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Fibocom Wireless Inc.

深圳市廣和通無線股份有限公司

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

(Stock code: 00638)

**VOLUNTARY ANNOUNCEMENT
INCREASE IN CAPITAL OF A CONTROLLING SUBSIDIARY BY WAY
OF DEBT-TO-EQUITY SWAP,
TERMINATION OF ITS EQUITY INCENTIVE PLAN AND SALE
OF ITS EQUITY INTERESTS**

This announcement is made by **Fibocom Wireless Inc.** (the “**Company**” or “**Fibocom**”, together with its subsidiaries, the “**Group**”) to provide the Shareholders and potential investors with the latest development information of the Company.

I. OVERVIEW OF THE TRANSACTION

The Company convened the 29th meeting of the fourth session of the Board of Directors on 20 August 2026, at which it considered and approved the “Resolution on the Increase in Capital of a Controlling Subsidiary by Way of Debt-to-Equity Swap, Termination of Its Equity Incentive Plan and Sale of Its Equity Interests”. Faiot Co., Ltd (上海廣翼智聯科技有限公司) (the “**Shanghai Faiot**”), is a controlling subsidiary of the Company in which the Company directly holds a 77% equity interest. As its industrial handheld business requires substantial R&D expenditures and is still in the stage of scaling up business operations and enhancing capabilities, the Company intends to change the control of Shanghai Faiot as so to focus on developing the Company’s core business. The Board of Directors has agreed that the Company will increase the capital of Shanghai Faiot by way of debt-to-equity swap, terminate the equity incentive plan of Shanghai Faiot, and sell all the equity interests in Shanghai Faiot held by the Company and the employee shareholding platforms (the “**Transaction**”). Details are set out below:

As at 30 June 2026 (Debt Settlement Date), the Company had provided loans to Shanghai Faiot in an aggregate amount of RMB278,811,700. In order to effectively reduce the overall debt scale of Shanghai Faiot and facilitate the smooth completion of the change of control of Shanghai Faiot, the Board of Directors has agreed that the Company will increase the capital of Shanghai Faiot by way of debt-to-equity swap. The amount of this capital increase is RMB275,000,000, and the source of funds is the claims already formed by the Company against Shanghai Faiot, that is, the aforesaid claims will be converted into equity interests in Shanghai Faiot to implement the capital increase. Ningbo Guangyi Enterprise Management Partnership (Limited Partnership) (寧波廣翼企業管理合夥企業(有限合夥)) and Ningbo Guangxing Enterprise Management Partnership (Limited Partnership) (寧波廣行企業管理合夥企業(有限合夥)), the employee shareholding platforms of Shanghai Faiot, have waived their pre-emptive rights. Upon completion of the debt-to-equity swap, the Company's capital contribution to Shanghai Faiot will increase from RMB20,000,000 to RMB295,000,000, and the Company's direct equity interest ratio in Shanghai Faiot will increase from 77.00% to 98.02%.

As the Company is planning a change of control of Shanghai Faiot, pursuant to the relevant provisions of the “Equity Incentive Plan of Faiot Co., Ltd (Draft)” (the “**Draft Incentive Plan**”), the Board of Directors has agreed that Shanghai Faiot will terminate the implementation of the equity incentive plan, and the equity interests that have not yet been vested shall not be vested; part of the equity interests that have been vested will be exited through friendly negotiation after the completion of the settlement of the Transaction in accordance with the relevant provisions/agreements under the Draft Incentive Plan and the equity incentive grant agreements, and the exit amount shall not be higher than the relevant provisions/agreements under the Draft Incentive Plan and the equity incentive grant agreements. Ningbo Guangyi Enterprise Management Partnership (Limited Partnership) and Ningbo Guangxing Enterprise Management Partnership (Limited Partnership), the employee shareholding platforms of Shanghai Faiot, will be deregistered for industrial and commercial purposes after the completion of the settlement of the Transaction.

The Board of Directors has agreed that the Company, Ningbo Guangyi Enterprise Management Partnership (Limited Partnership) and Ningbo Guangxing Enterprise Management Partnership (Limited Partnership) (the employee shareholding platforms of Shanghai Faiot, for which Fibocom Investment Development Inc. (深圳市廣和通投資發展有限公司), a wholly-owned subsidiary of the Company, serves as the executive partner), and Shanghai Faiot will enter into the “Equity Transfer Agreement on the Acquisition of 100% Equity Interests in Faiot Co., Ltd” (the “**Equity Transfer Agreement**”) with Luxshare Precision Industry Co., Ltd. (立訊精密工業股份有限公司) (the “**LUXSHARE ICT**”). The Company, Ningbo Guangyi Enterprise Management Partnership (Limited Partnership) and Ningbo Guangxing Enterprise Management Partnership (Limited Partnership) agree to sell an aggregate of 100% equity interests in Shanghai Faiot (based on the shareholding ratio after the debt-to-equity swap) to LUXSHARE ICT at a base transfer price of RMB120,000,000 (the “**Base Transfer Price**”). The final transfer price will be adjusted accordingly based on the net assets of Shanghai Faiot as at the settlement date (if the net assets as at the settlement date are higher than or equal to RMB60,900,000, the final transfer price shall be the Base Transfer Price; if the net assets as at the settlement date are lower than RMB60,900,000, the final transfer price shall be the Base Transfer Price minus the difference between RMB60,900,000 and the net assets as at the settlement date). The relevant Equity Transfer Agreement was signed on 20 August 2026.

The debt-to-equity swap and the termination of the implementation of the equity incentive plan are prerequisites for the settlement of the sale of the equity interests in the controlling subsidiary. The Transaction will result in a change in the scope of the Company's consolidated statements. Upon completion of the Transaction, the Company will no longer hold any equity interests in Shanghai Faiot, and Shanghai Faiot and its subsidiaries will no longer be included in the scope of the Company's consolidated statements.

Within two years from the settlement date of the Transaction, the Company and each of its branches, wholly-owned subsidiaries and controlling subsidiaries shall not, directly or indirectly, engage in any business that directly or indirectly competes with or may compete with the industrial handheld business with the relevant customers of Shanghai Faiot.

Pursuant to the relevant provisions of the “Rules Governing the Listing of Stocks on the Growth Enterprise Market of the Shenzhen Stock Exchange” and other relevant regulations, the Transaction matters fall within the approval authority of the Board of Directors and are not required to be submitted to the general meeting of the Company for consideration. The Transaction does not constitute a connected transaction, nor does it constitute a major asset reorganisation as defined under the Administrative Measures for the Major Asset Reorganisation of Listed Companies (《上市公司重大資產重組管理辦法》).

II. BASIC INFORMATION OF THE COUNTERPARTY TO THE TRANSACTION

The basic information of the counterparty to the Transaction, LUXSHARE ICT, is as follows:

Company Name	Luxshare Precision Industry Co., Ltd.
Company Type	a joint stock company
Unified Social Credit Code	91440300760482233Q
Place of Incorporation	Shenzhen
Registered Address	2/F, Building A, SanYang New Industrial Park, Haoyi West Zone, Shajing Subdistrict, Bao'an District, Shenzhen, Guangdong Province, PRC
Date of Establishment	24 May 2004
Principal Business	production and operation of products including connecting cables, connectors, computer peripheral equipment, and plastic and metal hardware products
Registered Capital	RMB7,247,395,805
Capital Contribution and Ratio	According to the “First Quarter Report of 2026” disclosed by LUXSHARE ICT, the shareholding situation of its major shareholders is as follows: Luxshare Limited holds 37.49% of the shares, Hong Kong Securities Clearing Company Limited holds 5.70% of the shares, and the shareholding ratios of the remaining shareholders are all lower than 1%.

The counterparty to the Transaction has no relationship with the Company, the top ten Shareholders, directors or senior management of the Company in terms of property rights, business, assets, claims and debts, personnel or other aspects, nor any other relationship that may cause or has caused the Company to tilt its interests towards the counterparty.

As of the date of this announcement, the counterparty to the Transaction is in good credit standing and has not been listed as a dishonest person subject to enforcement or otherwise been subject to any dishonesty circumstances.

Major financial data of the counterparty to the Transaction for the most recent year

Unit: RMB10,000

Item	31 December 2025/ From January to December 2025
Total assets	30,653,767.58
Total liabilities	20,251,744.30
Total owner's equity attributable to the parent company	8,492,110.34
Operating revenue	33,234,444.31
Net profit attributable to shareholders of the parent company	1,659,976.98

III. BASIC INFORMATION OF THE TARGET ASSETS OF THE TRANSACTION

(1) Basic Information of the Target Assets of the Transaction

The equity assets underlying the Transaction are 100% equity interests in Faiot Co., Ltd. Details are as follows:

Company Name	Faiot Co., Ltd
Registration No.	91310230MA1JW5F931
Place of Incorporation	Shanghai
Registered Address	Room 1001-1, Building 2, No. 2570, Hechuan Road, Minhang District, Shanghai
Date of Establishment	2 January 2020
Principal Business	Industrial handheld business

The capital contribution amounts and shareholding ratios of the shareholders of Shanghai Faiot before and after the implementation of the debt-to-equity swap by the Company are as follows:

Unit: RMB10,000

Shareholder Name	Before Debt-to-Equity Swap		After Debt-to-Equity Swap	
	Capital Contribution	Contribution Ratio	Capital Contribution	Contribution Ratio
Fibocom Wireless Inc. (深圳市廣和通無線股份有限公司)	2,000.00	77.0001%	29,500.00	98.0151%
Ningbo Guangyi Enterprise Management Partnership (Limited Partnership) (寧波廣翼企業管理合夥企業(有限合夥))	325.58	12.5348%	325.58	1.0818%
Ningbo Guangxing Enterprise Management Partnership (Limited Partnership) (寧波廣行企業管理合夥企業(有限合夥))	271.82	10.4651%	271.82	0.9031%
Total	2,597.40	100.0000%	30,097.40	100.0000%

As of the date of this announcement, the 100% equity interests in Faiot Co., Ltd to be sold in the Transaction are not subject to any encumbrance such as pledge, freeze or seizure, and there are no material litigation or arbitration proceedings related to such equity interests.

As of the date of this announcement, the target assets of the Transaction are in good credit standing and have not been listed as a dishonest person subject to enforcement or otherwise been subject to any dishonest circumstances.

(2) Audit of the Target Assets of the Transaction

Grant Thornton Certified Public Accountants (Special General Partnership) (致同會計師事務所 (特殊普通合伙)) has issued the “Audit Report of Faiot Co., Ltd for the Year 2025” (Zhi Tong Shen Zi (2026) No. 441C026401). The principal audited financial data of the target assets of the Transaction is as follows:

Unit: RMB10,000

Item	31 December 2025/ From January to December 2025
Total assets	32,271.05
Total liabilities	50,265.00
Net assets	-17,993.95
Operating revenue	18,291.25
Operating profit	-4,483.46
Net profit	-4,463.31
Cash flows generated from operating activities	7,634.82

(3) Other Remarks

As of the date of this announcement, the Company has provided financial assistance to the target assets of the Transaction in an aggregate amount of RMB284,620,234.27. The debt-to-equity swap will be implemented for RMB275,000,000 of the loans prior to the settlement of the target equity interests. Save as aforesaid, the Company has not provided any guarantee to the target assets of the Transaction, nor are there any other circumstances of non-operating occupation of the Company's funds by the target assets of the Transaction.

Pursuant to the transaction arrangement, in order to ensure the normal operating turnover of the Target Company prior to settlement, the Company provides operating loans to the Target Company as financial support before the completion of settlement. The estimated total amount of the loans shall not exceed RMB20,000,000 (RMB Twenty Million Only), and the annual simple interest rate of the loans shall not be higher than 3.5%. The Target Company shall repay the aforesaid remaining shareholder loans to the Company in a lump sum at the settlement date.

The overdue portion of the accounts payable owed by each member of the Group of the Target Company to the Company and its associated companies shall be paid in full within seven (7) working days from the settlement date, and the remaining non-overdue portion shall be paid in accordance with the relevant business contracts/agreements. Meanwhile, the Sellers and their associated companies shall settle all accounts payable owed by them to each member of the Group of the Target Company in full prior to the settlement date.

Upon completion of the Transaction, the Company will not provide financial assistance to the Target Company in a disguised form through operating fund transactions.

IV. MAIN CONTENTS OF THE TRANSACTION AGREEMENT

Purchaser:	Luxshare Precision Industry Co., Ltd.
Sellers:	Fibocom Wireless Inc. (the “Seller 1”) Ningbo Guangyi Enterprise Management Partnership (Limited Partnership) (the “Seller 2”) Ningbo Guangxing Enterprise Management Partnership (Limited Partnership) (the “Seller 3”)
Target Company:	Faiot Co., Ltd

All parties agree that, in accordance with the terms and conditions of this Agreement, the Sellers will collectively transfer to the Purchaser 100% of the equity interests in Faiot Co., Ltd (the “Target Company”) (the “Transaction”), of which: Seller 1 will transfer 98.0151% of the equity interests in the Target Company to the Purchaser (the “Target Equity 1”), Seller 2 will transfer 1.0818% of the equity interests in the Target Company to the Purchaser (the “Target Equity 2”), and Seller 3 will transfer 0.9031% of the equity interests in the Target Company to the Purchaser (the “Target Equity 3”; Target Equity 1, Target Equity 2 and Target Equity 3 are collectively referred to as the “Target Equity”). Seller 1, Seller 2, Seller 3 and the Target Company are collectively referred to as the “Warrantors”.

1. The Transaction

Subject to the terms and conditions of this Agreement, and based on the representations, warranties, covenants, undertakings and obligations contained in this Agreement, the Purchaser agrees to purchase at the final transfer price agreed in this Agreement, and the Sellers agree to jointly transfer at the final transfer price, the Target Equity free from any encumbrance.

The equity interest ratios held by the Sellers and the Purchaser in the Target Company before and after the completion of the Transaction are as set out in the table below:

Shareholder	Equity Interest Ratio before the Completion of the Transaction	Equity Interest Ratio after the Completion of the Transaction
Seller 1	98.0151%	—
Seller 2	1.0818%	—
Seller 3	0.9031%	—
Purchaser	—	100%
Total	100%	100%

2. Transfer Price of the Target Equity

(1) Base Transfer Price

The Base Transfer Price for 100% equity interests in the Target Company is RMB120,000,000.00 (RMB One Hundred and Twenty Million Only) (the “Base Transfer Price”).

(2) Final Transfer Price

- ① If the net assets as at the settlement date are higher than or equal to RMB60,900,000, the final transfer price shall be equal to the Base Transfer Price (RMB120,000,000.00) without any downward adjustment;
- ② If the net assets as at the settlement date are lower than RMB60,900,000, the final transfer price shall be determined by deducting the difference between RMB60,900,000 and the net assets as at the settlement date from the Base Transfer Price (RMB120,000,000.00), that is, it shall be determined in accordance with the following formula:

Final Transfer Price = Base Transfer Price – (RMB60,900,000 – Net Assets as at the Settlement Date).

3. Payment of Transfer Price

(1) Payment of Transfer Price

In accordance with the terms and conditions agreed in this Agreement, the transfer price shall be paid in two instalments, details of which are as follows:

- ① First Instalment: On the date on which the Target Company submits a full set of application documents for industrial and commercial change of registration to the competent industry and commerce authority and obtains the acceptance receipt issued by the competent industry and commerce authority, provided that the Target Company and the Sellers have satisfied all the conditions precedent under this Agreement, the Purchaser shall pay to the Sellers 10% of the Base Transfer Price, that is, RMB12,000,000.00 (RMB Twelve Million Only);
- ② Second Instalment: On the settlement date, the Purchaser shall pay to the Sellers 60% of the Base Transfer Price, that is, RMB72,000,000.00 (RMB Seventy-two Million Only), provided that the Sellers have fully and timely performed their obligations under this Agreement, or notwithstanding any unfulfilled obligations, such unfulfilled obligations will not have a material adverse effect on the Transaction, the Target Company or its business, and the parties have reached a written consensus on the subsequent performance and arrangements thereof;
- ③ Final Payment: Upon the finalisation of the settlement audit report and the calculation of the final transfer price, the parties shall settle in the following manner:
 - (a) If the final transfer price is higher than the sum of the First Instalment and the Second Instalment, the Purchaser shall make up the difference to the Sellers within seven (7) working days;
 - (b) If the final transfer price is lower than the sum of the First Instalment and the Second Instalment, the Sellers shall refund the difference to the Purchaser within seven (7) working days.

(2) *Payment of Final Payment*

The payment of the Final Payment by the Purchaser under this Agreement is subject to the satisfaction of the following conditions, provided that the Purchaser shall have the right to unilaterally decide to waive all or part of the conditions, thereby making the payment within seven working days from the date on which all the following conditions are satisfied or waived:

- ① The conditions precedent to settlement continue to be satisfied and remain valid, and the First Instalment has been paid;
- ② The amount of the Final Payment has been adjusted (if necessary) or confirmed in accordance with the agreement;
- ③ From the date of signing of this Agreement to the payment date of the Final Payment, the representations and warranties of each Warrantor under this Agreement are accurate, true and free from any material omission and misleading element, and the Warrantors have issued a confirmation letter to the Purchaser to confirm the aforesaid matters;
- ④ The Purchaser still legally holds the Target Equity;
- ⑤ Other conditions to be supplemented according to the project circumstances.

4. Conditions Precedent to Settlement and Settlement

(1) Conditions Precedent to Settlement

The settlement of this sale can only be effected after a number of conditions precedent have been satisfied (or waived in writing by the Purchaser). The core conditions include: (i) the Target Company has completed the debt-to-equity swap of shareholder loans and retained the operating loans within the agreed limit, sorted out the relevant materials of intercompany balances, lawfully and completely terminated its 2023 equity incentive plan, and completed the industrial and commercial registration change for the Transaction; (ii) the Purchaser has completed due diligence to its satisfaction, and the Target Company has completed the disclosure of specific IPR and chipset prices, the transfer of key customer contracts, the transfer of relevant authorised platforms, the separation of IT systems and data, and the re-signing of labour contracts and non-competition agreements by key R&D technical personnel (with a retention rate of over 90%); (iii) the Target Company and the Sellers have obtained all third-party consents, internal and external/government approvals required for the Transaction, and there is no law or order restricting the Transaction; and (iv) the representations and warranties of the Target Company remain true and accurate, and no material adverse effect has occurred as of the settlement date. If the aforesaid conditions precedent are not satisfied or waived within 60 working days from the date of signing of this Agreement (or such other specific date as the Purchaser may agree in writing to extend), the Purchaser shall have the right to terminate this Agreement.

(2) Settlement

After all the conditions precedent to settlement have been satisfied or waived, the Sellers shall notify the Purchaser in writing, and the settlement shall be conducted on the third working day after the Purchaser receives the notice (or such other date as the parties may otherwise agree), at which time the parties will sign the settlement confirmation documents. The Sellers shall, within at least three working days prior to the settlement date, submit to the Purchaser the documents and materials evidencing that the conditions precedent (including the debt-to-equity swap, the termination of the equity incentive plan, the transition of business and personnel, and the internal and industrial and commercial change approvals) have been fulfilled. In addition, the Sellers shall procure the Target Company to complete the handover of the inventory of assets and materials such as seals and licences, financial account books and personnel files, and to transfer the control over all bank accounts to the persons designated by the Purchaser. The parties shall complete the settlement after the on-site confirmation and written signing of all the aforesaid settlement matters.

5. Undertakings Regarding the Transition Period

- (1) The transition period refers to the period from the date of signing to the settlement date.
- (2) The Warrantors jointly and severally undertake and warrant that the Target Company shall operate its daily business in the ordinary course prior to settlement, and shall promptly notify the Purchaser in writing of any potential or existing material event that may affect the operation of the Target Company. Meanwhile, the Warrantors shall use their best efforts to cooperate with the Purchaser in conducting legal, financial and business due diligence prior to settlement and to provide any necessary assistance and documents.
- (3) Without the prior written consent of the Purchaser, the Warrantors shall not, and shall procure the Target Company not to, take certain restricted actions. Such restricted actions mainly include: changing the articles of association or equity structure, changing the principal business, implementing equity incentives, distributing dividends, making external investments or establishing branches, purchasing/disposing of assets or incurring debts in excess of the agreed limit, providing guarantees or loans to third parties, signing or changing material contracts, adjusting employee remuneration or terminating the labour contracts of key employees, changing accounting or tax methods, and other matters that may constitute a material adverse effect.
- (4) The Target Company shall, and each Seller shall procure the Target Company to, accept and actively cooperate with the Purchaser's inspection, actively respond to the Purchaser's requests, report on the management and operation of the Target Company, and accept the supervisory and management personnel appointed by the Purchaser.

6. Further Undertakings

- (1) Each Seller jointly and severally undertakes that, within two years from the settlement date, it and its branches (other than the Target Company) shall not, directly or indirectly, engage in any business that competes with the industrial handheld business of the Target Company with specific customers. In addition, the Sellers shall not solicit or canvass any customers, suppliers or key personnel of the Target Company, nor shall they use any logo, name or product name of the Target Company in a manner that may cause confusion.
- (2) In order to ensure the normal operating turnover of the Target Company prior to settlement, the Purchaser and the Sellers agree that the Target Company shall retain loans with an estimated total amount not exceeding RMB Twenty Million Only (RMB20,000,000) at an annualized simple interest rate not higher than 3.5%, so as to ensure the daily operating expenditure of the Target Company. The Target Company shall repay the aforesaid remaining shareholder loans to the Sellers on a lump sum basis at the settlement date.
- (3) The overdue portion of the accounts payable owed by each member of the Group to the Sellers and their associated companies shall be paid in full within seven (7) working days from the settlement date, and the remaining non-overdue portion shall be paid in accordance with the relevant business contracts/agreements. Meanwhile, the Sellers and their associated companies shall settle all accounts payable owed by them to each member of the Group in full prior to the settlement date.

- (4) The Sellers shall, as soon as practicable from the date of signing of this Agreement, commence the deregistration procedures of the overseas members of the Group (and bear all costs and expenses related to such deregistration matters). The aforesaid deregistration matters shall be completed prior to settlement, and no later than six (6) months after settlement, if there are indeed difficulties in the actual operation and it is impossible to complete within the aforementioned period, with the prior consent of the Purchaser, the time limit can be appropriately extended. If any loss is caused to the Purchaser or the Target Company as a result of the overseas members of the Group, the Sellers shall bear full liability for compensation.
- (5) For the purpose of ensuring smooth transition of key employees of the Target Company, successful completion of the equity transfer and uninterrupted business continuity, all Parties agree to establish a special retention incentive bonus pool in connection with this Transaction. The aggregate amount of the bonus pool shall be RMB5,973,500, with specific recipients and allocation to be determined pursuant to this Agreement. Of such aggregate amount, the Purchaser shall be responsible for RMB2,800,000, and the remaining RMB3,173,500 shall be borne by Seller 1.

7. Termination

- (1) At any time prior to settlement, the party entitled to terminate this Agreement under the following provisions may terminate this Agreement by issuing a written notice to the other parties:
- ① The Sellers and the Purchaser unanimously agree in writing to terminate this Agreement;
 - ② If the settlement is not completed in accordance with this Agreement, the Purchaser shall have the right to unilaterally terminate this Agreement;
 - ③ If any law or government authority prohibits or restricts the completion of the proposed transaction under the transaction documents, either the Sellers or the Purchaser may unilaterally terminate this Agreement;
 - ④ If any Warrantor breaches any representation, warranty or undertaking under this Agreement or other transaction documents, thereby causing any condition precedent under this Agreement to be incapable of being satisfied and the Warrantor is incapable of remedying it (or although it can be remedied, the Sellers fail to remedy it within twenty days after the Purchaser issues the relevant notice), the Purchaser shall have the right to unilaterally terminate this Agreement; or
 - ⑤ If the Purchaser breaches any representation, warranty or undertaking under this Agreement or other transaction documents, thereby causing any condition precedent under this Agreement to be incapable of being satisfied and the Purchaser is incapable of remedying it (or although it can be remedied, the Purchaser fails to remedy it within twenty days after the Sellers issue the relevant notice), the Sellers shall have the right to unilaterally terminate this Agreement.

(2) Effect of Termination

If this Agreement is terminated in accordance with the preceding clause, this Agreement shall cease to have effect, provided that the provisions on confidentiality, applicable law and dispute resolution, notices, effectiveness and miscellaneous, and the effect of termination shall remain in force after the termination of this Agreement, and the termination of this Agreement shall not release or mitigate any liability of any party arising prior to the termination of this Agreement.

8. Effectiveness and Miscellaneous

This Agreement and its appendices and annexes shall take effect on the date of signing hereof.

V. PRICING POLICY AND BASIS OF THE TRANSACTION

Since Shanghai Faiot has not yet achieved profitability, based on the principle of equality and mutual benefit, and in conjunction with the 2025 audit report of the Target Company, the parties to the Transaction have, after market-oriented negotiation, agreed that the transaction price is RMB120,000,000. And the price would be adjusted accordingly based on the net assets of the Target Company on the delivery date.

VI. REASONS FOR AND IMPACT OF THE TRANSACTION ON THE COMPANY

Faiot Co., Ltd is principally engaged in the ODM business of industrial handheld terminals. Since its establishment in 2020, Shanghai Faiot has continuously invested in R&D, technological accumulation, and market expansion. Due to the business development stage and the initial investment in R&D, Shanghai Faiot is currently still in the stage of expanding business scale and enhancing capabilities. In recent years, the Company has also vigorously expanded its Internet of Things solution business. In order to further optimize resource allocation and focus on developing the Company's core business, after careful consideration, the Company has decided to increase the capital of Shanghai Faiot by way of debt-to-equity swap, terminate the implementation of its equity incentive plan and sell all the equity interests held by the Company and the employee shareholding platforms.

The Purchaser under this Transaction, LUXSHARE ICT, boasts solid strengths in precision manufacturing, intelligent manufacturing, supply chain management, automated production and global delivery capabilities. Going forward, Shanghai Faiot will achieve complementary advantages with LUXSHARE ICT in product research and development as well as market expansion for the ODM business of industrial handheld terminals, which will facilitate the sustainable development of relevant businesses of Shanghai Faiot.

Within two years from the settlement date of the Transaction, the Company and each of its branches, wholly-owned subsidiaries and controlling subsidiaries shall not, directly or indirectly, engage in any business that directly or indirectly competes or may compete with the industrial handheld business with the relevant customers of Shanghai Faiot. The relevant arrangements of this Transaction are in line with commercial practice. This Transaction is beneficial to the Company in integrating resources and focusing on its core business, thereby enhancing the Company's overall operational efficiency. It is consistent with the Company's long-term development strategy as well as the overall interests of the Company and its Shareholders. There are no circumstances that would prejudice the interests of the Company and its Shareholders, in particular those of the minority Shareholders.

Upon completion of the Transaction, the Transaction is expected to improve the Company's operating performance this year and the final data shall be subject to the audit results. The Company will no longer hold any equity interests in Shanghai Faiot and Shanghai Faiot and its subsidiaries will no longer be included in the scope of the Company's consolidated statements.

VII. BOARD OPINION

After consideration by the Board of Directors, it agrees that the Company will increase the capital of Shanghai Faiot by way of debt-to-equity swap, terminate the implementation of its equity incentive plan and sell all the equity interests held by the Company and the employee shareholding platforms. Upon completion of the Transaction, the Company will no longer hold any equity interests in Shanghai Faiot, and Shanghai Faiot and its subsidiaries will no longer be included in the scope of the Company's consolidated statements. The Transaction is conducive to the Company focusing on its industry layout and reducing the negative impact of the loss-making subsidiary on the Company's operating performance, and is in the interests of the Company and its Shareholders.

For details of the Transaction, please refer to the overseas regulatory announcement of the Company dated 21 August 2026.

As the Transaction was not entered into with connected persons of the Company, the requirements under Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) are not applicable. In addition, as none of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) exceeds 5%, the Transaction does not constitute a notifiable transaction under Chapter 14 of the Listing Rules.

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

The PRC, 21 August 2026

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