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SMIT HOLDINGS LIMITED

國微控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2239)

**MAJOR TRANSACTIONS IN RELATION TO
THE SUBSCRIPTION IN THE TARGET COMPANY BY WAY OF
SHARE SWAP**

THE AGREEMENT

The Board is pleased to announce that on 13 October 2026, the Target Company, the S2C Subscribers (including S2C Holding), the Target Company Key Shareholders and the Other Subscribers have entered into the Agreement, pursuant to which (i) the S2C Subscribers have conditionally agreed to subscribe for, and the Target Company has conditionally agreed to issue, the S2C Target Capital, at a consideration of approximately RMB1,223.1 million to be satisfied by the injection of their respective portions of the S2C Swap Capital into the Target Company; and (ii) the Other Subscribers have conditionally agreed to subscribe for an aggregate registered capital of RMB22,834,623 of the Target Company at a consideration of RMB518.15 million.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the subscription of the Relevant Target Capital by S2C Holding are more than 25% but less than 100%, the subscription of the Relevant Target Capital by S2C Holding constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and Shareholders' approval requirements under the Listing Rules.

Furthermore, the injection of the Relevant S2C Capital into the Target Company is considered as a disposal by the Group under Chapter 14 of the Listing Rules. As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the injection of the Relevant S2C Capital into the Target Company are more than 25% but less than 75%, the injection of the Relevant S2C Capital into the Target Company constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and Shareholders' approval requirements under the Listing Rules.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, no Shareholders or any of their respective associates have any material interest in the Transaction. Thus, no Shareholders are required to abstain from voting in favour of the resolution approving the Transaction.

As at the date of this announcement, New Kingdom and Mr. Huang, hold 184,207,777 and 5,708,624 Shares respectively, representing a total of approximately 58.45% of the entire issued share capital of the Company. New Kingdom is a company wholly-owned by Mr. Huang. Hence, New Kingdom and Mr. Huang are a closely allied group of shareholders of the Company for the purpose of Rule 14.44 of the Listing Rules.

The Company proposes to obtain written approval for the Transaction in accordance with Rule 14.44 of the Listing Rules from each of New Kingdom and Mr. Huang as Shareholders. Accordingly, no extraordinary general meeting of the Company will be convened for the purpose of approving the Transaction.

A circular containing, among other things, further details of the Transaction and such other information as required under the Listing Rules is expected to be despatched to the Shareholders within 15 business days after the publication of this announcement.

SHAREHOLDERS AND POTENTIAL INVESTORS OF THE COMPANY SHOULD BE AWARE THAT THE TRANSACTION IS SUBJECT TO A NUMBER OF CONDITIONS BEING SATISFIED, AND CONSEQUENTLY THE TRANSACTION MAY OR MAY NOT PROCEED. ACCORDINGLY, SHAREHOLDERS AND POTENTIAL INVESTORS ARE ADVISED TO EXERCISE CAUTION WHEN THEY DEAL OR CONTEMPLATE DEALING IN THE SHARES OR OTHER SECURITIES (IF ANY) OF THE COMPANY.

INTRODUCTION

The Board is pleased to announce that on 13 October 2026, the Target Company, the S2C Subscribers (including S2C Holding), the Target Company Key Shareholders and the Other Subscribers have entered into the Agreement, pursuant to which (i) the S2C Subscribers have conditionally agreed to subscribe for, and the Target Company has conditionally agreed to issue, the S2C Target Capital, at a consideration of approximately RMB1,223.1 million to be satisfied by the injection of their respective portions of the S2C Swap Capital into the Target Company; and (ii) the Other Subscribers have conditionally agreed to subscribe for an aggregate registered capital of RMB22,834,623 of the Target Company at a consideration of RMB518.15 million.

THE AGREEMENT

The principal terms of the Agreement are set out as follows:

Date:

13 October 2026 (after trading hours)

Parties:

- (i) the Target Company as the issuer;
- (ii) S2C Shanghai;
- (iii) S2C Holding as one of the S2C Subscribers;
- (iv) the other S2C Subscribers;
- (v) Target Company Key Shareholders; and
- (vi) the Other Subscribers

Subject matter

As at the date of this announcement, S2C Holding holds a 13.75% equity interest in S2C Shanghai and the other S2C Subscribers hold an aggregate 72.60% equity interest in S2C Shanghai.

Share Swap by the S2C Subscribers

Pursuant to the Agreement, the S2C Subscribers have conditionally agreed to subscribe for, and the Target Company has conditionally agreed to issue, the S2C Target Capital, at a consideration of approximately RMB1,223.1 million to be satisfied by the injection of their respective portions of the S2C Swap Capital into the Target Company, representing in aggregate approximately 86.35% equity interest in S2C Shanghai.

This includes S2C Holding's proposed injection of its approximately 13.75% equity interest in S2C Shanghai (i.e. the Relevant S2C Capital) into the Target Company as consideration to subscribe for the registered capital of RMB8,582,990 of the Target Company (i.e. the Relevant Target Capital), representing an approximately 10.12% equity interest in the Target Company immediately after the Share Swap Completion and an approximately 7.98% equity interest in the Target Company immediately after the completion of the Capital Injection.

Capital Injection by the Other Subscribers

Pursuant to the Agreement, the Other Subscribers have conditionally agreed to subscribe for registered capital of RMB22,834,623 of the Target Company at an aggregate consideration of RMB518.15 million. Other than Wuxi Xidong, the consideration payable by the Other Subscribers will be settled by cash. The consideration payable by Wuxi Xidong will be offset by the equivalent amount of receivable of Wuxi Xidong from the Target Company.

Consideration

The consideration of approximately RMB194.8 million for the subscription of the Relevant Target Capital by S2C Holding, which will be settled by S2C Holding's injection of the Relevant S2C Capital into the Target Company was determined proportionally based on the subscription price payable by all the S2C Subscribers and the Other Subscribers, and the value of S2C Swap Capital to be injected into the Target Company by the S2C Subscribers as part of the Share Swap.

The subscription price of RMB22.69 per RMB1 of registered capital of the Target Company and the value of the S2C Swap Capital were arrived at after arm's length negotiations between the Group, the other S2C Subscribers, the Other Subscribers and the Target Company after taking into account, among other things, the current operation results and future business plans of the Target Company and S2C Shanghai. The Group

also took into consideration (i) the appraised value of the entire equity interest of the Target Company of RMB695,994,000 conducted by FVA Advisory Limited, an independent valuer commissioned by the Group (the “**Valuer**”); and (ii) the appraised value of the entire equity interest of S2C Shanghai of RMB1,420,866,000 conducted by the Valuer. For details of the valuations of the Target Company and S2C Shanghai, please refer to Appendices I and II to this announcement.

Conditions Precedent to the Share Swap

Completion of the Share Swap is conditional upon (i) all conditions applicable to the Target Company (the “**Target Company Conditions Precedent**”) being satisfied or waived in writing by the S2C Subscribers; and (ii) all conditions applicable to the S2C Subscribers (the “**S2C Subscribers Conditions Precedent**”) being satisfied or waived in writing by the Target Company, provided that the S2C Subscribers Condition Precedent set out in paragraph (d) of the section headed “The Agreement – Conditions Precedent to the Share Swap – S2C Subscribers Conditions Precedent” may not be waived.

Target Company Conditions Precedent

The Target Company Conditions Precedent are as follows:

- (a) the shareholders’ meeting and board of directors of the Target Company having duly passed resolutions to approve: (A) the Transaction; (B) the existing shareholders of the Target Company waiving their pre-emptive rights, anti-dilution rights and other similar rights (if any) in respect of the new registered capital to be issued to the S2C Subscribers and the Other Subscribers pursuant to the Transaction; (C) the Target Company executing the Agreement and all other transaction documents; (D) the reorganization of the board of directors and senior management of the Target Company; and (E) the subsequent transaction arrangements contemplated under the Agreement;
- (b) the Target Company Key Shareholders having duly executed all Transaction Documents including the Agreement;
- (c) the Target Company Key Shareholders having performed and complied with any covenants and obligations under the Agreement required to be performed or complied with by them on or before the Share Swap Completion Date;

- (d) each of the representations and warranties given by the Target Company and the Target Company Key Shareholders under the Agreement remaining true, accurate and complete in all material respects as at the date of signing of the Agreement and the Share Swap Completion Date;
- (e) as at the Share Swap Completion Date: (A) no governmental authority having jurisdiction having commenced or threatened any action or proceeding against the Target Group, the Target Company Key Shareholders or the Transaction that would restrict or prohibit the completion of any transaction contemplated under the Agreement; and (B) no governmental authority having jurisdiction having enacted, issued, promulgated, enforced or adopted any law, regulation, rule or policy that would make the Agreement illegal in whole or in part;
- (f) as at the Share Swap Completion Date, save for the business registration changes contemplated under the Agreement and the valuation adjustment business registration, the Target Company Key Shareholders having obtained or completed all consents, permits, approvals, orders, authorizations, registrations, qualifications, designations, filings or acknowledgements from any governmental authority or third party required in connection with the transactions contemplated under the Agreement, and such consents, permits, approvals, orders, authorizations, registrations, qualifications, designations, filings or acknowledgements remaining valid as at Share Swap Completion;
- (g) as at the Share Swap Completion Date, no event having occurred or reasonably expected to occur that would have a material adverse effect on the Target Group or the Transaction;
- (h) the Target Company and the Target Company Key Shareholders having delivered a completion confirmation letter in the form and substance set out in the Agreement confirming satisfaction of the Target Company Conditions Precedent.

S2C Subscribers Conditions Precedent

The S2C Subscribers Conditions Precedent are as follows:

- (a) the S2C Subscribers having duly executed all Transaction Documents including the Agreement;

- (b) the S2C Subscribers having performed and complied with any covenants and obligations under the Agreement required to be performed or complied with by them on or before the Share Swap Completion Date;
- (c) each of the representations and warranties given by S2C Shanghai under the Agreement remaining true, accurate and complete in all material respects as at the date of signing of the Agreement and the Share Swap Completion Date;
- (d) with respect to S2C Holding, the Company having obtained shareholders' approval by voting at a shareholders' meeting or written approval in accordance with the requirements of the Listing Rules in respect of the Transaction. For the avoidance of doubt, failure to satisfy this condition shall only affect the satisfaction of the S2C Subscribers Conditions Precedent in respect of S2C Holding and shall not affect satisfaction of the S2C Subscribers Conditions Precedent in respect of other S2C Subscribers;
- (e) as at the Share Swap Completion Date: (A) no governmental authority having jurisdiction having commenced or threatened any action or proceeding against the S2C Shanghai Group, the S2C Subscribers or the Transaction that would restrict or prohibit the completion of any transaction contemplated under the Agreement; and (B) no governmental authority having jurisdiction having enacted, issued, promulgated, enforced or adopted any law, regulation, rule or policy that would make the Agreement illegal in whole or in part;
- (f) as at the Share Swap Completion Date, the S2C Subscribers having obtained or completed all consents, permits, approvals, orders, authorizations, registrations, qualifications, designations, filings or acknowledgements from any governmental authority or third party required in connection with the transactions contemplated under the Agreement, and such consents, permits, approvals, orders, authorizations, registrations, qualifications, designations, filings or acknowledgements remaining valid as at Share Swap Completion;
- (g) as at the Share Swap Completion Date, no event having occurred or reasonably expected to occur that would have a material adverse effect on the S2C Shanghai Group or the Transaction;
- (h) S2C Shanghai and the S2C Subscribers having delivered a completion confirmation letter in the form and substance set out in the Agreement confirming satisfaction of the S2C Subscribers Conditions Precedent.

Any S2C Subscribers Condition Precedent waived by the Target Company shall, unless otherwise agreed, constitute an obligation of the S2C Subscribers to be performed promptly after the Share Swap Completion. Any Target Company Condition Precedent waived by the S2C Subscribers shall, unless otherwise agreed, constitute an obligation of the Target Company to be performed promptly after the Share Swap Completion.

If the Conditions Precedent are not satisfied (or waived, as applicable) within 90 days of the date of the Agreement (or, in the case of the S2C Subscribers Condition Precedent set out in paragraph (d) above, within 120 days of the date of the Agreement), or such later date as may be agreed by the parties in writing, any party shall be entitled to terminate the Transaction and the Agreement, provided that each of the Other Subscribers may only terminate the part of the Agreement relating to its own participation in the Capital Injection.

Completion

Upon fulfilment or waiver of all the Target Company Conditions Precedent and S2C Subscribers Conditions Precedent, the Share Swap Completion shall take place on the Share Swap Completion Date.

Completion of the Capital Injection is subject to fulfilment or waiver of the conditions precedent applicable to the Other Subscribers, which includes, among other things, the Share Swap Completion. Completion of the Capital Injection shall take place on the date of payment of the consideration for the Capital Injection by the Other Subscribers.

INFORMATION ON THE PARTIES TO THE AGREEMENT

S2C Holding

S2C Holding is a company incorporated in the British Virgin Islands with limited liability. Its principal function is investment holding. As at the date of this announcement, the Company holds approximately 97.50% interest in S2C Holding.

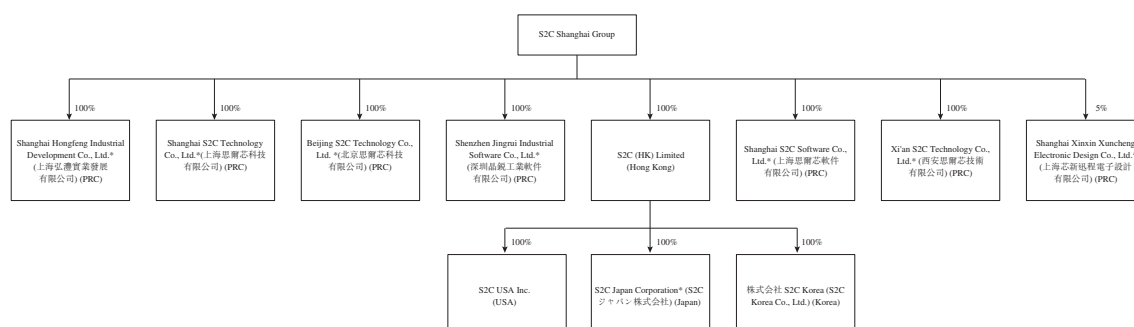
S2C Shanghai

S2C Shanghai is a joint stock company established under the laws of the PRC with limited liability. S2C Shanghai Group is a provider of EDA and rapid verification solutions.

Immediately prior to the Share Swap Completion, S2C Shanghai is held as to approximately 13.75% by S2C Holding and 16 other shareholders, each holding less than 30% interest.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, other than S2C Holding, the shareholders of S2C Shanghai and their respective ultimate beneficial owners are Independent Third Parties.

Set out below is the corporate structure of S2C Shanghai Group as at the date of this announcement:



* for identification purposes only

Consolidated Financial Information on S2C Shanghai Group

The following are the consolidated financial information on S2C Shanghai Group for the two years ended 31 December 2024 and 2025 in accordance with the PRC GAAP:

	Audited For the year ended 31 December 2024 <i>US\$'000</i>	Audited For the year ended 31 December 2025 <i>US\$'000</i>
Loss before taxation	(29,924)	(22,622)
Loss after taxation	(29,922)	(22,630)

The unaudited net asset value of S2C Shanghai Group as at 30 June 2026 was approximately RMB197,562,000.

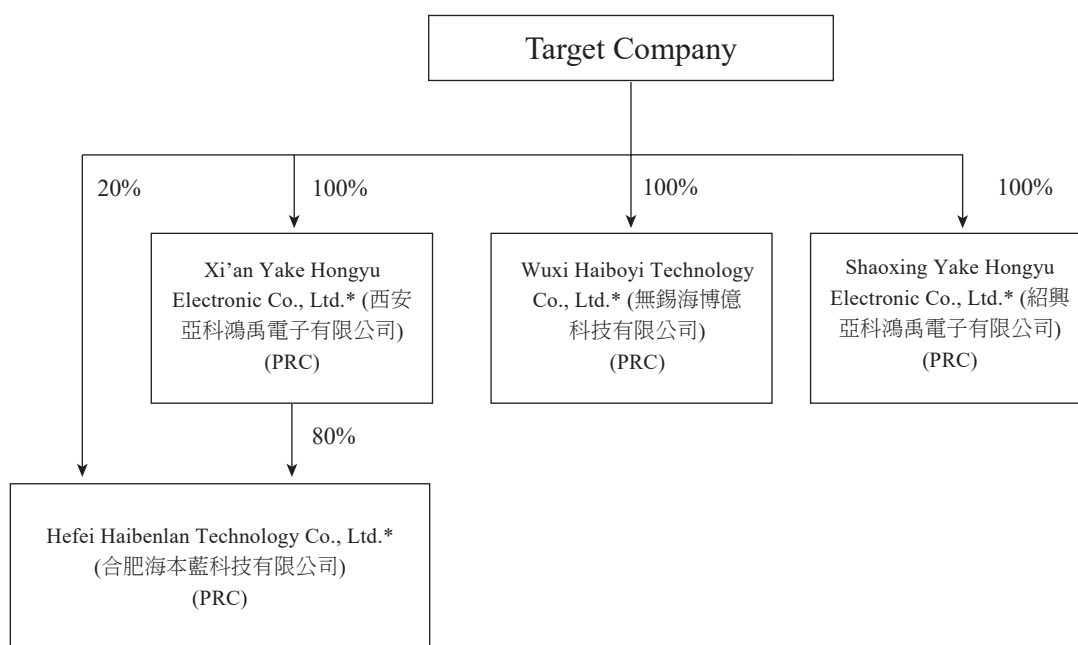
The Target Company

The Target Company is a company established under the laws of the PRC with limited liability. The Target Group is a global leading supplier of FPGA-based prototyping and emulation tools and solutions for innovative SoC/ASIC designs.

As at the date of this announcement, Yan Yutun (閔宇墩) holds approximately 39.35% of the equity interest of the Target Company through (i) approximately 21.21% equity interest directly held by him; (ii) approximately 9.48% equity interest held by Beijing Hongyu Wanzhong Holdings Partnership (Limited Partnership) (北京鴻禹萬眾控股合夥企業(有限合夥)) with him being its general partner; and (iii) approximately 8.66% equity interest held by Wuxi Hongyu Yizhong Enterprise Management Partnership (Limited Partnership) (無錫鴻禹億眾企業管理合夥企業(有限合夥)) with him being its general partner. The Target Company has a diverse base of shareholders and save for Yan Yutun, no shareholder in the Target Company holds more than 30% equity interest.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the shareholders of the Target Company and their respective ultimate beneficial owners are Independent Third Parties.

Set out below is the corporate structure of the Target Group as at the date of this announcement:



* for identification purposes only

Consolidated Financial Information on the Target Group

The following are the consolidated financial information on the Target Group for the two years ended 31 December 2024 and 2025 in accordance with the PRC GAAP:

	Audited For the year ended 31 December 2024 <i>US\$'000</i>	Audited For the year ended 31 December 2025 <i>US\$'000</i>
Loss before taxation	(5,472)	(7,227)
Loss after taxation	(5,472)	(7,227)

The unaudited net asset value of the Target Group as at 30 June 2026 was approximately RMB10,565,000.

INFORMATION ON THE GROUP

The Company is a company incorporated in the Cayman Islands with limited liability. Its principal function is investment holding.

The Group is a leading security devices provider globally for pay-TV broadcasting access in the PRC. Meanwhile, the Group is also engaged in the following two business activities: (i) intelligent sense technology business which focuses on research, development and sales of smart sensing-oriented products and solutions; and (ii) provision of integrated circuit solutions, including development and sales of integrated circuit products and related design services.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT

The Transaction will integrate the resources and capabilities of S2C Shanghai Group and the Target Company, creating a more comprehensive and competitive EDA platform with enhanced product offerings. The combined entity is expected to benefit from synergies in technology development, supply chain management and market expansion. Furthermore, the combined entity, with an enlarged shareholder base comprising reputable investment funds and strategic investors will have stronger financial resources to support future growth initiatives and research and development efforts in the rapidly evolving semiconductor verification tools market.

The Transaction presents an excellent investment opportunity for the Group to participate in the growth prospects of the new EDA business platform under the Target Company, alongside other established leading investors and prominent players in the semiconductor industry.

The Directors (including all independent non-executive Directors) consider that the Transaction, the terms and conditions of the Agreement and the transactions contemplated thereunder are on normal commercial terms and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

SHAREHOLDERS' AGREEMENT

On 13 October 2026, a shareholders' agreement has also been entered into by the Target Company, the existing shareholders of the Target Company (including the Target Company Key Shareholders), the S2C Subscribers and the Other Subscribers to govern, among other matters, the affairs, business and management of the Target Company, the relationship, the rights and obligations among the shareholders of Target Company.

FINANCIAL EFFECT OF THE TRANSACTION

Upon the Share Swap Completion, S2C Holding will hold approximately 10.12% of the equity interest in the Target Company and cease to directly hold any interest in S2C Shanghai. As such, the investment in S2C Shanghai previously accounted as a financial asset at fair value through profit or loss on the consolidated financial statements of the Company will be derecognized. Based on the intrinsic value of S2C Shanghai applied to the Share Swap, the Group is expected to record an unaudited pre-tax fair value gain of approximately US\$1.9 million. Furthermore, the Share Swap is expected to trigger PRC capital gain tax based on the intrinsic valuation, resulting in an estimated tax obligation of approximately US\$2.8 million, of which approximately US\$2.6 million had been provided for as a deferred tax liability as of 30 June 2026. Professional fee expenses of approximately US\$0.3 million are expected to be incurred for the Share Swap.

The investment in approximately 10.12% equity interest in the Target Company, measured at approximately US\$28.6 million based on consideration, will be recognized as a financial asset at fair value through profit or loss on the consolidated financial statements of the Company upon the Share Swap Completion.

Upon the completion of the Capital Injection, the equity interest in the Target Company held by S2C Holding will be diluted to approximately 7.98%, with no financial effect resulting from the dilution.

Overall, the consolidated total assets and total liabilities of the Group are expected to increase by US\$1.6 million and US\$0.2 million respectively.

Shareholders and potential investors of the Company should note that the above estimation is for illustrative purposes only and subject to audit. The actual amount will depend on the finalized amount of transaction costs, capital tax and currency exchange rate on the Share Swap Completion, and therefore may be different from the amount mentioned above.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the subscription of the Relevant Target Capital by S2C Holding are more than 25% but less than 100%, the subscription of the Relevant Target Capital by S2C Holding constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and Shareholders' approval requirements under the Listing Rules.

Furthermore, the injection of the Relevant S2C Capital into the Target Company is considered as a disposal by the Group under Chapter 14 of the Listing Rules. As one or more of the applicable percentage ratios (as defined in the Listing Rules) in respect of the injection of the Relevant S2C Capital into the Target Company are more than 25% but less than 75%, the injection of the Relevant S2C Capital into the Target Company constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is subject to the reporting, announcement, circular and Shareholders' approval requirements under the Listing Rules.

To the best of the knowledge, information and belief of the Directors, after having made all reasonable enquiries, no Shareholders or any of their respective associates have any material interest in the Transaction. Thus, no Shareholders are required to abstain from voting in favour of the resolution approving the Transaction.

As at the date of this announcement, New Kingdom and Mr. Huang, hold 184,207,777 and 5,708,624 Shares respectively, representing a total of approximately 58.45% of the entire issued share capital of the Company. New Kingdom is a company wholly-owned by Mr. Huang. Hence, New Kingdom and Mr. Huang are a closely allied group of shareholders of the Company for the purpose of Rule 14.44 of the Listing Rules.

The Company proposes to obtain written approval for the Transaction in accordance with Rule 14.44 of the Listing Rules from each of New Kingdom and Mr. Huang as Shareholders. Accordingly, no extraordinary general meeting of the Company will be convened for the purpose of approving the Transaction.

A circular containing, among other things, further details of the Transaction and such other information as required under the Listing Rules is expected to be despatched to the Shareholders within 15 business days after the publication of this announcement.

DEFINITIONS

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

“Agreement”	the share swap and reorganisation agreement dated 13 October 2026 entered into by the Parties in relation to the Transaction
“Board”	the board of Directors
“Business Day”	a day (other than any Saturday or Sunday) on which banks in PRC are generally open for business throughout their normal business hours
“Capital Injection”	the proposed subscription of the Other Subscribers Subscription Capital by the Other Subscribers, conditional upon, among others, the completion of the Share Swap
“Company”	SMIT Holdings Limited (國微控股有限公司), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2239)

“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hefei Zhongwan Fund”	Hefei Zhongwan Juxin Venture Capital Fund Partnership (Limited Partnership) (合肥中灣聚芯創業投資基金合夥企業(有限合夥)), formerly known as Hefei Zhongwan Shuruan Venture Capital Fund Partnership (Limited Partnership)
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party”	a party who is not a connected person of the Company and is third party independent of the Company and the connected persons of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Huang”	Mr. Huang Xueliang (黃學良), the chairman, chief executive officer, executive Director and controlling shareholder of the Company
“New Kingdom”	New Kingdom Investments Limited, a company incorporated in Hong Kong with limited liability and a controlling shareholder of the Company
“Other Subscribers”	Empyrean Technology Co., Ltd. (北京華大九天科技股份有限公司), Hefei Zhongwan Fund, Central Enterprise Strategic Emerging Industries Development Fund Co., Ltd. (央企戰略性新興產業發展基金有限責任公司), Jinan Qianxing Innovation Equity Investment Partnership Enterprise (Limited Partnership) (濟南乾行創新股權投資合夥企業(有限合夥)) and Wuxi Xidong

“Other Subscribers Subscription Capital”	the RMB22,834,623 registered capital of the Target Company to be issued pursuant to the Capital Injection and to be subscribed by the Other Subscribers
“PRC”	the People’s Republic of China, which shall, for the purposes of this announcement, exclude Hong Kong Special Administrative Region of the PRC, Macao Special Administrative Region of the PRC and Taiwan
“PRC GAAP”	the generally accepted accounting principles of the PRC
“Relevant S2C Capital”	the registered capital of RMB8,249,639 held by S2C Holding in S2C Shanghai, representing approximately 13.75% equity interest in S2C Shanghai to be transferred to the Target Company pursuant to the Share Swap
“Relevant Target Capital”	the registered capital of RMB8,582,990 to be issued by the Target Company and subscribed by S2C Holding pursuant to the Share Swap
“RMB”	Renminbi, the lawful currency of the PRC
“S2C Holding”	S2C Holding Corporation, a company in the British Virgin Islands with limited liability and a 97.50% owned subsidiary of the Company
“S2C Shanghai”	S2C Ltd. (上海思爾芯技術股份有限公司), a joint stock company established under the laws of the PRC with limited liability
“S2C Shanghai Group”	S2C Shanghai and its subsidiaries

“S2C Subscribers”

(i) S2C Holding; (ii) Hefei Zhongwan Fund; (iii) Tianjin Zhongwan Xinsheng Management Consulting Partnership (Limited Partnership); (iv) Guangdong-Hong Kong-Macao Greater Bay Area Technology Innovation Industry Investment Fund (Limited Partnership) (粵港澳大灣區科技創新產業投資基金(有限合夥)); (v) Xi'an Zhongwan Kechuang Industry Investment Fund Partnership (Limited Partnership) (西安中灣科創產業投資基金合夥企業(有限合夥)); (vi) Shanghai Ruishi Enterprise Management Partnership (Limited Partnership) (上海瑞誓企業管理合夥企業(有限合夥)); (vii) Shanghai Haoma Enterprise Management Consulting Partnership (Limited Partnership) (上海灝馬企業管理諮詢合夥企業(有限合夥)); (viii) Ningbo Meishan Free Trade Port Qingxin Yicheng Enterprise Management Consulting Partnership (Limited Partnership) (寧波梅山保稅港區青芯意誠企業管理諮詢合夥企業(有限合夥)); (ix) Shanghai Lingang Zhizhao Equity Investment Fund Partnership (Limited Partnership) (上海臨港智兆股權投資基金合夥企業(有限合夥)); (x) SDIC (Ningbo) Technology Achievement Transformation Venture Capital Fund Partnership (Limited Partnership) (國投(寧波)科技成果轉化創業投資基金合夥企業(有限合夥)); (xi) Shanghai Junlian Shenghao Venture Capital Partnership (Limited Partnership) (上海君聯晟灝創業投資合夥企業(有限合夥)); (xii) Shanghai Zhangjiang Torch Venture Capital Co., Ltd. (上海張江火炬創業投資有限公司); (xiii) Beijing Junlian Shengyuan Equity Investment Partnership (Limited Partnership) (北京君聯晟源股權投資合夥企業(有限合夥)); (xiv) Shanghai Guoce Technology Manufacturing Equity Investment Fund Partnership (Limited Partnership) (上海國策科技製造股權投資基金合夥企業(有限合夥)); (xv) Shanghai Milkyway Investment Partnership (Limited Partnership) (上海密爾克衛投資合夥企業(有限合夥)); and (xvi) Primarius Technologies Co., Ltd. (上海概倫電子股份有限公司)

“S2C Target Capital”	the registered capital of RMB53,905,272 to be issued by the Target Company pursuant to the Share Swap
“S2C Swap Capital”	the registered capital of RMB51,811,668 held by the S2C Subscribers in S2C Shanghai, representing approximately 86.35% equity interest in S2C Shanghai to be transferred to the Target Company pursuant to the Share Swap
“Share(s)”	ordinary share(s) with a nominal value of US\$0.01 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Share Swap”	the subscription of the S2C Target Capital by the S2C Subscribers the consideration of which to be satisfied by the disposal of the S2C Swap Capital by the S2C Subscribers to the Target Company
“Share Swap Completion”	Completion of the Share Swap
“Share Swap Completion Date”	date of the Share Swap Completion, being the day on which the Target Company Conditions Precedent and S2C Subscribers Conditions Precedent are fulfilled or waived
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Wuxi Yake Hongyu Electronic Co., Ltd. (無錫亞科鴻禹電子有限公司), a company established in the PRC with limited liability

“Target Company Key Shareholders”	(i) Yan Yutun (閻宇噸); (ii) Bai Jiandong (白建東); (iii) Guo Wenshuai (郭文帥); (iv) Ye Zuochang (葉佐昌); (v) Beijing Hongyu Wanzhong Holdings Partnership (Limited Partnership) (北京鴻禹萬眾控股合夥企業(有限合夥)); and (vi) Wuxi Hongyu Yizhong Enterprise Management Partnership (Limited Partnership) (無錫鴻禹億眾企業管理合夥企業(有限合夥))
“Transaction”	consisting of the Share Swap and the Capital Injection
“Wuxi Xidong”	Wuxi Xidong Industrial Investment Center (Limited Partnership) (無錫錫東產業投資中心(有限合夥))
“%”	per cent

By order of the Board
SMIT Holdings Limited
Huang Xueliang
Chairman

Hong Kong, 13 October 2026

As at the date of this announcement, the executive Directors are Mr. Huang Xueliang (chairman and chief executive officer) and Ms. Chen Ying; the non-executive Directors are Mr. Kwan, Allan Chung-yuen and Mr. Cai Jing; and the independent non-executive Directors are Mr. Jiang Chunqian, Mr. Woo Kar Tung, Raymond, and Ms. Zhang Min.

APPENDIX I – SUMMARY OF THE VALUATION REPORT OF THE TARGET COMPANY

The person-in-charge of the valuation, Mr. Jeff Sin, is a Chartered Financial Analyst (CFA), Certified Public Accountant (CPA), and a Member of the Royal Institution of Chartered Surveyors (MRICS) with over a decade of experience in corporate finance and valuation advisory. Prior to joining FVA Advisory Limited, Mr. Sin had accumulated extensive experience working in top-tier accounting and advisory firms, investment banks, and venture capital and private equity funds. Mr. Sin is now the Director of FVA Advisory Limited, mainly providing corporate advisory and business valuation services. His experience as a financial valuer extends from valuation of businesses and projects for disclosure on public circulars on the Stock Exchange of Hong Kong, financial instruments and intellectual properties valuation, to compliance and financial reporting projects.

The valuation of the appraised value of the entire equity interest of the Target Company (the “**Subject Interest**”) was conducted by FVA Advisory Limited (the “**Valuer**”), a professional valuer in Hong Kong and an Independent Third Party.

The valuation benchmark date was 31 March 2026 (the “**Valuation Date**”).

Valuation Approach

When selecting the valuation methodology, the three generally accepted methods, including the asset approach, market approach and the income approach, were considered.

The asset approach was determined to be inapplicable for this valuation due to the fundamental nature of the Target Company’s industry and asset structure. As an EDA and software engineering firm, the Target Company is an asset-light, technology-driven business. Its primary value drivers are rooted in unrecognized intangible assets, such as proprietary software code, artificial intelligence algorithms, specialized research and development talents, and intellectual property. Under standard accounting frameworks, these internally generated assets are expensed as research and development costs rather than capitalized on the balance sheet. As a result, the book value reflects only nominal physical assets and would not be able to capture its actual commercial worth.

As the Target Company is still in an early stage of development, it is heavily prioritizing research and development and market expansion, meaning its current financial structures have not yet stabilized. Consequently, there are no reliable, multi-year financial projections available to accurately predict top-line growth or future operating margins. In the absence of predictable long-term cash flows, applying the income approach would require highly speculative assumptions, undermining the defensibility of the conclusion. As such, the income approach was deemed inappropriate for this valuation due to the Target Company's operational profile.

The market approach emerges as the viable valuation method, as it bridges the structural gaps that disqualify the other two methods. The market approach bypasses the need for speculative long-term forecasts required by the income approach and instead anchors the valuation in observable, real-time market data from public peers. Similarly, as compared to the asset approach's inability to capture uncapitalized intellectual property on an asset-light balance sheet, the market approach captures the value of unrecognized intangibles. As such, the market approach was selected as the primary approach for this valuation.

Selection of Valuation Multiples

The Valuer adopted the Enterprise Value to Revenue ("**EV/Revenue**") multiple with reference to selected comparable listed companies. Because the Target Company is in an early, high-growth phase, it is heavily prioritizing market share expansion, customer acquisition, and intensive research and development investments. As a result, the Target Company is currently loss-making at both the operating and net income levels, rendering earnings-based multiples (such as P/E, EV/EBIT etc.) to be anomalous.

Asset-based multiples (such as P/B or EV/Tangible Assets) are not selected because of the asset-light, high-tech business model of the Target Company. Its primary value drivers are proprietary software code, AI algorithms, and specialized engineering talents, which are internally generated and expensed as research and development, leaving them unrecognized on the balance sheet. Consequently, the Target Company's book value reflects only nominal physical equipment rather than its actual technological scale.

Comparable Companies

To identify a representative pool of comparable peers, a systematic search was initialized within S&P Capital IQ utilizing a top-down screening framework, and an exhaustive selection of nine comparable companies was conducted as at the Valuation Date. Market data and financial disclosures were sourced on a best-effort basis from S&P Capital IQ, official corporate filings and company websites.

The Valuer evaluated and selected the peer group on a fair and representative basis using established criteria across industry classification, business model, geographic location and financial performance, namely:

- (i) business alignment, targeting companies principally engaged in integrated circuit EDA software and services with a focus on digital front-end verification, so as to match the core business of the Target Company, whose products cover prototype verification systems, hardware emulation accelerators, ESL tool chains and synthesis tools, together with simulation, digital debug and EDA cloud services supporting chip design for artificial intelligence, high performance computing and signal processing across IoT, 5G, smart healthcare and automotive electronics;
- (ii) a pure-play requirement, under which only companies deriving a majority (i.e., over 50%) of their revenue from EDA products or services were included; and
- (iii) geographic focus on stock exchanges in the Asia Pacific and the United States, on the basis that, as a PRC-based EDA enterprise, the Target Company shares regulatory and economic conditions with domestic peers, while companies listed on US exchanges represent the primary global EDA leaders with comprehensive public disclosures. Companies for which standalone financial statements, granular revenue breakdowns and isolated valuation metrics are not publicly available in respect of their EDA-related subsidiaries were explicitly excluded, as their inclusion would not permit a meaningful or consistent comparison.

Upon deeper qualitative and financial review, Otsuka Information Technology Corp. (TPEX: 3570) was excluded on the basis that it operates as a software reseller and IT systems distributor which purchases third-party engineering software and resells it to end-users alongside setup and technical support services, and does not own or develop proprietary semiconductor design software intellectual property. As a software distributor, it earns sales commissions and resale mark-ups rather than high-margin software licence fees, resulting in significantly lower gross profit margins and an operating risk profile reflecting retail and distribution activity rather than high-margin, research and development-driven software innovation.

Following the screening and exclusion process, the following eight public companies were retained as the final comparable peer group, representing the closest matches to the Target Company's technological focus, growth profile and operational ecosystem (with market capitalisation and last twelve months revenue as at the Valuation Date stated in US\$ million):

Company Name (Ticker)	Listed Location	Business Description	Market Capitalisation (US\$m) (as at 31 March 2026)	LTM Revenue (US\$m) (as at 31 March 2026)	EV/ Revenue Multiple (x) (as at 31 March 2026)
Silvaco Group, Inc. (NasdaqGS: SVCO)	USA (NASDAQ)	US-listed provider of TCAD and EDA software, semiconductor IP and design services for process modelling, simulation, extraction, cell generation and embedded memory applications. Headquartered in Santa Clara, California.	223	67	3.3x

Company Name (Ticker)	Listed Location	Business Description	Market Capitalisation (US\$m) (as at 31 March 2026)	LTM Revenue (US\$m) (as at 31 March 2026)	EV/ Revenue Multiple (x) (as at 31 March 2026)
Cadence Design Systems, Inc. (NasdaqGS: CDNS)	USA (NASDAQ)	US-listed developer of AI-driven EDA software, hardware and silicon IP solutions, including functional verification platforms (Jasper, Xcelium, Palladium), digital and custom IC design tools (Innovus, Virtuoso) and system design solutions for PCBs, packaging and 3D-IC. Headquartered in San Jose, California.	76,718	5,529	13.8x
Synopsys, Inc. (NasdaqGS: SNPS)	USA (NASDAQ)	US-listed provider of EDA software and design IP solutions for the semiconductor industry, including digital and custom IC design tools, verification solutions (simulation, emulation and FPGA prototyping), TCAD and AI-driven EDA. Headquartered in Sunnyvale, California.	75,951	8,008	10.6x
Semitronix Corporation (SZSE: 301095)	China (SZSE)	PRC-listed provider of semiconductor characterisation and yield improvement solutions, including SmtCell, TCMagic, ATCompiler and Dense Array products together with WAT/WLR testers, yield analytics and DFT design services. Headquartered in Hangzhou, China.	1,873	112	15.1x

Company Name (Ticker)	Listed Location	Business Description	Market Capitalisation (US\$m) (as at 31 March 2026)	LTM Revenue (US\$m) (as at 31 March 2026)	EV/ Revenue Multiple (x) (as at 31 March 2026)
Empyrean Technology Co., Ltd. (SZSE: 301269)	China (SZSE)	PRC-listed developer and vendor of EDA software covering AMS/PMIC design, RF IC design, digital SoC design, foundry EDA, advanced packaging and flat panel display design, and also provides foundry design enablement services and software development. Headquartered in Beijing, China.	6,415	195	31.8x
Primarius Technologies Co., Ltd. (SHSE: 688206)	China (SHSE)	PRC-listed developer of EDA tools, semiconductor testing systems and design enablement solutions for foundries, memory manufacturers and integrated circuit companies. Headquartered in Shanghai, China.	1,935	71	25.0x
Global Unichip Corp. (TWSE: 3443)	Taiwan (TWSE)	Taiwan-listed provider of ASIC and SoC design, manufacturing, testing and supply-chain services and semiconductor IP, including embedded memory and multi-die interconnect solutions. Headquartered in Hsinchu City, Taiwan.	9,072	1,206	7.3x

Company Name (Ticker)	Listed Location	Business Description	Market Capitalisation (US\$m) (as at 31 March 2026)	LTM Revenue (US\$m) (as at 31 March 2026)	EV/ Revenue Multiple (x) (as at 31 March 2026)
Keysight Technologies, Inc. (NYSE: KEYS)	USA (NYSE)	US-listed provider of electronic design, simulation and test software, instruments and services across the communications, defence, automotive, energy, semiconductor and electronics markets. Headquartered in Santa Rosa, California.	48,427	5,677	8.6x

Selection of Valuation Multiple

The Valuer selected the valuation multiple based on the median (i.e., 50th percentile, 12.2x) of the final peer group. This positioning balances the overall peer group valuation while mitigating the distortion of extreme market outliers, capturing a normalized baseline that reconciles high-multiple domestic PRC EDA peers with mature global benchmarks.

Discount for Lack of Marketability (“DLOM”)

A liquidity discount was adopted to reflect the Target Company’s private corporate status relative to the publicly traded guideline peers. Because shares of a private entity cannot be readily liquidated on an open exchange, an adjustment is required to account for the inherent liquidity restriction.

To quantify this discount objectively, a protective put option method was utilized via the Black-Scholes Option Pricing Model (“BSM”). This quantitative approach treats the cost of a liquidity-restricting restriction as equivalent to the cost of purchasing an option to sell the stock at the current market price, providing a market-standard economic basis for the final applied discount percentage. Based on the BSM calculation with inputs including a risk-free interest rate of 3.7%, expected volatility of 47.7%, and time to maturity of 0.50 years, the discount for lack of marketability was concluded to be 12.4%.

Valuation Calculation

Market approach calculation

		RMB'000	Note 1
Revenue	<i>A</i>	71,385	Note 2
Borrowing	<i>B</i>	94,513	
Cash	<i>C</i>	19,513	Note 3
Adopted multiple	<i>D</i>	12.2x	Note 4
Enterprise value	$= A \times D$	869,286	
Add: Net debt	$= C - B$	<u>(75,001)</u>	
Equity value before discount		794,286	
Liquidity discount (“DL0M”)		<u>(98,291)</u>	Note 5
100% Equity interest		695,994	

Notes

1. The figures have been subject to rounding adjustments. Any discrepancies between the multiples or sums of amounts listed herein are due to rounding adjustments.
2. Representing the LTM revenue of the Target Company.
3. Representing the balance sheet as of Valuation Date.
4. The valuation multiple selection is anchored at the Median (50th Percentile). This positioning balances the overall peer group valuation while mitigating the distortion of extreme market outliers, capturing a normalized baseline that reconciles high-multiple domestic Chinese EDA peers with mature global benchmarks.
5. Discount on lack of marketability is adopted due to private status of Subject relative to public peers. Calculated based on Black-Scholes option pricing model.

Assumptions to the Valuation

The valuation was prepared by taking into account, including but not limited to, the following assumptions:

- the information provided and representations made by management with regard to the Subject Interest are accurate and reliable, and there is no material information which is relevant and important to the valuation that has been withheld;
- the Target Company would continue as a going concern;
- there are no undisclosed actual or contingent assets or liabilities, no unusual obligations or substantial commitments, other than in the ordinary course of business and as reflected in the financials, nor any litigation pending or threatened, which would have a material impact on the values of the Subject Interest;
- there would be no material changes, after the date of the valuation report, in the market, political, legal and economic conditions under which the Target Company operates;
- most of the market data referenced was obtained from S&P Capital IQ and other public sources, which the Valuer assumed to be accurate without performing procedures to verify its accuracy; and
- the valuation analysis does not take into consideration potential withholding taxes which may arise from any potential repatriation of dividends or share/asset sale transactions.

It should be noted that the valuation conclusion is not a definitive measurement of absolute value, but rather represents a reasonable reference point within an acceptable range of values, and should be interpreted as an indicative baseline for decision-making rather than a guaranteed or fixed transaction price.

APPENDIX II – SUMMARY OF THE VALUATION REPORT OF S2C SHANGHAI

The person-in-charge of the valuation, Mr. Jeff Sin, is a Chartered Financial Analyst (CFA), Certified Public Accountant (CPA), and a Member of the Royal Institution of Chartered Surveyors (MRICS) with over a decade of experience in corporate finance and valuation advisory. Prior to joining FVA Advisory Limited, Mr. Sin had accumulated extensive experience working in top-tier accounting and advisory firms, investment banks, and venture capital and private equity funds. Mr. Sin is now the Director of FVA Advisory Limited, mainly providing corporate advisory and business valuation services. His experience as a financial valuer extends from valuation of businesses and projects for disclosure on public circulars on the Stock Exchange of Hong Kong, financial instruments and intellectual properties valuation, to compliance and financial reporting projects.

The valuation of the appraised value of the entire equity interest of S2C Shanghai (the “**S2C Subject Interest**”) was conducted by the Valuer, a professional valuer in Hong Kong and an Independent Third Party.

The valuation benchmark date was 31 March 2026 (the “**Valuation Date**”).

Valuation Approach

When selecting the valuation methodology, the three generally accepted methods, including the asset approach, market approach and the income approach, were considered.

The asset approach was determined to be inapplicable for this valuation due to the fundamental nature of S2C Shanghai’s industry and asset structure. As an EDA and software engineering firm, S2C Shanghai is an asset-light, technology-driven business. Its primary value drivers are rooted in unrecognized intangible assets, such as proprietary software code, artificial intelligence algorithms, specialized research and development talents, and intellectual property. Under standard accounting frameworks, these internally generated assets are expensed as research and development costs rather than capitalized on the balance sheet. As a result, the book value reflects only nominal physical assets and would not be able to capture its actual commercial worth.

As S2C Shanghai is still in an early stage of development, it is heavily prioritizing research and development and market expansion, meaning its current financial structures have not yet stabilized. Consequently, there are no reliable, multi-year financial projections available to accurately predict top-line growth or future operating margins. In the absence of predictable long-term cash flows, applying the income approach would require highly speculative assumptions, undermining the defensibility of the conclusion. As such, the income approach was deemed inappropriate for this valuation due to S2C Shanghai's operational profile.

The market approach emerges as the viable valuation method, as it bridges the structural gaps that disqualify the other two methods. The market approach bypasses the need for speculative long-term forecasts required by the income approach and instead anchors the valuation in observable, real-time market data from public peers. Similarly, as compared to the asset approach's inability to capture uncapitalized intellectual property on an asset-light balance sheet, the market approach captures the value of unrecognized intangibles. As such, the market approach was selected as the primary approach for this valuation.

Selection of Valuation Multiples

The Valuer adopted the Enterprise Value to Revenue ("**EV/Revenue**") multiple with reference to selected comparable listed companies. Because S2C Shanghai is in an early, high-growth phase, it is heavily prioritizing market share expansion, customer acquisition, and intensive research and development investments. As a result, S2C Shanghai is currently loss-making at both the operating and net income levels, rendering earnings-based multiples (such as P/E, EV/EBIT etc.) to be anomalous.

Asset-based multiples (such as P/B or EV/Tangible Assets) are not selected because of the asset-light, high-tech business model of S2C Shanghai. Its primary value drivers are proprietary software code, AI algorithms, and specialized engineering talents, which are internally generated and expensed as research and development, leaving them unrecognized on the balance sheet. Consequently, S2C Shanghai's book value reflects only nominal physical equipment rather than its actual technological scale.

Comparable Companies

To identify a representative pool of comparable peers, a systematic search was initialized within S&P Capital IQ utilizing a top-down screening framework, and an exhaustive selection of nine comparable companies was conducted as at the Valuation Date. Market data and financial disclosures were sourced on a best-effort basis from S&P Capital IQ, official corporate filings and company websites. The Valuer evaluated and selected the peer group on a fair and representative basis using established criteria across industry classification, business model, geographic location and financial performance, namely:

- (i) business alignment, targeting companies principally engaged in integrated circuit EDA software and services with a focus on digital front-end verification, so as to match the core business of S2C Shanghai, which covers architecture design, software simulation, hardware emulation, prototype verification, digital debug and EDA cloud tools and services supporting chip design for artificial intelligence, high performance computing, image processing, data storage and signal processing across IoT, cloud computing, 5G, smart healthcare and automotive electronics;
- (ii) a pure-play requirement, under which only companies deriving a majority (i.e., over 50%) of their revenue from EDA products or services were included; and
- (iii) geographic focus on stock exchanges in the Asia Pacific and the United States, on the basis that, as a PRC-based EDA enterprise, S2C Shanghai shares regulatory and economic conditions with domestic peers, while companies listed on US exchanges represent the primary global EDA leaders with comprehensive public disclosures. Companies for which standalone financial statements, granular revenue breakdowns and isolated valuation metrics are not publicly available in respect of their EDA-related subsidiaries were explicitly excluded, as their inclusion would not permit a meaningful or consistent comparison.

Upon deeper qualitative and financial review, Otsuka Information Technology Corp. (TPEX: 3570) was excluded on the basis that it operates as a software reseller and IT systems distributor which purchases third-party engineering software and resells it to end-users alongside setup and technical support services, and does not own or develop proprietary semiconductor design software intellectual property. As a software distributor, it earns sales commissions and resale mark-ups rather than high-margin software licence fees, resulting in significantly lower gross profit margins and an operating risk profile reflecting retail and distribution activity rather than high-margin, research and development-driven software innovation.

Following the screening and exclusion process, the following eight public companies were retained as the final comparable peer group, representing the closest matches to S2C Shanghai's technological focus, growth profile and operational ecosystem (with market capitalisation and last twelve months revenue as at the Valuation Date stated in US\$ million):

Company Name (Ticker)	Listed Location	Business Description	Market Capitalisation (US\$m) (as at 31 March 2026)	LTM Revenue (US\$m) (as at 31 March 2026)	EV/ Revenue Multiple (x) (as at 31 March 2026)
Silvaco Group, Inc. (NasdaqGS: SVCO)	USA (NASDAQ)	US-listed provider of TCAD and EDA software, semiconductor IP and design services for process modelling, simulation, extraction, cell generation and embedded memory applications. Headquartered in Santa Clara, California.	223	67	3.3x

Company Name (Ticker)	Listed Location	Business Description	Market Capitalisation (US\$m) (as at 31 March 2026)	LTM Revenue (US\$m) (as at 31 March 2026)	EV/ Revenue Multiple (x) (as at 31 March 2026)
Cadence Design Systems, Inc. (NasdaqGS: CDNS)	USA (NASDAQ)	US-listed developer of AI-driven EDA software, hardware and silicon IP solutions, including functional verification platforms (Jasper, Xcelium, Palladium), digital and custom IC design tools (Innovus, Virtuoso) and system design solutions for PCBs, packaging and 3D-IC. Headquartered in San Jose, California.	76,718	5,529	13.8x
Synopsys, Inc. (NasdaqGS: SNPS)	USA (NASDAQ)	US-listed provider of EDA software and design IP solutions for the semiconductor industry, including digital and custom IC design tools, verification solutions (simulation, emulation and FPGA prototyping), TCAD and AI-driven EDA. Headquartered in Sunnyvale, California.	75,951	8,008	10.6x
Semitronix Corporation (SZSE: 301095)	China (SZSE)	PRC-listed provider of semiconductor characterisation and yield improvement solutions, including SmtCell, TCMagic, ATCompiler and Dense Array products together with WAT/WLR testers, yield analytics and DFT design services. Headquartered in Hangzhou, China.	1,873	112	15.1x

Company Name (Ticker)	Listed Location	Business Description	Market Capitalisation (US\$m) (as at 31 March 2026)	LTM Revenue (US\$m) (as at 31 March 2026)	EV/ Revenue Multiple (x) (as at 31 March 2026)
Empyrean Technology Co., Ltd. (SZSE: 301269)	China (SZSE)	PRC-listed developer and vendor of EDA software covering AMS/PMIC design, RF IC design, digital SoC design, foundry EDA, advanced packaging and flat panel display design, and also provides foundry design enablement services and software development. Headquartered in Beijing, China.	6,415	195	31.8x
Primarius Technologies Co., Ltd. (SHSE: 688206)	China (SHSE)	PRC-listed developer of EDA tools, semiconductor testing systems and design enablement solutions for foundries, memory manufacturers and integrated circuit companies. Headquartered in Shanghai, China.	1,935	71	25.0x
Global Unichip Corp. (TWSE: 3443)	Taiwan (TWSE)	Taiwan-listed provider of ASIC and SoC design, manufacturing, testing and supply-chain services and semiconductor IP, including embedded memory and multi-die interconnect solutions. Headquartered in Hsinchu City, Taiwan.	9,072	1,206	7.3x

Company Name (Ticker)	Listed Location	Business Description	Market	LTM	EV/
			Capitalisation (US\$m) (as at 31 March 2026)	Revenue (US\$m) (as at 31 March 2026)	Revenue Multiple (x) (as at 31 March 2026)
Keysight Technologies, Inc. (NYSE: KEYS)	USA (NYSE)	US-listed provider of electronic design, simulation and test software, instruments and services across the communications, defence, automotive, energy, semiconductor and electronics markets. Headquartered in Santa Rosa, California.	48,427	5,677	8.6x

Selection of Valuation Multiple

The Valuer selected the valuation multiple based on the median (i.e., 50th percentile, 12.2x) of the final peer group. This positioning balances the overall peer group valuation while mitigating the distortion of extreme market outliers, capturing a normalized baseline that reconciles high-multiple domestic PRC EDA peers with mature global benchmarks.

Discount for Lack of Marketability (“DLOM”)

A liquidity discount was adopted to reflect S2C Shanghai’s private corporate status relative to the publicly traded guideline peers. Because shares of a private entity cannot be readily liquidated on an open exchange, an adjustment is required to account for the inherent liquidity restriction.

To quantify this discount objectively, a protective put option method was utilized via the Black-Scholes Option Pricing Model (“BSM”). This quantitative approach treats the cost of a liquidity-restricting restriction as equivalent to the cost of purchasing an option to sell the stock at the current market price, providing a market-standard economic basis for the final applied discount percentage. Based on the BSM calculation with inputs including a risk-free interest rate of 3.7%, expected volatility of 47.7%, and time to maturity of 0.50 years, the discount for lack of marketability was concluded to be 12.4%.

Valuation Calculation

Market approach calculation

		RMB'000	Note 1
Revenue	<i>A</i>	139,931	Note 2
Borrowing	<i>B</i>	99,566	
Cash	<i>C</i>	17,305	Note 3
Adopted multiple	<i>D</i>	12.2x	Note 4
Enterprise value	$=A \times D$	1,703,987	
Add: Net debt	$= C - B$	<u>(82,261)</u>	
Equity value before discount and surplus		1,621,726	
Liquidity discount (“ DLOM ”)		<u>(200,859)</u>	Note 5
100% Equity interest		1,420,866	

Notes

1. The figures have been subject to rounding adjustments. Any discrepancies between the multiples or sums of amounts listed herein are due to rounding adjustments.
2. Representing the LTM revenue of S2C Shanghai.
3. Representing the balance sheet as of Valuation Date.
4. The valuation multiple selection is anchored at the Median (50th Percentile). This positioning balances the overall peer group valuation while mitigating the distortion of extreme market outliers, capturing a normalized baseline that reconciles high-multiple domestic Chinese EDA peers with mature global benchmarks.
5. Discount on lack of marketability is adopted due to private status of Subject relative to public peers. Calculated based on Black-Scholes option pricing model.

Assumptions to the Valuation

The valuation was prepared by taking into account, including but not limited to, the following assumptions:

- the information provided and representations made by management with regard to the S2C Subject Interest are accurate and reliable, and there is no material information which is relevant and important to the valuation that has been withheld;
- S2C Shanghai would continue as a going concern;
- there are no undisclosed actual or contingent assets or liabilities, no unusual obligations or substantial commitments, other than in the ordinary course of business and as reflected in the financials, nor any litigation pending or threatened, which would have a material impact on the values of the S2C Subject Interest;
- there would be no material changes, after the date of the valuation report, in the market, political, legal and economic conditions under which S2C Shanghai operates;
- most of the market data referenced was obtained from S&P Capital IQ and other public sources, which the Valuer assumed to be accurate without performing procedures to verify its accuracy; and
- the valuation analysis does not take into consideration potential withholding taxes which may arise from any potential repatriation of dividends or share/asset sale transactions.

It should be noted that the valuation conclusion is not a definitive measurement of absolute value, but rather represents a reasonable reference point within an acceptable range of values, and should be interpreted as an indicative baseline for decision-making rather than a guaranteed or fixed transaction price.