Fibocom Wireless Inc.
深圳市廣和通無線股份有限公司
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock code: 00638)

UTILIZATION OF CERTAIN IDLE PROCEEDS FROM THE H SHARE GLOBAL OFFERING FOR TEMPORARY REPLENISHMENT OF WORKING CAPITAL

Reference is made to the section headed "*Future Plans and Use of Proceeds*" in the prospectus (the "**Prospectus**") of Fibocom Wireless Inc. (the "**Company**") dated 14 October 2025 in connection with the Global Offering of the H Shares (the "**H Share Global Offering**") and its listing (the "**Listing**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), in relation to, among other things, the use of proceeds from the H Share Global Offering.

BASIC INFORMATION ON THE PROCEEDS FROM THE H SHARE GLOBAL OFFERING

The H Shares of the Company were listed on the Stock Exchange on 22 October 2025. The gross proceeds from the H Share Global Offering amounted to approximately HK$2,904,224,300.00 (approximately RMB2,651,643,912.63), and the net proceeds, after deducting the issuance expenses directly arising therefrom were approximately HK$2,806,953,697.42 (approximately RMB2,562,832,934.35) (the "**Net Proceeds**"). As of 31 March 2026, approximately HK$566,700,021.43 (approximately RMB513,867,677.18) of the Net Proceeds had been utilized. Since the Listing and up to the date of this announcement, where any unutilized Net Proceeds from the H Share Global Offering are not immediately used for the purposes set out in the Prospectus, or if the Company was unable to put into effect any part of its future development plan as intended, and where permitted by the relevant laws and regulations and provided that such arrangement is considered to be in the best interests of the Company, such Net Proceeds from the H Share Global Offering have been deposited into short-term interest-bearing accounts with licensed commercial banks and/or other authorized financial institutions (as defined under the Securities and Futures Ordinance or the applicable laws and regulations in other jurisdictions).

PROGRESS IN THE USE OF NET PROCEEDS FROM THE H SHARE GLOBAL OFFERING AND TEMPORARY REPLENISHMENT OF WORKING CAPITAL

As disclosed in the Prospectus, the Company planned to apply the proceeds from the H Share Global Offering in accordance with the purposes, amounts and implementation timetable set out in the Prospectus:

- approximately 55.0% of the net proceeds is expected to be allocated for research and development purpose (the "**R&D Purpose**"), mainly including technological innovation and product development related to AI technologies and robotic technologies;

- approximately 15.0% of the net proceeds is expected to be allocated over the next five years for the construction of a manufacturing facility in Shenzhen, China (the "**Construction of Shenzhen Facility**"), mainly for the production of (i) module products and (ii) terminal products as part of our solutions (the "**Shenzhen Facility**");

- approximately 10.0% of the net proceeds is expected to be allocated for the repayment of certain interest-bearing bank borrowings (the "**Repayment of Interest-bearing Bank Borrowings**");

- approximately 10.0% of the net proceeds is expected to be allocated for strategic investments and/or acquisitions (the "**Strategic Investments and/or Acquisitions**"). The implementation timetable for Strategic Investments and/or Acquisitions is subject to investment and acquisition opportunities and the selection process based on our selection criteria; and

- approximately 10.0% of the net proceeds is expected to be used for working capital and other general corporate purposes (the "**Working Capital and Other General Corporate Purposes**").

From the date of receipt of the Net Proceeds up to 31 March 2026:

- RMB59.18 million has been utilized by the Company for the R&D Purpose, with a remaining unutilized balance of RMB1,350.37 million;

- RMB36.36 million has been utilized for the Construction of Shenzhen Facility, with a remaining unutilized balance of RMB348.06 million;

- RMB155.97 million has been utilized by the Company for the Repayment of Interest-bearing Bank Borrowings, with a remaining unutilized balance of RMB100.31 million;

- RMB20.00 million has been utilized for the Strategic Investments and/or Acquisitions, with a remaining unutilized balance of RMB236.28 million; and

- RMB242.35 million has been utilized for the Working Capital and Other General Corporate Purposes, with a remaining balance of RMB13.93 million yet to be utilized.

Taking into account the recent sharp increase in the prices of memory chips, being the raw material procured by the Company, and the continued supply shortage in the market, the Company is required to increase its inventory to ensure a stable supply of goods and timely delivery to customers, so as to meet future production demand. As a result, the Company will have a temporary need for additional working capital in the short term. If the Company temporarily uses part of the idle proceeds from the H Share Global Offering to replenish its working capital, it will be able to reduce financial costs as compared to obtaining additional short-term financing.

As disclosed in the Prospectus regarding the use of the Net Proceeds and future plans, a portion of the Net Proceeds were originally scheduled to be utilized in 2028 and 2029. The Board believes that the temporary utilization of such idle proceeds originally scheduled to be deployed in 2028 and 2029 to replenish working capital will help optimize the Company's capital allocation, reduce financial costs, and is in the best interests of the Company and its shareholders as a whole. Accordingly, after prudent consideration and assessment of the prevailing market environment, the Board has resolved on 23 April 2026 that, without affecting the intended use of Net Proceeds and the expected implementation timetable as set out in the section headed "Future Plans and Use of Proceeds" in the Prospectus, the Company intends to utilize part of the idle Net Proceeds originally scheduled to be deployed in 2028 and 2029 to temporarily replenish working capital of the Group, in an amount not exceeding RMB500 million (or its equivalent) for a period not exceeding 12 months from the date of such Board resolution (the "**Utilisation Period**").

The Board is of the view that the temporary utilization of part of the idle Net Proceeds originally scheduled to be deployed in 2028 and 2029 to replenish the Company's working capital will improve the efficiency of the Company's funds utilization, reduce finance costs, and is in the best interests of the Company and its shareholders as a whole. The temporary replenishment of working capital is in line with the current operational needs and strategic arrangements of the Company, and will not have impact on the normal operation of the daily business of the Group.

The temporary replenishment of working capital will not prejudice the interests of the Company and its shareholders, nor will it affect the future intended use of Proceeds and the expected implementation timetable as set out in the Prospectus. The Company will promptly and fully return such portion of the funds to be used for the relevant projects prior to the expiration of the utilization period. If, during the utilization period, any of the projects funded by the proceeds accelerates its implementation progress or requires funding, the Company will promptly return the relevant portion of the Proceeds to support such project as needed.

The specific utilization of the Proceeds and the expected arrangement for the temporary replenishment of working capital are as follows:

	Net Proceeds *(RMB million)*	**Amount utilized as of 31 March 2026** *(RMB million)*	**Amount unutilized as of 31 March 2026** *(RMB million)*	**Proceeds originally scheduled for deployment from 2028 to 2029 in accordance with the implementation schedule stated in the Prospectus (the amount expected to be unutilized as of the date of this announcement)** *(RMB million)*	**Amount to be used for replenishing working capital** *(RMB million)*
R&D Purpose	1,409.56	59.18	1,350.37	640.51	500.00
Construction of Shenzhen Facility	384.42	36.36	348.06	31.17	0.00
Repayment of Interest-bearing Bank Borrowings	256.28	155.97	100.31	0.00	0.00
Strategic Investments and/or Acquisitions	256.28	20.00	236.28	0.00	0.00
Working Capital and Other General Corporate Purposes	256.28	242.35	13.93	0.00	0.00
Total	2,562.83	513.87	2,048.97	671.68	500.00

Note: Any minor discrepancies between the amounts for the specific uses of the Proceeds and the total are due to rounding.

As disclosed in the section headed "Future Plans and Use of Proceeds" in the Prospectus, the Company intends to utilize the Net Proceeds in phases from 2025 to 2029 in accordance with the expected implementation timetable. Accordingly, the Company expects that currently, there will be certain idle Net Proceeds (being the portion of such Net Proceeds which are originally scheduled to be deployed from 2028 to 2029), and such unutilized Net Proceeds shall continue to be deployed in 2028 and 2029 in accordance with the uses, plans and implementation timetable as set out in the Prospectus. For the avoidance of doubt, the temporary utilization of a portion of the idle Net Proceeds to replenish working capital is not expected to affect the expected implementation timetable of the intended use of proceeds as disclosed in the Prospectus.

By order of the Board
Fibocom Wireless Inc.
Zhang Tianyu
Chairman

The PRC, 23 April 2026

As of the date of this announcement, the Board comprises Mr. Zhang Tianyu, Mr. Ying Lingpeng, Mr. Xu Ning and Ms. Chen Qihua as executive directors, Mr. Wang Ning, Ms. Zhao Jing and Mr. Wu Chenggang as independent non-executive directors.