BRETON
博雷顿

Breton Technology Co., Ltd.
博雷頓科技股份公司

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

(Stock Code: 1333)

CONNECTED TRANSACTION

ENTERING INTO THE CAPITAL INCREASE AGREEMENT

The Board of the Company is pleased to announce that on 4 June 2025, the Company, Shanghai Baipin, a wholly-owned subsidiary of the Company, and Shanghai Yijin entered into the Capital Increase Agreement, pursuant to which, Shanghai Yijin shall contribute RMB20 million to subscribe for additional registered capital in Shanghai Baipin, and the registered capital of Shanghai Baipin is proposed to be increased from RMB40 million to RMB60 million. Upon completion of the Capital Increase, the Company's shareholding in Shanghai Baipin will decrease to approximately 66.67%, and Shanghai Baipin will remain as a subsidiary of the Company and continue to be included in the Group's consolidated financial statements.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Shanghai Yijin is one of the controlling shareholders of the Company. Pursuant to Chapter 14A of the Listing Rules, Shanghai Yijin is a connected person of the Company. Therefore, the transaction contemplated under the Capital Increase Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Capital Increase exceed 0.1% but all are less than 5%, the Capital Increase is subject to the reporting and announcement requirements, but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

INTRODUCTION

The Board of the Company is pleased to announce that on 4 June 2025, the Company, Shanghai Baipin, a wholly-owned subsidiary of the Company, and Shanghai Yijin entered into the Capital Increase Agreement, pursuant to which, Shanghai Yijin shall contribute RMB20 million to subscribe for additional registered capital in Shanghai Baipin, and the registered capital of Shanghai Baipin is proposed to be increased from RMB40 million to RMB60 million. Upon completion of the Capital Increase, the Company's shareholding in Shanghai Baipin will decrease to approximately 66.67%, and Shanghai Baipin will remain as a subsidiary of the Company and continue to be included in the Group's consolidated financial statements.

CAPITAL INCREASE AGREEMENT

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

Date:

4 June 2025

Parties:

(1) the Company;

(2) Shanghai Baipin; and

(3) Shanghai Yijin,

collectively the "**Parties**", and each a "**Party**".

Capital Increase:

(1) Upon negotiation and agreement among the Parties, the subscription price for the Capital Increase shall be RMB1 for each RMB1 of the registered capital.

(2) The Parties confirm that Shanghai Yijin shall contribute capital in cash in the amount of RMB20 million to subscribe for the newly issued registered capital of RMB20 million of the Company. The entire amount of RMB20 million shall be credited to the registered capital of Shanghai Baipin, and RMB0 shall be credited to the capital reserve of Shanghai Baipin.

(3) At the time of the Capital Increase, the Company waives its pre-emptive right in respect of the Capital Increase, regardless of whether such right arises by virtue of law, articles of association, or any other basis.

(4) Shanghai Baipin shall, within ten working days after receiving the full amount of the capital contribution for the Capital Increase from Shanghai Yijin, submit the necessary materials for the change of industrial and commercial registration in respect of the Capital Increase to the competent industrial and commercial registration authority, and promptly provide Shanghai Yijin with a copy of the updated business licence chopped by the official company chop of Shanghai Baipin, the original capital contribution certificate, and the register of shareholders. Completion of the industrial and commercial registration shall be deemed to constitute completion of the Capital Increase (the "**Completion Date**"). With effect from the Completion Date, Shanghai Yijin shall become a shareholder of Shanghai Baipin and shall enjoy and assume the shareholder rights and obligations in accordance with the articles of association of Shanghai Baipin and the laws of the PRC.

(5) Following the signing and effectiveness of the Capital Increase Agreement, the Parties shall cooperate with each other to complete the relevant procedures. Shanghai Yijin agrees to pay the full capital contribution, totaling RMB20 million, to Shanghai Baipin's designated account before 3 August 2025.

(6) Upon completion of the Capital Increase, the shareholding structure of Shanghai Baipin is as follows:

	Prior to the Capital Increase		**After the Capital Increase**	
Name of Shareholders	**Capital Contribution** *(RMB'0,000)*	**Percentage of Shareholding**	**Capital Contribution** *(RMB'0,000)*	**Percentage of Shareholding**
The Company	4,000	100%	4,000	66.67%
Shanghai Yijin	0	0%	2,000	33.33%

Effective:

The Capital Increase Agreement shall become effective upon signed by the Parties and approved by the general meeting of Shanghai Baipin.

BASIS FOR DETERMINING THE CONSIDERATION UNDER THE CAPITAL INCREASE AGREEMENT

Pursuant to the Capital Increase Agreement, the subscription price for the newly increased registered capital of Shanghai Baipin by Shanghai Yijin shall be RMB1 for each RMB1 of the registered capital. Such pricing was determined through arm's length negotiations among the Parties to the Capital Increase on a voluntary, fair and equitable basis, taking into account the financial position of Shanghai Baipin as at 31 December 2024 (including its owners' equity interest of shareholder of approximately RMB38,919,758.85), as well as its operational needs, future development and funding arrangements.

REASONS FOR AND BENEFITS OF ENTERING INTO THE CAPITAL INCREASE AGREEMENT

The Capital Increase is in line with the strategic development plans of both the Company and Shanghai Baipin, and it will enhance the capital strength and optimize the shareholding structure of Shanghai Baipin. This move will further strengthen the synergy and support between the Company and Shanghai Baipin, facilitate the realization of its overseas business development and globalization goals, enhance its independent development capabilities, and ultimately improve the Company's core competitiveness and drive its long-term high-quality development.

The Directors (including the independent non-executive Directors) confirm that (i) the terms of the Capital Increase Agreement are fair and reasonable; (ii) the transaction contemplated under the Capital Increase Agreement is conducted in the ordinary and usual course of business of the Group, and the terms of the Capital Increase Agreement are entered into in the ordinary and usual course of business and on normal commercial terms or better; and (iii) the Capital Increase is in the interests of the Company and its shareholders as a whole. At the Board meeting held to consider the Capital Increase, Mr. Chen Fangming and Ms. Yang Hui, the Directors, were deemed to have a material interest in the Capital Increase and have abstained from voting in respect of the Board resolution in relation to the Capital Increase. Save as disclosed above, none of the Directors has any material interests and is required to abstain from voting in respect of the Board resolution in relation to the Capital Increase.

FINANCIAL IMPACT OF THE CAPITAL INCREASE

The Capital Increase will not result in Shanghai Baipin being deconsolidated from the Company's consolidated financial statements, and according to the PRC accounting standards, the Company will not record any gain or loss on the Capital Increase.

Upon completion of the Capital Increase, although the Company's shareholding in Shanghai Baipin will be reduced, Shanghai Baipin will remain a subsidiary of the Company within the scope of consolidation. The connected transaction will not have any material impact on the Company's operations or financial position, nor will it prejudice the interests of the Company and its shareholders.

INFORMATION ON SHANGHAI BAIPIN

Shanghai Baipin is a limited liability company incorporated in the PRC on 2 July 2019, whose principal business activities are research and development of automotive technology, new energy technology, and automation technology. Prior to the completion of the Capital Increase, Shanghai Baipin is a wholly-owned subsidiary of the Company. Upon completion of the Capital Increase, Shanghai Baipin will be owned as to 66.67% and 33.33% by the Company and Shanghai Yijin, respectively.

Set out below is a summary of the unaudited financial information of Shanghai Baipin prepared in accordance with the PRC accounting standards:

	For the year ended 31 December,	
	2024	**2023**
Profits/(losses) before taxation	(647,106.76)	28,981.73
Profits/(losses) after taxation	(647,106.76)	28,981.73

The unaudited net asset value of Shanghai Baipin as of 31 December 2024 was approximately RMB38,919,758.85.

GENERAL INFORMATION

The Company is a China-based provider of electric-powered engineering machinery, and is engaged in the design, development and commercialization of battery-electric engineering machinery with autonomous capabilities and provision of intelligent operation services.

Shanghai Yijin is a joint stock company with limited liability incorporated in the PRC. Shanghai Yijin is held as to approximately 19.49% by Mr. Chen Fangming and approximately 80.51% by Shanghai Yijin Investment Management Firm (Limited Partnership) (上海易津投資管理事務所(有限合夥)) whose general partner is Mr. Chen Fangming, and its ultimate beneficial owner is Mr. Chen Fangming. Its principal business includes enterprise investment, venture capital, investment management, investment information consulting, business information consulting, and enterprise management consulting. (For projects subject to approval according to law, business activities shall be carried out only after obtaining approval from the relevant authorities).

LISTING RULES IMPLICATIONS

As at the date of this announcement, Shanghai Yijin is one of the controlling shareholders of the Company. Pursuant to Chapter 14A of the Listing Rules, Shanghai Yijin is a connected person of the Company. Therefore, the transaction contemplated under the Capital Increase Agreement constitutes a connected transaction of the Company under Chapter 14A of the Listing Rules. As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Capital Increase exceed 0.1% but all are less than 5%, the Capital Increase is subject to the reporting and announcement requirements, but exempt from the independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

DEFINITIONS

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

"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors of our Company
"Capital Increase Agreement"	the Capital Increase Agreement dated 4 June 2025 entered into among the Company, Shanghai Baipin, a wholly-owned subsidiary of the Company and Shanghai Yijin
"Capital Increase"	the proposed capital contribution of RMB20 million by Shanghai Yijin into Shanghai Baipin by way of capital increase pursuant to the Capital Increase Agreement, whereby the registered capital of Shanghai Baipin is proposed to be increased from RMB40 million to RMB60 million

"Company"	Breton Technology Co., Ltd. (博雷頓科技股份公司), a limited liability company established under the laws of the PRC on 28 November 2016 and converted into a joint stock company with limited liability on 23 November 2022, its H shares are listed on the Main Board of the Stock Exchange (Stock Code: 1333)
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"connected transaction(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries from time to time
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"PRC"	the People's Republic of China, which for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"Shanghai Yijin"	Shanghai Yijin Investment Co., Ltd. (上海易津投資股份有限公司), a joint stock company with limited liability established under the laws of the PRC
"Shanghai Baipin"	Baipin (Shanghai) Intelligent Technology Co., Ltd. (佰頻(上海)智能科技有限公司), a limited liability company established under the laws of the PRC

By order of the Board
Breton Technology Co., Ltd.
Mr. Chen Fangming
Chairman, General Manager and Executive Director

Hong Kong, 4 June 2025

As at the date of this announcement, Directors are (i) Mr. Chen Fangming, Dr. Qiu Debo, Mr. Sun Kanghua and Ms. Yang Hui as executive Directors; (ii) Mr. Cao Haiyi and Mr. Wang Zhenkun as non-executive Directors; and (iii) Mr. Zhou Yuan, Dr. Li Xiaofu, Dr. Jiang Bailing and Mr. YIM, Chi Hung Henry as independent non-executive Directors.