LONGCHEER

Shanghai Longcheer Technology Co., Ltd.
上海龍旗科技股份有限公司

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

(Stock code: 9611)

FURTHER ANNOUNCEMENT IN RELATION TO THE DISCLOSEABLE TRANSACTION INVOLVING THE ACQUISITION OF 60% EQUITY INTEREST IN THE TARGET COMPANY

Reference is made to the announcement of Shanghai Longcheer Technology Co., Ltd. (the "**Company**") dated August 13, 2026 in relation to the discloseable transaction regarding the acquisition of 80% equity interest in the Target Company (the "**Acquisition Announcement**"). The Company wishes to provide further information in relation to the Acquisition for the Shareholders' and the potential investors' information. Unless otherwise defined in this announcement, capitalized terms used herein shall have the same meanings as those defined in the Acquisition Announcement.

On September 18, 2026, the Company entered into a supplemental agreement to the Founder ETA with the Target Company, Mr. Ren, Mr. Ding and Ms. Li (the "**Founder Supplemental Agreement**"), a supplemental agreement to the Incentive Platform ETA with Suzhou Ruiyongying (the "**Incentive Platform Supplemental Agreement**"), a supplemental agreement to the Individual Vendor ETA with CHEN Bo and WANG Zhonghui (the "**Individual Vendor Supplemental Agreement**"), and a supplemental agreement to the Institutional Vendor ETA with Suanwang Investment (the "**Institutional Vendor Supplemental Agreement**", together with the Founder Supplemental Agreement, the Incentive Platform Supplemental Agreement and the Individual Vendor Supplemental Agreement, the "**Supplemental Agreements**"), to adjust the original transaction arrangements. In case of any conflict between the original Equity Transfer Agreements and the Supplemental Agreements, the Supplemental Agreements shall prevail. The principal terms of the Supplemental Agreements are set out below.

MAJOR TERMS OF THE SUPPLEMENTAL AGREEMENTS

Amendments to the terms of the Equity Transfer Agreements as disclosed in the Acquisition Announcement

The following table sets forth a summary of the key amendments made by the Supplemental Agreements to the Equity Transfer Agreements.

	Equity Transfer Agreements	**Supplemental Agreements**
Subject matter	The Vendors agreed to sell an aggregate of 80% equity interest in the Target Company to the Company, comprising 41.0995% from Mr. Ren, 1.0168% from Mr. Ding, 15.9298% from CHEN Bo (陳波) ("**Mr. Chen**"), 12.5443% from WANG Zhonghui (王忠慧) ("**Ms. Wang**"), 5.8822% from Suzhou Ruiyongying and 3.5274% from Suanwang Investment.	The Vendors (other than Mr. Ding) agreed to sell an aggregate of 60% equity interest in the Target Company to the Company, comprising 37.4658% from Mr. Ren, 4.5402% from Mr. Chen, 12.5443% from Ms. Wang, 3.3333% from Suzhou Ruiyongying and 2.1164% from Suanwang Investment. Mr. Ding will not transfer any equity interest under the Acquisition.
Consideration	The total consideration for the Acquisition was RMB1,120.00 million, with RMB714.38 million payable to Mr. Ren, RMB17.67 million payable to Mr. Ding, RMB80.73 million payable to the Incentive Platform, RMB152.93 million payable to Mr. Chen, RMB120.43 million payable to Ms. Wang, and RMB33.86 million payable to Suanwang Investment.	The total consideration for the Acquisition is RMB840.00 million, with RMB613.18 million payable to Mr. Ren, RMB43.59 million payable to Mr. Chen, RMB120.43 million payable to Ms. Wang, RMB42.49 million payable to Suzhou Ruiyongying, and RMB20.32 million payable to Suanwang Investment.

	Equity Transfer Agreements	Supplemental Agreements
Payment terms	For Mr. Ren, Mr. Ding and the Incentive Platform, the consideration shall be paid by instalments. The first instalment shall be payable within 10 Business Days after the execution and effectiveness of the relevant agreement and satisfaction of all conditions precedent. The second instalment shall be payable within 15 Business Days after completion of the relevant AMR registration procedures in respect of the equity transfer and amendments to the articles of association of the Target Company. The remaining instalments shall be payable within 15 Business Days after the issuance of the special audit reports for the relevant years during the Performance Undertaking Period, subject to the relevant performance compensation mechanism. Under the Institutional Vendor ETA and the Individual Vendor ETA, the consideration shall be paid in two instalments. The first instalment shall be payable within 10 Business Days after the execution and effectiveness of the agreement and satisfaction of all conditions precedent. The second instalment shall be payable within 15 Business Days after completion of the relevant AMR registration procedures. The payments under the Institutional Vendor ETA and the Individual Vendor ETA are not subject to any performance compensation mechanism.	The consideration shall be paid by instalments. The first instalment shall be payable within 10 Business Days after the execution and effectiveness of the relevant agreement and satisfaction of all conditions precedent. The second instalment shall be payable within 15 Business Days after completion of the relevant AMR registration procedures. For Mr. Ren and Suzhou Ruiyongying, the remaining instalments shall be payable within 15 Business Days after the issuance of the special audit reports for each of the three financial years during the Performance Undertaking Period, subject to the performance compensation mechanism and the Minimum Collection Requirement. Please refer to section headed "Payment Schedule and Arrangements for the Consideration" below for further information.

Further information about the Performance Undertaking

According to the Individual Vendor Supplemental Agreement and the Incentive Platform Supplemental Agreement, the Performance Guarantors have undertaken that, in the event the actual performance of the Target Company for any year during the Performance Undertaking Period falls below the guaranteed performance, the Performance Guarantors shall compensate the Company in cash in accordance with the mechanism set out below.

Amount and basis of the guaranteed performance

Pursuant to the Equity Transfer Agreements, the Performance Guarantors have guaranteed that the Target Company's audited consolidated net profit attributable to its owners (net of non-recurring gains and losses and equity incentive expenses, if any) for the three financial years ending December 31, 2028 shall not be less than RMB130 million, RMB160 million and RMB190 million (the "**Guaranteed Performance**"), respectively, and shall not be less than RMB480 million in aggregate (the "**Cumulative Guaranteed Performance**").

The Guaranteed Performance was determined by the parties after arm's length negotiations with reference to, among other things, the development trends and expected growth trajectory of the industry in which the Target Company operates, the Target Company's historical financial and operating performance, existing business scale, customer base and order pipeline, operating conditions and future business prospects. In determining the Guaranteed Performance, the parties also took into account the Target Company's planned increase in resource investment, including its intended enhancement of sales and marketing capabilities, expansion of business development channels, introduction of professional and technical talent, and continued investment in product development and operational management, as well as the management's assessment of the Target Company's expected ability to achieve the relevant future performance targets.

Deduction mechanism

Following the issuance of the special audit report for each financial year during the Performance Undertaking Period, if the cumulative net profit achieved by the Target Company up to the end of any financial year is lower than the cumulative Guaranteed Performance, the Performance Guarantors shall compensate the Company in accordance with the following formula:

Compensation payable for that year = {(Guaranteed Performance up to the end of the relevant year – cumulative net profit achieved up to the end of the relevant year)/Cumulative Guaranteed Performance} × the aggregate pre-tax equity consideration receivable by the relevant Performance Guarantor under the Acquisition – cumulative compensation already paid (if any).

Pursuant to the Equity Transfer Agreements, the Performance Guarantors agree that the Company is entitled to receive such compensation in priority by deducting it from the equity consideration payable for that year. Where the equity consideration payable to any Performance Guarantor for that year is insufficient to cover the compensation amount, Mr. Ding as the founding shareholder shall make up the shortfall in cash; provided that any shortfall in the equity consideration payable to the holding platform for that year shall be made up in cash by the holding platform itself.

For the avoidance of doubt, compensation borne by the Performance Guarantors for any year shall not be refunded merely because the cumulative Guaranteed Performance is subsequently achieved during the Performance Undertaking Period.

The Performance Guarantors are jointly and severally liable for the performance compensation obligations and other related obligations under the Equity Transfer Agreements. Notwithstanding the foregoing, the Performance Guarantors' compensation obligations shall be capped at the aggregate after-tax equity consideration receivable by them under the Acquisition.

Annual Performance Compensation Procedures

During the Performance Undertaking Period, the Company shall, within 5 Business Days after the issuance of the special audit report for the Target Company for that year, determine whether the Performance Guarantors have triggered the performance compensation obligation in accordance with the formula set out above, calculate the compensation amount payable for that year, and notify the Performance Guarantors in writing.

The Performance Guarantors agree that, if the performance compensation obligation is triggered, the Company is entitled to deduct the compensation amount from the equity consideration payable to the Performance Guarantors for that year in priority.

If the cash compensation obligation is triggered, the Company shall notify the founding shareholders of the cash amount to be compensated within 5 Business Days of such event. The founding shareholders shall pay such cash compensation to a bank account designated by the Company within 15 Business Days of receiving such notice.

Except for force majeure, if any Performance Guarantor or founding shareholder (the "**Defaulting Party**") fails to fulfill the compensation obligation in full within the time limit set out in the Equity Transfer Agreements, the Defaulting Party shall pay to the Company a penalty calculated at 0.3‰ of the unpaid compensation amount for each day of delay. If such penalty is insufficient to compensate the Company for its losses, the Defaulting Party shall pay additional compensation to make up the shortfall.

For the avoidance of doubt, if the Company delays the payment of equity consideration, the Performance Guarantors shall still fulfill their compensation obligations in accordance with the prescribed timeline.

Excess Performance Award

If the Target Company's audited net profit for any year during the Performance Undertaking Period exceeds the Guaranteed Performance for that year, the Company shall pay Mr. Ding a cash award equal to 20% of the excess, subject to a cap of RMB30 million per year. If the aggregate of such awards over the three years exceeds 20% of the amount by which the cumulative net profit exceeds RMB480 million, the aggregate award shall instead be calculated as (the cumulative net profit for the three years – RMB480 million) × 20%, and shall in any event be capped at RMB90 million. The award, if any, shall be paid within 60 days after the special audit report for the final year is issued.

The excess performance reward ratio of 20% is the result of arm's length negotiations with Mr. Ding, aiming to stimulate the enthusiasm of the management team, achieve long-term alignment of interests between core personnel and the Company, and incentivize the Target Company to continue creating value. The cap of RMB30 million per year is to incentivize the management team to create incremental returns while preventing excessive distribution of excess returns, thereby managing the trading risks of the Company and protecting the interests of the Company and its shareholders.

As disclosed in the Acquisition Announcement, if Mr. Ding is removed as general manager of the Target Company, or loses operating management rights, for reasons attributable to the Company, he shall cease to be subject to the performance compensation obligations disclosed above, and the payment arrangements shall be adjusted accordingly, such that the Company shall pay him the remaining unpaid consideration in full within five Business Days of such event.

Other Commitment under the Supplemental Agreements

Under the Founder Supplemental Agreement, Mr. Ding, as the founding shareholder of the Target Company, has undertaken to purchase A shares of the Company on the secondary market in the amount of no less than RMB50.00 million through legal and compliant trading methods such as centralized competitive bidding and block trading in the secondary market. Save as otherwise prohibited by applicable laws or regulations or the applicable listing rules, Mr. Ding shall complete such A-share purchase within 12 months from the effective date of the Supplemental Agreements, and such purchased A shares shall be subject to a 12-month lock-up period from the date of completion of the purchase. All investment risks arising from or in connection with such A-share purchase shall be solely assumed and borne by Mr. Ding.

Payment Schedule and Arrangements for the Consideration

The consideration for the Acquisition is RMB840.00 million. The payment schedule and arrangements are as follows, subject to the deduction mechanism as disclosed under the Performance Undertaking above:

(a) The first instalment amounting to RMB497.11 million in aggregate, representing 59.18% of the total consideration, shall be payable within 10 Business Days after the execution and effectiveness of the relevant Equity Transfer Agreement and satisfaction of all conditions precedent, under which RMB364.84 million, RMB26.15 million, RMB72.26 million, RMB21.67 million and RMB12.19 million shall be payable to Mr. Ren, Mr. Chen, Ms. Wang, Suzhou Ruiyongying and Suanwang Investment, respectively.

(b) The second instalment amounting to RMB141.94 million in aggregate, representing 16.90% of the total consideration, shall be payable within 15 Business Days after completion of the relevant AMR registration procedures in respect of the equity transfer and amendments to the articles of association of the Target Company, under which RMB64.38 million, RMB17.43 million, RMB48.17 million, RMB3.82 million and RMB8.13 million shall be payable to Mr. Ren, Mr. Chen, Ms. Wang, Suzhou Ruiyongying and Suanwang Investment, respectively.

(c) The remaining instalments amounting to RMB200.95 million in aggregate, representing 23.92% of the total consideration, shall be payable only to Mr. Ren, and Suzhou Ruiyongying, within 15 Business Days after the issuance of the special audit report for each of the three financial years during the Performance Undertaking Period, as follows: (i) in respect of the special audit report for the financial year ending December 31, 2026, RMB61.32 million and RMB6.37 million shall be payable to Mr. Ren and Suzhou Ruiyongying, respectively; (ii) in respect of the special audit report for the financial year ending December 31, 2027, RMB61.32 million and RMB6.37 million shall be payable to Mr. Ren and Suzhou Ruiyongying, respectively; and (iii) in respect of the special audit report for the financial year ending December 31, 2028, RMB61.32 million and RMB4.25 million shall be payable to Mr. Ren and Suzhou Ruiyongying, respectively. If performance compensation is payable for the relevant year, the payment to Mr. Ren and Suzhou Ruiyongying for that year shall be reduced by the compensation amount payable by them.

Minimum Collection Requirements

The payment of each remaining instalment as set out in paragraph (c) of section "Payment Schedule and Arrangements for the Consideration" is conditional upon the Target Company achieving, for the relevant financial year, either (i) a collection rate of at least 85% of the revenue corresponding to that year's audited net profit, or (ii) actual cash collections of at least the revenue corresponding to that year's committed net profit (together, the "**Minimum Collection Requirement**"). For the purposes of (ii) above, "that year's committed net profit" refers to the net profit committed for the relevant financial year under the Performance Undertaking as described above, and the revenue corresponding to such committed net profit shall be determined by reference to the Target Company's audited net profit margin for that financial year, thereby determining the applicable minimum cash collection amount. If an instalment cannot be paid because the Minimum Collection Requirement is not met, the Performance Guarantors shall, during the Performance Undertaking Period, procure the Target Company to continue collection efforts in subsequent years until the Minimum Collection Requirement is satisfied, following which the Company shall pay the instalment within three Business Days. If, upon the expiry of two years following the end of the Performance Undertaking Period, the Minimum Collection Requirement remains unsatisfied for any relevant financial year, the Performance Guarantors shall make up the shortfall in cash to the Target Company, following which the Company shall pay the remaining consideration in full within three Business Days.

The parties have agreed to further clarify the calculation methodology for the Minimum Collection Rate and the Minimum Collection Amount as follows: assuming that "A" represents the Target Company's audited revenue from principal business for the relevant financial year; "B" represents the Target Company's audited actual net profit for the relevant financial year; "C" represents the committed net profit for the relevant financial year; and "D" represents the actual cash collections in respect of that financial year's revenue from principal business as of the collection assessment date, the Target Company shall be deemed to have satisfied the collection assessment criteria if either of the following conditions is met:

(a) $D \div A \geq 85\%$, i.e., the Target Company's actual cash collections ÷ audited revenue from principal business ≥ 85%; or

(b) $D \geq A \times C \div B$, i.e., by first calculating the Target Company's actual net profit margin for the relevant financial year ($B \div A$), the committed net profit is then converted into the corresponding revenue from principal business, being $C \div (B \div A) = A \times C \div B$, and then determining whether the actual cash collections (D) is not less than such amount.

Furthermore, in the event that any receivable cannot be recovered due to reasons beyond the subjective control of the Performance Guarantors, such as war, natural disasters or customer bankruptcy, or where any receivable has been confirmed as irrecoverable for other reasons and has already been recognised in the profit or loss of the Target Company during the Performance Undertaking Period, such receivable shall be excluded from the calculation of the Minimum Collection Rate and the Minimum Collection Amount assessment criteria.

COMPLIANCE WITH RULE 14.36B OF THE HONG KONG LISTING RULES

The Company confirms that it will comply with the disclosure requirements under Rule 14.36B of the Hong Kong Listing Rules in respect of the performance undertaking described above.

BASIS OF CONSIDERATION

Rationale for Adopting the EV/S Multiple

Value ratio refers to a "ratio multiple" between the value of an asset and its indicators of operating profitability, asset value, or other specific non-financial indicators. The commonly used value ratios include Price-to-Earnings (P/E) Ratio, Price-to-Book (P/B) Ratio, Price-to-Sales (P/S) Ratio, Enterprise Value-to-Sales (EV/S) Ratio, Enterprise Value-to-EBITDA (EV/EBITDA) Ratio and Enterprise Value-to-EBIT (EV/EBIT) Ratio.

The Target Company focuses on the research and development, manufacturing, and system integration of data centre infrastructure and key equipment. After years of research and development, it has built up an overseas customer base. The price-to-book (P/B) ratio is usually applicable to financial institutions or traditional heavy-asset industrial enterprises, and cannot fully reflect the value of intangible assets such as technology and customer networks that are not recorded on the books of the Target Company or the comparable listed companies. Accordingly, the value of its operating net assets cannot be reasonably estimated and the P/B ratio is therefore not adopted.

Given the significant fluctuations in the historical profit levels of both the Target Company and the comparable listed companies, profit-based indicators cannot reasonably reflect their valuation levels and development trends. Accordingly, it is not appropriate to adopt earnings-based multiples such as the P/E ratio, the EV/EBITDA ratio and the EV/EBIT ratio. The net profit attributable to the shareholders of the parent company (after deducting non-recurring gains and losses) and its growth rate for the Target Company and the comparable listed companies in the past five years are as follows:

Stock code	Company name	2021 *(RMB million)*	2022 *(RMB million)*	2023 *(RMB million)*	2024 *(RMB million)*	2025 *(RMB million)*
002335. SZ	Kehua Data Co., Ltd.	320.12	608.45	818.16	344.48	577.04
		/	90.07%	34.47%	-57.90%	67.51%
002364. SZ	Hangzhou Zhonhen Electric Co., Ltd.	69.22	-64.17	19.69	83.13	115.32
		/	-192.70%	N/M	322.19%	38.72%
002518. SZ	Shenzhen Kstar Science & Technology Co., Ltd.	322.84	246.71	463.02	284.54	385.00
		/	-23.58%	87.68%	-38.55%	35.31%
Target Company		/	/	/	77.71	204.84
		/	/	/	/	163.60%

Growth rates are shown as N/M where the comparator period recorded a loss and the current period recorded a profit, as the percentage change is not meaningful.

The key value drivers of the Target Company lie in self-designed solutions, overseas customer resources, and supply chain integration capabilities. Revenue-based multiples better capture the value premium generated by these key assets. In addition, as enterprise value mitigates the effect of differences in capital structure, the EV/S (enterprise value-to-sales) multiple is considered appropriate for this valuation.

Market Approach Valuation Process

The specific steps of the valuation under the market approach are as follows:

1. Reasons and basis for choosing the market approach

Two specific methods are commonly applied under the market approach: the listed company comparison method and the transaction case comparison method.

The listed company comparison method is a method of obtaining and analysing the operational and financial data of comparable listed companies, calculating their value ratios, and determining the value of the Target Company by comparing those ratios with those of the Target Company.

The transaction case comparison method is a method of obtaining and analysing data on acquisitions and mergers involving comparable enterprises, calculating the corresponding value ratios, and determining the value of the Target Company by comparing those ratios with those of the Target Company.

In the period before and after the valuation base date, the valuers were unable to obtain information on comparable transaction cases from public market channels. The transaction case comparison method was therefore not used in this valuation.

The Target Company operates in the power equipment industry. In the period before and after the valuation base date, there were listed companies with a business scope, scale of operations and development stage similar to those of the Target Company, and such companies were therefore highly comparable. The listed company comparison method was accordingly used for this valuation.

2. Screening comparable listed companies

Following its investigation, the valuers classified the Target Company under the Shenwan (SW) industry classification[1] of "Power Equipment – Other Power Equipment II – Other Power Equipment III", which comprises a total of 26 listed companies. The detailed list is set out below.

No.	**Stock code**	**Company name**	**Initial listing date**
1	002227. SZ	Autosun Electric SZ Inc.	2008-05-06
2	002335. SZ	Kehua Data Co., Ltd.	2010-01-13
3	002364. SZ	Hangzhou Zhonhen Electric Co., Ltd.	2010-03-05
4	002366. SZ	RongFa Nuclear Equipment Co., Ltd.	2010-03-12
5	002518. SZ	Shenzhen Kstar Science & Technology Co., Ltd.	2010-12-07
6	002851. SZ	Shenzhen Megmeet Electrical Co., Ltd.	2017-03-06
7	002951. SZ	Sichuan Jinshi Technology Co., Ltd.	2019-03-15
8	300153. SZ	Shanghai Cooltech Power Co., Ltd.	2010-12-29
9	300376. SZ	East Group Co., Ltd.	2014-01-27
10	300491. SZ	Shijiazhuang Tonhe Electronics Technologies Co., Ltd.	2015-12-31

1 The "Shenwan (SW) industry classification" refers to the industry classification system developed and maintained by Shenwan Hongyuan Research, which is a widely recognized sector classification standard in the Chinese capital market.

No.	Stock code	Company name	Initial listing date
11	300593. SZ	Beijing Relpow Technology Co., Ltd.	2017-01-13
12	300693. SZ	Shenzhen Sinexcel Electric Co., Ltd.	2017-08-22
13	300713. SZ	Shenzhen Increase Technology Co., Ltd.	2017-11-01
14	300820. SZ	Sichuan Injet Electric Co., Ltd.	2020-02-13
15	300870. SZ	Shenzhen Honor Electronic Co., Ltd.	2020-08-24
16	301157. SZ	Hangzhou Huasu Technology Co., Ltd.	2023-03-09
17	301516. SZ	Shenzhen VAPEL Power Supply Technology Co., Ltd.	2023-12-08
18	301590. SZ	Shenzhen UUGreenPower Co., Ltd.	2025-06-05
19	600212. SH	Gresgying Digital Energy Technology Co., Ltd.	1999-08-17
20	600405. SH	Beijing Dynamic Power Co., Ltd.	2004-04-01
21	600482. SH	China Shipbuilding Industry Group Power Co., Ltd.	2004-07-14
22	688411. SH	Beijing HyperStrong Technology Co., Ltd.	2025-01-27
23	688551. SH	Kewell Technology Co., Ltd.	2020-09-10
24	688719. SH	Xi'an ActionPower Electric Co., Ltd.	2023-09-28
25	920110. BJ	Zhuhai Ltech Technology Co., Ltd.	2022-12-06
26	002665. SZ	Shouhang High-Tech Energy Co., Ltd.	2012-03-27

As ST (special treatment) stocks are more likely to deviate significantly from their underlying value as a result of speculation and other market factors, such stocks are excluded from the pool of comparable companies. Where a listed company has been listed for only a short period of time, its share price may not fully reflect its fundamentals and may be driven more by market sentiment or IPO (initial public offering) premiums, resulting in distorted value ratios. Such companies are therefore excluded if they have been listed for less than three years. The detailed list of excluded companies is set out below.

No.	Stock code	Company name	Initial listing date	Reason for exclusion
1	002227. SZ	Autosun Electric SZ Inc.	2008-05-06	delisting risk warning (ST status)
2	002665. SZ	Shouhang High-Tech Energy Co., Ltd.	2012-03-27	delisting risk warning (ST status)
3	301516. SZ	Shenzhen VAPEL Power Supply Technology Co., Ltd.	2023-12-08	listed for less than three years
4	301590. SZ	Shenzhen UUGreenPower Co., Ltd.	2025-06-05	listed for less than three years
5	688411. SH	Beijing HyperStrong Technology Co., Ltd.	2025-01-27	listed for less than three years
6	688719. SH	Xi'an ActionPower Electric Co., Ltd.	2023-09-28	listed for less than three years

Based on the degree of correlation between the principal businesses of the remaining listed companies and those of the Target Company, the valuers selected those with a high degree of correlation and excluded those with a low degree of correlation. The detailed list of excluded companies is set out below.

No.	Stock code	Company name	Principal business	Reason for exclusion
1	002366. SZ	RongFa Nuclear Equipment Co., Ltd.	principally provides major technical equipment, high-tech components, high-end materials and technical services for the nuclear power, petrochemical, energy, metallurgy and national defence industries.	its products are mainly applied in the nuclear power, petrochemical, energy, metallurgy and national defence industries, and differ materially from the business of the Target Company.
2	002851. SZ	Shenzhen Megmeet Electrical Co., Ltd.	principally engaged in the conversion, automation control and application of electric energy.	its principal products are intelligent home-appliance electronic control products, industrial power supplies, and new-energy and rail-transit products, which differ materially from the business of the Target Company.
3	002951. SZ	Sichuan Jinshi Technology Co., Ltd.	principally engaged in the R&D, production, sale and technical services of energy storage systems and energy storage fire-safety systems.	its principal products are energy storage system equipment, hybrid energy storage series products, super-capacitor carbon and super-capacitors, and energy storage fire-fighting devices, which differ materially from the business of the Target Company.
4	300153. SZ	Shanghai Cooltech Power Co., Ltd.	principally engaged in the development, design, production and sale of generator-set products.	its principal product is environmentally friendly low-noise diesel generator sets, which differ materially from the business of the Target Company.
5	300376. SZ	East Group Co., Ltd.	principally engaged in the R&D, production and sale of UPS power supplies, data centres, photovoltaic product integration, NEV charging piles, energy storage and other products.	its products are mainly applied in new energy and energy storage businesses, which differ materially from the business of the Target Company.
6	300491. SZ	Shijiazhuang Tonhe Electronics Technologies Co., Ltd.	principally engaged in the R&D, production, sale and service of power-electronics products.	its principal products are power conversion products, smart-grid power supplies, customised power supplies and testing services, which differ materially from the business of the Target Company.

No.	Stock code	Company name	Principal business	Reason for exclusion
7	300593. SZ	Beijing Relpow Technology Co., Ltd.	principally engaged in the R&D, production and sale of high-efficiency, high-reliability, high power-density power supply products.	its principal products are integrated circuit (IC) products, power supply products and electric-drive motor products, which differ materially from the business of the Target Company.
8	300693. SZ	Shenzhen Sinexcel Electric Co., Ltd.	principally provides efficient and safe power assurance for high-end manufacturing, data centres, energy and rail transit, and provides core equipment and comprehensive solutions for energy-storage micro-grid systems, charging/swapping operations, and consumer and power battery manufacturers in the new energy field.	its products are mainly applied in EV charging piles, new-energy power conversion equipment, industrial supporting power supplies and battery formation and testing equipment, which differ materially from the business of the Target Company.
9	300713. SZ	Shenzhen Increase Technology Co., Ltd.	principally engaged in the R&D, production and sale of intelligent high-frequency switch-mode power supplies and related power-electronic products.	its products are mainly applied in EV charging power supplies, which differ materially from the business of the Target Company.
10	300820. SZ	Sichuan Injet Electric Co., Ltd.	principally engaged in the R&D, production and sale of industrial power equipment represented by power-control and special power supplies, as well as the R&D, production and sale of NEV charging piles/stations.	its principal products are power-control power supplies, special power supplies and NEV charging piles, which differ materially from the business of the Target Company.
11	300870. SZ	Shenzhen Honor Electronic Co., Ltd.	principally engaged in the R&D, production and sale of switch-mode power supplies.	its principal products are server power supplies and power adapters, which differ materially from the business of the Target Company.
12	301157. SZ	Hangzhou Huasu Technology Co., Ltd.	principally engaged in the R&D, production and sale of computing-infrastructure and energy-storage systems.	its principal product is backup battery management systems (BMS), which differ materially from the business of the Target Company.

No.	Stock code	Company name	Principal business	Reason for exclusion
13	600212. SH	Gresgying Digital Energy Technology Co., Ltd.	principally engaged in new-energy charging and energy storage, heavy-duty industrial drones, and dedicated railway-line transportation.	its business is mainly charging-pile sales and engineering construction, which differ materially from the business of the Target Company.
14	600405. SH	Beijing Dynamic Power Co., Ltd.	principally engaged in data communications, green mobility and new energy.	its principal products are communication power supplies, customised and module power supplies, and optical-storage related power supplies, which differ materially from the business of the Target Company.
15	600482. SH	China Shipbuilding Industry Group Power Co., Ltd.	principally engaged in seven types of power businesses — gas, steam, diesel, integrated electric, chemical, Stirling (hot-gas) and nuclear power (equipment) — together with electromechanical supporting businesses, and the R&D, manufacturing, system integration, sale and service of high-end power equipment.	its principal products are diesel power, chemical power, offshore platforms and marine machinery, which differ materially from the business of the Target Company.
16	688551. SH	Kewell Technology Co., Ltd.	principally engaged in three business segments — test power supplies, hydrogen energy and power semiconductors.	it is mainly engaged in the test power supply business, which differs materially from the business of the Target Company.
17	920110. BJ	Zhuhai Ltech Technology Co., Ltd.	principally engaged in the R&D, production and sale of intelligent power supplies and LED controller products.	its principal products are intelligent power supplies, LED controllers and smart-home devices, which differ materially from the business of the Target Company.

Based on the above screening, there are only three comparable listed companies that meet the criteria, as follows:

Stock code	Company name	Market capitalization *(RMB million)*	Enterprise value (before liquidity discount)[Note] *(RMB million)*	Revenue *(RMB million)*	EV/S ratio
002335. SZ	Kehua Data Co., Ltd.	31,770.12	30,439.01	8,374.00	3.63
002364. SZ	Hangzhou Zhonhen Electric Co., Ltd.	17,720.36	16,702.53	2,167.47	7.71
002518. SZ	Shenzhen Kstar Science & Technology Co., Ltd.	29,481.38	26,542.80	5,567.12	4.77

Note: Enterprise value = market capitalization – monetary funds – surplus assets + interest-bearing debt + minority shareholders' equity

3. The basic information of comparable companies is as follow:

(a) Kehua Data Co., Ltd.

The main business of Kehua Data Co., Ltd. covers three sectors, namely intelligent computing business, smart power and new energy. It provides "AI + digital energy" integrated solutions for the internet, finance, telecommunications, power and other industries. Kehua Data was listed on the Shenzhen Stock Exchange on 13 January 2010 under the stock code SZSE: 002335. Its main products include UPS power supplies, precision distribution cabinets, liquid-cooled cooling systems, photovoltaic inverters and energy storage systems, and its service network covers more than 100 countries and regions worldwide. The main financial information of Kehua Data is set out below:

	As of/for the year ended December 31, 2025 *(RMB million)*	As of/for the three months ended March 31, 2026 *(RMB million)*
Total assets	14,104.58	13,732.68
Total liabilities	7,558.70	7,101.30
Total equity	6,545.88	6,631.39
Total equity attributable to equity holders of Kehua Data Co., Ltd.	6,406.55	6,488.53
Revenue	8,160.26	1,430.06
Profit before taxation	433.79	70.78
Profit for the year	428.98	81.30
Profit for the year attributable to equity holders of Kehua Data Co., Ltd.	417.99	78.01

(b) Hangzhou Zhonhen Electric Co., Ltd.

The main business of Hangzhou Zhonhen Electric Co., Ltd. covers four major areas, namely green ICT infrastructure, new power systems, low-carbon transportation and comprehensive energy services. It provides integrated solutions of "power electronics + digitalisation + energy cloud" for intelligent computing centres, telecommunications operators, power grids and new energy vehicle enterprises. Zhonhen Electric was listed on the Shenzhen Stock Exchange on 5 March 2010 under the stock code SZSE: 002364. Its main products include HVDC power supplies for data centres, telecommunications power supplies, DC operating power supplies, precision distribution cabinets, energy storage systems and charging piles. It is one of the leading enterprises in the field of high-voltage DC power supply for data centres in the PRC. The main financial information of Zhonhen Electric is set out below:

	As of/for the year ended December 31, 2025 *(RMB million)*	**As of/for the three months ended March 31, 2026** *(RMB million)*
Total assets	4,236.92	4,508.02
Total liabilities	1,729.72	1,977.47
Total equity	2,507.20	2,530.55
Total equity attributable to equity holders of Hangzhou Zhonhen Electric Co., Ltd.	2,475.95	2,500.84
Revenue	2,137.23	418.40
Profit before taxation	129.82	20.99
Profit for the year	131.71	23.39
Profit for the year attributable to equity holders of Hangzhou Zhonhen Electric Co., Ltd.	126.37	24.94

(c) Shenzhen Kstar Science & Technology Co., Ltd.

The main business of Shenzhen Kstar Science & Technology Co., Ltd. covers four major fields, namely data centres, photovoltaic new energy, energy storage and charging piles. It provides global customers with integrated solutions of "smart energy + digital infrastructure". Kstar was listed on the Shenzhen Stock Exchange on 7 December 2010 under the stock code SZSE: 002518. Its main products include UPS power supplies, precision distribution cabinets, precision air conditioners, photovoltaic inverters, energy storage systems and charging piles. Its service network covers more than 80 countries and regions worldwide, and it is one of the leading enterprises in the field of smart energy in the PRC. The main financial information of Kstar is set out below:

	As of/for the year ended December 31, 2025 *(RMB million)*	As of/for the three months ended March 31, 2026 *(RMB million)*
Total assets	7,861.23	8,099.62
Total liabilities	2,946.65	3,033.51
Total equity	4,914.58	5,066.11
Total equity attributable to equity holders of Shenzhen Kstar Science & Technology Co., Ltd.	4,826.96	4,975.71
Revenue	5,270.26	1,240.29
Profit before taxation	723.28	159.83
Profit for the year	615.60	141.43
Profit for the year attributable to equity holders of Shenzhen Kstar Science & Technology Co., Ltd.	610.89	138.64

4. Selection of value ratios

Neither asset-based nor earnings-based value ratios are appropriate in the circumstances. Accordingly, the EV/S ratio was selected as the value ratio for this valuation.

5. EV/S Indicator Model

The total value of the shareholders' equity of the Target Company = the value of the Target Company's operating assets (EV) + monetary funds + surplus assets – minority shareholders' equity – interest-bearing debt

The value of the Target Company's operating assets (EV) = the Target Company's revenue (S) × the Target Company's EV/S ratio

In the above formulas, the EV/S ratio of the Target Company is the arithmetic mean of the adjusted EV/S ratios of the comparable listed companies (i.e. after applying the liquidity discount and the overall adjustment coefficient).

After applying the liquidity discount, the EV/S ratio of a comparable listed company = the EV of the comparable listed company/the revenue (S) of the comparable listed company

For the purposes of the EV/S indicator model, the "S" (revenue) of each comparable listed company represents its trailing twelve months ("**TTM**") revenue for the 12 months ended 31 March 2026, being the valuation base date.

The EV of a comparable listed company = the market capitalization of the comparable listed company × (1 – the corresponding market liquidity discount rate) + minority shareholders' equity + interest-bearing debt – monetary funds – surplus assets

6. Adjustment

(a) Liquidity discount

For the liquidity discount, the valuers applied the IPO pricing comparison method, which estimates the discount for lack of liquidity by reference to the difference between the issue price of new shares in IPOs of PRC listed companies and the trading price of such shares after listing.

Based on the classification of comparable companies under the Shenwan (SW) industry classification, the valuers analysed the relationship between the issue prices of new shares of 406 listed companies in the power equipment industry over the past three years and their share prices on the 90th and 180th days after listing. Excluding outliers where the discount rate was below -70%, the valuers determined the liquidity discount to be 32.08%.

(b) Differential adjustment

This valuation compares and analyses the potential differences between the Target Company and the comparable listed companies in four aspects — namely business structure and operating model (assessed together as a single factor), enterprise scale, customer concentration, and growth potential. Adjustments are made for these differences in order to improve the comparability between the comparable listed companies and the Target Company.

The adjustment process, adjustment factors, evaluation scores, and adjustment coefficients are as follows:

(i) Business structure and business model evaluation

		Adjustment factor			
All company names	**Business segment introduction**	**Business structure**	**Operating model**	**Evaluation score**	**Adjustment coefficient**[1]
Target Company	Data centre	Single	Independent production and outsourced manufacturing	100	/
Kehua Data Co., Ltd.	Intelligent computing business, smart power and new energy	Diversified	Independent production	105	0.9524
Hangzhou Zhonhen Electric Co., Ltd.	Data centres, communication operators, power grids, and new energy vehicle companies	Diversified	Independent production	105	0.9524
Shenzhen Kstar Science & Technology Co., Ltd.	Data centre, photovoltaic new energy, energy storage, and charging pile	Diversified	Independent production	105	0.9524

(ii) Enterprise scale evaluation

All company names	Number of employees	Operating revenue *(RMB million)*	Adjustment factor Enterprise scale	Evaluation score	Adjustment coefficient
Target Company	55	445.87	Small business	100	/
Kehua Data Co., Ltd.	3,903	8,374.00	Large business	105	0.9524
Hangzhou Zhonhen Electric Co., Ltd.	2,073	2,167.47	Large business	105	0.9524
Shenzhen Kstar Science & Technology Co., Ltd.	4,516	5,567.12	Large business	105	0.9524

(iii) Customer concentration evaluation

All company names	Adjustment factor Customer concentration (proportion of top five customers)	Evaluation score	Adjustment coefficient
Target Company	99.15%	100	/
Kehua Data Co., Ltd.	18.71%	105	0.9547
Hangzhou Zhonhen Electric Co., Ltd.	14.34%	105	0.9524
Shenzhen Kstar Science & Technology Co., Ltd.	23.38%	104	0.9572

As the evaluation scores set out in this table have been rounded to the nearest whole number for presentation purposes, whereas the adjustment coefficients have been calculated by reference to the unrounded scores, the coefficients shown may not correspond exactly to the rounded scores shown alongside them. This rounding has no material effect on the valuation conclusion.

(iv) Growth potential evaluation

All company names	Adjustment factor Growth potential	Evaluation score	Adjustment coefficient
Target Company	Better	100	/
Kehua Data Co., Ltd.	General	95	1.0526
Hangzhou Zhonhen Electric Co., Ltd.	General	95	1.0526
Shenzhen Kstar Science & Technology Co., Ltd.	General	95	1.0526

In accordance with the adjustment procedures set forth above, this valuation has only taken into account adjustments in respect of business structure and operating model (assessed together as a single factor), enterprise scale, customer concentration, and growth potential. The final comparability adjustment coefficient is derived by multiplying the adjustment coefficients attributable to each of the aforementioned factors.

Overall adjustment coefficient = business structure and operating model adjustment coefficient × enterprise scale adjustment coefficient × customer concentration adjustment coefficient × growth potential adjustment coefficient

(v) The results of the adjustment coefficients

	Adjustment coefficient				
All company names	**Business structure and operating model**	**Enterprise scale**	**Customer concentration (proportion of top five customers)**	**Growth potential**	**Overall Adjustment Coefficient**
Kehua Data Co., Ltd.	0.9524	0.9524	0.9547	1.0526	0.9115
Hangzhou Zhonhen Electric Co., Ltd.	0.9524	0.9524	0.9524	1.0526	0.9093
Shenzhen Kstar Science & Technology Co., Ltd.	0.9524	0.9524	0.9572	1.0526	0.9139

The adjustment coefficients in the table above are the four individual adjustment coefficients set out in the tables in paragraphs 1) to 4) above, and the overall adjustment coefficient shown in the last column is the product of those four individual adjustment coefficients.

To determine the adjusted EV/S ratio, the valuers applied the following formulas:

Enterprise value = market capitalization × (1 – liquidity discount) – monetary funds – surplus assets + interest-bearing debt + minority shareholders' equity

Adjusted EV/S ratio = the EV/S ratio of each comparable listed company × its overall adjustment coefficient

The calculation of enterprise value (after applying the liquidity discount) is set out in the table below:

No.	**Company name**	**Equity value (market capitalisation)**	**Liquidity discount**	**Monetary funds**	**Interest-bearing debt**	**Minority interests**	**Surplus assets**	**Enterprise value (after liquidity discount)**
		①	②	③	④	⑤	⑥	①*(1-②)-③+④+⑤-⑥
		(RMB million)		*(RMB million)*	*(RMB million)*	*(RMB million)*	*(RMB million)*	*(RMB million)*
1	Kehua Data Co., Ltd.	31,770.12	32.08%	669.31	1,406.40	142.85	2,211.06	20,247.46
2	Hangzhou Zhonhen Electric Co., Ltd.	17,720.36	32.08%	595.62	228.77	29.70	680.69	11,018.01
3	Shenzhen Kstar Science & Technology Co., Ltd.	29,481.38	32.08%	293.10	287.61	90.41	3,023.50	17,085.46

The calculation of the adjusted EV/S ratio is set out below:

All company names	Enterprise value (after liquidity discount) *(RMB million)*	Revenue *(RMB million)*	EV/S ratio	Overall adjustment coefficient	Adjusted EV/S ratio
Kehua Data Co., Ltd.	20,247.46	8,374.00	2.42x	0.9115	2.21x
Hangzhou Zhonhen Electric Co., Ltd.	11,018.01	2,167.47	5.08x	0.9093	4.62x
Shenzhen Kstar Science & Technology Co., Ltd.	17,085.46	5,567.12	3.07x	0.9139	2.81x

7. Value of surplus and non-operating assets

Based on the analysis, the surplus and non-operating assets held by the Target Company as at the valuation base date comprise trading financial assets, long-term equity investments, deferred tax assets and deferred tax liabilities, with an aggregate appraised value of RMB39.65 million. Details are set out in the table below:

No.	Account	Book value *(RMB million)*	Appraised value *(RMB million)*
1	Trading financial assets	9.02	9.02
2	Long-term equity investments	30.43	29.89
3	Deferred tax assets	1.06	1.05
4	**Total surplus and non-operating assets**	**40.51**	**39.96**
5	Deferred tax liabilities	0.31	0.31
6	**Total surplus and non-operating liabilities**	**0.31**	**0.31**
7	**Net surplus and non-operating assets**	**40.20**	**39.65**

monetary funds and surplus assets = value of monetary funds + surplus assets

8. Calculation of valuation result

The following table summarizes the calculation of the appraised market value of a 100% equity interest in the Target Company under the market approach:

Item	Amount/multiple
Average adjusted EV/S ratio of the comparable listed companies	3.21x
Operating revenue of the Target Company in 2025	RMB445.9 million
Enterprise value of the Target Company	RMB1,431.3 million
Add: monetary funds and surplus assets	RMB77.5 million
Less: interest-bearing debt and minority shareholders' equity	Nil
Appraised market value of a 100% equity interest in the Target Company	**RMB1,509.00 million**

For reference, the book value of the shareholders' equity of the Target Company as at the valuation base date (31 March 2026) was RMB287.44 million, and the appraised value represented an appreciation of RMB1,221.56 million, or an appreciation rate of 424.98%.

Key Inputs and Computation Process under the Asset-Based Approach

1. Set out below is the financial information of the Target Company as at 31 March 2026:

	As at 31 March 2026	
	Book value *(RMB million)*	Appraised value *(RMB million)*
Current assets	226.80	228.30
Non-current assets	38.03	71.55
– Long-term equity investments	30.43	29.89
– Fixed assets	2.80	3.30
– Intangible assets	1.55	35.11
– Other non-current assets not listed above	3.25	3.24
Total assets	264.84	299.85
Current liabilities	26.29	26.29
Non-current liabilities	0.34	0.34
Total liabilities	26.63	26.63
Net assets (Owners' equity)	238.20	273.22

2. Current assets

As of March 31, 2026, the book value of the Target Company's current assets was RMB226.8 million, and the appraised value was RMB228.3 million.

Current assets include monetary funds, trading financial assets, notes receivable, accounts receivable, accounts receivable financing, prepayments, other receivables, inventory, contract assets, and other current assets.

For monetary funds, trading financial assets, notes receivable, accounts receivable, accounts receivable financing, prepayments, other receivables, contract assets, and other current assets, the valuers investigated, verified the reasons for their formation and determined the appraised value based on the verified book value.

The appraised appreciation of inventory is RMB1.5 million. For finished goods and goods in transit (dispatched goods), the appraised value is determined by deducting taxes and surcharges, selling expenses and a profit margin (determined by reference to the marketability of the products) from the tax-exclusive selling price.

3. Non-current assets

As of March 31, 2026, the book value of the non-current assets of the Target Company amounted to RMB38.03 million and the appraised value amounted to RMB71.55 million.

Non-current assets comprise long-term equity investments, fixed assets, right-of-use assets, intangible assets, long-term prepaid expenses and deferred tax assets.

The primary reason for the increase in non-current assets is the inclusion of the unrecorded intangible assets held by the Target Company, which were valued using the cost approach. Those intangible assets primarily consist of patents developed through internal research and development. Although these patents were not recognised in the book value because the related expenses had been expensed in prior periods, their appraised value is RMB32.71 million.

The valuers verified the research and development ("**R&D**") accounts, material contracts and payment vouchers, and interviewed R&D personnel to obtain information on the R&D process, technological advancement and expected useful life. For this valuation, the actual historical R&D costs were aggregated, including labour costs and material costs. Adjustments were made to those costs, taking into account a reasonable developer's profit margin (determined with reference to the prevailing profitability levels and risk profile of the information technology services industry in the PRC) and the related cost of capital, which was calculated based on a reasonable development period and the prevailing Loan Prime Rate (LPR) published by the National Interbank Funding Centre as at the valuation base date.

The fixed assets include electronic equipment and vehicles, with an appraisal increase of RMB0.5 million. Based on the characteristics and actual situation of the assets being valued, combined with the materials provided by the Target Company, the data held by the valuers, and on-site inspections, the valuers decided to adopt the cost approach as the main method for this valuation. This method involves calculating the replacement cost of the assets being valued on the valuation base date and deducting depreciation (3-15 year straight-line depreciation).

Valuation = replacement cost × overall newness rate
The deferred tax assets recorded an appraisal decrease of RMB0.01 million, and the long-term equity investments recorded an appraisal decrease of RMB0.54 million.

4. Current liabilities

The appraised value of total current liabilities is RMB26.29 million, being equal to its carrying amount.

5. Non-current liabilities

The appraised value of total non-current liabilities is RMB0.34 million, being equal to its carrying amount.

Analysis of the Differences between the Valuation Results and the Reasons for the Appreciation

Under the market approach, the value of the equity attributable to the parent company was determined to be RMB1,509.00 million, which is RMB1,235.78 million higher than the net asset value of RMB273.22 million determined under the asset-based approach, representing a difference of 452.31%. The main reason for the difference between the results of the two valuation methods is as follows:

The asset-based approach adopts the replacement cost of assets as the basis of value, which reflects the cost of acquiring and constructing those assets. Such cost generally changes with the macroeconomic environment, but cannot reflect the core competitiveness derived from intangible resources such as management, talent teams and customer resources of the Target Company.

The market approach estimates the value of the Target Company by reference to market transactions in the same or similar industries, and reflects the value of the enterprise in the open market under normal arm's length trading conditions. This method is affected by the selection of comparable companies and the related adjustments.

In summary, these factors give rise to the differences between the results of the two valuation methods.

Selection of Valuation Results

The asset-based approach adopts the replacement cost of assets as the basis of value, which makes it difficult to reflect the core competitiveness derived from intangible resources such as management, talent teams and customer resources that are not recorded in the books of the Target Company. Although the market approach is more susceptible to market and industry volatility, and the business segments and asset structure of the Target Company differ from those of the comparable listed companies, it reflects the investment preferences of capital market investors in the industry in which the Target Company operates. Accordingly, the result derived under the market approach is adopted as the final valuation conclusion.

Rationale for Adopting the Market Approach as the Final Valuation Conclusion

The Target Company is a supplier of data centre infrastructure products and solutions, focusing on the research, development, manufacturing and system integration of data centre infrastructure and key equipment. Its core products include server cabinets, PDUs, busways and low-voltage power distribution equipment, and it is a nationally recognised high-tech enterprise. In recent years, the Target Company has been deeply engaged in the data centre infrastructure field. Drawing on the solution-design experience, customer service capabilities and sales channel resources it has accumulated in this field, it has participated in the construction of a number of data centre projects, established stable cooperative relationships with certain customers, and developed the capability to serve major customers.

The market approach relies on the mature valuation framework of the capital markets, listed companies comparable to the Target Company, and publicly available, transparent and reliable data, and can therefore reflect the overall value of the Target Company in a more comprehensive and intuitive manner from the perspectives of its operating performance, core strengths and overall market performance.

Although the asset-based approach has valued the technological intangible assets, it did not separately assess other significant but difficult-to-identify intangible resources of the Target Company, such as the advantages of its product system, technical R&D capability, customer resources, brand, product quality, industry experience and operation and management model. The potential value embedded in these intangible assets is not reflected in the asset-based approach result. Compared with the asset-based approach, the market approach reflects the overall value of the Target Company in a more comprehensive manner.

Against the macro backdrop of the accelerating evolution of the global digital economy, the explosive growth in computing-power demand driven by AI large models, and the green and intensive transformation of traditional infrastructure, data centre infrastructure — as the core physical foundation carrying computing-power production, transmission, storage and scheduling — has become a fundamental and strategic industry supporting the development of China's digital economy, the implementation of the "East Data, West Computing" national strategy and the cultivation of new quality productive forces. In recent years, the State has successively introduced the "Overall Layout Plan for the Construction of a Digital China", the "Three-Year Action Plan for the Development of New Data Centres (2021-2023)", the "High-Quality Development Action Plan for Computing Infrastructure" and the implementation plan for the "East Data, West Computing" project, promoting the high-quality development of the data centre infrastructure industry in an all-round manner, from top-level planning to regional coordination and from energy-efficiency constraints to computing-power scheduling. Driven by both policy guidance and market demand, the number of domestically listed companies related to data centres and computing infrastructure has grown steadily in recent years, the scale of infrastructure investment has continued to expand, and the valuation logic, asset pricing and value judgement of the capital markets have become increasingly mature.

The market approach is based on the real-time public market value performance and financial information of comparable companies in the same sub-segment as the Target Company in the capital markets. It can reflect, over a period of time, investors' investment preference for, and value judgement on, the sub-segment in which the Target Company operates. The market approach result can more objectively reflect the market's recognition of the value of the Target Company and the valuation level under fair trading conditions in the current industry-policy and market environment, and is readily understood and accepted by market investors.

In summary, the market approach result can reflect the overall value of the Target Company in a more comprehensive and intuitive manner, and can better reflect investors' recognition of the Target Company's value under the current policy and market environment. It is therefore reasonable to adopt the market approach result as the basis for determining the transaction price.

Process for Determining the Transaction Price

Pursuant to mutual consultation and agreement among all parties to the transaction, the transaction price for this acquisition is determined on the basis of the appraised value of RMB1,500.00 million attributable to the total shareholders' equity of the Target Company as at the valuation base date, being a rounded figure agreed between the parties. The market approach appraised value of the Target Company's total equity interest as at the valuation base date was RMB1,509.00 million (as set out in the market approach valuation conclusion above), and the difference of RMB9.00 million represents rounding agreed in the course of the parties' negotiations and does not affect the determination of the transaction price. Following the valuation base date, the Target Company declared a dividend distribution of RMB100.00 million, which is attributable to and shall be distributed to the original shareholders of the Target Company; accordingly, the overall valuation of the Target Company has been adjusted to RMB1,400.00 million.

This transaction is based on the appraised value. The consideration for the transfer of a 60% equity interest has been jointly determined as RMB840.00 million, which does not exceed the appraised value of the corresponding equity interest as determined under the market approach as mentioned above.

The Scope of Work Performed by the Valuers, Any Limitation Thereon and the Reasons for Such Limitation

The scope of work includes obtaining historical financial information of the Target Company, researching relevant industries, identifying and analysing comparable listed companies, obtaining publicly available financial data of comparable listed companies on the Hong Kong Stock Exchange and other stock exchanges, conducting comparative analysis, and making appropriate adjustments for differences between the Target Company and selected comparable companies based on the market approach.

The scope of work for this valuation is subject to the following limitations: (i) the valuers did not audit the financial information provided by the management of the Target Company; (ii) the valuers did not conduct comprehensive legal, tax or commercial due diligence and relied solely on the information provided; and (iii) the valuation takes into account only information available as at the valuation base date and does not take into account any subsequent events.

These limitations arise because the engagement was conducted on a limited-scope basis for the purposes of the Listing Rules and was constrained by the transaction timetable, and because the valuers were not granted access to detailed non-public information. The market approach relies on publicly available market data, and the selected comparable listed companies may not be entirely identical to the Target Company in all respects. Such inherent limitations are typical of the market approach and have been addressed through appropriate adjustments and analysis.

The Nature and Source of Information Relied Upon

In applying the market approach, the valuers relied upon certain financial and market information. The nature and sources of such information are set out below: (i) financial information provided by the management of the Target Company; (ii) publicly available financial disclosures of the comparable listed companies obtained from The Stock Exchange of Hong Kong Limited and other stock exchanges; and (iii) publicly released industry research reports.

The Identity, Qualifications and Independence of the Valuers

The valuation report was signed by Ms. Liu Wei (劉薇) and Ms. Lou Yanting (婁燕婷), both of whom are qualified practising members of the China Appraisal Society. The valuation complies with the professional ethics standards of the China Appraisal Society, and the valuers are independent of the Company, the Target Company and their respective connected persons.

Validity Period of the Valuation Conclusion

The valuation result is valid for one year from the valuation base date, i.e. from 31 March 2026 to 30 March 2027. Upon expiry of such one-year period, a new valuation shall be conducted. The use of the asset valuation report is subject to the completion of the supervisory and administrative procedures required by the applicable laws and regulations on asset valuation.

By order of the Board
Shanghai Longcheer Technology Co., Ltd.
上海龍旗科技股份有限公司
Mr. DU Junhong
Chairman and Executive Director

Hong Kong, September 18, 2026

As of the date of this announcement, the Board comprises: (i) Mr. DU Junhong, Mr. GE Zhengang, Mr. GUAN Yadong and Ms. QIN Yanling as executive Directors; and (ii) Dr. SHEN Jianxin, Mr. YANG Chuan and Dr. NIU Shuangxia as independent non-executive Directors.