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AINNOVATION TECHNOLOGY GROUP CO., LTD*

創新奇智科技集團股份有限公司

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

(Stock Code: 2121)

DISCLOSEABLE TRANSACTION DISPOSAL OF EQUITY INTERESTS IN A SUBSIDIARY

THE DISPOSAL

The Board is pleased to announce that on 11 June 2026, the Company entered into the Equity Transfer Agreement with Shanghai Lansu and the Target Company, pursuant to which, the Company agreed to sell, and Shanghai Lansu agreed to acquire 21,440,000 shares of the Target Company, representing approximately 33.5% of the total number of shares of the Target Company as of the date of this announcement, for a consideration of RMB20,100,000. Upon completion of the Disposal, the Company's shareholding in the Target Company will be reduced from 51% to 17.5%, and the Target Company will cease to be a subsidiary of the Company. Accordingly, its financial results will cease to be consolidated into the Group's financial statements.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Disposal under Rule 14.07 of the Listing Rules is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to reporting and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 11 June 2026, the Company entered into the Equity Transfer Agreement with Shanghai Lansu and the Target Company, pursuant to which, the Company agreed to sell, and Shanghai Lansu agreed to acquire 21,440,000 shares of the Target Company, representing approximately 33.5% of the total number of shares of the Target Company as of the date of this announcement, for a consideration of RMB20,100,000. Upon completion of the Disposal, the Company's shareholding in the Target Company will be reduced from 51% to 17.5%, and the Target Company will cease to be a subsidiary of the Company. Accordingly, its financial results will cease to be consolidated into the Group's financial statements.

EQUITY TRANSFER AGREEMENT

The principal terms and conditions of the Equity Transfer Agreement are as follows:

1. Date

11 June 2026

2. Parties

The Company, as the Vendor;

Shanghai Lansu, as the Purchaser; and

The Target Company, a subsidiary of the Company.

3. Subject Matter

The Company agreed to sell, and Shanghai Lansu agreed to acquire 21,440,000 shares of the Target Company, representing approximately 33.5% of the total number of shares of the Target Company as of the date of this announcement.

4. Consideration and Basis of Determination

The consideration for the Subject Shares under the Equity Transfer Agreement is RMB20,100,000, which shall be paid by Shanghai Lansu in cash. Shanghai Lansu shall pay the aforementioned consideration to the Company in two installments:

- (1) First Installment: Shanghai Lansu shall pay 50% of the transfer payment, ie. RMB10,050,000 to the Company on the Closing Date;
- (2) Second Installment: Shanghai Lansu shall pay the remaining 50% of the transfer payment, ie. RMB10,050,000 to the Company within 40 days following the date of the Equity Transfer Agreement.

The consideration for the Subject Shares under the Equity Transfer Agreement was determined after arm's length negotiations between the Company and Shanghai Lansu on normal commercial terms with reference to: (i) the market value of the entire shareholders' equity of the Target Company as at the Valuation Benchmark Date of RMB59,419,700 (as appraised by the Independent Valuer, Lianhezhonghe Land Real Estate Assets Appraisal Co., Ltd., using the asset-based approach); (ii) the Target Company's financial performance, business development opportunities, and prospects; and (iii) the reasons for and benefits of the Disposal as described in the section "Reasons for and Benefits of the Disposal" below.

The Valuation

The Independent Valuer has conducted an independent valuation on the Target Company using the asset-based approach. The subject of the Valuation is the market value of the entire shareholders' equity of the Target Company as at the Valuation Benchmark Date. The Independent Valuer has obtained the Target Company's financial statements as at the Valuation Benchmark Date and conducted the Valuation based on such statements. The Independent Valuer issued a valuation report on 10 June 2026 and the useful life of the valuation conclusion is one year from the Valuation Benchmark Date.

Valuation Approaches

The Independent Valuer prudently analyzed the applicability of the three basic asset valuation approaches, i.e. income approach, market approach and asset-based approach, based on relevant factors such as the purpose of the Valuation, valued subject, type of value and adequacy of information obtained, before properly selecting approaches for the Valuation:

- Given that the Target Company currently lags behind listed companies in the same industry in terms of certain core financial indicators, including revenue scale, profitability, asset-liability structure and gross profit margin, and that it is difficult to identify in the market any listed company of similar whose business model, scale of operations, principal products, business composition and financial and operating indicators are similar with those of the Target Company or comparable transaction case of similar enterprises, the market approach cannot be adopted for the valuation.
- The Target Company is an industrial automation system integration service provider, primarily serving vehicle manufacturing enterprises and providing flexible automation production lines and smart factory system integration services for the manufacturing of automotive vehicles and components. Affected by factors such as macroeconomic conditions and intensified industry competition, the profitability of the Target Company still faces uncertainties. Therefore, the management of the Target Company is unable to reasonably quantify its future earnings, nor can it reasonably assess the risks associated with such future earnings. Therefore, the income approach cannot be adopted for the Valuation.
- Through asset verification procedures, it was found that the ownership of various assets and liabilities of the appraised entity is fundamentally clear, the relevant information is relatively complete and the Target Company does not have any significant unidentifiable off-book assets, allowing the value of various assets and liabilities to be assessed and estimated by adopting various methods. Therefore, it is appropriate to adopt the asset-based approach for the Valuation. In summary, the asset-based approach was adopted for the Valuation.

As of the Valuation Benchmark Date, the book value of the total assets reported by the Target Company for valuation was RMB171,345,100, the book value of total liabilities was RMB122,302,400 and the book value of owners' equity of the parent company was RMB49,042,700. By using the asset-based approach, as at the Valuation Benchmark Date, the appraised value of the total assets of the Target Company was RMB181,722,100, representing a valuation appreciation of RMB10,377,000 or an appreciation rate of 6.06%; the appraised value of total liabilities was RMB122,302,400, representing no valuation appreciation or depreciation; the appraised value of entire shareholders' equity was RMB59,419,700, representing a valuation appreciation of RMB10,377,000 or an appreciation rate of 21.16%.

Main Reasons for Valuation Appreciation or Depreciation

- Long-term equity investments: The book value of long-term equity investments was RMB10,365,300 and the appraised value was RMB20,061,600, representing a valuation appreciation of RMB9,696,300 or an appreciation rate of 93.55%, which was mainly because the subsidiary recorded historical profits, and the enterprise's long-term equity investments were measured at historical cost.
- Other intangible assets: The book value of other intangible assets was RMB0 and the appraised value was RMB712,700, representing a valuation appreciation of RMB712,700, which was mainly due to (i) the purchased software with zero book amortized value still possesses utility value; and (ii) the off-balance-sheet intangible assets declared by the enterprise, such as trademarks, patents and software copyrights, were normally valued.

Valuation Assumptions

The principal assumptions adopted in the Valuation include the following:

- assuming the valuation subject is already in the process of trading, and the valuer simulates the market for appraisal based on the trading conditions of the subject and other factors in accordance with the principle of fairness.
- assuming the valuation subject is in a fully competitive and comprehensive market (regional, national or international market).
- assuming the Target Company continues to operate according to its current model, scale, frequency, environment, etc.
- assuming the current relevant laws and regulations, industrial policies, and macroeconomic environment of the regions where the Target Company operates have not changed significantly as at the Valuation Benchmark Date, and there is no material change in the political, economic and social environment in the regions where the parties of this transaction are located.

- assuming there will be no material changes in the fiscal and monetary policies, as well as the implemented interest rates, exchange rates, tax bases, tax rates, and policy-based levies in the regions where the business operations of the Target Company are involved.
- assuming there is no force majeure and unforeseen factors which will have a material adverse effect on the continuing operation of the Target Company.
- assuming the information provided by the Company and the Target Company is true, accurate and complete, and all relevant material matters have been fully disclosed.
- assuming the physical assets within the scope of the Valuation are evaluated based on their current usage and the condition of continued use at their current locations.
- assuming all assets under the Valuation are predicated on the actual stock as at the Valuation Benchmark Date , and the current market prices of the relevant assets are based on the effective domestic prices as at the Valuation Benchmark Date.
- assuming there are no legal disputes or obstacles regarding the assets and business of the Target Company, and the title to the assets is clear.
- assuming the accounting policies adopted by the Target Company after the Valuation Benchmark Date remain consistent in all material respects with those adopted at the time of preparing the valuation report.

The Board has reviewed the relevant assumptions and approaches, among other things, adopted in the valuation report, and is of the view that those adopted during the Valuation are fair and reasonable. Therefore, the basis for determining the consideration is fair and reasonable, the consideration has been appropriately determined and is in the interests of the Company and the Shareholders of the Company as a whole.

5. Conditions Precedent

The closing of the Disposal is subject to the satisfaction or waiver of the following conditions precedent (“**Conditions Precedent**”):

- (1) The Equity Transfer Agreement has been validly executed by all parties with effect and delivered to Shanghai Lansu;
- (2) The Company and the Target Company have obtained approval from the Board and shareholders’ meeting (if needed), all governmental authorizations, approvals and filings (if any) and the consents of all relevant third parties required to complete the Transfer;

- (3) The shareholders' meeting of the Target Company has passed a resolution: (i) to amend the Articles of Association, after which no Board of Directors or Board of Supervisors will be established by the Company and there will be only one director and one supervisor; (ii) to agree to elect one director and one supervisor;
- (4) The representations and warranties made by the Company and the Target Company under the Equity Transfer Agreement are, in all material respects, true, accurate, complete and not misleading, and there is no breach of the undertakings required to be performed on or before the Closing Date under the Equity Transfer Agreement, nor is there any other breach of the terms of the Equity Transfer Agreement;
- (5) The Target Company has delivered to the Company the updated original share certificates duly signed and sealed;
- (6) The Target Company shall provide Shanghai Lansu with the relevant original share certificates and a copy of the updated register of shareholders, each of which shall be affixed with the official seal of the Target Company and signed by the legal representative of the Target Company;
- (7) The Company and the Target Company have delivered to Shanghai Lansu a Closing Certificate jointly executed by the Company and the Target Company.

6. Closing

Upon fulfilment or written waiver by Shanghai Lansu of all Conditions Precedent, the closing conditions shall be deemed to have been satisfied in full. The second business day following the date on which all closing conditions are satisfied shall be the closing date of the Transfer (the “**Closing Date**”). The Target Company shall, within 10 days after the effective date of the Equity Transfer Agreement, apply to the competent administration for industry and commerce for the registration of the change of directors. The Company and Shanghai Lansu shall cooperate in executing all documents required for such registration. The Target Company shall reflect the updated shareholding structure in its annual report for the year 2026.

INFORMATION ON THE TARGET COMPANY

The Target Company is a company established with limited liabilities under the laws of the PRC on 21 July 2003 (converted into a joint stock limited company on 18 September 2014) and, as at the date of this announcement, is a subsidiary of the Company. The Target Company has been long committed to providing integrated solutions for intelligent industrial automation systems, including a complete set of automated material conveying system, intelligent control system, man-machine interactive system and information software platforms, in area of intelligent manufacturing, covering automobile and automobile parts factory, new energy base, 3C electronic digital assembly workshop, discrete industrial automation production line and high-end equipment, and to achieving the “Specialized, Sophisticated, Distinctive and Innovative (專、精、特、新)” and “domestic

replacement (國產替代)” in the vertical segmentation scenarios, including automotive assembly, body welding, battery front and rear end production line, MES system, cell coating, laser equipment, 3C electronic intelligent assembly, intelligent logistics, AGV robot, industrial software and three-dimensional storage.

The following table sets out a summary of the consolidated financial information of the Target Company, prepared in accordance with China Accounting Standards for Business Enterprises, for the two years ended 31 December 2024 and 2025 and from January to May 2026:

	From January to May 2026 (Unaudited) (RMB'0,000)	For the year ended 31 December 2025 (Unaudited) (RMB'0,000)	For the year ended 31 December 2024 (Unaudited) (RMB'0,000)
Profit/(loss) before tax	681	-1,605	1,717
Profit/(loss) after tax	490	-1,488	1,335

As at 31 May 2026, the unaudited net assets attributable to the parent company, unaudited net assets and unaudited total assets of the Target Company were approximately RMB58.03 million, RMB69.34 million and RMB227.32 million, respectively.

As at the date of this announcement, the shareholders and shareholding structure of the Target Company are as follows:

No.	Name of shareholder	Number of shares (‘0,000)	Shareholding (%)
1	The Company	3,264	51
2	Chen Hong	1,952.5	30.5078
3	Liao Lu	759.5	11.8672
4	Shanghai Haochen Business Development Partnership Enterprise (Limited Partnership)(上海浩臣企業發展合夥企業(有限合夥))	360	5.625
5	Shanghai Xiyao Business Management Consulting Partnership Enterprise (Limited Partnership)(上海翕耀企業管理諮詢合夥企業(有限合夥))	64	1
Total		<u><u>6,400</u></u>	<u><u>100</u></u>

FINANCIAL IMPACT OF THE DISPOSAL

As of the date of this announcement, the Target Company is a subsidiary of the Company. Upon completion of the Disposal, the Company's shareholding in the Target Company will be reduced from 51% to 17.5%, and the Target Company will cease to be a subsidiary of the Company. Accordingly, its financial results will cease to be consolidated into the Group's financial statements.

Upon completion of the Disposal, the Company is expected to recognise a pre-tax gain of approximately RMB0.3 million, which is calculated based on the consideration for the Disposal, the fair value of the remaining 17.5% equity interest, and the Company's proportionate share of the book value of the consolidated net assets attributable to the parent company of the Target Company as at 31 May 2026. The actual gain arising from the Disposal is subject to the final audit to be performed by the Company's auditor. The proceeds from the Disposal are intended to be used for general working capital purposes.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The reasons for conducting the Disposal mainly include: i) intensifying competition in the automotive industry, in which the Target Company principally operates, and challenges such as price competition. The Target Company faces greater difficulties in securing orders, intense price competition and longer payment periods, resulting in squeezed profit margins, which in turn adversely affects its future revenue, profitability and financial performance; ii) through the disposal of the equity interests in the Target Company, the Company intends to further focus on scenario demands with high business value, accelerate the strategic transition of its overall technology roadmap and business from the previous AI 1.0 model of machine vision plus automation to the AI 2.0 "one model, one agent and two wings" strategy, thereby further focusing the Company's principal business on industrial LLM and industry intelligent agent applications.

The Company believes that the Disposal will be beneficial for the Company to further focus in the future on the two industry application business directions of industrial robots and industrial software guided by industrial LLM and industry intelligent agents, focus on business scenarios with high value-added and high growth potential, safeguard R&D investment, market expansion and technological iteration in core tracks, and avoid internal depletion of resources that may arise from multi-track deployment; meanwhile, it can enhance the Company's overall asset quality and financial health.

In light of the above, the Board is of the view that the terms of the Equity Transfer Agreement are fair and reasonable and in the interests of the Shareholders of the Company as a whole.

LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Disposal under Rule 14.07 of the Listing Rules is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to reporting and announcement requirements but exempt from the Shareholders' approval requirement under Chapter 14 of the Listing Rules.

INFORMATION ON THE PARTIES

The Company

The Company is a company established under the laws of the PRC with limited liability on 6 February 2018 (converted into a joint stock limited company on 19 May 2021), which focuses on developing and delivering AI-based products and solutions for the manufacturing and financial services industries in China. As of the date of this announcement, the Company's Single Largest Shareholders Group holds approximately 27.40% of the equity interest in the Company.

Shanghai Lansu

Shanghai Lansu is a company established under the laws of the PRC with limited liability on 10 January 2024. Its principal business is focused on identifying target companies with growth potential and, through equity investments, participating in their strategic development and value enhancement so as to generate investment returns. As at the date of this announcement, Zhao Jinwen is the ultimate beneficial owner of Shanghai Lansu and has control over its material decisions.

The Target Company

For information on the Target Company, please refer to the section headed "INFORMATION ON THE TARGET COMPANY" above.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, as at the date of this announcement, save for the Target Company being a subsidiary of the Company, Shanghai Lansu and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

DEFINITIONS

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

"Board"	the board of Directors of the Company
"China" or "PRC"	the People's Republic of China
"Company"	AInnovation Technology Group Co., Ltd* (formerly known as Qingdao AInnovation Technology Group Co., Ltd*), a limited liability company established under the laws of the PRC on 6 February 2018 and converted into a joint stock company with limited liability on 19 May 2021, the H Shares of which are listed on the Main Board of the Stock Exchange on 27 January 2022 (stock code: 2121)

“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal” or “Transfer”	the sale by the Company to Shanghai Lansu of 21,440,000 shares of the Target Company, representing approximately 33.5% of the total number of shares of the Target Company as of the date of this announcement, at a consideration of RMB20,100,000 pursuant to the Equity Transfer Agreement
“Equity Transfer Agreement”	the Equity Transfer Agreement Regarding AInnovation EHigher (Shanghai) Intelligence Technology Co., Ltd. entered into by the Company, Shanghai Lansu and the Target Company on 11 June 2026 in connection with the Disposal
“Group”	the Company and its subsidiaries
“H Shares”	overseas listed shares in the share capital of the Company with a nominal value of RMB1.00 each, which are traded in Hong Kong Dollars and are listed and traded on the Stock Exchange
“Hong Kong” or “HK”	the Hong Kong Special Administrative Region of the PRC
“HK\$” or “HKD” or “Hong Kong Dollars”	Hong Kong dollars, the lawful currency of Hong Kong
“Independent Valuer”	Lianhezhonghe Land Real Estate Assets Appraisal Co., Ltd., an independent qualified valuer and a company incorporated under the laws of the PRC with limited liability
“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
“Shareholder(s)”	holder(s) of the Shares
“Share(s)”	H Share(s)
“Shanghai Lansu”	Shanghai Lansu Commercial Management Co., Ltd.* (上海嵐溯商業管理有限公司)
“Single Largest Shareholders Group”	a group of entities and individuals collectively holding approximately 27.40% of the share capital in the Company, namely Sinovation Ventures (Beijing) Enterprise Management Limited (創新工場(北京)企業管理股份有限公司), Nanjing Nuosai Yucheng Management Consulting Company Limited (南京諾賽育成管理諮詢有限公司), Mr. Wang Hua, Ms. Tao Ning, Ms. Lang Chunhui and Mr. Zhang Ying

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Target Company”	AINnovation EHigher (Shanghai) Intelligence Technology Co., Ltd. (formerly known as Shanghai Higher Mechanical & Electrical Co., Ltd.), a limited liability company established under the laws of the PRC on 21 July 2003 (converted into a joint stock company with limited liability on 18 September 2014), being a subsidiary of the Company
“Subject Share(s)”	21,440,000 shares of the Target Company held by the Company, representing approximately 33.5% of the total number of shares of the Target Company as of the date of this announcement
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“Valuation”	an independent valuation conducted by the Independent Valuer. The subject of the Valuation is the market value of the entire shareholders’ equity of the Target Company as at the Valuation Benchmark Date
“Valuation Benchmark Date”	31 May 2026
“%”	per cent

By Order of the Board
AINNOVATION TECHNOLOGY GROUP CO., LTD*
 創新奇智科技集團股份有限公司
Xu Hui
Executive Director and Chief Executive Officer

Hong Kong, 11 June 2026

As at the date of this announcement, the Board of the Company comprises Mr. Xu Hui as executive Director; Dr. Kai-Fu Lee, Ms. Tao Ning and Mr. Wang Jinqiao as non-executive Directors; Mr. He Tao as employee representative Director; Mr. Xie Deren, Ms. Ko Wing Yan Samantha and Ms. Jin Keyu as independent non-executive Directors.

* For identification purposes only