhou Haikexin Venture Investment Fund, L.P. (廣州海科新創業投資基金合夥企業(有限合夥)) agreed to subscribe newly issued shares of Ascen Power with a nominal value of 2,758,621 for a consideration of RMB40,000,000. The newly issued shares were Series A+ preferred shares. Series A and Series A+ preferred shares carried the same special rights including preferential liquidation, redemption features, and anti-dilution protections. Both Series A and Series A+ preferred shares were issued at a price of RMB14.50 per share.

We are given to understand the Recent Ascen Power Transaction was conducted at arm's length, under market conditions, and between knowledgeable, independent, third-party investors.

## MAJOR ASSUMPTIONS

We have evaluated assumptions that significantly affect the valuation to establish a reasonable and supportable basis for our conclusion. The following key assumptions underpin our determination of the market value of the Subject:

- There will be no material change in the existing political, legal, technological, fiscal, or economic conditions, which might adversely affect the business of the Target Company and Ascen Power;
- The operating licenses and incorporation documents provided to us are valid, complete, and authentic;
- The Target Company and Ascen Power comply with all applicable laws and regulations, and all required licenses and permits are valid and renewable upon expiry;
- The operational and contractual terms stipulated in the relevant contracts and agreements will be honored;
- The Recent Ascen Power Transaction was conducted at arm's-length between knowledgeable, independent, third-party investors, as confirmed in discussions with the Target Company and Ascen Power's management;
- The financial and operational information provided by the Target Company and Ascen Power, including management accounts and contractual agreements, is reliable and reasonable, and we have relied on this information to a significant extent in forming our opinion;
- There are no material unknown conditions affecting the Target Company and Ascen Power that would adversely affect the value conclusion; and
- The Company has advised that all steps relating to the share exchange will be completed prior to the announcement date. For valuation purposes only, we assume the share exchange between the Target Company and Ascen Power is completed as of the Valuation Date, regardless of its actual legal status. This is referred to as the Share Exchange Assumption in this report and it means:
  - The Target Company's equity interest in Ascen Power is increased to 56.4558% from 34.9398%;
  - Ascen Power's capital structure consists only of ordinary shares (all preferential rights terminated);
  - Series D Preferred Shares of the Target Company exist as issued, with identical rights, preferences, and liquidation priority to Series C Preferred Shares; and
  - All contractual terms in the Share Exchange Agreement (including timing, consideration, and governance changes) are fully effective.

*Note:* We assume no responsibility for changes in market conditions or other external factors occurring after the Valuation Date.

## MARKET MULTIPLE

Under the Guideline Public Companies Method, we have considered the following benchmark multiples:

<b>Benchmark multiple</b>	<b>Abbreviation</b>	<b>Analysis</b>
Price to earnings	P/E	Not used. P/E is suitable for profitable companies, however, the Target Company is not yet profitable; as such, earnings-based multiples are not applicable.
Price to sales & Enterprise Value to Sales	P/S & EV/S	Not used. P/S & EV/S were also considered but found to be inappropriate. While the Target Company has generated revenue, its current sales level remains transitional and does not fully reflect its long-term earning potential.
Enterprise Value to EBIT	EV/EBIT	Not used. EV/EBIT is not applicable, as the Target Company has not yet achieved positive EBIT, continuing to incur operating losses due to significant ongoing investments in R&D and production ramp-up typical of early-stage semiconductor firms.
Enterprise Value to Research & Development Expenditure	EV/R&D	Adopted. Given that the power semiconductor industry is highly innovation-driven and requires sustained R&D expenditure to maintain competitiveness, the EV/R&D multiple better reflects the Target Company's value drivers than traditional multiples. This metric aligns with the sector's emphasis on technological advancement and is particularly appropriate for a high-growth, pre-profitability company where R&D expenditure signals future potential.

In determining the EV/R&D multiple, we identified a list of comparable companies. The selection criteria include the followings:

- The companies are listed on the Hong Kong Exchanges and Clearing Limited (HKEX), Shenzhen Stock Exchange (SZSE), or Shanghai Stock Exchange (SHSE) for at least six months;
- The comparable companies are classified under the semiconductor industry;
- The comparable companies have established business or technology initiatives in silicon carbide (SiC);
- The comparable companies must either offer silicon carbide (SiC) automotive-grade products that are similar to those of the Target Company, or be included in the Target Company’s list of designated competitors;
- The comparable companies reported R&D expenditure in each of the past three years;
- Sufficient data, including enterprise value, market capitalization and R&D expenditure, were available as at the Valuation Date.

The comparable companies satisfying the aforementioned criteria are:

<b>Ticker</b>	<b>Name</b>	<b>Company Description</b>
SHSE:603290	StarPower Semiconductor Ltd.	StarPower designs, manufactures, and sells power semiconductor chips and modules, including IGBT, SiC, MOSFET, and diode products. Its offerings serve industrial control, power supplies, renewable energy, EVs, and white goods.
SZSE:300373	Yangzhou Yangjie Electronic Technology Co., Ltd.	Yangzhou Yangjie Electronic Technology Co., Ltd. researches, develops, manufactures, and sells power semiconductor wafers, chips, and devices — including MOSFETs, IGBTs, SiC products, rectifiers, and protection devices — for applications in automotive, clean energy, AI, 5G, industrial, and consumer electronics sectors.
SHSE:600460	Hangzhou Silan Microelectronics Co.,Ltd	Silan develops and produces power semiconductors, ICs, and sensors, including MOSFETs, IGBTs, SiC devices, LED drivers, and MEMS sensors. Its products target home appliances, consumer electronics, industrial systems, and automotive applications.

<b>Ticker</b>	<b>Name</b>	<b>Company Description</b>
SHSE:688711	Macmic Science & Technology Co.,Ltd.	Macmic Science & Technology designs, develops, produces, and sells power semiconductors — including IGBT, SiC, FRED chips, and power modules — for industrial, electric vehicle, renewable energy, and appliance applications.
SHSE:600703	Sanan Optoelectronics Co.,Ltd	Sanan specializes in compound semiconductors, producing GaN, GaAs, SiC, and sapphire-based materials and devices. It supplies LED chips, RF filters, power electronics, and optoelectronic components for communications, lighting, and automotive sectors.
SHSE:688396	China Resources Microelectronics Limited	China Resources Microelectronics manufactures power devices, modules, power ICs, and intelligent controls for applications in EVs, energy storage, industrial equipment, and consumer electronics.
SHSE:600745	Wingtech Technology Co.,Ltd	Wingtech Technology is an integrated device manufacturer serving consumer, industrial, and automotive markets. It produces diodes, bipolar transistors, MOSFETs, GaN FETs, SiC diodes, IGBTs, and analog/logic ICs. The company operates R&D centers, wafer fabs, and packaging/test facilities.
SHSE:688469	United Nova Technology Co.,Ltd.	United Nova Technology develops and manufactures power discretes, modules, analog ICs, MEMS, and MCUs. It offers automotive-grade IGBT/SiC solutions and high-voltage mixed-signal chips for automotive, clean energy, industrial, and appliance applications.

Below are the financial details and the Calculated EV/R&D multiples of the comparable companies (all amounts are in RMB million, except the EV/R&D Multiple):

Ticker	Market Value <sup>1</sup>	Enterprise Value <sup>1</sup>	Trailing Twelve Month Revenue <sup>1</sup>	Trailing Twelve Month Net Income/(Loss) <sup>1</sup>	3-Year Cumulative R&D Expenditure <sup>2</sup>	EV/R&D Multiple
SHSE:603290	23,011	23,930	3,966	466	982	24.37
SZSE:300373	36,715	35,945	6,957	1,307	1,132	31.75
SHSE:600460	47,276	53,030	12,770	540	2,931	18.09
SHSE:688711	6,669	7,355	1,335	(13)	317	23.17
SHSE:600703	68,779	74,696	18,068	94	4,938	15.13
SHSE:688396	70,173	69,051	10,716	789	3,362	20.54
SHSE:600745	45,580	49,426	50,206	(1,734)	12,608	3.92
SHSE:688469	55,641	70,402	7,384	(741)	4,667	15.09
					<b>Median</b>	<b>19.31</b>

Notes:

1. Data sourced from S&P Capital IQ.
2. Data sourced from S&P Capital IQ and the corresponding financial reports of the companies. “3-Year Cumulative R&D Expenditure” represents the cumulative trailing 36-month R&D expenditure for each listed company. For this purpose, R&D expenditure includes both expensed R&D costs and the amount capitalized during the period as internally generated intangible assets, as disclosed in the companies’ financial statements.

## CALCULATION OF VALUATION RESULT

Under the guideline public company method, the market value depends on the market multiples of the comparable companies derived from S&P Capital IQ as at the Valuation Date. We have also taken into account of DLOM. The calculation of the market value of the Subject as at the Valuation Date is as follows:

**As at**  
**31 December**  
**2025**  
*(RMB'000)*

Cumulative R&D Expenditure in the past three years of the Target Company <sup>1</sup>	165,430
EV/R&D Expenditure Multiple	19.31
<b>Core Enterprise Value of the Target Company (marketable)</b>	<b>3,194,444</b>
Add: Cash and cash equivalents <sup>1</sup>	79,857
Less: Short-&Long-term debt <sup>1</sup>	359,923
Less: Minority Interest <sup>1</sup>	0
<b>Implied Value of 100 Percent Equity Interest in Target Company (marketable)</b>	<b>2,914,379</b>
Less: Discount for Lack of Marketability (20.40%) <sup>2</sup>	(594,533)
<b>Implied Value of 100 Percent Equity Interest in Target Company (non-marketable)</b>	<b>2,319,845</b>
Add: Market value of the Target Company's equity interest in Ascen under the Share Exchange Assumption <sup>3</sup>	3,720,398
<b>100 Percent Equity Interest in Target Company (non-marketable)</b>	<b>6,040,243</b>

*Notes:*

1. Data sourced from the Target Company's financial statement.
2. A discount for lack of marketability (DLOM) of 20.40% was applied as of the Valuation Date, reflecting the absence of a ready market for private company shares, based on the 2025 Edition of the *Stout Restricted Stock Study Companion Guide* (Stout Risius Ross, LLC).
3. Inferred from the Recent Ascen Power Transaction and adjusted for the market capitalization movement of the comparable companies between the date of Recent Ascen Power Transaction and the Valuation Date.

We allocated the total equity value across share classes using the Option Pricing Model (“OPM”), which distributes value according to each class’ s contractual rights under liquidation, redemption, and continuation scenarios. This model yields a per-share value of **RMB26.06** for the Series D preferred shares.

## **OPINION OF VALUE**

Based on our analyses, we are of the opinion that the market value of the Subject, i.e. one Series D Preferred Share in the Target Company which carries a nominal value of RMB1.00, as of the Valuation Date is reasonably stated at the amount of **RMB26.06**.

For the proposed transaction, Guangzhou Tianze will acquire an aggregate registered capital of RMB25,673,931 of the Target Company, representing 25,673,931 Series D Preferred Shares with a nominal value of RMB1.00 each, which carry rights equivalent in priority to the existing Series C Preferred Shares. The aggregate value of these Series D Preferred Shares (rounded to the nearest thousand) is approximately RMB669.06 million.