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)

DISCLOSEABLE TRANSACTION
ENTERING INTO THE GENERAL CONSTRUCTION CONTRACT

The Board is pleased to announce that on August 15, 2025, Breton Hunan, a wholly-owned subsidiary of the Company, as the Principal, entered into the General Construction Contract in respect of the innovation center project for the Breton battery-electric wide-body dump trucks and unmanned driving technologies with Hunan Bairui, as the Contractor. Pursuant to which, Hunan Bairui will undertake the construction work for this project as entrusted by Breton Hunan, with the total contract price under the Contract of RMB99,500,000.00.

LISTING RULES IMPLICATIONS

As one or more of the highest applicable percentage ratios (as defined in the Listing Rules) in respect of the transaction contemplated under the General Construction Contract exceed 5% but are below 25%, therefore, the transaction contemplated under the General Construction Contract constitutes a discloseable transaction of the Company, which is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on August 15, 2025, Breton Hunan, a wholly-owned subsidiary of the Company, as the Principal, entered into the General Construction Contract in respect of the innovation center project for the Breton battery-electric wide-body dump trucks and unmanned driving technologies with Hunan Bairui, as the Contractor. Pursuant to which, Hunan Bairui will undertake the construction work for this project as entrusted by Breton Hunan, with the total contract price under the Contract of RMB99,500,000.00.

GENERAL CONSTRUCTION CONTRACT

Date	August 15, 2025
Parties	(i) Breton (Hunan) Technology Co., Ltd. (as the Principal); and (ii) Hunan Bairui Construction Co., Ltd.* (湖南百鋭建設有限公司) (as the Contractor)
Construction Project	General construction in respect of the innovation center project for the Breton battery-electric wide-body dump trucks and unmanned driving technologies (located at the west of Xiangshui Avenue, north of Jiuzhao West Road and south of the southern building materials project (南方建材項目) in the Economic Development Zone, Xiangtan City, Hunan Province).
Scope of Construction	All items of Breton Hunan in relation to the general construction of the Construction Project include: earthwork and foundation engineering, building decoration engineering, electrical engineering, weak-current engineering, water supply and drainage engineering, fire protection engineering, heating ventilation engineering, seismic supports, outdoor engineering, roads, integrated pipe networks, etc., including but not limited to the rectification, repair, and other miscellaneous works as specified in the drawings, both before and after the project completion. The specific scope of works shall comprise all items listed in the bill of quantities prepared based on the design drawings of the Construction Project. In case of any discrepancy between the actual construction drawings and the bill of quantities provided for tender, the design drawings shall prevail. Works not included in the design drawings but deemed technologically essential may be treated as additional works.
Term	The planned commencement date is August 21, 2025 (the actual commencement date shall be subject to the notice of commencement issued by the Principal), and the planned completion date is November 11, 2026, with a construction period of 450 calendar days in aggregate. The actual commencement date shall be subject to the Principal's written notice. In case of any discrepancy between the total calendar days of the construction period and the construction days based on the aforementioned planned commencement and completion dates, the total calendar days shall prevail. The construction progress shall be strictly linked to the payment arrangements of each stage, the payment milestones and corresponding progress requirements are detailed in the "Payment Terms" below.

Contract Price and Adjustment	The total contract price under the Contract is RMB99,500,000.00 (including tax, with a value-added tax rate of 9%. In the event that the value-added tax rate is adjusted by the State during the performance of the Contract, the Principal and the Contractor agree to adjust the contract price based on the tax-exclusive price, in accordance with the applicable tax rate as stipulated by the final national policy, and the Contractor shall issue a special value-added tax invoice with corresponding tax rate to the Principal.) The contract price is a fixed lump sum.
Payment Terms	The total contract price under the Contract shall be paid by Breton Hunan in cash via bank transfer in the following manners, provided that there are no quality problems or defaults in the work: i. Payment of 10% of the contract price ("Advance Payment") within 7 working days after entering into the contract; ii. Upon completion and acceptance of the foundations for the factory, office and dormitory, 35% of the contract price shall be paid prior to the delivery of the steel structure, deducting the 30% Advance Payment; iii. Upon completion and acceptance of the installation of the main steel structure, and completion and acceptance of the office building and dormitory frameworks, 25% of the contract price shall be paid, deducting the 30% Advance Payment; iv. Upon completion and acceptance of the installation of the steel structure doors, windows, and external panels, and completion and acceptance of the outdoor works, 20% of the contract price shall be paid, deducting the 40% Advance Payment; v. 10% of the contract price shall be paid upon satisfactory completion and final acceptance of all works; vi. 7% of the contract price shall be paid upon final settlement for completion of all works; and vii. The remaining 3% of the project payment (interest-free) shall be paid upon expiry of the maintenance period. The total contract price under the Contract shall be settled with the net proceeds from the global offering of the Company, the own funds of the Company and bank loan.

Performance Guarantee	The Contractor shall provide a performance guarantee in the form of a bank guarantee. It will be submitted within 15 days after the Contract signed. The performance guarantee shall be 5% of the total consideration under the Contract, and the term of the performance guarantee shall be from the effective date of the Contract until the issuance of the taking-over certificate by the Principal.
Quality Maintenance	The quality maintenance period for the works shall take effect from the date of satisfactory completion and acceptance of the works. The specific maintenance periods for various sections of the works are agreed as follows: reasonable service life as specified in the design documents for foundation works and main structural works; 5 years for roof waterproofing system and waterproofing works for bathrooms, rooms and external walls; 2 years for decoration works; 2 years for installations works of electrical conduits, plumbing and drainage systems and mechanical equipment; 2 full operational cycles (heating and cooling seasons) for heating ventilation and air conditioning systems; 5 years for supporting projects works including water supply and drainage facilities and road; 5 years for professional engineering related to fire protection.

BASIS FOR DETERMINATION OF THE CONSIDERATION

The consideration was determined through arm's length negotiations between the parties on normal commercial terms, taking into account the factors such as (i) the scope of the project; (ii) the construction period, complexity and quality requirements; (iii) the Hunan Bairui's technical qualifications, experience, performance capability and market position in construction works; (iv) the anticipated material and labour costs; (v) the market conditions; and (vi) the construction budget prepared by an independent third-party cost consulting institution based on the approved construction drawings, in accordance with the principles of fairness, impartiality and amicable consultation.

GENERAL INFORMATION

Information about the Breton Hunan

Breton Hunan is a limited liability company incorporated in the PRC which is primarily engaged in the relevant businesses of battery-electric wide-body dump trucks and unmanned driving technologies and is a wholly-owned subsidiary of the Company.

Information about Hunan Bairui

Hunan Bairui is a limited liability company incorporated in the PRC and is licensed with the requisite construction qualifications. Its business scope covers fields such as construction engineering, enabling it to undertake the construction tasks of the Construction Project. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, Hunan Bairui is held as to approximately 81% by Wang Gang (王鋼) and approximately 19% by Chen Kunming (陳昆明), both being natural persons.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Hunan Bairui, Wang Gang (王鋼) and Chen Kunming (陳昆明) is an independent third party to the Company and its connected persons.

REASONS FOR AND BENEFITS OF ENTERING INTO THE GENERAL CONSTRUCTION CONTRACT

With the rapid development of new energy and unmanned driving technologies, the Company is actively establishing an innovation center for battery-electric wide-body dump trucks and unmanned driving technologies to further enhance its research and development and innovation capabilities in relevant fields. As disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus, it is expected that approximately 40% of the net proceeds (equivalent to approximately HK$59.1 million) will be used for the establishment of manufacturing plants and the procurement of essential machinery to enhance the Company's manufacturing capabilities. As part of this plan, the Construction Project is located in Xiangtan City, Hunan Province and will be used for the production and assembly of battery-electric wide-body dump trucks equipped with unmanned driving technologies upon completion to expand production capacity and improve operational efficiency. The completion of the Construction Project is expected to ensure stable production quality standards and achieve higher operational efficiency compared to outsourcing or retrofitting existing facilities, thereby further strengthening the core competitiveness of the Company and supporting the implementation of long-term business strategies of the Company. The Company will strictly utilize the net proceeds in accordance with the intended purposes and amounts as disclosed in the Prospectus and in compliance with the relevant requirements under the Listing Rules.

Hunan Bairui possesses extensive experience and a good reputation in building construction works, ensuring high-quality and timely project completion in compliance with requirements. Entrusting it with the construction works will facilitate smooth progress of the Construction Project and safeguard the Company's interests.

In light of the foregoing reasons, the Directors are of the view that the transactions under the General Construction Contract are conducive to the business development of the Group and are therefore in the interests of the Group. The Directors (including the independent non-executive Directors) are of the view that the General Construction Contract was entered into on normal commercial terms, and the terms of the Contract are fair and reasonable and in the best interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more of the highest applicable percentage ratios (as defined in the Listing Rules) in respect of the transaction contemplated under the General Construction Contract exceed 5% but are below 25%, therefore, the transaction contemplated under the General Construction Contract constitutes a discloseable transaction, which is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

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

"Board" or "Board of Directors"	the board of directors of the Company

"Company" or "the 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 November 28, 2016 and converted into a joint stock company with limited liability on November 23, 2022, the H shares of which 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
"Construction Project"	the project that general construction in relation to the innovation centre project for Breton battery-electric wide-body dump trucks and unmanned driving technologies
"Contractor" or "Hunan Bairui"	Hunan Bairui Construction Co., Ltd.* (湖南百鋭建設有限公司)
"Contract" or "General Construction Contract"	the general construction contract dated August 15, 2025 entered into between Breton Hunan and Hunan Bairui in relation to the general construction of the innovation center project for the Breton battery-electric wide-body dump trucks and unmanned driving technologies
"Director(s)"	the director(s) of our Company
"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 and for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan
"Principal" or "Breton Hunan"	Breton (Hunan) Technology Co., Ltd. (博雷頓(湖南)科技有限公司)
"Prospectus"	the prospectus of the Company dated April 25, 2025

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

Hong Kong, August 15, 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.

* *For identification purposes only*