

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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

Reference is made to the announcement of FS.COM Limited (the “**Company**”) dated 5 July 2026 in relation to the acquisition of 100% equity interest in Shanghai Baud Data Communication Co., Ltd. (the “**Announcement**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

Completion

As at the date of this announcement, the Acquisition has been completed. Following Completion, the Target Company has become a wholly-owned subsidiary of the Company and its financial results have been consolidated into the consolidated financial statements of the Group.

Further Information on the Basis for Determining the Consideration

The Consideration of RMB330.0 million represents the overall negotiated price for 100% equity interest of the Target Company and was determined after arm's length negotiations between the Company and the Vendors.

In agreeing and assessing the Consideration, the Company considered the Target Company's historical equity transaction price, revenue and gross profit base, financial position, product and R&D platform, intellectual property, manufacturing and delivery capabilities, business development and prospects, and expected synergies with the Group.

Prior to agreeing the Consideration, the Company conducted legal and financial due diligence and held discussions with the management of the Target Company. Through such process, the Company obtained an understanding of the Target Company's operations, financial performance, revenue and cost structure, product portfolio, R&D capabilities and production facilities.

Having considered the information obtained through the due diligence process, the Directors considered that the Target Company had established revenue-generating operations, a positive gross profit base and an integrated product, R&D and manufacturing platform with substantive commercial value.

Historical transaction price and acquisition of control

The latest shareholder exit price available to the Company was approximately RMB1.50 per unit of registered capital in July 2023. The transaction involved the exit of a third-party minority shareholder, independent of the Company and its connected persons, holding only a small equity interest in the Target Company. Such interest principally conferred basic economic and shareholder rights, including the rights to receive dividends and information, but did not confer control over, or material influence on, the Target Company's operations, strategy or day-to-day management. Based on the historical exit price and the Target Company's registered capital of RMB143.0 million, the implied equity value of 100% equity interest of the Target Company would be approximately RMB214.5 million. The Consideration represents approximately RMB2.31 per unit of registered capital.

The historical transaction and the Acquisition differ in timing, equity percentage, rights acquired and commercial circumstances. Following Completion, the Company will hold 100% equity interest of the Target Company and will be able to direct its overall business, financial and strategic decisions. The acquisition of 100% ownership and control was therefore one factor considered in the overall negotiations, together with the Target Company's business and operational development, product portfolio, R&D capabilities, intellectual property, manufacturing and delivery capabilities, and expected synergies.

Financial and market cross-checks

The Target Company recorded revenue of approximately RMB462.8 million for the year ended 31 December 2025 ("FY2025") and RMB171.5 million for the five months ended 31 May 2026 ("5M2026"). Its 5M2026 revenue would be approximately RMB411.5 million on a simple annualised basis. The Consideration therefore represents approximately 0.71 times FY2025 revenue and approximately 0.80 times simple annualised 5M2026 revenue. The Target Company also recorded gross profit of approximately RMB174.7 million for FY2025 and RMB55.1 million for 5M2026, and the Consideration represents approximately 1.89 times FY2025 gross profit.

As at 31 May 2026, the Target Company had total assets of approximately RMB514.1 million, and the Consideration represents approximately 64.2% of such total assets. The Directors also considered the Target Company's net liability position, historical losses, and aggregate inventory write-down, bad debt and other impairment provisions of approximately RMB141.4 million as adverse factors. The Directors also noted that the Target Company maintained a positive gross profit base and that its historical profitability was affected by continuing investment in R&D and market development. These factors were taken into account in assessing the commercial value of the Target Company.

To further assess the fairness and reasonableness of the Consideration, the Company conducted a search on Bloomberg for comparable companies based on the following objective selection criteria: (i) companies classified under the communication equipment sector under the Global Industry Classification Standard (GICS); (ii) companies listed in the PRC, the United States or Hong Kong; (iii) companies deriving more than 50% of their revenue from the PRC market; and (iv) companies which recorded a net loss in their latest financial year.

An exhaustive list of 41 companies satisfying the above criteria was identified. The Directors consider that the selection criteria are objective and that the resulting comparable companies are fair and representative, as they operate in the same industry sector as the Target Company, derive a majority of their revenue from the PRC market and were loss-making in their latest financial year. After excluding the two highest and two lowest P/S ratios as outliers, the P/S ratios of the remaining 37 comparable companies as at 3 July 2026 ranged from approximately 1.08 times to 15.95 times, with a median of approximately 4.92 times and an average of approximately 6.29 times. By comparison, the Consideration represents approximately 0.71 times FY2025 revenue and approximately 0.80 times the simple annualised revenue for 5M2026. Such implied P/S ratios are substantially below the median and average P/S ratios of the comparable companies and below the lower end of their range.

The Directors therefore consider that the Consideration is supported by market-based quantitative analysis and is fair and reasonable. Given the Target Company's established revenue base and the impact of continuing R&D and market development expenditure on its historical profitability, revenue represented the most appropriate principal quantitative reference for assessing the value of the Target Company's existing business and operating platform.

Strategic value and expected synergies

The Target Company has operated in the data communications sector for many years. Its principal businesses comprise R&D, production and sale of computer hardware and software, peripheral equipment and network communications products, as well as systems development, integration and technical services in the field of computer applications. Its product portfolio covers routers, switches, industrial switches, passive optical network equipment, wireless Wi-Fi products and network security products, supported by established R&D, production, testing, quality control and commercialisation capabilities. Based on the information available to the Company, the Target Company owns 45 invention patents, 94 computer software copyrights and 30 registered trademarks, and its R&D personnel represent approximately 30% of its employees. It has also continued to invest in the development and enhancement of core technologies, including its self-developed BDROS network operating system, core routing and switching algorithms and industrial-grade communications protocols.

The Directors consider that the Acquisition will enable the Group to acquire an established product, R&D, manufacturing and delivery platform. The expected synergies arise principally from the complementarity between those capabilities and the Group's global customer channels, digital marketing and operations, supply chain management and delivery capabilities. The Acquisition is expected to broaden the Group's product offering, enhance its in-house R&D and production capabilities, strengthen supply chain resilience and enhance its ability to provide integrated network solutions to global customers.

Having considered the above factors, the Directors consider that the Consideration of RMB330.0 million, being the overall negotiated price for 100% equity interest of the Target Company, is on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

By Order of the Board
FS.COM Limited
Xiang Wei
Chairman of the Board and general manager

Guangdong, PRC, August 20, 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.