FS.COM Limited
深圳市飛速創新技術股份有限公司

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

(Stock Code: 3355)

ANNOUNCEMENT
DISCLOSEABLE TRANSACTION
IN RELATION TO THE ACQUISITION OF EQUITY INTEREST IN SHANGHAI BAUD DATA COMMUNICATION CO., LTD.

INTRODUCTION

The Board is pleased to announce that, on July 4, 2026, the Company (as the Purchaser) entered into the Equity Transfer Agreement with Chen Qun, Wang Ge, Chen Zhiqiang, Xu Jing, Li Chuang, Xu Jianming, Liu Yu, Ni Xinping, Yang Furong, Yu Yaqin, Xu Chaoyang, Chen Xiaomin, Xu Jian, Peng Shuangting, Zhou Yan (as the Vendors), and Shanghai Baud Data Communication Co., Ltd. (the Target Company), pursuant to which the Company has conditionally agreed to acquire, and the Vendors have conditionally agreed to sell, an aggregate of 100% equity interest in the Target Company held by them, at a Consideration of RMB330,000,000.

Upon Completion, the Target Company will become a wholly-owned subsidiary of the Company, and its financial results will be consolidated into the consolidated financial statements of the Group.

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules, and is subject to the reporting and announcement requirements under the Listing Rules, but is exempt from the Shareholders' approval requirement.

EQUITY TRANSFER AGREEMENT

The principal terms of the Equity Transfer Agreement are set out below:

Date	July 4, 2026
Parties	(1) Purchaser: the Company (2) Vendors: Chen Qun, Wang Ge, Chen Zhiqiang, Xu Jing, Li Chuang, Xu Jianming, Liu Yu, Ni Xinping, Yang Furong, Yu Yaqin, Xu Chaoyang, Chen Xiaomin, Xu Jian, Peng Shuangting, Zhou Yan; and (3) Target Company: Shanghai Baud Data Communication Co., Ltd.
Assets to be acquired	An aggregate of 100% equity interest in the Target Company held by the Vendors.
Consideration and payment arrangements	RMB330,000,000. The Consideration is proposed to be paid in installments, with the specific payment milestones and proportions as follows: (i) 40% shall be paid within five (5) business days after the Equity Transfer Agreement becomes effective and the conditions precedent (i) to (iv) are fulfilled; and (ii) the entire remaining balance shall be paid within ten (10) business days after all conditions precedent are fulfilled.
Conditions to effectiveness	The Equity Transfer Agreement shall become effective upon the date of execution by all relevant parties thereto.

Conditions precedent

Completion is conditional upon the fulfillment or waiver (as applicable) of certain conditions precedent, including but not limited to:

(i) completion of internal resolution procedures by the Target Company;

(ii) completion of internal resolution procedures and external regulatory procedures (if required) by the Company;

(iii) the transaction documents having been executed;

(iv) no material adverse change having occurred;

(v) completion of tax clearance by the Target Company and the Vendors;

(vi) completion of the industrial and commercial registration of changes and filing procedures; and

(vii) completion of the handover procedures.

BASIS OF DETERMINATION OF THE CONSIDERATION

The Consideration was determined after arm's length negotiations between the Purchaser and the Vendors, with reference to (i) the asset position of the Target Group as at the date of these agreements, and the historical financial performance, business development and future prospects of the Target Group; and (ii) the reasons for and benefits of the Acquisition as set out below.

The Consideration will be funded by the internal resources of the Company (the payment of the Consideration does not involve the proceeds raised from the issuance of H Shares by the Company).

REASONS FOR AND BENEFITS OF THE ACQUISITION

Having carefully considered the global industry development trends, the long-term strategic layout of the Group, and the synergistic value brought by this transaction, the Board considers that the acquisition of the entire equity interest in Baud is in the overall interests of the Company and the Shareholders. The specific reasons and benefits are set out as follows:

With the vigorous development of the global AI industry, the network infrastructure industry has continued to grow. Market demand has evolved from the procurement of standalone hardware to comprehensive requirements for high-performance and high-stability products, scenario-based solutions, and supply chain resilience. The Group possesses a solid foundation in terms of global brand awareness, optical communication products, and digital operation services. The Target Company has been deeply engaged in the data communication sector for over thirty years with profound accumulation in research and development, manufacturing, and product systems, which is highly complementary to the existing capabilities of the Group. The Acquisition represents a forward-looking and proactive strategic layout formulated by the Group in response to the long-term competitive landscape of the network infrastructure industry. It is also a key initiative to continually optimize its full-chain capability system for network infrastructure. By integrating the core advantages of both parties, the Group will continuously enhance its long-term strength and comprehensive competitiveness in serving global customers.

1. Strengthening product research and development capabilities. The Target Company has long focused on the data communication sector and possesses a comprehensive and mature system in the joint research and development of software and hardware, product testing and verification, technological iteration, and industrialization implementation. The integration of the technical teams, research and development platforms, and technological accumulations of both parties will significantly enhance the Group's capabilities in the independent research and development of key network equipment, the iteration of cutting-edge technologies, and the rapid commercialization of new products, thereby broadening the Group's technological moat.

2. Consolidating large-scale production and manufacturing capabilities. The Target Company has established a standardized and mature production and manufacturing system, as well as a full-process quality control management system. The Acquisition will supplement the Group's large-scale production capacity for key communication equipment, optimize the full-process quality control system, and significantly enhance product consistency and operational stability, providing global customers with a more reliable hardware delivery assurance.

3. Enhancing supply chain management and control and delivery resilience. By integrating the Target Company's years of accumulated experience in material procurement collaboration, production line scheduling and one-stop project delivery management, the Group will optimize the end-to-end supply management and control of its core products, improve material allocation efficiency, production capacity flexibility and order delivery stability, effectively respond to the fluctuating, multi-scenario and large-scale procurement demands of downstream customers, and strengthen the risk resistance of the supply chain.

4. Enhancing supporting service capabilities in globalized scenarios. By leveraging the Group's existing global customer channels, digital operation platform, and global delivery centers, coupled with the Target Company's technological accumulation in enterprise-level networks, data center communication equipment, and applications in various industry scenarios, the synergistic integration of both parties' resources will enable a comprehensive upgrade of one-stop technical support, pre-sales customization, and after-sales maintenance services for global customers. This will fully satisfy the demands for comprehensive solutions in high-value sectors such as enterprise campus networks, data centers, and AI computing infrastructure.

The Acquisition represents a core strategic deployment for the Group to deepen its presence in the networking infrastructure sector and consolidate its long-term competitive advantages. Its core objective is to comprehensively upgrade the overall strength of the Group's four core segments, namely research and development (R&D) and innovation, large-scale manufacturing, supply chain management, and global services. Through integrating the complete R&D system, production lines, full-line product matrix, and experienced technical team accumulated by Baud over thirty years in the data communication industry, the Group will be able to solidify its foundation for independent hardware R&D and stable supply. This will significantly enhance the Group's competitive advantages in high-growth and high-value downstream scenarios such as enterprise networks, data centers, and AI computing power infrastructure, thereby continuously broadening revenue sources, consolidating global market share, and building a solid capability foundation for the long-term and steady growth of the Group.

The Directors (including the independent non-executive Directors) consider that the Acquisition constitutes a key strategic investment for the Group to capture the long-term benefits of AI networking infrastructure; that the terms of the transaction have been determined after arm's length negotiations on normal commercial terms and are fair and reasonable; and that the Acquisition is conducive to broadening the Group's revenue sources and consolidating its global competitive position in the industry, which is in the overall long-term interests of the Company and the Shareholders as a whole.

INFORMATION ON THE TARGET COMPANY

The Target Company is Shanghai Baud Data Communication Co., Ltd., a limited liability company established in the PRC. Established in 1994, the Target Company has been deeply engaged in the R&D, production and sales of network communications equipment for over thirty years. With a broad customer base covering various industry sectors including telecommunication operators, transportation, energy, broadcasting and television, education and healthcare, it provides tailor-made comprehensive network solutions to enterprise network customers and is among the earliest domestic manufacturers equipped with the capability to provide comprehensive network solutions.

Baud successfully developed the first X.25 network interface card in the PRC and is one of the earliest manufacturers engaged in the research, development and production of commercial routers. Following years of iterative upgrades, it has formed six core product series, namely routers, switches, industrial switches, xPON optical networks, wireless Wi-Fi, and network security. In aggregate, it has launched over 1,000 mature products, which are widely compatible with diverse application scenarios including domestic and overseas operator networks and enterprise networks across various industries. Leveraging its solid technological capabilities, Baud has been recognized as a National-level Specialized, Sophisticated, Special and Innovative "Little Giant" Enterprise (國家級專精特新小巨人企業), a Key Software Enterprise in Shanghai (上海市軟件骨幹企業), and a New High-tech Enterprise in Shanghai (上海高新技術企業). Its self-developed core operating system, BDROS, possesses 100% complete independent intellectual property rights and was awarded the Shanghai Science and Technology Progress Award (上海市科技進步獎). Baud is one of the earliest professional manufacturers in the PRC equipped with the capability to customize and implement comprehensive full-scenario network solutions.

Baud has a well-established industrial layout and a mature production capacity system. Its headquarters is located in Shanghai Zhangjiang Hi-Tech Park (上海張江高科技園區), with a gross floor area of 11,000 square meters, undertaking core functions such as global R&D and innovation, headquarters management, and market operations. Concurrently, Baud has established specialized production bases in locations such as Jinshan, Shanghai, which are equipped with multiple advanced automated SMT production and testing equipment production lines, with an annual production capacity exceeding 10 million units (sets). At present, Baud has obtained multiple authoritative system certifications, including ISO9001, ISO14001, ISO45001, ISO27001, and ISO14064. Its standardized, systematized, and high-quality production and operation system is capable of efficiently supporting the bulk order delivery and quality assurance requirements of global customers.

Baud upholds a technological innovation-driven approach and possesses robust R&D capabilities. R&D personnel account for approximately 30% of the total workforce. The core team has been deeply engaged in the data communication sector for many years, possessing extensive experience in product software and hardware development, iterative optimization, testing and verification, and the realization of mass production. The team is fully responsible for the design, development, testing, review, design finalization and trial production of products including routers, switches, passive optical networks, and wireless networks, thereby providing core talent support for continuous product upgrades and technological iterations.

After more than three decades of intensive technological development and independent innovation, Baud has achieved independent and controllable R&D and production across its entire product series, establishing a comprehensive barrier of proprietary intellectual property rights. As of now, Baud holds a total of 45 invention patents, 94 computer software copyrights, and 30 registered trademarks, continuously transforming its core technologies into product competitiveness and consistently enhancing product performance and market standing.

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

Name of Shareholders	**Shareholding Percentages**
Chen Qun	66.7790%
Wang Ge	21.5016%
Chen Zhiqiang	8.9705%
Xu Jing	0.7692%
Li Chuang	0.5551%
Xu Jianming	0.2728%
Liu Yu	0.2633%
Ni Xinping	0.2455%
Yang Furong	0.1910%
Yu Yaqin	0.1091%
Xu Chaoyang	0.0895%
Chen Xiaomin	0.0895%
Xu Jian	0.0682%
Peng Shuangting	0.0546%
Zhou Yan	0.0409%

Upon Completion, the Target Company will become a wholly-owned subsidiary of the Company, and its financial results will be consolidated into the consolidated financial statements of the Group.

FINANCIAL INFORMATION OF THE TARGET COMPANY

Based on the financial information of the Target Company prepared in accordance with China Accounting Standards for Business Enterprises (中國企業會計準則), the key data from the consolidated balance sheets of the Target Company as of December 31, 2024 (unaudited), December 31, 2025 (audited) and May 31, 2026 (audited), and the consolidated statements of profit or loss for the year 2024 (unaudited), the year 2025 (audited) and the period from January to May 2026 (audited) are set out below:

Unit: RMB

Items	**For the period ended May 31, 2026**	**For the year ended December 31, 2025**	**For the year ended December 31, 2024**
Total assets	514,122,611.89	551,747,279.40	624,656,659.15
Revenue	171,455,920.35	462,833,060.94	597,313,591.72
Net profit/(loss) before tax	(35,795,882.10)	(64,788,505.92)	(89,477,064.20)
Net profit/(loss) after tax	(35,807,002.09)	(64,576,471.69)	(89,690,159.00)

The audited equity attributable to owners of the parent of the Target Company as of May 31, 2026 amounted to RMB-142 million, which primarily comprised: (i) phased operating losses accumulated during the historical period as a result of adopting competitive pricing strategies to rapidly capture market share, sustained high-intensity R&D investments, and upfront market expansion expenditures; and (ii) corresponding provision for impairment made on assets such as inventories and accounts receivable by the auditors based on the principle of prudence. The aforementioned factors resulted in the Target Company presenting a net liability position at the financial statement level, but did not diminish the strategic value of its core business.

INFORMATION ON THE GROUP AND THE VENDORS

The Group is a comprehensive network solutions provider serving global enterprises. Focusing on the R&D and sales of products for overall network solutions, the Group provides global enterprise customers with reliable products and integrated network solutions, assisting enterprises in achieving simpler, more efficient and more reliable network construction and management.

The Vendors are all natural persons and are existing shareholders of the Target Company. As at the date of this announcement, the shareholding of the Vendors in the Target Company is as disclosed above.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendors are all Independent Third Parties.

Listing Rules Implications

As one or more of the applicable percentage ratios (as defined under the Listing Rules) in respect of the Acquisition exceed 5% but are less than 25%, the Acquisition constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules, and is subject to the reporting and announcement requirements under the Listing Rules, but is exempt from the Shareholders' approval requirement.

Shareholders and potential investors are advised that Completion is subject to the satisfaction or waiver (where applicable) of the conditions precedent under the Equity Transfer Agreement, and the Acquisition may or may not proceed. Shareholders and potential investors are urged to exercise caution when dealing in the securities of the Company.

DEFINITIONS

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

"Articles of Association"	the articles of association of the Company, as amended, supplemented or otherwise modified from time to time
"Board" or "Board of Directors"	the Board of directors of our Company
"Company", "our Company" or "the Company"	FS.COM Limited (深圳市飛速創新技術股份有限公司), established under the name of Shenzhen Yuxuan Network Technology Co., Ltd. (深圳市宇軒網絡技術有限公司) in the PRC on April 9, 2009, with its H Shares listed and traded on the Main Board of the Stock Exchange (Stock Code: 03355)
"Connected Person"	has the meaning ascribed thereto under the Listing Rules
"Consideration"	the consideration payable by the Purchaser to the Vendors in respect of the Acquisition
"Director(s)"	director(s) of our Company
"Equity Transfer Agreement"	the equity transfer agreement dated July 4, 2026 entered into between the Company and the Vendors in relation to the Acquisition
"Group," "our Group," "we" or "us"	our Company and our subsidiaries
"HK$" or "HK dollars"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited, a wholly-owned subsidiary of Hong Kong Exchanges and Clearing Limited
"Independent Third Party(ies)"	a third party independent of the Company and its connected persons
"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)
"Purchaser"	the Company
"RMB" or "Renminbi"	Renminbi, the lawful currency of the PRC

"Acquisition"	the proposed acquisition of 100% equity interest in the Target Company by the Purchaser from the Vendors pursuant to the Equity Transfer Agreement
"Share(s)"	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, all of which are H Shares upon the completion of the Global Offering
"Shareholder(s)"	holder(s) of the Company's Share(s)
"Target Company" or "Baud"	Shanghai Baud Data Communication Co., Ltd. (上海博達數據通信有限公司)
"SMT production line(s)"	surface-mount technology production line(s)
"Vendors"	Chen Qun, Wang Ge, Chen Zhiqiang, Xu Jing, Li Chuang, Xu Jianming, Liu Yu, Ni Xinping, Yang Furong, Yu Yaqin, Xu Chaoyang, Chen Xiaomin, Xu Jian, Peng Shuangting and Zhou Yan
"Completion Date"	the date on which the change of registration and filing procedures with the competent market supervision and administration authority of the Target Company are approved and completed
"%"	per cent

By Order of the Board
FS.COM Limited
Xiang Wei
Chairperson and Executive Director

Guangdong, PRC, July 5, 2026

As at the date of this announcement, the Board comprises: Mr. Xiang Wei and Mr. Zeng Di as executive Directors; Mr. Peng Chao and Mr. Zhao Pan as non-executive Directors; and Mr. Ran Long, Dr. Guo Fei and Ms. Wang Jing as independent non-executive Directors.