DELTON

Delton Technology (Guangzhou) Inc.
廣州廣合科技股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock code: 1989)

PROPOSED ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS TO NON-SPECIFIC INVESTORS AND CONNECTED TRANSACTION IN RELATION TO POSSIBLE SUBSCRIPTION FOR A SHARE CONVERTIBLE CORPORATE BONDS BY CONNECTED PERSONS

PROPOSED ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS TO NON-SPECIFIC INVESTORS

The Company intends to apply to the Shenzhen Stock Exchange for the Issuance of A Share Convertible Corporate Bonds to non-specific investors in the PRC with a total amount not exceeding RMB3.6 billion (RMB3.6 billion inclusive). The proposed Issuance of A Share Convertible Corporate Bonds shall be subject to the approval of the Independent Shareholders at the EGM, the review and approval of the Shenzhen Stock Exchange and the registration approval by the CSRC.

CONNECTED TRANSACTION IN RELATION TO POSSIBLE SUBSCRIPTION FOR A SHARE CONVERTIBLE CORPORATE BONDS BY CONNECTED PERSONS

As at the date of this announcement, the Connected Shareholders hold 272,057,420 A Shares in aggregate. The Connected Shareholders have the pre-emptive rights to subscribe for the A Share Convertible Corporate Bonds and the right to surrender such pre-emptive rights. The Connected Shareholders may subscribe for A Share Convertible Corporate Bonds with a maximum subscription amount of approximately RMB2,295.2881 million.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Controlling Shareholder Group holds approximately 48.40% of the issued share capital of the Company, and is the controlling shareholder of the Company; and Ms. Zeng Hong, as the general partner of Guangxie Investment, holds in aggregate approximately 9.15% of the issued share capital of the Company, and is an executive Director of the Company. The Connected Shareholders are therefore connected persons of the Company. Accordingly, the subscription of the A Share Convertible Corporate Bonds by the Connected Shareholders will constitute a connected transaction of the Company under Chapter 14A of the Listing Rules and shall be subject to the reporting, announcement and Independent Shareholders' approval requirements under the Listing Rules.

In respect of the resolution to consider the Possible Subscription, as the Connected Shareholders hold in aggregate 272,057,420 issued Shares of the Company, representing approximately 57.55% of the issued share capital of the Company as at the date of this announcement, they are required to abstain from voting at the EGM.

The Directors, Mr. Xiao Hongxing, Ms. Zeng Hong, Mr. Peng Jinghui and Ms. Liu Jinchan, are required to and have abstained from voting in respect of the resolution to consider the Possible Subscription at the Board meeting. The resolution on the Possible Subscription has been considered and approved by the Board. Save for the above, no other Director is or is deemed to be materially interested in the above resolution. In addition, none of the Directors have abstained or are required to abstain from voting on other resolutions considered at the Board meeting.

The Independent Board Committee has been formed by the Company to give recommendations to the Independent Shareholders on the Possible Subscription and the transactions contemplated thereunder. The independent financial adviser will also be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the following matters: (i) whether or not the terms of the Possible Subscription are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) whether or not the Possible Subscription is in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole.

All A Shareholders whose name appear on the register of members of A Shareholders on the registration date for the preferential placement to the existing A Shareholders shall have the pre-emptive right to subscribe for the A Share Convertible Corporate Bonds. No Shareholder shall enjoy any privilege by virtue of being a connected person of the Company.

The Board expects that the Company will maintain sufficient public float in compliance with the applicable minimum requirement under the Listing Rules.

EGM

The resolution to consider and approve, among other things, the proposed Issuance of A Share Convertible Corporate Bonds, the Possible Subscription and the related matters thereof by the Independent Shareholders will be proposed at the EGM. The Connected Shareholders shall abstain from voting in respect of the resolution relating to the Possible Subscription of A Share Convertible Corporate Bonds at the EGM.

A circular containing, among other things, the proposed Issuance of A Share Convertible Corporate Bonds and the Possible Subscription and the related matters thereof will be published on the websites of the Hong Kong Stock Exchange and the Company in due course.

Investors should be aware that the proposed Issuance of A Share Convertible Bonds is subject to the approvals of the Independent Shareholders at the EGM, review and approval of the Shenzhen Stock Exchange and the registration with the CSRC. As the proposed Issuance of A Share Convertible Bonds is still subject to the fulfilment of various conditions, the Issuance of A Share Convertible Bonds may or may not proceed, or become effective. The Connected Shareholders may or may not subscribe for the A Share Convertible Bonds. Investors and Shareholders are advised by the Board to exercise caution when dealing in the securities of the Company.

PROPOSED ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS TO NON-SPECIFIC INVESTORS

The Company intends to apply to the Shenzhen Stock Exchange for the Issuance of A Share Convertible Corporate Bonds to non-specific investors in the PRC with a total amount not exceeding RMB3.6 billion (RMB3.6 billion inclusive). The proposed Issuance of A Share Convertible Corporate Bonds shall be subject to the approval of the Independent Shareholders at the EGM, the review and approval of the Shenzhen Stock Exchange and the registration approval of the CSRC.

DETAILS OF THE ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS ARE AS FOLLOWS:

1. Type of securities to be issued

The type of the securities to be issued is convertible corporate bonds which are to be issued to non-specific investors and can be converted into A Shares. The A Share Convertible Corporate Bonds and the A Shares to be converted will be listed on the main board of the Shenzhen Stock Exchange.

2. Size of the Issuance

According to the requirements of relevant laws, regulations and regulatory documents and based on the financial position and investment plan of the Company, the total amount of proceeds raised from the proposed Issuance of A Share Convertible Corporate Bonds will not exceed RMB3.6 billion (RMB3.6 billion inclusive). The actual amount of the proceeds raised shall be determined by the Board or its authorized persons as authorized by the EGM and shall be subject to the maximum limit above.

3. Par value and issue price

The A Share Convertible Corporate Bonds under the Issuance will be issued at par with a nominal value of RMB100.00 each.

4. Term of the Convertible Bonds

The term of the A Share Convertible Corporate Bonds under the Issuance will be six years from the date of the Issuance.

5. Coupon rate

The method for determination of coupon rate of the A Share Convertible Corporate Bonds under the Issuance and the final interest rate for each of the interest accrual years shall be determined by the Board or its authorized persons as authorized by the EGM through negotiation with the sponsor (the lead underwriter) in accordance with national policies, market conditions and the actual conditions of the Company prior to the Issuance.

In the event of any adjustment to the bank deposit interest rate before the completion of the Issuance of A Share Convertible Corporate Bonds, the coupon rate shall be adjusted accordingly by the Board or its authorized persons as authorized by the EGM.

6. Term and method of interest payment

The interest of the A Share Convertible Corporate Bonds under the Issuance shall be paid on an annual basis. When the A Share Convertible Corporate Bonds mature, the principal of the outstanding A Share Convertible Corporate Bonds shall be repaid together with the interest accrued for the previous year.

A. Calculation of annual interest

Accrued interest for interest accrual year (the "**Annual Interest**") refers to the accrued interest to an A Share Convertible Corporate Bondholder in each year on each anniversary of the date of the Issuance of A Share Convertible Corporate Bonds, which is calculated based on the aggregate nominal value of the A Share Convertible Corporate Bonds held by the holder.

The formula for calculating the Annual Interest is as follows: $I=B\times i$

In which, I: denotes the amount of the Annual Interest;

B: denotes the aggregate nominal value of the A Share Convertible Corporate Bonds under the Issuance held by an A Share Convertible Corporate Bondholder as at the record date for interest payment in that interest accrual year ("**that year**" or "**each year**"); and

i: denotes the coupon rate of the A Share Convertible Corporate Bonds under the Issuance of that year.

B. Method of interest payment

1) Interest of the A Share Convertible Corporate Bonds under the Issuance shall be paid on an annual basis, accruing from the date of the Issuance of A Share Convertible Corporate Bonds.

2) Interest payment date: the interest payment date is each anniversary date of the date of the Issuance of A Share Convertible Corporate Bonds. If such date falls on a statutory holiday or rest day, the interest payment date shall be postponed to the first business day immediately thereafter, provided that no additional interest will be accrued during the period of postponement. The period between an interest payment date and the immediately following interest payment date shall be an interest accrual year. Matters in relation to interest and the ownership of share dividends in the year of conversion shall be determined by the Board or its authorized persons according to relevant laws, regulations and provisions of the Shenzhen Stock Exchange.

3) Record date for interest payment: the record date for interest payment in each year shall be the last trading day preceding the interest payment date. The Company shall pay the accrued interest in that year within five trading days from the interest payment date. The Company shall not pay any interest for that year and subsequent interest for accrual years to the Bondholders who have applied to convert their A Share Convertible Corporate Bonds into A Shares on or before the record date for interest payment.

4) The Company will, within five trading days after the maturity date of the A Share Convertible Corporate Bonds under the Issuance, repay all outstanding principal amounts of such bonds that have not been converted into A shares upon maturity, together with the accrued interest for the final year.

5) The taxes payable on the interest income of A Share Convertible Corporate Bondholders under the Issuance shall be borne by such Bondholder.

7. Conversion period

The conversion period of the A Share Convertible Corporate Bonds under the Issuance shall commence on the first trading day immediately following the expiry of the six-month period after the date of the Issuance of A Share Convertible Corporate Bonds, and end on the maturity date of the A Share Convertible Corporate Bonds.

8. Determination and adjustment of the Conversion Price

A. Basis for determining the initial Conversion Price

The initial Conversion Price of the A Share Convertible Corporate Bonds under the Issuance shall not be lower than the average trading price of A Shares for the 20 trading days immediately preceding the date of publication of the Offering Document and the average trading price of A Shares on the immediately preceding trading day. The specific initial Conversion Price shall be determined by the Board or its authorized persons as authorized by the EGM through negotiation with the sponsor (the lead underwriter) based on the market conditions of the Company prior to the Issuance.

In the event that the A Share price was adjusted due to ex-right and ex-dividend during such 20 trading days, the average trading price of A Shares on the trading days prior to the adjustment shall be calculated based on the price after such ex-right and ex-dividend.

The average trading price of A Shares for the immediately preceding 20 trading days = total trading amount of A Shares for the immediately preceding 20 trading days/total trading volume of A Shares for such 20 trading days.

The average trading price of A Shares for the immediately preceding trading day = total trading amount of A Shares for the immediately preceding trading day/total trading volume of A Shares for such trading day.

B. Method of adjustments and calculation formula to the Conversion Price

The Conversion Price will be adjusted according to the following formula (rounded off to two decimal places) upon the Issuance in case of changes in the Shares due to certain events, such as distribution of bonus Shares, conversion or increase of share capital, issuance of new Shares (excluding any increase in the share capital as a result of conversion of the A Share Convertible Corporate Bonds under the Issuance) or rights issue or distribution of cash dividends:

Distribution of bonus Share or conversion or increase of share capital: $P_1=P_0/(1+n)$;

Issuance of new Shares or rights issue: $P_1=(P_0+A\times k)/(1+k)$;

The two events above occurring concurrently: $P_1=(P_0+A\times k)/(1+n+k)$;

Distribution of cash dividends: $P_1=P_0-D$;

The three events above occurring concurrently: $P_1=(P_0-D+A\times k)/(1+n+k)$

In which, P_1: denotes the adjusted Conversion Price;

P_0: denotes the Conversion Price before adjustment;

n: denotes the rate of distribution of bonus Share or conversion or increase of share capital;

A: denotes the price of issuance of new Shares or rights issue;

k: denotes the rate of issuance of new Shares or rights issue; and

D: denotes the cash dividend per Share.

Upon occurrence of any of the abovementioned events, the Company shall adjust the Conversion Price based on the order of occurrence, and publish an announcement in relation to the adjustment of the Conversion Price on the media for information disclosure of listed companies. Such announcement shall indicate the date of adjustment to the Conversion Price, adjustment method and suspension period of share conversion (if necessary). Such announcement shall be also published at the market of Hong Kong in accordance with the Listing Rules and the Articles of Association (if necessary). If the Conversion Price adjustment date is on or after the date on which an A Share Convertible Corporate Bondholder applies for the conversion but before the registration date of the A Shares to be issued upon conversion, such conversion shall be executed based on the Conversion Price adjusted by the Company.

In the event that the creditor's interests or the interests derived from share conversion of the A Share Convertible Corporate Bondholders are affected by the change in the Company's share class, quantity and/or Shareholders' interests due to any possible share repurchase, consolidation, division or any other circumstances, the Company shall adjust the Conversion Price based on the actual situations and in accordance with the principles of fairness, justice and equality so as to fully protect the interests of the A Share Convertible Corporate Bondholders. The details of adjustments to the Conversion Price and its implementation measures shall be determined in accordance with relevant prevailing PRC laws, regulations and the relevant requirements of the securities regulatory authorities and the Shenzhen Stock Exchange.

9. Terms of downward adjustment to Conversion Price

A. Authorization and magnitude of adjustment

If, during the term of the A Share Convertible Corporate Bonds under the Issuance, the closing prices of A Shares on at least 15 trading days out of any 30 consecutive trading days are lower than 85% of the prevailing Conversion Price, the Board is entitled to propose a downward adjustment to the Conversion Price and submit the same to the general meeting for consideration and approval.

The abovementioned proposal is subject to the approval of more than two-thirds of Shareholders with voting rights who attend the general meeting. Shareholders who hold the A Share Convertible Corporate Bonds under the Issuance shall abstain from voting at such general meeting. The adjusted Conversion Price shall be no less than the higher of the average trading price of A Shares for 20 trading days immediately preceding the date of such a general and the average trading price of A Shares on the trading day immediately preceding the date of such a general meeting. In addition, the adjusted Conversion Price shall not be lower than the latest audited net asset value per Share and the par value of the Share.

In the event of an adjustment to the Conversion Price during the aforementioned 30 consecutive trading days, in respect of the trading days prior to the adjustment to the Conversion Price, the calculation shall be based on the unadjusted Conversion Price and the closing price of the A Shares on each such day, and in respect of the days on which adjustment to the Conversion Price is made and the trading days afterwards, the calculation shall be based on the adjusted Conversion Price and the closing price of the A Shares on each such day.

B. Procedures of adjustment

In the event that the Company decides to adjust the Conversion Price downwards, the Company shall publish an announcement on the media designated by the CSRC for information disclosure of listed companies. Such announcement shall disclose information including the magnitude of the adjustment, the registration date of shares, the suspension period of share conversion, if necessary, and other relevant information. Such announcement shall be also published at the market of Hong Kong in accordance with the Listing Rules and the Articles of Association (if necessary). Application for conversion at adjusted Conversion Price shall be resumed upon the first trading day after the registration date, i.e. the Conversion Price adjustment date.

If the Conversion Price adjustment date is on or after the date on which a Bondholder applies for the conversion but before the registration date of the shares to be issued upon conversion, then such conversion shall be executed based on the adjusted Conversion Price.

10. Method for determining the number of conversion shares and treatment of fractional shares upon conversion

Where an A Share Convertible Corporate Bondholder applies for the conversion during the conversion period under the Issuance, the formula for calculating the number of A Shares to be issued upon conversion is as below: Q = V/P, rounded down to the nearest whole number.

In which, Q: denotes the number of A Shares to be converted with any fractional A Share to be rounded down to the nearest whole number;

V: denotes the aggregate nominal value of A Share Convertible Corporate Bonds in respect of which the A Share Convertible Corporate Bondholder applies for conversion; and

P: denotes the prevailing Conversion Price as at the date of application for conversion.

The number of A Shares to be converted shall be in whole number where the A Share Convertible Corporate Bondholder applies for the conversion. Where the remaining balance of the A Share Convertible Corporate Bonds is insufficient to be converted into one A Share upon the application of conversion made by the A Share Convertible Corporate Bondholders under the Issuance, within five trading days from the date of conversion by the A Share Convertible Corporate Bondholders, the Company shall pay the Bondholders in cash an amount equal to the par value of such A Share Convertible Corporate Bonds and the accrued interest thereof for the current period in accordance with the relevant requirements of the CSRC, Shenzhen Stock Exchange, China Securities Depository and Clearing Corporation Limited and other authorities. (For the method of calculating accrued interest for the current period, see the relevant provisions in 11. Terms of redemption).

11. Terms of redemption

A. Terms of redemption upon maturity

Within five trading days upon the maturity of the A Share Convertible Corporate Bonds under the Issuance, the Company shall redeem all the A Share Convertible Corporate Bonds which have not been converted into A Shares by then. The specific redemption price shall be determined by the Board or its authorized persons as authorized by the EGM through negotiation with the sponsor (the lead underwriter) based on the market conditions upon the Issuance.

B. Terms of conditional redemption

During the conversion period of the A Share Convertible Corporate Bonds under the Issuance, in the event of any of the following two circumstances, the Company shall have the right to redeem the whole or part of the outstanding A Share Convertible Corporate Bonds, at a price equal to the nominal value of the Convertible Bonds plus the then accrued interest:

1) The closing prices of A Shares on at least 15 trading days out of any 30 consecutive trading days during the conversion period are no less than 130% (130% inclusive) of the prevailing Conversion Price; or

2) The balance of the outstanding A Share Convertible Corporate Bonds under the Issuance is lower than RMB30 million.

The formula for calculating the accrued interest for the current period is as follows: $I_A = B \times i \times t/365$

In which, I_A: denotes the accrued interest for the current period;

B: denotes the aggregate nominal value of the A Share Convertible Corporate Bonds to be redeemed held by such Bondholders under the Issuance;

i: denotes the coupon rate of the A Share Convertible Corporate Bonds for the current year; and

t: denotes the number of days on which interest is accrued, i.e. in respect to redemption date prior to the first interest payment day, it refers to the actual number of calendar days from the commencement date of interest accrual (inclusive) to the redemption date of the current interest accrual year (excluding the redemption date); and in respect to redemption date after the first interest payment day, it refers to the actual number of calendar days from the preceding interest payment date (inclusive) to the redemption date of the current interest accrual year (excluding the redemption date).

The redemption period of the Convertible Bonds is the same as the conversion period, i.e. from the first trading day upon the expiry of six months from the completion of the Issuance to the maturity date of the A Share Convertible Corporate Bonds.

In the event that an adjustment to the Conversion Price is made during the aforementioned 30 consecutive trading days, in respect of the trading days prior to the adjustment, the calculation shall be based on the unadjusted Conversion Price and the closing price of the A Shares on each such day, and in respect of the trading days on or after the adjustment, the calculation shall be based on the adjusted Conversion Price and the closing price of the A Shares on each such day.

12. Terms of sale back

A. Terms of conditional sale back

During the last two interest accrual years within the term of the A Share Convertible Corporate Bonds under the Issuance, if the closing prices of the A Shares on any 30 consecutive trading days are lower than 70% of the prevailing Conversion Price, the A Share Convertible Corporate Bondholders are entitled to sell back the whole or part of the A Share Convertible Corporate Bonds they hold to the Company at par plus the then accrued interest.

In the event that an adjustment to the Conversion Price is made due to distribution of bonus Shares, conversion or increase of share capital, issuance of new Shares (excluding any increase in the share capital as a result of conversion of the A Share Convertible Corporate Bonds under the Issuance) or rights issue, distribution of cash dividends during the aforementioned 30 consecutive trading days, in respect of the trading days prior to the adjustment, the calculation shall be based on the unadjusted Conversion Price and the closing price of the A Shares on each such day, and in respect of the trading days on or after the adjustment, the calculation shall be based on the adjusted Conversion Price and the closing price of the A Shares on each such day. In the event that there is a downward adjustment to the Conversion Price, the aforesaid "30 consecutive trading days" shall be re-counted from the first trading day following the adjustment to the Conversion Price.

For the calculation of accrued interest for the current period, please refer to the paragraph headed "Terms of redemption".

The A Share Convertible Corporate Bondholders may exercise their sale back rights once every year when the sale back conditions have been initially satisfied according to the abovementioned agreed terms in the last two interest accrual years within the term of the A Share Convertible Corporate Bonds. Where the sale back conditions are initially satisfied and the A Share Convertible Corporate Bondholders do not apply for and exercise their sale back rights during the sale back declaration period then announced by the Company, no sale back rights may be exercised during such interest accrual year. The A Share Convertible Corporate Bondholders shall not allowed to exercise part of their sale back rights for multiple times.

B. Additional terms of sale back

Where the actual use of the proceeds raised from A Share Convertible Corporate Bonds under the Issuance significantly differs from the undertakings of the use of proceeds set out by the Company in the Offering Document, and such difference is considered by the CSRC or the Shenzhen Stock Exchange as a change in the use of proceeds, the A Share Convertible Corporate Bondholders shall be entitled to a one-off right to sell the whole or part of the A Share Convertible Corporate Bonds they hold back to the Company at par plus the then accrued interest. Under the foregoing circumstances, the Bondholders may sell their Convertible Bonds back to the Company during the additional sale back declaration period as announced by the Company. If the Bondholders do not exercise their sale back rights during such period, no such right may be exercised. For the calculation of accrued interest for the current period, please refer to the paragraph headed "Terms of redemption".

13. Entitlement to dividend in the year of conversion

The new A Shares to be issued upon the conversion of A Share Convertible Corporate Bonds under the Issuance shall rank pari passu with all the existing A Shares, and all A Shareholders (including those who become Shareholders by virtue of the conversion of the A Share Convertible Corporate Bonds) whose names are recorded on the register of members of the Company on the record date for dividend distribution shall be entitled to receive the dividend of that period and enjoy equal rights and interests.

14. Method of the Issuance and target subscribers

The specific method of the Issuance of A Share Convertible Corporate Bonds shall be determined by the Board or its authorized persons as authorized by the EGM through negotiation with the sponsor (the lead underwriter) prior to the Issuance. The target subscribers of the A Share Convertible Corporate Bonds are natural persons, legal persons, securities investment funds and other investors in compliance with legal requirements who have maintained securities accounts at the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited (excluding those prohibited by the PRC laws and regulations).

15. Subscription arrangement for the existing A Shareholders

The existing A Shareholders are entitled to subscribe for the A Share Convertible Corporate Bonds in priority. The existing A Shareholders shall be entitled to waive such pre-emptive rights. The proportion of subscription in priority by the existing A Shareholders shall be determined by the Board or its authorized person as authorized by the EGM through negotiation with the sponsors (the lead underwriter) based on market conditions prior to the Issuance and shall be disclosed in the announcement(s) in relation to the Issuance of A Share Convertible Corporate Bonds.

The remaining A Share Convertible Corporate Bonds which are not subject to the abovementioned pre-emptive rights of the existing A Shareholders and are not subscribed by the existing A Shareholders will be offered to institutional investors offline and/or issued by way of online pricing through the trading system of the Shenzhen Stock Exchange. Specific issuance method shall be determined by the Board or its authorized persons as authorized by the EGM through negotiation with the sponsor (the lead underwriter) prior to the Issuance.

16. Matters relating to the meetings of Bondholders

A. Rights of Bondholders

1) to receive the agreed interest based on the number of the Convertible Bonds held;

2) to participate in, or appoint proxies to participate in, meetings of the holders of the Convertible Bonds and to exercise the voting rights thereat, in accordance with the relevant provisions of laws, administrative regulations, and other applicable rules;

3) to convert the Convertible Bonds held by the Bondholders into A Shares of the Company under the agreed conditions;

4) to exercise the right of sale back under the conditions stipulated in the Offering Document;

5) to transfer, grant or pledge the Convertible Bonds held by the Bondholders in accordance with the provisions of laws, administrative regulations and the Articles of Association;

6) to obtain relevant information in accordance with the provisions of laws, administrative regulations and the Articles of Association;

7) to request the Company to repay the principal and interest of the Convertible Bonds within the agreed period and in the agreed manner as stipulated in the Offering Document; and

8) other rights as creditors of the Company ascribed by laws, administrative regulations and the Articles of Association.

B. Obligations of Bondholders:

1) to comply with the relevant provisions of the terms of the Convertible Bonds under the Issuance by the Company;

2) to pay the subscription amount based on the amount of Convertible Bonds subscribed by them;

3) to abide by the effective resolutions passed at the meeting of the Bondholders;

4) not to request the Company to repay the principal and interest of the Convertible Bonds in advance, except as required by laws, regulations or as agreed in the Offering Document; and

5) to bear other obligations that shall be borne by the A Share Convertible Corporate Bondholders as required by laws, administrative regulations and the Articles of Association.

C. *The extents of authority of the Bondholders' Meetings are as follows:*

1) to resolve whether to approve the Company's proposal of modifying the plan contained in the Offering Document, despite the fact that the Bondholders' Meetings shall not resolve to agree to the Company not paying the principal and interest of the Convertible Bonds, modifying the interest rate and term of the Convertible Bonds or cancelling the term of redemption or sale back set out in the Offering Document;

2) to resolve whether to approve the solutions to the failure to pay the principal and interest of the Convertible Bonds on time by the Company, to resolve on the enforcement of repaying the principal and interest of the Convertible Bonds by the Company and the guarantors (if any) through litigation and other procedures, to resolve whether to participate in the legal procedures of the issuer including rectification, settlement, reorganisation or bankruptcy;

3) to resolve whether to accept the Company's proposal in relation to a capital reduction (other than a capital reduction caused by employee stock ownership scheme, equity incentives, or a necessary share repurchase made by the Company to maintain its value and the rights and interests of the shareholders), merger, division, dissolution or filings for bankruptcy and to resolve on the plan of exercising the rights entitled to the Bondholders according to the laws;

4) to resolve on the plan of exercising the rights entitled to the Bondholders according to the laws in case any material adverse change arises from the Guarantors (if any) or the collateral (if any);

5) to resolve on the plan of exercising the rights entitled to the Bondholders according to the laws in case any event having a material impact on the interests of Bondholders happens;

6) to resolve on the proposed change or dismissal of the trustees of the Convertible Bonds or amendment to the principal terms of the management entrustment agreement;

7) to resolve on amendments to the rules governing the meeting of holders of the Convertible Bonds as permitted by the laws; and

8) other circumstances which are required to resolve at the Bondholders' Meetings in accordance with the laws, regulations and normative documents.

D. Convening of the Bondholders' Meetings

During the term of the Convertible Bonds, a Bondholders' Meeting shall be convened upon the occurrence of any of the following events:

1) the Company proposes to change the terms under the Offering Document;

2) the Company fails to pay the principal and interest of the A Share Convertible Corporate Bonds on time;

3) the Company proposes to amend the rules governing the meetings of holders of A Share Convertible Corporate Bonds;

4) the Company proposes to change or dismiss the trustee, amend the principal terms of the management entrustment agreement or terminate the management entrustment agreement;

5) the Company undertakes a capital reduction (other than a capital reduction caused by employee stock ownership scheme, equity incentives, or a necessary share repurchase made by the Company to maintain its value and the rights and interests of the Shareholders), merger, or other events that may result in a material adverse change to its solvency, it is necessary to resolve on or authorise the adoption of corresponding measures;

6) The Company is subject to division, receivership, dissolution, filing for bankruptcy or entering into bankruptcy proceedings in accordance with the law;

7) there are material changes in the Guarantors (if any), collaterals (if any) or other debt repayment guarantee measures;

8) the Company proposes a debt restructuring scheme;

9) measures shall be taken in accordance with laws when the Company's capability of solvency of its debt faces material uncertainties due to the failure of the Company's management to fulfill its responsibilities and duties;

10) the Company and the Bondholders who individually or jointly hold more than 10% of the total outstanding principal amount of the Convertible Bonds propose to convene a meeting in writing;

11) other matters which may materially affect the substantial interests of the Bondholders; and

12) other matters that shall be resolved by the Bondholders' Meetings pursuant to the requirements under the laws, administrative regulations, departmental rules or normative documents, or stipulated in the Offering Document and these rules.

The following entities or persons may propose a Bondholders' Meeting in writing:

1) the Board of the Company;

2) trustees of the Convertible Bonds;

3) the Bondholders that individually or jointly hold more than 10% of the total outstanding principal amount of the Convertible Bonds;

4) other entities or persons prescribed by the laws, regulations, normative documents, CSRC and Shenzhen Stock Exchange.

17. Purpose of the Proceeds from This Offering

The total amount of proceeds to be raised from the public offering of A Share Convertible Corporate Bonds to non-specific investors shall not exceed RMB 3,600,000,000 (inclusive). After deducting issuance expenses, the net proceeds are proposed to be allocated to the following projects:

Unit: RMB'0,000

Name of Proceed Investment Project	Total Investment	Proposed Proceed Allocation
Yunqing Intelligent Manufacturing Base Project (Phase II)	198,359.09	185,000.00
Technical Renovation Project for Multilayer Production Lines	155,992.17	100,000.00
Supplement of Working Capital	75,000.00	75,000.00
Total	**429,351.26**	**360,000.00**

Prior to the receipt of the proceeds from this offering of A Share Convertible Corporate Bonds, the Company will make upfront investments using its own funds or self-raised funds in light of the actual implementation progress of the invested projects. After the proceeds are received, such upfront investments will be replaced in accordance with procedures prescribed by relevant laws and regulations.

The portion of total project investment exceeding the net proceeds raised in this offering shall be funded by the Company through its own funds or self-financing methods. Within the scope of the aforesaid invested projects, the Board or its authorized representatives may appropriately adjust the specific funding amount allocated to each invested project based on actual conditions including project progress and capital requirements.

18. Guarantee

No guarantee will be provided for this offering of A Share Convertible Corporate Bonds.

19. Credit Rating

The convertible bonds issued in this offering will be subject to initial credit rating and ongoing follow-up rating conducted by a qualified credit rating agency.

20. Management and deposit for proceeds raised

The Company has established relevant systems for the management of proceeds raised. The proceeds from the Issuance of A Share Convertible Corporate Bonds will be deposited in a dedicated account for the proceeds raised designated by the Board of Directors. The specific account opening arrangements will be determined by the Board of Directors (or its authorised persons) prior to the issuance, and details of the dedicated account for raised proceeds will be disclosed in the issuance announcement.

21. Validity Period of the Issuance Plan

The validity period of the Issuance plan for A Share Convertible Corporate Bonds shall be 12 months, commencing from the date on which the Issuance plan is considered and approved at the EGM.

CONNECTED TRANSACTION IN RELATION TO POSSIBLE SUBSCRIPTION FOR A SHARE CONVERTIBLE CORPORATE BONDS BY CONNECTED PERSONS

According to the subscription arrangement for the existing A Shareholders as set out in the paragraph of 15. "Subscription arrangement for the existing A Shareholders" of the Issuance plan for A Share Convertible Corporate Bonds, preferential placement of the A Share Convertible Corporate Bonds issued by the Company will be granted to the existing A Shareholders. The existing A Shareholders are entitled to waive such rights. The specific amount of preferential placement to be granted to the existing A Shareholders shall be determined by the Board or its authorized persons as authorized by the EGM through negotiation with the sponsor (the lead underwriter) based on market conditions prior to the issuance and shall be disclosed in the issuance announcement of the A Share Convertible Corporate Bonds.

As at the date of this announcement, the Connected Shareholders collectively hold 272,057,420 A shares of the Company. The Connected Shareholders are entitled to the priority subscription of the A Share Convertible Corporate Bonds and have the right to waive such priority subscription rights. The maximum amount of the A Share Convertible Corporate Bonds that may be subscribed for by the Connected Shareholders is approximately RMB2,295.2881 million.

The terms and conditions of the possible subscription for A Share Convertible Bonds by Connected Shareholders are the same as those of subscription for A Share Convertible Corporate Bonds by other existing A Shareholders.

Assuming that 100% of the A Share Convertible Corporate Bonds under the Issuance is placed to the existing A Shareholders, and Connected Shareholders exercise the pre-emptive rights in full, based on the proportion of A Shares of the Company held by Connected Shareholders as of the date of the Board meeting (i.e. June 18, 2026) and the maximum amount of the Convertible Bonds of RMB3.6 billion to be issued, the maximum amount to be subscribed by Connected Shareholders shall be as follows:

Unit: RMB'0,000

Connected Shareholder	**Number of A Shares held**	**Percentage of number of A Shares held to the total number of issued A Shares**	**Maximum subscription amount under the Possible Subscription for A Share Convertible Corporate Bonds**
Zhenyun Investment	171,142,853 A Shares	40.11%	144,389.43
Guangsheng Investment	28,832,734 A Shares	6.76%	24,325.54
Guangxie Investment	43,249,099 A Shares	10.14%	36,488.31
Guangcai Investment	28,832,734 A Shares	6.76%	24,325.54
Total	272,057,420 A Shares	63.76%	229,528.81

(1) The calculation is based on an aggregate of 46,000,000 H Shares and 426,703,164 A Shares of the Company in issue as at the Latest Practicable Date, totalling 472,703,164 Shares. Due to rounding, the sum of the percentages may not equal the total.

AUTHORIZATION TO BE GRANTED TO THE BOARD OR ITS AUTHORIZED PERSONS

Subject to approval of the Shareholders at the EGM, the Board or its authorised persons will be fully authorized to deal with the matters in relation to the Issuance of A Share Convertible Corporate Bonds at its discretion, including but not limited to determining the specific provisions and plans of the Issuance, engaging relevant intermediaries, preparing, amending and submitting relevant application materials in accordance with the requirements of regulatory authorities, executing necessary documents, amending the Articles of Association, implementing necessary procedures and taking other necessary actions.

REASONS FOR AND BENEFITS OF THE PROPOSED ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS AND THE POSSIBLE SUBSCRIPTION

The investment projects with proceeds from the Issuance of A Share Convertible Corporate Bonds to non-specific investors have been evaluated by the Company in a prudent manner and are in line with the national industrial policies and the needs of the development of the Company. The investment projects have strong profitability and good development prospects. The proceeds raised will deliver great economic benefits to the Company by helping optimize its financial structure, meeting its business expansion needs, further expanding its operating scale and comprehensive strength, improving the operating efficiency and core competitiveness, which will lay a solid foundation for the healthy and rapid development in the future, and thus are in the interests of the Company and Shareholders as a whole. The Possible Subscription facilitates the smooth implementation of the Issuance and the decision-making on the long-term strategies of the Company.

IMPACT OF THE PROPOSED ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The initial Conversion Price of the A Share Convertible Corporate Bonds under the Issuance shall not be lower than the higher of the average trading price of A Shares for the 20 trading days immediately preceding the date of publication of the Offering Document (in the event that the A Share price was adjusted due to ex-right and ex-dividend during such 20 trading days, the average trading price of A Shares on the trading days prior to the adjustment shall be calculated based on the price after such ex-right and ex-dividend) and the average trading price of A Shares on the immediately preceding trading day, and shall not be lower than the latest audited net asset value per Share and par value of the Shares. The specific initial Conversion Price shall be determined by the Board or its authorized persons as authorized by the EGM through negotiation with the sponsor (the lead underwriter) prior to the Issuance based on the market conditions and actual conditions of the Company.

The shareholding structures of the Company as at the date of this announcement and after completion of the proposed Issuance of A Share Convertible Corporate Bonds and conversion of all the A Share Convertible Corporate Bonds into A Shares (assuming that (i) the Company issues A Share Convertible Corporate Bonds with a maximum issuance amount of RMB3.6 billion; (ii) all existing A Shareholders subscribe for A Share Convertible Corporate Bonds in full in proportion to their current shareholdings in A Shares; (iii) all A Share Convertible Corporate Bonds are fully converted into A Shares at the initial Conversion Price of RMB194.03 per Share, which shall be calculated based on the higher of the average trading price of A Shares for the 20 trading days immediately preceding the date of this announcement and the average trading price of A Shares on the immediately preceding trading day; and (iv) the Company does not issue and allot any Shares before all the A Share Convertible Corporate Bonds are converted into A Shares) are as follows:

				Immediately after completion of the proposed Issuance of A Share Convertible Bonds and conversion of all the A Share Convertible Corporate Bonds into A Shares		
Name/Category of Shareholder	**Number of Shares**	**Approximate percentage of the number of issued A Shares as at the date of this announcement(1)**	**Approximate percentage of the number of issued Shares(1)**	**Number of Shares**	**Approximate percentage of the number of issued A Shares**	**Approximate percentage of the number of issued Shares**
Zhenyun Investment(2)(5)	171,142,853 A Shares	40.11%	36.21%	178,584,456 A Shares	40.11%	36.35%
Guangxie Investment(6)	43,249,099 A Shares	10.14%	9.15%	45,129,649 A Shares	10.14%	9.19%
Guangsheng Investment(3)(5)	28,832,734 A Shares	6.76%	6.10%	30,086,434 A Shares	6.76%	6.12%
Guangcai Investment(4)(5)(7)	28,832,734 A Shares	6.76%	6.10%	30,086,434 A Shares	6.76%	6.12%
Other A Shareholders	154,645,744 A Shares	36.24%	32.72%	161,370,023 A Shares	36.24%	32.85%
Other H Shareholders	46,000,000 H Shares	–	9.73%	46,000,000 H Shares	–	9.36%
Total	472,703,164	100%	100%	491,256,996 Shares	100%	100%

(1) The calculation is based on a total of 46,000,000 H Shares and 426,703,164 A Shares issued by the Company as at the Latest Practicable Date, aggregating 472,703,164 Shares in total. Due to rounding, the sum of the percentages may not equal the total.

(2) As at the Latest Practicable Date, Zhenyun Investment is 99.90% owned by Mr. XIAO Hongxing. Under the SFO, Mr. XIAO Hongxing is deemed to have an interest in the shares held by Zhenyun Investment.

(3) As at the Latest Practicable Date, Mr. XIAO Hongxing acts as the general partner of Guangsheng Investment. Under the SFO, Mr. XIAO is deemed to have an interest in the shares held by Guangsheng Investment.

(4) As at the Latest Practicable Date, Mr. XIAO Hongxing acts as the general partner of Guangcai Investment. Under the SFO, Mr. XIAO Hongxing is deemed to have an interest in the shares held by Guangcai Investment.

(5) Mr. XIAO Hongxing and Ms. LIU Jinchan are spouses to each other. Under the SFO, each of them is deemed to have an interest in the Shares held by the other party.

(6) As at the Latest Practicable Date, Ms. ZENG Hong, the executive director and general manager of the Company, acts as the general partner of Guangxie Investment. Under the SFO, Ms. ZENG Hong is deemed to have an interest in the Shares held by Guangxie Investment.

(7) As at the Latest Practicable Date, Mr. PENG Jinghui was one of the limited partners of Guangcai Investment, holding approximately 2.01% limited partnership interests.

Upon the Issuance of A Share Convertible Corporate Bonds, the Conversion Price shall be adjusted in accordance with details as set out in the paragraph headed "8. Determination and adjustment of the Conversion Price" under certain circumstances, such as distribution of share dividends, capitalisation of reserves into share capital, issue of additional new shares (other than the increase in share capital arising from the conversion of the A Share Convertible Corporate Bonds), rights issue or distribution of cash dividends by the Company.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Controlling Shareholder Group holds approximately 48.40% of the issued share capital of the Company, and is the controlling shareholder of the Company; and Ms. Zeng Hong, as general partner of Guangxie Investment, holds in aggregate approximately 9.15% of the issued share capital of the Company, and is an executive Director of the Company. The Connected Shareholders are therefore connected persons of the Company. Accordingly, the subscription of the A Share Convertible Corporate Bonds by the Connected Shareholders will constitute a connected transaction of the Company under Chapter 14A of the Listing Rules and shall be subject to the reporting, announcement and Independent Shareholders' approval requirements under the Listing Rules.

In respect of the resolution to consider the Possible Subscription, as the Connected Shareholders hold in aggregate 272,057,420 A Shares of the Company, representing approximately 57.55% of the issued share capital of the Company as at the date of this announcement, they are required to abstain from voting at the EGM.

The Directors, Mr. Xiao Hongxing, Ms. Zeng Hong, Mr. Peng Jinghui and Ms. Liu Jinchan, are required to and have abstained from voting in respect of the resolution to consider the Possible Subscription at the Board meeting. The resolution on the Possible Subscription has been considered and approved by the Board. Save for the above, no other Directors are or deemed to be materially interested in the above resolution. In addition, none of the Directors have abstained or are required to abstain from voting on other resolutions considered at the Board meeting.

The Independent Board Committee has been formed by the Company to give recommendations to the Independent Shareholders on the Possible Subscription and the transactions contemplated thereunder. The Independent Financial Adviser will also be appointed by the Company to advise the Independent Board Committee and the Independent Shareholders in respect of the following matters: (i) whether or not the terms of the Possible Subscription are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; and (ii) whether or not the Possible Subscription is in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole.

The independent non-executive Directors are of the view that based on the abovementioned arrangement, the Connected Shareholders of the Company are subject to the same price and terms as those of other A Shareholder subscribers in their participation in the subscriptions for the A Share Convertible Corporate Bonds to be issued under the Issuance by the Company in cash within the scope of preferential placement. They will not receive any preferential treatment, and the interests of the Company and other Shareholders will not be prejudiced.

All A Shareholders whose name appear on the register of members of A Shareholders on the registration date for the preferential placement to the existing A Shareholder shall have the pre-emptive right to subscribe for the A Share Convertible Corporate Bonds. No Shareholder shall enjoy any privilege by virtue of being a connected person of the Company.

The Board expects that the Company will maintain sufficient public float in compliance with the applicable minimum requirement under the Listing Rules.

GENERAL

1. Information on the Group

The Group's principal business is the research, development, production and sale of multilayer and high-layer-count printed circuit boards.

2. Information on Connected Shareholders

As at the date of this announcement, the Connected Shareholders of the Company are the Controlling Shareholder Group, Ms. ZENG Hong and Guangxie Investment.

The Company's Controlling Shareholder Group comprises Mr. XIAO Hongxing, Ms. LIU Jinchan, Zhenyun Investment, Guangcai Investment and Guangsheng Investment. Mr. XIAO Hongxing and Ms. LIU Jinchan are spouses and both serve as directors of the Company. Zhenyun Investment is a limited liability company incorporated under the laws of the PRC, 99.90% owned by Mr. XIAO Hongxing. Guangcai Investment is a limited partnership established under the laws of the PRC with Mr. XIAO Hongxing as its general partner. Guangsheng Investment is a limited partnership established under the laws of the PRC with Mr. XIAO Hongxing as its general partner. Meanwhile, Ms. ZENG Hong is the executive director of the Company. Guangxie Investment is a limited partnership established under the laws of the PRC with Ms. ZENG Hong as its general partner.

As at the date of this announcement, pursuant to Part XV of the SFO, (i) Mr. XIAO Hongxing holds an aggregate of 228,808,321 A Shares in the Company through his controlled corporations namely Zhenyun Investment, Guangcai Investment and Guangsheng Investment; Ms. LIU Jinchan, being his spouse, is also deemed to hold such Shares; and (ii) Ms. ZENG Hong holds 43,249,099 A Shares in the Company through her controlled corporation Guangxie Investment.

BASIS OF DETERMINATION OF COUPON RATE OF THE A SHARE CONVERTIBLE CORPORATE BONDS

In determining the coupon rate of the A Share Convertible Corporate Bonds, the Company and the sponsor (the lead underwriter) will make reference to, among other things, (i) the interest rates of the convertible bonds issued by other PRC issuers of a size comparable to the Company ("**Market Comparables**") around the time of determination of coupon rate by the Company; (ii) the then trading price of A Shares; (iii) the then condition and investment sentiment of the PRC bond market; and (iv) the credit rating of the Company and the A Share Convertible Corporate Bonds. The Company expects that the coupon rate of the A Share Convertible Corporate Bonds will not substantially deviate from that of the Market Comparables.

Taking into account that (i) the determination mechanism of the coupon rate (i.e., the Board or its authorized person being authorized to negotiate and determine with the sponsor (the lead underwriter) in accordance with national policies, market conditions and the specific conditions of the Company before the Issuance) is subject to the approval by the EGM; (ii) other factors as set out in the previous paragraph that the Company and the sponsor take into account when determining the coupon rate; (iii) the final coupon rate is expected not to be deviated substantially from that of the Market Comparables; and (iv) the determination mechanism of the coupon rate is in compliance with the applicable laws and regulations in the PRC, the Company considers that the proposed determination mechanism of the coupon rate of the A Share Convertible Corporate Bonds is fair and reasonable and in the interests of the Shareholders and the Company as a whole.

EQUITY FINANCING ACTIVITIES IN THE PAST 12 MONTHS

In the past 12 months prior to the date of this announcement, the Company has conducted the following equity financing activities involving the issuance of equity securities:

Date of Prospectus	Financing Activities	Net Proceeds	Proposed Use of Proceeds as set out in the Prospectus	Amount Utilised as at 31 May 2026
12 March 2026	Issue of 46,000,000 H Shares by the Company under the Global Offering	Approximately HK$3,185.26 million	(i) Approximately 19.7% will be used for the Company's Thai Base Phase II	(a) HK$123.3526 million
			(ii) Approximately 52.1% will be used to expand and upgrade the Company's production facilities in Guangzhou base	(b) HK$82.3040 million
			(iii) Approximately 10.0% will be used for enhancing the Company's R&D capabilities in developing material technologies, refining manufacturing processes and product development	(c) HK$85.1043 million
			(iv) Approximately 8.2% will be used to pursue strategic partnerships, investments or acquisitions which are complementary to the Company's business and in line with the Company's strategies	(d) HK$0 million
			(v) Approximately 10.0% will be used for working capital and general corporate uses	(e) HK$317.8319 million

Save for the proposed Issuance of A Share Convertible Corporate Bonds disclosed in this announcement and the Global Offering, the Company has not conducted any equity financing activities in the 12 months preceding the date of this announcement.

RELEVANT RISKS OF THE ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS

The Issuance of A Share Convertible Corporate Bonds is subject to certain risks, including but not limited to the risk of changes in politics, laws, regulations and policies, management risk, risk in approvals, etc. Investors are advised to take abovementioned risk factors into due consideration when evaluating the Issuance of A Share Convertible Corporate Bonds.

THE ISSUANCE AND THE SUBSCRIPTIONS NOT LEADING TO CHANGES IN THE RIGHT OF CONTROL OF THE COMPANY

As at the date of this announcement, the Controlling Shareholders Group holds approximately 48.40% of the Company's issued share capital. The total amount of A Share Convertible Corporate Bonds proposed to be issued by the Company will not exceed RMB3.6 billion. If the Controlling Shareholders Group waives the pre-emptive rights to subscribe for the A Share Convertible Corporate Bonds under the Issuance and does not participate in the Issuance, the existing Controlling Shareholders Group will remain as the controlling shareholder of the Company after the Issuance of A Share Convertible Corporate Bonds is completed and all of the A Share Convertible Corporate Bonds are converted into A Shares at the initial Conversion Price of RMB194.03 per A Share (i.e., the higher of average trading price of A Shares for the 20 trading days immediately preceding the date of this announcement and the average price of A Shares on the immediately preceding trading day of the date of this announcement). Therefore, the Issuance of A Share Convertible Corporate Bonds and the Possible Subscription will not lead to any changes in the right of control of the Company, and will not lead to the distribution of shareholding failing to satisfy the relevant listing conditions.

IMPLICATIONS OF THE PRC REGULATORY REQUIREMENTS ON THE PROPOSED ISSUANCE OF A SHARE CONVERTIBLE CORPORATE BONDS AND THE POSSIBLE SUBSCRIPTION FOR A SHARE CONVERTIBLE CORPORATE BONDS BY CONNECTED PERSON

Pursuant to the requirements of the Rules Governing the Listing of Shares on the Shenzhen Stock Exchange, if the abovementioned connected person subscribes for the A Share Convertible Corporate Bonds to be issued by the Company, the transaction is exempted from the approval and disclosure requirements for connected transactions.

The proposed Issuance of A Share Convertible Corporate Bonds by the Company may, upon the exercise of the conversion rights of the A Share Convertible Corporate Bonds, lead to the issuance of new A Shares, the actual number of which depends on a number of factors, including the Conversion Price of the A Share Convertible Corporate Bonds.

The Board considers that the conversion of A Share Convertible Corporate Bonds into new A Shares will dilute the interests of the existing A Shareholders and H Shareholders in the Company's share capital. Pursuant to the Articles of Association and the provisions of the relevant PRC laws and regulations, the proposed Issuance of A Share Convertible Corporate Bonds shall be subject to, among other things, the Shareholders' approvals at the EGM, and approvals from the relevant PRC regulatory authorities.

EGM

A circular containing, among other things, the proposed Issuance of A Share Convertible Corporate Bonds and the Possible Subscription and the related matters thereof will be published on the websites of the Hong Kong Stock Exchange and the Company in due course.

Investors should be aware that the proposed Issuance of A Share Convertible Bonds is subject to the approvals of the Independent Shareholders at the EGM, review and approval of the Shenzhen Stock Exchange and the registration with the CSRC. As the proposed Issuance of A Share Convertible Bonds is still subject to the fulfilment of various conditions, the Issuance of A Share Convertible Bonds may or may not proceed, or become effective. The Controlling Shareholders may or may not subscribe for the A Share Convertible Bonds. Investors and Shareholders are advised by the Board to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

"A Shares"	ordinary share(s) issued by the Company, with a nominal value of RMB1.00 each, which are traded in Renminbi and listed on the Shenzhen Stock Exchange
"A Shareholder(s)"	holder(s) of A Shares

"A Share Convertible Corporate Bonds" or "A Share Convertible Bonds" or "Convertible Bonds"	the convertible corporate bonds with an amount of not exceeding RMB3.6 billion (RMB3.6 billion inclusive) that can be converted into new A Shares proposed to be issued by the Company in the PRC
"A Share Convertible Corporate Bondholder(s)" or "Bondholder(s)"	holder(s) of the A Share Convertible Corporate Bonds
"Articles of Association"	the articles of association of the Company, as amended from time to time
"Board"	the board of Directors of the Company
"Company"	Delton Technology (Guangzhou) Inc. (廣州廣合科技股份有限公司), a company established under the laws of the PRC on June 17, 2002, which was converted into a joint stock limited company on June 22, 2020, and whose A shares are listed on the Shenzhen Stock Exchange (stock code: 001389) and H shares are listed on the Stock Exchange (stock code: 1989)
"Company Law"	the Company Law of the People's Republic of China, as amended from time to time
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Connected Shareholders"	the Controlling Shareholders Group, Ms. Zeng Hong and Guangxie Investment
"connected transaction(s)"	has the meaning ascribed thereto under the Listing Rules
"controlling shareholder"	has the meaning ascribed thereto under the Listing Rules
"Controlling Shareholders Group"	including Mr. Xiao Hongxing, Ms. Liu Jinchan, Zhenyun Investment, Guangsheng Investment and Guangcai Investment

"Conversion Price"	the price of new A Shares to be issued upon the conversion of the A Share Convertible Corporate Bonds, subject to adjustment from time to time
"CSRC"	China Securities Regulatory Commission
"Director(s)"	director(s) of the Company
"EGM"	the extraordinary general meeting of the Company to be held for the purposes of approving, among other things, the proposed Issuance of A Share Convertible Corporate Bonds, Possible Subscription and related matters thereof
"Group"	the Company and its subsidiaries
"Guangcai Investment"	Shenzhen Guangcai Investment Partnership (Limited Partnership) (深圳廣財投資企業(有限合夥)), a limited partnership established under the laws of the PRC on November 16, 2016, and a member of the Controlling Shareholders Group of the Company
"Guangsheng Investment"	Shenzhen Guangsheng Investment Partnership (Limited Partnership) (深圳廣生投資企業(有限合夥)), a limited partnership established under the laws of the PRC on November 16, 2016, and a member of the Controlling Shareholders Group of the Company
"Zhenyun Investment"	Guangzhou Zhenyun Investment Co., Ltd. (廣州臻蘊投資有限公司), a limited liability company established under the laws of the PRC on December 5, 2016, and a member of the Controlling Shareholders Group of the Company
"Guangxie Investment"	Ruichang Guangxie Investment Enterprise (Limited Partnership) (瑞昌廣諧創業投資企業(有限合夥) (formerly known as Shenzhen Guangxie Investment Partnership (Limited Partnership) (深圳廣諧投資企業(有限合夥)), a limited partnership established under the laws of the PRC on November 11, 2016

"H Share(s)"	ordinary share(s) issued by the Company, with a nominal value of RMB1.00 each, and overseas listed foreign shares which are to be traded in Hong Kong dollars and listed on the Hong Kong Stock Exchange
"H Shareholder(s)"	holder(s) of H Shares
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Independent Board Committee"	a board committee comprising Ms. Chen Limei, Dr. Shi Ling and Ms. Zhang Jin, the independent non-executive Directors, which has been established to advise the Independent Shareholders in respect of the Possible Subscription
"Independent Shareholders"	any Shareholder(s) of the Company who is/are not required to abstain from voting at the EGM for the connected transactions as contemplated under the Issuance of Convertible Corporate Bonds
"Issuance of A Share Convertible Corporate Bonds" or "Issuance"	the proposal for the issuance of A Share Convertible Corporate Bonds to non-specific investors in the PRC with a total amount not exceeding RMB3.6 billion (RMB3.6 billion inclusive) of the Company
"Latest Practicable Date"	the date of the Board meeting
"Listing Rules"	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended from time to time
"Offering Document"	the Offering Document on Issuance of A Share Convertible Corporate Bonds to Non-specific Investors by Delton Technology (Guangzhou) Inc. (《廣州廣合科技股份有限公司向不特定對象發行A股可轉換公司債券募集說明書》)

"Possible Subscription"	the possible exercise of the pre-emptive rights by the Connected Shareholders to subscribe for A Share Convertible Corporate Bonds under the proposed Issuance of A Share Convertible Corporate Bonds
"PRC"	the People's Republic of China, excluding, for the purpose of this announcement only, Hong Kong, the Macau Special Administrative Region of the PRC, and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	A Share(s) and H Share(s)
"Shareholder(s)"	shareholder(s) of the Company
"Shenzhen Stock Exchange"	Shenzhen Stock Exchange of the PRC
"%"	per cent

By order of the Board
Delton Technology (Guangzhou) Inc.
Mr. Xiao Hongxing
Chairman

Guangzhou, the PRC, June 22, 2026

As at the date of this announcement, the Board comprises Mr. Xiao Hongxing, Ms. Zeng Hong and Mr. Peng Jinghui as executive Directors; Ms. Liu Jinchan as a non-executive Director; and Ms. Chen Limei, Dr. Shi Ling and Ms. Zhang Jin as independent non-executive Directors.