
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you are in doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in **APT Electronics Co., Ltd.**, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.



APT Electronics Co., Ltd.

廣東晶科電子股份有限公司

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

(Stock Code: 2551)

**CONNECTED TRANSACTION AND DISCLOSEABLE TRANSACTION
INDIRECT INVESTMENT IN THE TARGET COMPANY
THROUGH EQUITY TRANSFER AND CAPITAL INCREASE**

**Independent Financial Adviser to the Independent Board Committee and
the Independent Shareholders**



SOMERLEY CAPITAL LIMITED

The EGM of the Company will be held at 10:00 a.m. on June 9, 2026 at No. 2 Zhengxiang Road, Wanqingsha, Nansha District, Guangzhou, Guangdong Province, PRC. A notice convening the EGM is set out on pages 113 to 115 of this circular.

The form of proxy for use at the EGM is enclosed herewith and also published on the websites of the Stock Exchange (<https://www.hkexnews.hk>) and of the Company (<https://www.apthk.com>).

Whether or not you are able to attend the EGM, you are requested to complete, sign and return the form of proxy in accordance with the instructions printed thereon and return it to (i) the Company's registered office, headquarters and principal place of business in the PRC at No. 33, Huanshi Road South, Nansha District, Guangzhou, Guangdong Province, the PRC (for Domestic Unlisted Shares holders) or (ii) the Company's H Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for H Shares holders) as soon as possible and in any event not less than twenty-four (24) hours before the time appointed for the holding of the EGM or any adjournment(s) thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment(s) thereof should you so wish. For avoidance of doubt, holder of treasury shares, if any, shall abstain from voting on matters that require Shareholders' approval as required under the Listing Rules.

May 18, 2026

CONTENTS

| | <i>Page(s)</i> |
|--|----------------|
| Definitions | 1 |
| Letter from the Board | 7 |
| Letter from the Independent Board Committee | 32 |
| Letter from the Independent Financial Adviser | 34 |
| Appendix I — General Information | 66 |
| Appendix II — Valuation Report | 71 |
| Notice of the EGM | 113 |

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions have the following meanings:

| | |
|------------------------------|--|
| “AscenPower” | AscenPower Semiconductor Co., Ltd. (廣東芯粵能半導體有限公司), a limited liability company established under the laws of the PRC |
| “Beijing Bohao” | Beijing Bohao Technology Innovation Center (Limited Partnership)* (北京搏皓科技創新中心(有限合夥)), a limited partnership established under the laws of the PRC |
| “Board” | the board of Directors |
| “Business Days” | days other than Saturday, Sunday or public holiday in China |
| “Capital Increase” | the proposed subscription for newly increased registered capital of RMB17,517,705 in the Target Company by Guangzhou Tianze pursuant to the Capital Increase Agreement |
| “Capital Increase Agreement” | the conditional capital increase agreement entered into between Guangzhou Tianze and the Target Company |
| “China” or “PRC” | the People’s Republic of China, for the purpose of this circular only, excluding Hong Kong, Macau Special Administrative Region and Taiwan of the People’s Republic of China |
| “Company” | APT Electronics Co., Ltd. (廣東晶科電子股份有限公司), the H Shares of which have been listed on the Stock Exchange (Stock Code: 2551) |

DEFINITIONS

| | |
|---------------------------------|---|
| “Controlling Shareholder Group” | the controlling shareholder group of the Company, includes Mr. Xiao, Mr. Chan Philip Ching Ho (the non-executive Director), Mr. Yuan Lie Ming Peter (the non-executive Director), APTESS Company Limited, Giant Power Limited, Ms. Loh Rebecca May-Leung (the spouse of Mr. Chan Philip Ching Ho), Advanced Photoelectronic Technology Limited (微晶先進光電科技有限公司), Guangzhou Jingyu Equity Investment Partnership (Limited Partnership) (廣州晶裕股權投資合夥企業(有限合夥)), Guangzhou Jingling Investment Partnership (Limited Partnership) (廣州晶領投資合夥企業(有限合夥)), Guangzhou Jingrui Investment Partnership (Limited Partnership) (廣州晶瑞投資合夥企業(有限合夥)) and Guangzhou Jingshi Investment Partnership (Limited Partnership) (廣州晶實投資合夥企業(有限合夥)) by virtue of the acting-in-concert agreements and relationship among them |
| “Director(s)” | the director(s) of the Company |
| “Domestic Unlisted Share(s)” | ordinary share(s) issued by the Company with nominal value of RMB1.00 each, which is/are subscribed for or credited as paid in RMB and not listed on any stock exchange |
| “EGM” | the extraordinary general meeting of the Company to be convened for the purpose of considering and, if thought fit, approving the Equity Transfer Agreements, the Capital Increase Agreement and the transactions contemplated thereunder |
| “Equity Transfer” | the proposed equity transfer of an aggregate amount of registered capital of RMB8,156,226 of the Target Company by Guangzhou Tianze from the Vendors pursuant to the Equity Transfer Agreements |
| “Equity Transfer Agreement” | the respective conditional equity transfer agreement entered into between Guangzhou Tianze, the respective Vendor and the Target Company, collectively referred as “Equity Transfer Agreements” |

DEFINITIONS

| | |
|---|--|
| “Group” | the Company and its subsidiaries |
| “Guangdong Lianxinneng” | Guangdong Lianxinneng Innovation Investment Co., Ltd.* (廣東聯芯能創新投資有限公司), a limited liability company established under the laws of the PRC |
| “Guangzhou Hanrui” | Guangzhou Hanrui Science and Technology Innovation Investment Partnership (Limited Partnership)* (廣州瀚睿科創投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC |
| “Guangzhou Tianze” or “Purchaser” or “Investor” | Guangzhou Tianze Jingxin Venture Investment Fund Partnership (Limited Partnership)* (廣州天澤晶芯創業投資基金合夥企業(有限合夥)), a limited partnership established under the laws of the PRC, in which the Company holds a 40.12% partnership interest as a limited partner |
| “Guangzhou Xinxin” | Guangzhou Xinxin Investment Partnership (Limited Partnership)* (廣州芯欣投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC, the managing partner of which is Mr. Xiao |
| “H Share(s)” | overseas listed foreign ordinary shares in the share capital of our Company with nominal value of RMB1.00 each, which are subscribed and traded in HK dollars and are listed on the Stock Exchange |
| “H Share Registrar” | Computershare Hong Kong Investor Services Limited |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Huzhou Jingxinlian” | Huzhou Jingxinlian Equity Investment Partnership (Limited Partnership)* (湖州京芯聯股權投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC |
| “Huzhou Laozhongshi” | Huzhou Laozhongshi Equity Investment Partnership (Limited Partnership)* (湖州老忠實股權投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC |

DEFINITIONS

| | |
|--------------------------------|--|
| “Huzhou Shanglian” | Huzhou Shanglian Equity Investment Partnership (Limited Partnership)* (湖州熵聯股權投資合夥企業(有限合夥)), a limited partnership established under the laws of the PRC |
| “Independent Board Committee” | an independent board committee of the Board comprising of Ms. Zhang He, Ms. Lin Nan, Ms. Ding Hui and Mr. Chan Chi Kong, all of whom are independent non-executive Directors, to advise the Independent Shareholders in relation to the Equity Transfer and the Capital Increase |
| “Independent Third Party(ies)” | individuals or companies, as far as the Directors are aware after having made all reasonable enquiries, being not connected persons of the Company |
| “Independent Shareholders” | the Shareholders who are not required under the Listing Rules to abstain from voting on the resolutions relating to the Equity Transfer and the Capital Increase to be proposed at the EGM |
| “Latest Practicable Date” | May 10, 2026, being the latest practicable date prior to the publication of this circular for the purpose of ascertaining certain information contained herein |
| “Listing Rules” | The Rules Governing the Listing of Securities on the Stock Exchange |
| “Model Code” | Model Code for Securities Transactions by Directors of Listed Issuers under Appendix C3 of the Listing Rules |
| “Mr. Xiao” | Mr. Xiao Guowei David (肖国偉), a controlling shareholder and an executive Director of the Company |
| “RMB” | Renminbi, the lawful currency of the PRC |

DEFINITIONS

| | |
|---|--|
| “Series D Preferred Shares” | each Series D Preferred Share represents one unit of registered capital of the Target Company with a nominal value of RMB1.00, being the registered capital to be subscribed for by Guangzhou Tianze pursuant to the Capital Increase Agreement and the Equity Transfer Agreements; for the avoidance of doubt, each such Series D Preferred Share shall also represent one unit of registered capital of the Target Company with a nominal value of RMB1.00 previously subscribed for by the minority shareholders of AscenPower as consideration in connection with the acquisition by the Target Company of the remaining minority equity interests in AscenPower as part of the relevant restructuring |
| “SFO” | Securities and Futures Ordinance, Cap. 571 of the Laws of Hong Kong |
| “Share(s)” | ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each |
| “Shareholder(s)” | Shareholder(s) of the Company |
| “Somerley” or “Independent Financial Adviser” | Somerley Capital Limited, a corporation licensed by the Securities and Futures Commission to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, the independent financial adviser appointed to advise the Independent Board Committee and the Independent Shareholders in respect of the Equity Transfer and the Capital Increase |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Supervisor(s)” | the supervisor(s) of the Company |
| “Target Company” | AccoPower Semiconductor Co., Ltd. (廣東芯聚能半導體有限公司), a limited liability company established under the laws of the PRC |
| “treasury shares” | has the meaning ascribed to it under the Listing Rules |

DEFINITIONS

| | |
|----------------------------------|---|
| “Valuation Date” | December 31, 2025 |
| “Valuation Report” | the valuation report on the market value of the Series D Preferred Shares as of the Valuation Date issued by Valuer |
| “Valuer” or “Jones Lang LaSalle” | Jones Lang LaSalle Corporate Appraisal and Advisory Limited, an independent valuer |
| “%” | per cent. |

In this document, the terms “associate(s)”, “close associate(s)”, “connected person(s)”, “controlling shareholder(s)”, “core connected person(s)” and “substantial shareholder(s)” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

Certain amounts and percentage figures included in this document have been subject to rounding.

For ease of reference, the names of the PRC established companies or entities, laws or regulations have been included in this document in both the Chinese and English languages and in the event of any inconsistency, the Chinese versions shall prevail.

** For identification purposes only*

LETTER FROM THE BOARD



APT Electronics Co., Ltd.
廣東晶科電子股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2551)

Executive Directors:

Mr. Xiao Guowei David
(Chairperson and chief strategic officer)
Mr. Hou Yu

Non-executive Directors:

Mr. Chan Philip Ching Ho
Mr. Yuan Lie Ming Peter
Mr. Huang Guansheng

Independent non-executive Directors:

Ms. Zhang He
Ms. Lin Nan
Ms. Ding Hui
Mr. Chan Chi Kong

***Registered Office, Headquarters and
Principal Place of Business in the PRC:***

No. 33, Huanshi Road South
Nansha District, Guangzhou
Guangdong Province, PRC

Principal Place of Business in Hong Kong:

Unit 322, 3/F
19W, Science Park West Avenue
Hong Kong Science Park
Pak Shek Kok
New Territories
Hong Kong

May 18, 2026

To the Shareholders

Dear Sir or Madam,

**CONNECTED TRANSACTION AND DISCLOSEABLE TRANSACTION
INDIRECT INVESTMENT IN THE TARGET COMPANY
THROUGH EQUITY TRANSFER AND CAPITAL INCREASE**

I. INTRODUCTION

Reference is made to the announcement of the Company dated April 8, 2026 in relation to indirect investment in the Target Company through the Equity Transfer and the Capital Increase.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, (i) further information of the Equity Transfer Agreements, the Capital Increase Agreement and the transactions contemplated thereunder (including the Equity Transfer and the Capital Increase); (ii) the recommendation from the Independent Board Committee to the Independent Shareholders; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders; and (iv) a notice convening the EGM.

II. THE EQUITY TRANSFER AND THE CAPITAL INCREASE

On April 8, 2026, Guangzhou Tianze and the Vendors entered into the Equity Transfer Agreements, pursuant to which Guangzhou Tianze has conditionally agreed to acquire, and the Vendors have conditionally agreed to sell, an aggregate amount of registered capital of RMB8,156,226 in the Target Company, representing approximately 3.26% of the equity interests in the Target Company as at the Latest Practicable Date, at a price of approximately RMB23.0989 per registered capital. The total consideration for the Equity Transfer shall be RMB188.40 million.

On April 8, 2026, Guangzhou Tianze and the Target Company entered into the Capital Increase Agreement, pursuant to which Guangzhou Tianze shall subscribe for newly increased registered capital of RMB17,517,705 in the Target Company, representing approximately 6.54% of the total enlarged equity interests of the Target Company immediately following the Capital Increase, at a price of approximately RMB25.6655 per registered capital. The total consideration for the Capital Increase shall be RMB449.60 million.

Immediately following completion of the Equity Transfer and the Capital Increase, and assuming no further changes in the registered capital of the Target Company, it is expected that Guangzhou Tianze will hold an aggregate of approximately 9.5799% of the equity interests in the Target Company. The Target Company will not become a subsidiary of Guangzhou Tianze, and its financial statements will not be consolidated into the financial statements of Guangzhou Tianze. The completion of the Equity Transfer and the Capital Increase is not inter-conditional with each other.

1. The Equity Transfer

The Principal Terms of the Equity Transfer Agreements

The principal terms of each of the Equity Transfer Agreements are summarized as follows:

(1) *Date*

April 8, 2026

LETTER FROM THE BOARD

(2) *Parties*

(i) Guangzhou Tianze as the Purchaser;

(ii) Guangdong Lianxinneng;

(iii) Guangzhou Hanrui;

(iv) Huzhou Shanglian;

(v) Huzhou Laozhongshi;

(vi) Ms. Wang Yingying (王穎穎);

(vii) Beijing Bohao;

(viii) Huzhou Jingxinlian;

(the abovementioned parties (ii) to (viii), each a “**Vendor**”, collectively the “**Vendors**”)

(ix) the Target Company.

To the best of the Directors’ knowledge, information and belief and after making all reasonable enquiries, as at the Latest Practicable Date, each of Huzhou Shanglian, Ms. Wang Yingying, Beijing Bohao and Huzhou Jingxinlian and their respective ultimate beneficial owners (if any) are Independent Third Parties. Guangdong Lianxinneng, Guangzhou Hanrui, Huzhou Laozhongshi and their respective ultimate beneficial owners are connected persons of the Company.

(3) *Subject Matter*

Pursuant to the Equity Transfer Agreements, the Purchaser has conditionally agreed to acquire, and the Vendors have conditionally agreed to sell, an aggregate amount of registered capital of RMB8,156,226 in the Target Company, representing approximately 3.26% of the equity interests in the Target Company as at the Latest Practicable Date, at a price of approximately RMB23.0989 per registered capital.

LETTER FROM THE BOARD

(4) Consideration and Payment

The total consideration for the Equity Transfer shall be RMB188.40 million. The consideration for the Equity Transfer shall be settled by Purchaser in cash and will be funded by its internal sources.

Details of the equity interests in the Target Company to be transferred by each Vendor to the Purchaser and the respective consideration are set out below:

| Name of Vendor | Registered Capital Corresponding to the Equity Interests to be acquired by the Purchaser (RMB) | Shareholding Percentage ⁽¹⁾ | Consideration ⁽²⁾ (RMB'0,000) |
|---------------------------------|---|---|---|
| Guangdong | | | |
| Lianxinneng ⁽³⁾ | 5,913,697 | 2.36% | 13,660 |
| Guangzhou Hanrui ⁽³⁾ | 757,611 | 0.30% | 1,750 |
| Huzhou Shanglian | 409,110 | 0.16% | 945 |
| Huzhou | | | |
| Laozhongshi ⁽³⁾ | 363,653 | 0.15% | 840 |
| Wang Yingying | 333,349 | 0.13% | 770 |
| Beijing Bohao | 242,436 | 0.10% | 560 |
| Huzhou Jingxinlian | 136,370 | 0.05% | 315 |
| Total | 8,156,226 | 3.26% | 18,840 |

Notes:

- (1) The above percentage figures have been rounded to the nearest two decimal places and, as a result, may not sum to the stated total due to rounding differences.
- (2) Each of the Vendors agrees that all consideration received under the Equity Transfer shall be used in full to fulfill its obligations to make paid-in capital contributions to the Target Company and/or its subsidiary.
- (3) As disclosed in this circular, Guangdong Lianxinneng, Guangzhou Hanrui and Huzhou Laozhongshi are connected persons of the Company. The original acquisition costs of the registered capital to be sold to Guangdong Lianxinneng, Guangzhou Hanrui and Huzhou Laozhongshi are the registered capital contributed or acquired by them at the price of RMB1.00 per registered capital, being aggregately RMB5,913,697, RMB757,611 and RMB363,653 respectively.

LETTER FROM THE BOARD

The Purchaser shall make payment of the aforementioned consideration to the respective designated bank account of each Vendor within seven Business Days after the date on which the conditions precedent (as disclosed below) have been fulfilled (or waived).

The consideration for the Equity Transfer was determined after arm's length negotiations between the Purchaser and the Vendors on normal commercial terms with reference to, among others: (i) the appraised per-share value of the Series D Preferred Shares of the Target Company of RMB26.06 (the "**Appraised Value**") as assessed by the Valuer as at the Valuation Date; (ii) the business development and future prospects of the Target Company; (iii) the reasons and benefits as stated under the section headed "Reasons for and Benefits of the Equity Transfer and the Capital Increase" in this circular; and (iv) the valuation of Target Company in the previous financing rounds. Please refer to Appendix II of the circular for the Valuation Report including, among others, the valuation method, the key assumptions and key inputs.

(5) Conditions Precedent

The obligation of the respective Vendor to complete the Equity Transfer shall be subject to the satisfaction of each of the following conditions on or prior to the completion (such conditions may be waived in whole or in part at the sole discretion of the respective Vendor):

- (i) the Purchaser and the Target Company having executed and delivered to the Vendor the Equity Transfer Agreement, as well as other ancillary agreements, resolutions and other documents required to be executed for the completion of such equity transfer or executed at the request of the Purchaser; and
- (ii) the representations and warranties made by the Purchaser set forth in the Equity Transfer Agreement being true and accurate in all material respects when made, and remaining true and accurate in all material respects as of the completion date with the same force and effect as if made on the completion date (except for representations and warranties made relating to a specific date).

The obligation of the Purchaser to complete the Equity Transfer shall be subject to the satisfaction of each of the following conditions on or prior to the completion (such conditions may be waived in whole or in part at the sole discretion of the Purchaser):

- (i) the Vendor, the Target Company and its shareholders having executed and delivered to the Purchaser all transaction documents, including but not limited to the Equity Transfer Agreement, the articles of association, and other ancillary agreements, resolutions and other documents required for the completion of the Equity Transfer or executed at the request of the Purchaser;

LETTER FROM THE BOARD

- (ii) the representations and warranties made by the Target Company and the Vendor set forth in the Equity Transfer Agreement being true and accurate in all material respects when made, and remaining true and accurate in all material respects as of the completion date with the same force and effect as if made on the completion date (except for representations and warranties made relating to a specific date);
- (iii) the shareholders of the Target Company having waived their pre-emptive rights in respect of the Equity Transfer, or any other rights that would impede the Purchaser's rights under the transaction documents;
- (iv) as of the completion date, no event or events that would have a material adverse effect have occurred with respect to the Target Company, and there is no evidence indicating that such events that may result in a material adverse effect will occur;
- (v) the Target Company, the Purchaser and the Vendor having obtained all approvals, consents or waivers from any governmental authorities or third parties for the execution of the transaction documents and the completion of the Equity Transfer (if applicable);
- (vi) the obligations prior to the completion date set forth in the Equity Transfer Agreement having been duly and effectively performed as of the completion date.

As at the Latest Practicable Date, no ancillary agreements were entered into among the Purchaser, the Vendors and the Target Company under the Equity Transfer, nor are there any intentions among them to enter into any ancillary agreements. As at the Latest Practicable Date, save and except for the Equity Transfer Agreements having been executed, none of the other conditions precedent have been satisfied.

(6) Effectiveness

The Equity Transfer Agreements shall become effective upon satisfaction with all the following conditions:

- (i) the Company (as a limited partner of the Guangzhou Tianze) having completed all of its internal decision-making procedures and external regulatory approvals in respect of Guangzhou Tianze's investment in the Target Company, and the relevant regulatory authorities having confirmed no further objections;

LETTER FROM THE BOARD

- (ii) the shareholders of the Target Company having duly waived their pre-emptive rights in respect of the Equity Transfer, or any other rights that would impede the Purchaser's rights under the transaction documents, and the board and general meeting of the Target Company having approved the Equity Transfer;
- (iii) the partners of Guangzhou Tianze having made their capital contributions in full, and Guangzhou Tianze having completed the fund filing with the Asset Management Association of China.

The internal decision-making procedures of the Company under the above condition (i) include the approval by the Board and the general meeting of the Company. As at the Latest Practicable Date, save and except for the condition (i) (in respect of the approval by the Board) and condition (ii) (in respect of the approvals by the board of directors of the Target Company), which have been satisfied, none of the above other conditions have been satisfied.

(7) Special Rights

Pursuant to the Equity Transfer Agreements, Guangzhou Tianze (as one of the Series D investors) shall be entitled to the certain customary special rights, including (i) liquidation preference right entitling the Series D investors, upon the occurrence of liquidation events, to priority repayment of an amount equal to 100% of their investment cost over all other shareholders other than the Series C investors; (ii) information right requiring the Target Company to provide specified documents and timely notification of material business matters; (iii) pre-emptive right to subscribe, on the same terms, for a specified portion of newly issued equity securities when the Target Company issues new securities; (iv) right of first refusal to purchase, on the same terms and in priority to a proposed transferee, equity interests proposed to be transferred by non-preferred shareholders; (v) anti-dilution right protection in the event of new issuances at a price lower than the subscription price paid by the Series D investors, the Series D investors shall be entitled, on a full ratchet basis, to receive equity compensation at a lower consideration from the Target Company or from other shareholders other than the Series C investors; (vi) tag-along right to dispose of equity interests on the same terms in connection with transfers by founder shareholders; (vii) redemption rights entitling the Series D investors to require the Target Company to repurchase their equity interests upon the occurrence of the repurchase events (refers to the circumstance where more than half of the Series D investors, based on their shareholding, determine that the Target Company has satisfied the requirements for initiating a qualified initial public offering (QIPO) and is eligible to proceed with the submission of the listing application, but such application for QIPO is not commenced within the agreed period due to reasons attributable to the founder shareholder(s)); (viii) most-favored-nation treatment ensuring that the rights of the Series D investors are no less favorable than those granted to any other shareholders; and (ix) the right of Guangzhou Tianze to appoint one non-voting observer to attend meetings of the board of

LETTER FROM THE BOARD

directors of the Target Company. Such special rights shall be subject to the shareholders' agreement to be jointly entered into among Guangzhou Tianze, the Target Company and other shareholders of the Target Company after the completion of the Equity Transfer.

Among the special rights referred to in paragraphs (i) to (viii) above, save for the liquidation preference right, the anti-dilution right and the redemption right, the Series D investors shall rank pari passu with the Series C investors and in priority to the Series B and Series A investors, and such other special rights shall be identical among the four series of preferred investors; further, with respect to the special right under paragraph (ix), only Guangzhou Tianze, among the preferred shareholders, is entitled to appoint a board observer.

(8) Completion

Subject to the terms and conditions of the Equity Transfer Agreement, the completion shall occur on the date on which all the conditions precedent under the Equity Transfer Agreement have been satisfied (or waived by the relevant parties) and the Purchaser has paid the consideration to the designated bank account in accordance with the requirements of the Equity Transfer Agreement.

(9) Termination

The Equity Transfer Agreement may be terminated by any of the following circumstances:

- (a) a party under the Equity Transfer Agreement may terminate the agreement by giving written notice to the other party, specifying the effective date of termination, upon the occurrence of any of the following events:
 - (i) any representation, warranty or statement made by a party under the Equity Transfer Agreement or any transaction document is materially untrue, inaccurate or contains a material omission;
 - (ii) a party commits a material breach of the Equity Transfer Agreement or any transaction document, as a result of which the Equity Transfer contemplated hereby cannot be consummated.
- (b) by mutual written agreement of all parties under the Equity Transfer Agreement;

LETTER FROM THE BOARD

- (c) if the Equity Transfer cannot be completed within ninety days after the effective date of the transaction documents, or such other period as may be mutually agreed by all parties, a party may terminate the Equity Transfer Agreement upon written notice to the other parties;
- (d) if any governmental authority promulgates any law or regulation, or issues any order, decree, ruling, or takes any other legal action that restricts, prevents or otherwise prohibits the Equity Transfer under the Equity Transfer Agreement, or renders the Equity Transfer illegal or impossible to complete, and such order, decree, ruling or other legal action is final and not subject to reconsideration, litigation or appeal, any party hereto may terminate the Equity Transfer Agreement upon written notice to the other parties;
- (e) upon the occurrence of a statutory force majeure event that prevents the parties from performing the Equity Transfer Agreement or achieving the purposes hereof, each party shall have the right to terminate the Equity Transfer Agreement.

The right of any party to terminate the Equity Transfer Agreement in advance shall be in addition to any other remedies available to such party. Such termination shall not release any obligations of the breaching party until the termination date, nor shall it release the breaching party from liability for compensating the other party for losses caused by the breach of the Equity Transfer Agreement or any other transaction document.

2. The Capital Increase

The Principal Terms of the Capital Increase Agreement

The principal terms of the Capital Increase Agreement are summarized as follows:

(1) *Date*

April 8, 2026

(2) *Parties*

- (i) Guangzhou Tianze as the Investor; and
- (ii) the Target Company

LETTER FROM THE BOARD

(3) Subject Matter

Pursuant to the Capital Increase Agreement, the Investor shall subscribe for newly increased registered capital of RMB17,517,705 in the Target Company, representing approximately 6.54% of the total enlarged equity interests of the Target Company immediately following the Capital Increase, at a price of approximately RMB25.6655 per registered capital.

(4) Consideration and Payment

The total consideration for the Capital Increase shall be RMB449.60 million. The consideration for the Capital Increase shall be settled by the Investor in cash and will be funded by its internal sources.

Guangzhou Tianze shall make payment of the aforementioned consideration to the designated bank account of the Target Company within ten Business Days after the date on which the conditions precedent (as disclosed below) have been fulfilled (or waived).

The consideration for the Capital Increase was determined after arm's length negotiations between the Investor and the Target Company on normal commercial terms with reference to, among others: (i) the Appraised Value of the Series D Preferred Shares of the Target Company assessed by the Valuer as at the Valuation Date; (ii) the business development and future prospects of the Target Company; (iii) the reasons and benefits as stated under the section headed "Reasons for and Benefits of the Equity Transfer and the Capital Increase" in this circular; and (iv) the valuation of Target Company in the previous financing rounds. Please refer to Appendix II of the circular for a summary of the Valuation Report including, among others, the valuation method, the key assumptions and key inputs.

The price per registered capital of the Capital Increase is approximately RMB25.6655, representing a discount of approximately 1.51% to the Appraised Value, which the Company believes to be within a reasonable range. In addition, as disclosed in this circular, the Target Company recently completed a share exchange transaction with AscenPower and its minority shareholders by way of issuing newly registered capital of the Target Company to such minority shareholders of AscenPower in exchange for their equity interests in AscenPower. The price per registered capital of the Capital Increase is the same as the price at which such minority shareholders of AscenPower subscribed for the newly increased registered capital of the Target Company under the relevant share exchange transaction, thereby ensuring consistency in pricing within the same financing round.

LETTER FROM THE BOARD

The price per registered capital of the Equity Transfer is approximately RMB23.0989, representing a discount of approximately 10% to the price per registered capital of the Capital Increase. Such discount arrangement is determined primarily based on arm's length commercial negotiations among the relevant parties and is consistent with the Target Company's historical practice in previous financing rounds where equity transfers and capital increases were carried out concurrently, pursuant to which equity transfers were customarily priced at a discount to subscriptions for newly increased registered capital, and is also in line with the prevailing market commercial practice.

(5) Conditions Precedent

The obligation of the Investor to pay the capital increase contribution shall be subject to the satisfaction or waiver by the Investor (as the case may be) of the following conditions within the completion period (being on or before July 31, 2026 or any other date as may be separately agreed by both parties):

- (i) both parties having executed and delivered the transaction documents, including without limitation the Capital Increase Agreement, the articles of association, and the transaction documents remaining in full force and effect;
- (ii) the general meeting of the Target Company having resolved to approve the Capital Increase, and the shareholders holding more than two-thirds of the voting rights of the Target Company having signed the resolutions;
- (iii) there being no applicable law or judgment, award, ruling, injunction or order of any governmental authority that restricts, prohibits or cancels the Capital Increase, and no pending or reasonably foreseeable lawsuits, arbitrations, judgments, awards, injunctions or orders that have had or would have an adverse effect on the Capital Increase;
- (iv) the representations and warranties made by the Target Company being true, accurate, complete and not misleading from the effective date of the Capital Increase Agreement to the completion date;
- (v) the Target Company having performed and complied in all material respects with all covenants and undertakings required to be performed or complied with by the Target Company under the transaction documents on or before the completion date;
- (vi) no material adverse event having occurred in respect of the Target Company from the date of execution of the Capital Increase Agreement to the completion date;

LETTER FROM THE BOARD

(vii) the Target Company having delivered to the Investor a confirmation letter (set forth in the appendix to the agreement) which confirms that all conditions precedent have been satisfied and the relevant documents;

(viii) the Target Company having delivered to the Investor a payment notice for the Capital Increase that complies with the Investor's requirements.

Subject to the applicable laws, the Investor may, in its sole discretion, waive any conditions precedent and agree in writing on a time limit for the Target Company to fulfill the obligations under such waived condition.

If the Investor waives any conditions precedent in writing based on the undertakings of the Target Company, such waived condition shall automatically convert into a matter to be completed by the Target Company within a period acceptable to the Investor after the completion date. The Target Company shall comply with such written waiver agreement of the conditions precedent and perform such undertaken obligations on a timely basis.

As at the Latest Practicable Date, save for the Capital Increase Agreement having been executed, none of the other conditions precedent have been satisfied.

(6) Effectiveness

The Capital Increase Agreement shall become effective upon satisfaction with all the following conditions:

- (i) the Company (as a limited partner of the Guangzhou Tianze) having completed all of its internal decision-making procedures and external regulatory approvals in respect of Guangzhou Tianze's investment in the Target Company, and the relevant regulatory authorities having confirmed no further objections;
- (ii) the board and general meeting of the Target Company having approved the Capital Increase;
- (iii) the partners of Guangzhou Tianze having made their capital contributions in full, and Guangzhou Tianze having completed the fund filing with the Asset Management Association of China.

LETTER FROM THE BOARD

The internal decision-making procedures of the Company under the above condition (i) include the approval by the Board and the general meeting of the Company. As at the Latest Practicable Date, save and except for the condition (i) (in respect of the approval by the Board) and condition (ii) (in respect of the approvals by the board of directors of the Target Company), which have been satisfied, none of the above other conditions have been satisfied.

(7) Special Rights

Pursuant to the Capital Increase Agreement, Guangzhou Tianze (as one of the Series D investors) shall be entitled to the special rights including liquidation preference right, right to information, pre-emptive right, right of first refusal, anti-dilution right, tag-along right, redemption right, most-favored-nation treatment and the right to appoint one non-voting observer to attend meetings of the board of directors of the Target Company. Such special rights shall be subject to the shareholders' agreement to be jointly entered into among Guangzhou Tianze, the Target Company and other shareholders of the Target Company after the completion of the Capital Increase.

As one of the Series D investors, the special rights attached to the equity interests in the Target Company enjoyed by Guangzhou Tianze through the Equity Transfer and the Capital Increase are same. Accordingly, for details of the abovementioned special rights under the Capital Increase Agreement, please refer to the paragraphs headed "Special Rights" under the section headed "The Equity Transfer". For avoidance of doubt, Guangzhou Tianze shall be entitled to appoint one observer only under the Equity Transfer Agreements and the Capital Increase Agreement.

(8) Completion

The completion shall occur on the date on which the Investor has paid full capital contribution to the designated bank account of the Target Company, which shall not be later than July 31, 2026 or any other date otherwise agreed by the parties.

(9) Termination

The Capital Increase Agreement may be terminated before the completion date under the following circumstances:

- (i) by mutual written agreement of the parties to terminate the Capital Increase Agreement;

LETTER FROM THE BOARD

- (ii) if the Investor breaches its obligation to pay the capital increase contribution as stipulated, and such breach has a material adverse effect on the performance hereof, and such breach is incapable of being rectified or is not rectified within five Business Days after the Target Company delivers a written notice to the Investor, the Target Company may elect to terminate the Capital Increase Agreement with such defaulting Investor, without affecting the validity of the provisions with other non-defaulting investors;
- (iii) if the conditions precedent are not fully satisfied within the completion period and are not waived by the Investor, the Capital Increase Agreement shall terminate upon the Investor delivering a written termination notice to the other party hereto;
- (iv) if the Target Company breaches any covenants, undertakings or obligations hereunder, or any representations and warranties made by them herein are proven to be false, materially inaccurate or materially misleading, and such breach has a material adverse effect on the performance of the Capital Increase Agreement, and such breach is incapable of being rectified or is not rectified within five Business Days after the Investor delivers a written notice to the other party (the mere disclosure of the breach shall not constitute a rectification), the Capital Increase Agreement shall terminate upon the Investor delivering a written termination notice to the other party hereto. If the Investor has already paid the capital increase contribution, the Target Company, within three Business Days from the date of the aforesaid notice, shall refund all such amounts and pay the fund occupation cost (calculated at an annual interest rate of 6% (simple interest) from the date of actual payment by the Investor to the date of full refund to the Investor);
- (v) other circumstances as otherwise agreed in the Capital Increase Agreement.

III. INFORMATION OF THE PARTIES

1. Guangzhou Tianze

Guangzhou Tianze is a limited partnership enterprise established under the laws of the PRC. Guangzhou Tianze focuses on the semiconductor and integrated circuit sector, being one of the 15 strategic industrial clusters under the development of Guangzhou's "12218" modern industrial system and prioritizes supporting the Government's development of strategic industries. It has six partners including Wanlian Tianze Capital Investment Co., LTD.* (萬聯天澤資本投資有限公司, "Wanlian Tianze") (holding 8.53% partnership interests and also being the general partner, executive partner and fund manager of Guangzhou Tianze, and being responsible for the investment, management and operation of the fund), the Company (holding 40.12% partnership interests), and other four limited partners (each holding less than 20% partnership interests). For

LETTER FROM THE BOARD

the details of the proposed formation of Guangzhou Tianze and shareholding structure of the limited partners and general partners, please refer to the announcement of the Company dated February 24, 2026.

Guangzhou Tianze is not a subsidiary of nor controlled by the Company and its financial statements is not consolidated into the financial statements of the Company.

2. The Vendors

Guangdong Lianxinneng

Guangdong Lianxinneng is a limited liability company under the laws of the PRC and is principally engaged in financing consulting services, enterprise management consulting, financial consulting, and investment activities with its own funds. As at the Latest Practicable Date, its ultimate beneficial owner is Mr. Xiao who holds as to approximately 60.95% equity interests, and the remaining approximately 39.05% is held by the other eleven shareholders (each holding less than one-third equity interests).

Mr. Xiao is the controlling shareholder and the executive Director of the Company and hence Guangdong Lianxinneng is a connected person of the Company.

Guangzhou Hanrui

Guangzhou Hanrui is a limited partnership enterprise established under the laws of the PRC, and is principally engaged in the investment activities with its own funds. As at the Latest Practicable Date, it is ultimately controlled by Mr. Xiao who is the managing partner holding as to 57% partnership interests, and the remaining 43% partnership interests is held by the other five limited partners (each holding less than one-third partnership interests) who are Independent Third Parties. Guangzhou Hanrui is a connected person of the Company.

Huzhou Shanglian

Huzhou Shanglian is a limited partnership enterprise established under the laws of the PRC, and is principally engaged in equity investment, financial consulting and enterprise management consulting. As at the Latest Practicable Date, it is owned as to 99% partnership interests by Ms. Yan Wenqi (嚴文綺) and as to 1% partnership interests by Mr. Li Min (李敏) (also being the managing partner). Huzhou Shanglian and its ultimate beneficial owner are Independent Third Parties.

LETTER FROM THE BOARD

Huzhou Laozhongshi

Huzhou Laozhongshi is a limited partnership enterprise established under the laws of the PRC, and is principally engaged in equity investment, financial consulting and enterprise management consulting. As at the Latest Practicable Date, it is owned as to 87.42% partnership interests by Mr. Lu Xianyao (陸獻堯), as to 0.01% partnership interests by Mr. Xiao (also being the managing partner), and as to 12.58% partnership interests by the remaining two limited partners who are Independent Third Parties. Huzhou Laozhongshi is a connected person of the Company.

Ms. Wang Yingying

Ms. Wang Yingying, who holds approximately 3.7824% equity interests of the Target Company as at the Latest Practicable Date, is an Independent Third Party.

Beijing Bohao

Beijing Bohao is a limited partnership enterprise established under the laws of the PRC, and is principally engaged in technology promotion services and enterprise management services and other services. As at the Latest Practicable Date, it is owned as to 50% partnership interests by Mr. Sun Haoran (孫昊然) and as to 50% partnership interests by Mr. Geng Bo (耿博) (also being the managing partner). Beijing Bohao and its ultimate beneficial owner are Independent Third Parties.

Huzhou Jingxinlian

Huzhou Jingxinlian is a limited partnership enterprise established under the laws of the PRC, and is principally engaged in equity investment, financial consulting and enterprise management consulting. As at the Latest Practicable Date, it is owned as to 99% partnership interests by Ms. Lu Tian (陸天) and as to 1% partnership interests by Mr. Lu Chongyuan (陸崇源) (also being the managing partner). Huzhou Jingxinlian and its ultimate beneficial owner are Independent Third Parties.

3. The Target Company

The Target Company is a limited liability company established under the laws of the PRC. It focuses on the application of silicon carbide power semiconductor products and integrates chip, device and module design, R&D, packaging manufacturing, testing and sales. As at the Latest Practicable Date, it is ultimately controlled by Mr. Xiao as to approximately 37.2099% through Guangdong Lianxinneng (directly holding as to approximately 19.2443% of the Target Company), Guangzhou Hanrui (directly holding as to approximately 9.9809% of the Target Company),

LETTER FROM THE BOARD

Huzhou Laozhongshi (directly holding as to approximately 4.7908% of the Target Company) and Guangzhou Xinxin (directly holding as to approximately 3.1939% of the Target Company), therefore, the Target Company is a connected person of the Company.

Shareholding Structure of the Target Company

Details of the shareholding structure of the Target Company as at the Latest Practicable Date and immediately after the completion of the Equity Transfer and the Capital Increase (assuming there will be no change in the shareholding structure of the Target Company since the Latest Practicable Date save for the Equity Transfer and the Capital Increase) are set out below:

| Name of Shareholders | As at the Latest Practicable Date | | Immediately after the Completion of the Equity Transfer and the Capital Increase | |
|-----------------------|--------------------------------------|----------------------------|---|----------------------------|
| | Registered Capital (RMB) | Shareholding Percentage | Registered Capital (RMB) | Shareholding Percentage |
| Guangzhou Tianze | — | — | 25,673,931 | 9.5799% |
| Guangdong Lianxinneng | 48,202,968 | 19.2443% | 42,289,271 | 15.7798% |
| Guangzhou Hanrui | 25,000,000 | 9.9809% | 24,242,389 | 9.0458% |
| Huzhou Shanglian | 12,601,484 | 5.0309% | 12,192,374 | 4.5494% |
| Huzhou Laozhongshi | 12,000,000 | 4.7908% | 11,636,347 | 4.3420% |
| Wang Yingying | 9,474,219 | 3.7824% | 9,140,870 | 3.4108% |
| Beijing Bohao | 8,000,000 | 3.1939% | 7,757,564 | 2.8946% |
| Huzhou Jingxinlian | 4,500,000 | 1.7966% | 4,363,630 | 1.6282% |
| Other shareholders | 130,700,614 | 52.1802% | 130,700,614 | 48.7695% |
| Total | <u>250,479,285</u> | <u>100.0000%</u> | <u>267,996,990</u> | <u>100.0000%</u> |

LETTER FROM THE BOARD

Financial Information of the Target Company

The following table sets forth the financial information of the Target Company for the two financial years ended December 31, 2024 and 2025 based on the financial statements prepared in accordance with the China Accounting Standards for Business Enterprises (the “CAS”):

| | For the year ended December 31, | |
|--------------------------|--|-----------------------|
| | 2024 | 2025 |
| | <i>(RMB' million)</i> | <i>(RMB' million)</i> |
| | (Audited) | (Unaudited) |
| Net loss before taxation | (187.71) | (187.30) |
| Net loss after taxation | (187.71) | (187.30) |

According to the financial statements prepared in accordance with the CAS, the audited total asset and net asset of the Target Company as at December 31, 2024 is approximately RMB1,151.47 million and RMB612.73 million respectively, and the unaudited total asset and net asset of the Target Company as at December 31, 2025 is approximately RMB954.55 million and RMB431.14 million respectively.

AscenPower is a limited liability company established under the laws of the PRC. It is a high-tech enterprise engaged in the manufacturing and research and development of SiC chips for automotive-grade and industrial control applications. Its products mainly include SiC SBD/JBS, SiC MOSFETs and other power semiconductor devices, which are primarily used in new energy vehicles, industrial power supplies, smart grids, photovoltaic and energy storage systems, AI data centers and computing infrastructure, as well as consumer electronics and other fields.

LETTER FROM THE BOARD

Given the Target Company recently completed a share exchange transaction with AscenPower and its minority shareholders, pursuant to which the Target Company would acquire an additional equity interest in AscenPower by way of subscribing for registered capital of the Target Company by those minority shareholders of AscenPower. Upon completion of such transaction, the Target Company would hold an aggregate 56.46% equity interest in AscenPower and which will be a subsidiary of the Target Company. For illustrative purposes and to provide Shareholders and potential investors with additional information, set out below is the financial information of AscenPower for the two financial years ended December 31, 2024 and 2025, based on the financial statements prepared in accordance with the CAS:

| | For the year ended December 31, | |
|--------------------------|--|-----------------------|
| | 2024 | 2025 |
| | <i>(RMB' million)</i> | <i>(RMB' million)</i> |
| | (Audited) | (Unaudited) |
| Net loss before taxation | (142.10) | (489.10) |
| Net loss after taxation | (142.10) | (522.41) |

According to the financial statements prepared in accordance with the CAS, the audited total asset and net asset of AscenPower as at December 31, 2024 is approximately RMB3,397.48 million and RMB937.93 million respectively, and the unaudited total asset and net asset of AscenPower as at December 31, 2025 is approximately RMB3,265.05 million and RMB415.52 million respectively.

IV. FINANCIAL IMPACTS OF THE EQUITY TRANSFER AND CAPITAL INCREASE ON THE GROUP

Upon completion of the Equity Transfer and the Capital Increase, Guangzhou Tianze will hold approximately 9.5799% of the equity interests in the Target Company and the Company, as a limited partner of Guangzhou Tianze, will have an effective economic interest of approximately 3.8435% in the Target Company. Therefore, the Target Company will not become a subsidiary of the Company, and the financial results of the Target Company will not be consolidated into the consolidated financial statements of the Group.

V. REASONS FOR AND BENEFITS OF THE EQUITY TRANSFER AND THE CAPITAL INCREASE

Guangzhou Tianze mainly focuses on investments in the semiconductor and integrated circuit sector, being one of the 15 strategic industrial clusters under the development of Guangzhou's "12218" modern industrial system, and prioritizes supporting the government's development of

LETTER FROM THE BOARD

strategic industries. The Target Company and AscenPower are national high-tech enterprises specializing in the R&D, production and sales of third-generation semiconductor silicon carbide power chips, devices and modules, the products of which are widely used in new energy vehicles, new-type displays, photovoltaic power, energy storage, AI data centers and other industries. As a rare leading silicon carbide IDM company in China capable of domestic substitution, the Target Company is a Guangzhou “Unicorn” innovative enterprise and a key project under Guangdong Province’s “Strong Chip Project”.

The investment in the Target Company represents a proactive strategic choice shifting from “endogenous development” to “extensional layout”. It aims to further improve the layout of the “third-generation semiconductor” industrial cluster and deeply unlock the synergy value of the industrial chain. On the one hand, it helps to address the comprehensive needs of leading customers, particularly those in the new energy vehicle sector, through holistic coordination or even joint development, providing customers with an integrated solution and service system of “optoelectronic semiconductors + power semiconductors”. For instance, in the future collaborative arrangements, the Company would supply intelligent automotive lighting products, while the Target Company would provide main drive inverter power modules, thereby enhancing project introduction efficiency and long term collaboration stickiness; on the other hand, in emerging sectors such as Micro LED and AR+AI display, both parties have respective advantages in product R&D, process implementation, mass production, demonstrating strong synergistic effects. For instance, in the future collaborative arrangements, the Company would be responsible for chip design and software development, while the Target Company would focus on process realization and chip manufacturing.

In addition, the indirect investment in the Target Company through Guangzhou Tianze enables the Company to leverage the fund’s gearing effect, allowing the Company to obtain a relatively larger investment exposure to the Target Company with a balanced level of capital commitment, while benefiting from the pooling of resources among fund participants, which may enhance overall investment efficiency. Through this arrangement, the Company is able to participate in the development of the Target Company and may benefit from its potential value appreciation, which may contribute to the Group’s investment returns over the medium to long term.

The Board believes that the investment will effectively enhance Shareholders’ value and contribute to the growth of the Company’s capital market value.

The Directors (including the Independent Board Committee) consider that the transaction terms involved in the Equity Transfer and the Capital Increase are conducted on an arm’s length basis and on normal commercial terms, and are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

LETTER FROM THE BOARD

Mr. Xiao has a material interest in the Equity Transfer and the Capital Increase due to the Target Company is ultimately controlled by him and Mr. Chan Philip Ching Ho and Mr. Yuan Lie Ming Peter are acting-in-concert with Mr. Xiao, as such, they have abstained from voting at the board meeting approving the Equity Transfer and the Capital Increase. Save as disclosed above, none of the other Directors has a material interest in the relevant transactions which would require him/her to abstain from voting on the relevant Board resolutions.

VI. LISTING RULES IMPLICATIONS

The Equity Transfer and the Capital Increase are transactions entered into by Guangzhou Tianze, being an investment fund in which the Company participates as a limited partner while its general partner, Wanlian Tianze, is an Independent Third Party. As at the Latest Practicable Date, the Company holds approximately 40.12% of the partnership interests in Guangzhou Tianze solely as a limited partner. Accordingly, the Company's interest in Guangzhou Tianze is accounted for as a financial asset in its consolidated financial statements, and Guangzhou Tianze is not a subsidiary of the Company.

Through its interest in Guangzhou Tianze as a limited partner, the Company is expected to have an effective economic interest of approximately 3.8435% in the Target Company upon completion of the Equity Transfer and the Capital Increase, with the aggregate consideration attributable to the Company in respect of the Equity Transfer and the Capital Increase, being contributed indirectly through its capital contribution to Guangzhou Tianze, amounting to approximately RMB256 million (the "**Indirect Investment**"). Given the Equity Transfer and the Capital Increase were not entered into by the Company or its subsidiaries, they do not constitute transactions of the Company under the Listing Rules. Notwithstanding this, given that the Indirect Investment represents an indirect effective economic interest in the Target Company, the Company has, for prudence purpose and to enhance transaction transparency, treated the Indirect Investment as a transaction of the Company for the purposes of Chapters 14 and 14A of the Listing Rules.

Discloseable Transaction

As the highest applicable percentage ratio of the Indirect Investment exceeds 5% but is less than 25%, it is deemed as a discloseable transaction of the Company under Chapter 14 of the Listing Rules, and are therefore subject to the reporting and announcement requirements.

LETTER FROM THE BOARD

Connected Transactions

As at the Latest Practicable Date, Guangdong Lianxinneng (as a Vendor) is ultimately controlled by Mr. Xiao (who is a controlling shareholder and the executive Director of the Company) as to approximately 60.95% equity interests, therefore, Guangdong Lianxinneng is a connected person of the Company.

As at the Latest Practicable Date, the managing partner of Guangzhou Hanrui (as a Vendor) is Mr. Xiao, therefore Guangzhou Hanrui is ultimately controlled by Mr. Xiao and is a connected person of the Company.

As at the Latest Practicable Date, the managing partner of Huzhou Laozhongshi (as a Vendor) is Mr. Xiao, therefore Huzhou Laozhongshi is ultimately controlled by Mr. Xiao and is a connected person of the Company.

As at the Latest Practicable Date, the Target Company is ultimately controlled by Mr. Xiao as to approximately 37.2099% through Guangdong Lianxinneng (directly holding as to approximately 19.2443% of the Target Company), Guangzhou Hanrui (directly holding as to approximately 9.9809% of the Target Company), Huzhou Laozhongshi (directly holding as to approximately 4.7908% of the Target Company) and Guangzhou Xinxin (directly holding as to approximately 3.1939% of the Target Company), therefore, the Target Company constitutes a connected person of the Company under Chapter 14A of the Listing Rules. The Indirect Investment is treated as a connected transaction of the Company under the Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio of the Indirect Investment exceeds 5%, it is deemed as a connected transaction of the Company under Chapter 14A of the Listing Rules, and are therefore subject to reporting, announcement and the Independent Shareholders' approval requirements under the Listing Rules.

VII. EGM AND WAY OF VOTING

(1) THE EGM

The EGM will be held at No. 2 Zhengxiang Road, Wanqingsha, Nansha District, Guangzhou, Guangdong Province, PRC on Tuesday, June 9, 2026 at 10:00 a.m.. The notice convening the EGM is set out on pages 113 to 115 of this circular and published on the websites of the Stock Exchange (<https://www.hkexnews.hk>) and of the Company (<https://www.apt-hk.com>).

LETTER FROM THE BOARD

(2) CLOSURE OF REGISTER OF MEMBERS

For the purpose of ascertaining the Shareholders who are entitled to attend and vote at the EGM, the register of members of the Company will be closed from Thursday, June 4, 2026 to Tuesday, June 9, 2026, both days inclusive, during which period no transfer of Shares can be registered. Shareholders whose names appear on the register of members of the Company on Tuesday, June 9, 2026 are entitled to attend and vote in respect of all resolutions to be proposed at the EGM. In order to qualify to attend and vote at the EGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Wednesday, June 3, 2026.

(3) FORM OF PROXY

A form of proxy for use at the EGM is enclosed. Such form of proxy is also published on the website of the Stock Exchange (<https://www.hkexnews.hk>) and of the Company (<https://www.appt-hk.com>). Whether or not you are able to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to (i) the Company's registered office, headquarters and principal place of business in the PRC at No. 33, Huanshi Road South, Nansha District, Guangzhou, Guangdong Province, the PRC (for Domestic Unlisted Shares holders) or (ii) the Company's H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for H Shares holders) as soon as possible but in any event not less than 24 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude Shareholders from attending and voting at the EGM or any adjournment thereof if they so wish and in such event, the proxy form shall be deemed to be revoked. For avoidance of doubt, holder of treasury shares, if any, shall abstain from voting on matters that require Shareholders' approval as required under the Listing Rules.

LETTER FROM THE BOARD

(4) VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules, apart from certain exceptions, any vote of Shareholders at a general meeting must be taken by poll except where the chairman of the general meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. As the proposed resolutions do not relate purely to a procedural or administrative matter, accordingly, the chairman of the EGM will exercise his power under the Listing Rules to demand each of the resolutions set out in the notice of EGM to be taken by way of poll.

On a poll, every Shareholder present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy, shall have one vote for each share registered in his name in the register. A Shareholder entitled to more than one vote is under no obligation to cast all his votes in the same way.

As disclosed in this circular, each of Guangdong Lianxinneng, Guangzhou Hanrui, and Huzhou Laozhongshi (each being a Vendor) and the Target Company is ultimately controlled by Mr. Xiao. Accordingly, Mr. Xiao is regarded as having a material interest in the Equity Transfer and the Capital Increase. By virtue of the acting-in-concert arrangement with Mr. Xiao, the Controlling Shareholder Group is also regarded as having a material interest therein. As a result, the Controlling Shareholder Group is required to abstain from voting at the EGM on the relevant resolutions approving the Equity Transfer Agreements, the Capital Increase Agreement and the transactions contemplated thereunder. Save as disclosed above and to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the Latest Practicable Date, no other Shareholder is required to abstain from voting on such relevant resolutions.

The announcement of the poll results of the EGM will be published on the website of the Stock Exchange (<https://www.hkexnews.hk>) and of the Company (<https://www.apt-hk.com>), respectively, after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

VIII. RECOMMENDATION

Your attention is drawn to (i) the letter from the Independent Board Committee set out on pages 32 to 33 of this circular, (ii) the letter from the Independent Financial Adviser set out on pages 34 to 65 of this circular, and (iii) the additional information set out in the Appendices to this circular.

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, is of the view that (i) the Equity Transfer Agreements, the Capital Increase Agreement and the transactions contemplated thereunder (including the Equity Transfer and the Capital Increase) are conducted on an arm's length basis and on normal commercial terms, and (ii) the terms of the Equity Transfer Agreements and the Capital Increase Agreement are fair and reasonable and in the interests of the Company and its shareholders as a whole. As such, the Board (including the Independent Board Committee having taken into account the advice of the Independent Financial Adviser) considers that the resolutions set out in the notice of the EGM are in the interest of the Company and its Shareholders as a whole and accordingly recommends you to vote in favor of the resolutions mentioned in the notice.

By order of the Board
APT Electronics Co., Ltd.
Xiao Guowei David
Chairperson of the Board



APT Electronics Co., Ltd.
廣東晶科電子股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2551)

May 18, 2026

To the Independent Shareholders

Dear Sir or Madam,

**CONNECTED TRANSACTION AND DISCLOSEABLE TRANSACTION
INDIRECT INVESTMENT IN THE TARGET COMPANY
THROUGH EQUITY TRANSFER AND CAPITAL INCREASE**

We refer to the circular (the “**Circular**”) of the Company dated May 18, 2026 of which this letter forms part. Terms used in this letter have the same meaning as defined in the Circular unless the context otherwise requires.

We have been established by the Board as the Independent Board Committee to advise the Independent Shareholders in respect of the terms and conditions of the Equity Transfer Agreements, the Capital Increase Agreement and the transactions contemplated thereunder (including the Equity Transfer and the Capital Increase), details of which are set out in the “Letter from the Board” contained in the Circular. Somerley has been appointed as the Independent Financial Adviser to advise us and the Independent Shareholders in the same regard.

Having considered (a) the reasons for and benefits of the Equity Transfer and the Capital Increase as set out in the Circular and (b) the terms of the Equity Transfer Agreements and the Capital Increase Agreement and taken into account the advice from the Independent Financial Adviser, we are of the view that (i) the Equity Transfer Agreements, the Capital Increase Agreement and the transactions contemplated thereunder (including the Equity Transfer and the Capital Increase), are conducted on an arm’s length basis and on normal commercial terms; and

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

(ii) the terms of the Equity Transfer Agreement and the Capital Increase Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole. Our view related to fairness and reasonableness is necessarily based on the information, facts and circumstances currently prevailing. Accordingly, we recommend the Independent Shareholders to vote in favor of the relevant resolutions proposed at the EGM to approve the Equity Transfer Agreements, the Capital Increase Agreement and the transactions contemplated thereunder (including the Equity Transfer and the Capital Increase).

We wish to draw the attention of Independent Shareholders to (1) the letter from the Board set out on pages 7 to 31 of the Circular, (2) the letter from the Independent Financial Adviser as set out on pages 34 to 65 of this Circular, and (3) the Appendices of this Circular.

Yours faithfully,
For and on behalf of
the Independent Board Committee of
APT Electronics Co., Ltd.

Ms. Zhang He

Ms. Lin Nan

Ms. Ding Hui

Mr. Chan Chi Kong

(Independent non-executive Directors)

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the letter of advice from Somerley Capital Limited to the Independent Board Committee and the Independent Shareholders, which has been prepared for the purpose of inclusion in this circular.



20th Floor
China Building
29 Queen's Road Central
Hong Kong

May 18, 2026

To: the independent board committee and the independent shareholders

Dear Sir/Madam,

CONNECTED TRANSACTION AND DISCLOSEABLE TRANSACTION INDIRECT INVESTMENT IN THE TARGET COMPANY THROUGH EQUITY TRANSFER AND CAPITAL INCREASE

INTRODUCTION

We refer to our appointment as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Equity Transfer and the Capital Increase. Details of the Equity Transfer and the Capital Increase are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company dated May 18, 2026 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Circular unless otherwise defined herein.

On April 8, 2026, Guangzhou Tianze and the Vendors entered into the Equity Transfer Agreements, pursuant to which Guangzhou Tianze has conditionally agreed to acquire, and the Vendors have conditionally agreed to sell, an aggregate amount of registered capital of RMB8,156,226 in the Target Company, representing approximately 3.26% of the equity interests in the Target Company as at the Latest Practicable Date, at a price of approximately RMB23.0989 per registered capital. The total consideration for the Equity Transfer shall be RMB188.40 million.

On April 8, 2026, Guangzhou Tianze and the Target Company entered into the Capital Increase Agreement, pursuant to which Guangzhou Tianze shall subscribe for newly increased registered capital of RMB17,517,705 in the Target Company, representing approximately 6.54% of

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

the total enlarged equity interests of the Target Company immediately following the Capital Increase, at a price of approximately RMB25.6655 per registered capital. The total consideration for the Capital Increase shall be RMB449.60 million.

Immediately following completion of the Equity Transfer and the Capital Increase, and assuming no further changes in the registered capital of the Target Company, it is expected that Guangzhou Tianze will hold an aggregate of approximately 9.5799% of the equity interests in the Target Company. The Target Company will not become a subsidiary of Guangzhou Tianze, and its financial statements will not be consolidated into the financial statements of Guangzhou Tianze. The completion of the Equity Transfer and the Capital Increase is not inter-conditional with each other.

As at the Latest Practicable Date, Guangdong Lianxinneng (as a Vendor) is ultimately controlled by Mr. Xiao (who is a controlling shareholder and the executive Director of the Company) as to 60.95%, therefore, Guangdong Lianxinneng is a connected person of the Company. As at the Latest Practicable Date, the managing partner of Guangzhou Hanrui (as a Vendor) is Mr. Xiao, therefore Guangzhou Hanrui is ultimately controlled by Mr. Xiao and is a connected person of the Company. As at the Latest Practicable Date, the managing partner of Huzhou Laozhongshi (as a Vendor) is Mr. Xiao, therefore Huzhou Laozhongshi is ultimately controlled by Mr. Xiao and is a connected person of the Company. As at the Latest Practicable Date, the Target Company is ultimately controlled by Mr. Xiao as to approximately 37.2099% through Guangdong Lianxinneng (directly holding as to approximately 19.2443% of the Target Company), Guangzhou Hanrui (directly holding as to approximately 9.9809% of the Target Company), Huzhou Laozhongshi (directly holding as to approximately 4.7908% of the Target Company) and Guangzhou Xinxin (directly holding as to approximately 3.1939% of the Target Company), therefore, the Target Company constitutes a connected person of the Company under Chapter 14A of the Listing Rules.

The Equity Transfer and the Capital Increase are transactions entered into by Guangzhou Tianze, being an investment fund in which the Company participates as a limited partner while its general partner is an Independent Third Party. As at the Latest Practicable Date, the Company holds approximately 40.12% of the partnership interests in Guangzhou Tianze solely as a limited partner. Through its interest in Guangzhou Tianze as a limited partner, the Company is expected to have an effective economic interest of approximately 3.8435% in the Target Company upon completion of the Equity Transfer and the Capital Increase. Given the Equity Transfer and the Capital Increase were not entered into by the Company or its subsidiaries, they do not constitute transactions of the Company under the Listing Rules. Notwithstanding this, given that the Indirect Investment represents an indirect effective economic interest in the Target Company, the Company has, for prudence purpose and to enhance transaction transparency, treated the Indirect Investment

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

as a transaction of the Company for the purposes of Chapters 14 and 14A of the Listing Rules. As the highest applicable percentage ratio of the Indirect Investment exceeds 5%, it is deemed as a connected transaction of the Company under Chapter 14A of the Listing Rules, and are therefore subject to reporting, announcement and the Independent Shareholders' approval requirements under the Listing Rules.

The Independent Board Committee comprising all independent non-executive Directors, namely Ms. Zhang He, Ms. Lin Nan, Ms. Ding Hui and Mr. Chan Chi Kong has been established to advise the Independent Shareholders in relation to the Equity Transfer and the Capital Increase. We, Somerley Capital Limited, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regards.

We are not associated or connected with the Company, the Vendors or their respective close associates or core connected persons. In the past two years, there was no engagement between the Group and us. Apart from normal professional fees payable to us in connection with this appointment, no arrangement exists whereby we will receive any fees or benefits from the Company, the Vendors or their respective close associates or core connected persons. Accordingly, we are independent from the Company under Rule 13.84 of the Listing Rules and are considered eligible to give independent advice on the Equity Transfer Agreement

In formulating our advice and recommendation, we have reviewed, among others, (i) announcement of the Company dated April 8, 2026 in relation to, among others, the Equity Transfer and the Capital Increase (the “**Announcement**”), (ii) the annual reports of the Company for the year ended December 31, 2024 (the “**2024 Annual Report**”) and 2025 (the “**2025 Annual Report**”), and (iii) other information contained in the Circular. In addition, we have relied on the information and facts supplied, and the opinions expressed, by the Directors and management of the Company (collectively, the “**Management**”) and the respective professional advisers of the Company and have assumed that they are true, accurate and complete in all material aspects and in relation to any opinions to be honestly held at the time they were made and will remain, in relation to the facts to be true, accurate and complete in all material aspects and in relation to any opinions to be honestly held, up to the date of the EGM. We have also sought and received confirmation from the Group that no material facts have been omitted from the information supplied by them and that their opinions expressed to us are not misleading in any material respect. We consider that the information we have received is sufficient for us to formulate our opinion and recommendation as set out in this letter and have no reason to believe that any material information has been omitted or withheld, nor to doubt the truth or accuracy of the information provided to us. We have, however, not conducted any independent investigation into the businesses and affairs of the Group, nor have we carried out any independent verification of the information supplied.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion with respect to the Equity Transfer and the Capital Increase, we have taken into account the principal factors and reasons set out below.

1. Information of the parties to the Equity Transfer and the Capital Increase

1.1 Information of the Company and Guangzhou Tianze

APT Electronics Co., Ltd., a joint stock company established under the laws of the PRC with limited liability, was listed on the Stock Exchange on November 8, 2024 with the stock code 2551. The Group is a provider of intelligent vision products and system solutions covering intelligent automotive vision, high-end lighting and advanced display. Leveraging industry insights and proactive approaches to technological innovation, the Group houses a broad array of core “LED+” technologies that integrate LED technologies with integrated circuits (ICs), electronic control, software, sensors, optics and others. The Group designs, develops and manufactures a wide range of LED intelligent vision products and system solutions, namely, LED products and system solutions, covering functions of illumination, display, sensing, decoration and interaction, with intelligent features. Specifically, the Group’s LED intelligent vision products encompass intelligent automotive vision products, high-end lighting products and advanced display products.

Guangzhou Tianze is a limited partnership enterprise established under the laws of the PRC. Guangzhou Tianze focuses on the semiconductor and integrated circuit sector, being one of the 15 strategic industrial clusters under the development of Guangzhou’s “12218” modern industrial system and prioritizes supporting the Government’s development of strategic industries. It has six partners including Wanlian Tianze Capital Investment Co., LTD.* (萬聯天澤資本投資有限公司, “**Wanlian Tianze**”) (holding 8.53% partnership interests and also being the general partner, executive partner and fund manager of Guangzhou Tianze, and being responsible for the investment, management and operation of the fund), the Company (holding 40.12% partnership interests), and other four limited partners (each holding less than 20% partnership interests). For the details of the proposed formation of Guangzhou Tianze and shareholding structure of the limited partners and general partners, please refer to the announcement of the Company dated February 24, 2026.

Guangzhou Tianze is not a subsidiary of nor controlled by the Company and its financial statements is not consolidated into the financial statements of the Company.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Financial performance of the Group

Set out below is the summary of the financial information of the Group for the years ended December 31, 2023, 2024 and 2025 as extracted from the 2024 Annual Report and the 2025 Annual Report:

| | For the year ended December 31, | | |
|--|--|-----------------------------|-----------------------------|
| | 2023 | 2024 | 2025 |
| | <i>RMB'000</i> (Audited) | <i>RMB'000</i> (Audited) | <i>RMB'000</i> (Audited) |
| Revenue | | | |
| — <i>Intelligent automotive vision</i> | 770,973 | 1,023,495 | 992,362 |
| — <i>Advanced display</i> | 436,238 | 807,098 | 773,809 |
| — <i>High-end lighting</i> | 650,821 | 761,471 | 664,967 |
| | 1,858,032 | 2,592,064 | 2,431,138 |
| Total | 1,858,032 | 2,592,064 | 2,431,138 |
| Gross profits | 339,011 | 470,546 | 403,458 |
| Net profit for the year | 66,378 | 104,864 | 62,039 |

For the two years ended December 31, 2024 and 2025

As set out in the 2025 Annual Report, the revenue of the Group decreased by approximately 6.2% from approximately RMB2,592.1 million for 2024 to approximately RMB2,431.1 million for 2025, mainly due to the intensification of market competition and the phased decline in the sales prices of some products, which in turn had certain impact on the revenue scale. Revenue related to intelligent automotive vision decreased by approximately 3.0% from approximately RMB1,023.5 million for 2024 to approximately RMB992.4 million for 2025, mainly due to the combined result of (i) intensified price competition in the Chinese automotive market, coupled with declining sales of certain vehicle models, led to a notable decrease in revenue from intelligent automotive lighting products; and (ii) the increase in customers' mass production projects, sales of automotive-grade components and module products recorded a significant increase. Revenue related to advanced display decreased by approximately 4.1% from approximately RMB807.1 million for 2024 to approximately RMB773.8 million for 2025, primarily due to the decline in revenue from traditional backlight products, while the revenue from new-type Mini LED backlight products is gradually increasing. Revenue related to high-end lighting decreased by approximately 12.7% from approximately RMB761.5 million for 2024 to approximately RMB665.0 million for 2025, mainly due to the combined result of (i) intensified competition in low to medium power lighting SMD

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

devices has led to a decline in product prices, sales volume and revenue; and (ii) market demand in new applications is increasing; for instance, the high power, high-efficiency horticultural lighting and outdoor lighting market products showed a growth trend, and its share of revenue from high-end lighting products further increased.

The Group recorded a gross profit of approximately RMB403.5 million for 2025, representing a decrease of approximately 14.3% as compared to the gross profit of approximately RMB470.5 million for 2024.

In 2025, the Group's net profit amounted to approximately RMB62.0 million, representing a decrease of approximately 40.8% as compared with that of approximately RMB104.9 million for 2024, which was mainly due to the decrease in profit from the intelligent automotive complete lamp business segment, specifically because: (i) intensified competition in the automotive industry in 2025 led to a periodic decline in the unit price of lamp sales; and (ii) in order to expand the Group's future business development and actively implement its strategic layout, the investment in the construction of the headquarters and research and development base of Lynway Vision (Guangzhou) in the Greater Bay Area resulted in an increase in related expenses.

For the two years ended December 31, 2023 and 2024

In 2024, the revenue of the Group increased by approximately 39.5% to approximately RMB2,592.1 million from approximately RMB1,858.0 million in 2023. The increase of revenue was mainly attributable to active market and customer exploration, with significant contributions from advanced display products and intelligent automotive vision products. Revenue related to intelligent automotive vision increased by approximately 32.8% to approximately RMB1,023.5 million in 2024 from approximately RMB771.0 million in 2023, which was attributable to vertical integration in automotive-grade LED packaging-modules-automotive lamps value chain, increased of collaborative integration, expanded cooperation channels, and mass production projects. Revenue related to advanced display increased by approximately 85.0% from approximately RMB436.2 million in 2023 to approximately RMB807.1 million in 2024. The change in revenue from advanced display was mainly attributable to favorable government policy to offer subsidies for customers on household appliances in 2024, as well as the substantial benefits brought by the application of large-size TV backlight modules and Mini LED display technologies, which contributed to a surge in orders for the Company's advanced display products, resulting in a significant increase in sales amount. Revenue related to high-end lighting increased by approximately 17.0% from approximately RMB650.8 million in 2023 to approximately RMB761.5 million in 2024. The increased in revenue from high-end lighting was mainly attributable to optimized market sales strategies, strengthened key strategic client collaborations, and enhanced product performance despite challenging market environment.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Group recorded a gross profit of approximately RMB470.5 million in 2024, representing a year-on-year increase of approximately 38.8% as compared to the gross profit of approximately RMB339.0 million in 2023.

The Group's net profit amounted to approximately RMB104.9 million in 2024, representing an increase of approximately 45.6% from approximately a net profit attributable to owners of the parent of approximately RMB66.4 million in 2023. Such change was mainly attributable to the increase in the gross profit as discussed above, and partially offset by the increase of administrative expenses and income tax.

Financial position of the Group

Set out below is the summary of the financial position of the Group as at December 31, 2023, 2024 and 2025 as extracted from the 2024 Annual Report and 2025 Annual Report:

| | As at December 31, | | |
|-------------------|---------------------------|----------------|----------------|
| | 2023 | 2024 | 2025 |
| | <i>RMB'000</i> | <i>RMB'000</i> | <i>RMB'000</i> |
| | (Audited) | (Audited) | (Audited) |
| Total assets | 2,400,157 | 3,101,515 | 3,084,841 |
| Total liabilities | 1,373,794 | 1,806,655 | 1,761,587 |
| Total equity | 1,026,363 | 1,294,860 | 1,323,254 |

As at December 31, 2025, the Group's total assets amounted to approximately RMB3,084.8 million, mainly comprised of (i) property, plant and equipment of approximately RMB1,004.0 million; (ii) trade and bills receivables of approximately RMB973.3 million; (iii) cash and cash equivalents of approximately RMB463.7 million; and (iv) inventories of approximately RMB235.5 million.

As at December 31, 2025, the Group's total liabilities amounted to approximately RMB1,761.6 million, mainly comprised of (i) trade and bills payables of approximately RMB986.6 million; (ii) interest-bearing bank borrowings of approximately RMB343.4 million; and (iii) other payables and accruals of approximately RMB221.1 million.

As at December 31, 2025 and 2024, the Group's total equity amounted to approximately RMB1,323.3 million and RMB1,294.9 million, respectively, mainly as a result of the increase in retained profits.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

1.2 Information of the Vendors

Guangdong Lianxinneng

Guangdong Lianxinneng is a limited liability company under the laws of the PRC and is principally engaged in financing consulting services, enterprise management consulting, financial consulting, and investment activities with its own funds. As at the Latest Practicable Date, its ultimate beneficial owner is Mr. Xiao who holds as to 60.95% equity interests, and the remaining 39.05% is held by the other eleven shareholders (each holding less than one-third equity interests).

Mr. Xiao is the controlling shareholder and the executive Director of the Company and hence Guangdong Lianxinneng is a connected person of the Company.

Guangzhou Hanrui

Guangzhou Hanrui is a limited partnership enterprise established under the laws of the PRC, and is principally engaged in the investment activities with its own funds. As at the Latest Practicable Date, it is ultimately controlled by Mr. Xiao who is the managing partner holding as to 57% partnership interests, and the remaining 43% partnership interests is held by the other five limited partners (each holding less than one-third partnership interests) who are Independent Third Parties. Guangzhou Hanrui is a connected person of the Company.

Huzhou Shanglian

Huzhou Shanglian is a limited partnership enterprise established under the laws of the PRC, and is principally engaged in equity investment, financial consulting and enterprise management consulting. As at the Latest Practicable Date, it is owned as to 99% partnership interests by Ms. Yan Wenqi (嚴文綺) and as to 1% partnership interests by Mr. Li Min (李敏) (also being the managing partner). Huzhou Shanglian and its ultimate beneficial owner are Independent Third Parties.

Huzhou Laozhongshi

Huzhou Laozhongshi is a limited partnership enterprise established under the laws of the PRC, and is principally engaged in equity investment, financial consulting and enterprise management consulting. As at the Latest Practicable Date, it is owned as to 87.42% partnership interest by Mr. Lu Xianyao (陸獻堯), as to 0.01% partnership interests by Mr. Xiao (also being the managing partner), and as to 12.58% partnership interests by the remaining two limited partners who are Independent Third Parties. Huzhou Laozhongshi is a connected person of the Company.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Ms. Wang Yingying

Ms. Wang Yingying, who holds approximately 3.7824% equity interests of the Target Company as at the Latest Practicable Date, is an Independent Third Party.

Beijing Bohao

Beijing Bohao is a limited partnership enterprise established under the laws of the PRC, and is principally engaged in technology promotion services and enterprise management services and other services. As at the Latest Practicable Date, it is owned as to 50% partnership interest by Mr. Sun Haoran (孫昊然) and as to 50% partnership interest by Mr. Geng Bo (耿博) (also being the managing partner). Beijing Bohao and its ultimate beneficial owner are Independent Third Parties.

Huzhou Jingxinlian

Huzhou Jingxinlian is a limited partnership enterprise established under the laws of the PRC, and is principally engaged in equity investment, financial consulting and enterprise management consulting. As at the Latest Practicable Date, it is owned as to 99% partnership interests by Ms. Lu Tian (陸天) and as to 1% partnership interests by Mr. Lu Chongyuan (陸崇源) (also being the managing partner). Huzhou Jingxinlian and its ultimate beneficial owner are Independent Third Parties.

1.3 Information of the Target Company

The Target Company is a limited liability company established under the laws of the PRC. It focuses on the application of silicon carbide power semiconductor products and integrates chip, device and module design, R&D, packaging manufacturing, testing and sales. As at the Latest Practicable Date, it is ultimately controlled by Mr. Xiao as to approximately 37.2099% through Guangdong Lianxinneng (directly holding as to approximately 19.2443% of the Target Company), Guangzhou Hanrui (directly holding as to approximately 9.9809% of the Target Company), Huzhou Laozhongshi (directly holding as to approximately 4.7908% of the Target Company) and Guangzhou Xinxin (directly holding as to approximately 3.1939% of the Target Company), therefore, the Target Company is a connected person of the Company.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Details of the shareholding structure of the Target Company as at the Latest Practicable Date and immediately after the completion of the Equity Transfer and the Capital Increase (assuming there will be no change in the shareholding structure of the Target Company since the Latest Practicable Date save for the Equity Transfer and the Capital Increase) are set out below:

| Name of Shareholders | As at the Latest Practicable Date | | Immediately after the Completion of the Equity Transfer and the Capital Increase | |
|-----------------------|--------------------------------------|----------------------------|---|----------------------------|
| | Registered Capital (RMB) | Shareholding Percentage | Registered Capital (RMB) | Shareholding Percentage |
| Guangzhou Tianze | — | — | 25,673,931 | 9.5799% |
| Guangdong Lianxinneng | 48,202,968 | 19.2443% | 42,289,271 | 15.7798% |
| Guangzhou Hanrui | 25,000,000 | 9.9809% | 24,242,389 | 9.0458% |
| Huzhou Shanglian | 12,601,484 | 5.0309% | 12,192,374 | 4.5494% |
| Huzhou Laozhongshi | 12,000,000 | 4.7908% | 11,636,347 | 4.3420% |
| Wang Yingying | 9,474,219 | 3.7824% | 9,140,870 | 3.4108% |
| Beijing Bohao | 8,000,000 | 3.1939% | 7,757,564 | 2.8946% |
| Huzhou Jingxinlian | 4,500,000 | 1.7966% | 4,363,630 | 1.6282% |
| Other shareholders | 130,700,614 | 52.1802% | 130,700,614 | 48.7695% |
| Total | <u>250,479,285</u> | <u>100.0000%</u> | <u>267,996,990</u> | <u>100.0000%</u> |

The following table sets forth the financial information of the Target Company for the two financial years ended December 31, 2024 and 2025 based on the financial statements prepared in accordance with the China Accounting Standards for Business Enterprises (the “CAS”):

| | For the year ended December 31, | |
|--------------------------|------------------------------------|--------------------------------------|
| | 2024 (RMB'million) (Audited) | 2025 (RMB'million) (Unaudited) |
| Net loss before taxation | (187.71) | (187.30) |
| Net loss after taxation | (187.71) | (187.30) |

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

According to the financial statements prepared in accordance with the CAS, the audited total asset and net asset of the Target Company as at December 31, 2024 is approximately RMB1,151.47 million and RMB612.73 million respectively, and the unaudited total asset and net asset of the Target Company as at December 31, 2025 is approximately RMB954.55 million and RMB431.14 million respectively.

AscenPower is a limited liability company established under the laws of the PRC. It is a high tech enterprise engaged in the manufacturing and research and development of SiC chips for automotive grade and industrial control applications. Its products mainly include SiC SBD/JBS, SiC MOSFETs and other power semiconductor devices, which are primarily used in new energy vehicles, industrial power supplies, smart grids, photovoltaic and energy storage systems, AI data centers and computing infrastructure, as well as consumer electronics and other fields.

Given the Target Company recently completed a share exchange transaction with AscenPower and its minority shareholders, pursuant to which the Target Company would acquire an additional equity interest in AscenPower by way of subscribing for registered capital of the Target Company by those minority shareholders of AscenPower. Upon completion of such transaction, the Target Company would hold an aggregate 56.46% equity interest in AscenPower and which will be a subsidiary of the Target Company. For illustrative purposes and to provide shareholders and potential investors with additional information, set out below is the financial information of the AscenPower for the two financial years ended December 31, 2024 and 2025, based on the financial statements prepared in accordance with the CAS:

| | For the year ended December 31, | |
|--------------------------|--|-----------------------|
| | 2024 | 2025 |
| | <i>(RMB' million)</i> | <i>(RMB' million)</i> |
| | (Unaudited) | (Unaudited) |
| Net loss before taxation | (142.10) | (489.10) |
| Net loss after taxation | (142.10) | (522.41) |

According to the financial statements prepared in accordance with the CAS, the audited total asset and net asset of the AscenPower as at December 31, 2024 is approximately RMB3,397.48 million and RMB937.93 million respectively, and the unaudited total asset and net asset of AscenPower as at December 31, 2025 is approximately RMB3,265.05 million and RMB415.52 million respectively.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

2. Reasons for and benefits of the Equity Transfer and the Capital Increase

As set out in the Letter from the Board, Guangzhou Tianze mainly focuses on investments in the semiconductor and integrated circuit sector, being one of the 15 strategic industrial clusters under the development of Guangzhou's "12218" modern industrial system, and prioritizes supporting the government's development of strategic industries. The Target Company and AscenPower are national high-tech enterprises specializing in the R&D, production and sales of third-generation semiconductor silicon carbide power chips, devices and modules, the products of which are widely used in new energy vehicles, new-type displays, photovoltaic power, energy storage, AI data centers and other industries. As a rare leading silicon carbide IDM company in China capable of domestic substitution, the Target Company is a Guangzhou "Unicorn" innovative enterprise and a key project under Guangdong Province's "Strong Chip Project".

The investment in the Target Company represents a proactive strategic choice shifting from "endogenous development" to "extensional layout". It aims to further improve the layout of the "third-generation semiconductor" industrial cluster and deeply unlock the synergy value of the industrial chain. On the one hand, it helps to address the comprehensive needs of leading customers, particularly those in the new energy vehicle sector, through holistic coordination or even joint development, providing customers with an integrated solution and service system of "optoelectronic semiconductors + power semiconductors". For instance, in the future collaborative arrangements, the Company would supply intelligent automotive lighting products, while the Target Company would provide main drive inverter power modules, thereby enhancing project introduction efficiency and long term collaboration stickiness; on the other hand, in emerging sectors such as Micro LED and AR+AI display, both parties have respective advantages in product R&D, process implementation, mass production, demonstrating strong synergistic effects. For instance, in the future collaborative arrangements, the Company would be responsible for chip design and software development, while the Target Company would focus on process realization and chip manufacturing.

In addition, the indirect investment in the Target Company through Guangzhou Tianze enables the Company to leverage the fund's gearing effect, allowing the Company to obtain a relatively larger investment exposure to the Target Company with a balanced level of capital commitment, while benefiting from the pooling of resources among fund participants, which may enhance overall investment efficiency. Through this arrangement, the Company is able to participate in the development of the Target Company and may benefit from its potential value appreciation, which may contribute to the Group's investment returns over the medium to long term.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

We have noted the Statistical Communiqué of the People’s Republic of China on the 2025 National Economic and Social Development (中華人民共和國2025年國民經濟和社會發展統計公報), issued by the National Bureau of Statistics of China on 28 February 2026, which reports that high-tech manufacturing value-added grew 9.4% year-on-year and the output of integrated circuits increased by 10.9% compared with 2024. Downstream demand further validates the investment, with new-energy-vehicle production rising 25.1% year-on-year, solar-cell output growing 7.6% year-on-year, and service robots output growing 16.1% year-on-year.

Taking into account the above, despite Guangzhou Tianze will only be held as a financial asset of the Company, (i) the Equity Transfer and the Capital Increase is in line with the business development of the Group, representing a proactive shift from “endogenous development” to an “extensional layout” within the third-generation semiconductor cluster; and (ii) the Company’s effective economic interest of approximately 3.8435% allows it to benefit from the long-term growth of the Target Company and is expected to enhance the Group’s long term diversification of income streams, we concur with the Management’s view that the Equity Transfer and the Capital Increase, although not being in the ordinary and usual course of business of the Group, is in the interests of the Company and the Shareholders as a whole.

3. Principal terms of the Equity Transfer Agreements

Set out below are the principal terms of the Equity Transfer Agreements, details of which are set out in the section headed “II. THE EQUITY TRANSFER AND THE CAPITAL INCREASE — 1. The Equity Transfer” of the Letter from the Board:

Date

April 8, 2026

Parties

- (i) Guangzhou Tianze as the Purchaser;
- (ii) Guangdong Lianxinneng;
- (iii) Guangzhou Hanrui;
- (iv) Huzhou Shanglian;
- (v) Huzhou Laozhongshi;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

(vi) Ms. Wang Yingying (王穎穎);

(vii) Beijing Bohao;

(viii) Huzhou Jingxinlian;

(the abovementioned parties (ii) to (viii), each a “Vendor”, collectively the “Vendors”)

(ix) the Target Company.

Subject Matter

Pursuant to the Equity Transfer Agreements, the Purchaser has conditionally agreed to acquire, and the Vendors have conditionally agreed to sell, an aggregate amount of registered capital of RMB8,156,226 in the Target Company, representing approximately 3.26% of the equity interests in the Target Company as at the Latest Practicable Date, at a price of approximately RMB23.0989 per registered capital.

Consideration and Payment

The total consideration for the Equity Transfer shall be RMB188.40 million. The consideration for the Equity Transfer shall be settled by Purchaser in cash and will be funded by its internal sources.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Details of the equity interests in the Target Company to be transferred by each Vendor to the Purchaser and the respective consideration are set out below:

| Name of Vendor | Registered Capital Corresponding to the Equity Interests to be acquired by the Purchaser (RMB) | Shareholding Percentage ⁽¹⁾ (%) | Consideration ⁽²⁾ (RMB'0,000) |
|--------------------------------------|---|--|---|
| Guangdong Lianxinneng ⁽³⁾ | 5,913,697 | 2.36% | 13,660 |
| Guangzhou Hanrui ⁽³⁾ | 757,611 | 0.30% | 1,750 |
| Huzhou Shanglian | 409,110 | 0.16% | 945 |
| Huzhou Laozhongshi ⁽³⁾ | 363,653 | 0.15% | 840 |
| Wang Yingying | 333,349 | 0.13% | 770 |
| Beijing Bohao | 242,436 | 0.10% | 560 |
| Huzhou Jingxinlian | 136,370 | 0.05% | 315 |
| Total | 8,156,226 | 3.26% | 18,840 |

Notes:

- (1) The above percentage figures have been rounded to the nearest two decimal places and, as a result, may not sum to the stated total due to rounding differences.
- (2) Each of the Vendors agrees that all consideration received under the Equity Transfer shall be used in full to fulfill its obligations to make paid-in capital contributions to the Target Company and/or its subsidiary.
- (3) As disclosed in the Circular, Guangdong Lianxinneng, Guangzhou Hanrui and Huzhou Laozhongshi are connected persons of the Company. The original acquisition costs of the registered capital to be sold by Guangdong Lianxinneng, Guangzhou Hanrui and Huzhou Laozhongshi are the registered capital contributed or acquired by them at the price of RMB1 per registered capital, being aggregately RMB5,913,697, RMB757,611 and RMB363,653 respectively.

The Purchaser shall make payment of the aforementioned consideration to the respective designated bank account of each Vendor within seven Business Days after the date on which the conditions precedent (as disclosed below) have been fulfilled (or waived).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The consideration for the Equity Transfer was determined after arm's length negotiations between the Purchaser and the Vendors on normal commercial terms with reference to, among others: (i) the appraised per-share value of the Series D Preferred Shares of the Target Company of RMB26.06 (the "**Appraised Value**") as assessed by an independent valuer of the Company (Jones Lang LaSalle Corporate Appraisal and Advisory Limited, the "**Valuer**"), as at December 31, 2025 ("**Valuation Date**"); (ii) the business development and future prospects of the Target Company; (iii) the reasons and benefits as stated under the section headed "V. REASONS FOR AND BENEFITS OF THE EQUITY TRANSFER AND THE CAPITAL INCREASE" in the Letter from the Board; and (iv) the valuation of the Target Company in the previous financing rounds. Please refer to Appendix II of the Circular for the Valuation Report including, among others, the valuation method, the key assumptions and key inputs.

Conditions Precedent

The obligation of the respective Vendor to complete the Equity Transfer shall be subject to the satisfaction of each of the following conditions on or prior to the completion (such conditions may be waived in whole or in part at the sole discretion of the respective Vendor):

- (i) the Purchaser and the Target Company having executed and delivered to the Vendor the Equity Transfer Agreement, as well as other ancillary agreements, resolutions and other documents required to be executed for the completion of such equity transfer or executed at the request of the Purchaser; and
- (ii) the representations and warranties made by the Purchaser set forth in the Equity Transfer Agreement being true and accurate in all material respects when made, and remaining true and accurate in all material respects as of the completion date with the same force and effect as if made on the completion date (except for representations and warranties made relating to a specific date).

The obligation of the Purchaser to complete the Equity Transfer shall be subject to the satisfaction of each of the following conditions on or prior to the completion (such conditions may be waived in whole or in part at the sole discretion of the Purchaser):

- (i) the Vendor, the Target Company and its shareholders having executed and delivered to the Purchaser all transaction documents, including but not limited to the Equity Transfer Agreement, the articles of association, and other ancillary agreements, resolutions and other documents required for the completion of the Equity Transfer or executed at the request of the Purchaser;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (ii) the representations and warranties made by the Target Company and the Vendor set forth in the Equity Transfer Agreement being true and accurate in all material respects when made, and remaining true and accurate in all material respects as of the completion date with the same force and effect as if made on the completion date (except for representations and warranties made relating to a specific date);
- (iii) the shareholders of the Target Company having waived their pre-emptive rights in respect of the Equity Transfer, or any other rights that would impede the Purchaser's rights under the transaction documents;
- (iv) as of the completion date, no event or events that would have a material adverse effect have occurred with respect to the Target Company, and there is no evidence indicating that such events that may result in a material adverse effect will occur;
- (v) the Target Company, the Purchaser and the Vendor having obtained all approvals, consents or waivers from any governmental authorities or third parties for the execution of the transaction documents and the completion of the Equity Transfer (if applicable);
- (vi) the obligations prior to the completion date set forth in the Equity Transfer Agreement having been duly and effectively performed as of the completion date.

As at the Latest Practicable Date, no ancillary agreements were entered into among the Purchaser, the Vendors and the Target Company under the Equity Transfer, nor are there any intentions among them to enter into any ancillary agreements. As at the Latest Practicable Date, save and except for the Equity Transfer Agreements having been executed, none of the other conditions precedent have been satisfied.

Special Rights

Pursuant to the Equity Transfer Agreements, Guangzhou Tianze (as one of the Series D investors) shall be entitled to certain customary special rights, including (i) liquidation preference right entitling the Series D investors, upon the occurrence of liquidation events, to priority repayment of an amount equal to 100% of their investment cost over all other shareholders other than the Series C investors; (ii) information right requiring the Target Company to provide specified documents and timely notification of material business matters; (iii) pre-emptive right to subscribe, on the same terms, for a specified portion of newly issued equity securities when the Target Company issues new securities; (iv) right of first refusal to purchase, on the same terms and in priority to a proposed transferee, equity interests proposed to be transferred by non preferred shareholders; (v) anti-dilution right protection in the event of new issuances at a price lower than the subscription price paid by the Series D investors, the Series D investors shall be entitled, on a

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

full ratchet basis, to receive equity compensation at a lower consideration from the Target Company or from other shareholders other than the Series C investors; (vi) tag along right to dispose of equity interests on the same terms in connection with transfers by founder shareholders; (vii) redemption rights entitling the Series D investors to require the Target Company to repurchase their equity interests upon the occurrence of the repurchase events (refers to the circumstance where more than half of the Series D investors, based on their shareholding, determine that the Target Company has satisfied the requirements for initiating a qualified initial public offering (QIPO) and is eligible to proceed with the submission of the listing application, but such application for QIPO is not commenced within the agreed period due to reasons attributable to the founder shareholder(s)); (viii) most favored nation treatment ensuring that the rights of the Series D investors are no less favorable than those granted to any other shareholders; and (ix) the right of Guangzhou Tianze to appoint one non voting observer to attend meetings of the board of directors of the Target Company. Such special rights shall be subject to the shareholders' agreement to be jointly entered into among Guangzhou Tianze, the Target Company and other shareholders of the Target Company after the completion of the Equity Transfer.

Among the special rights referred to in paragraphs (i) to (viii) above, save for the liquidation preference right, the anti dilution right and the redemption right, the Series D investors shall rank pari passu with the Series C investors and in priority to the Series B and Series A investors, and such other special rights shall be identical among the four series of preferred investors; further, with respect to the special right under paragraph (ix), only Guangzhou Tianze, among the preferred shareholders, is entitled to appoint a board observer.

Completion

Subject to the terms and conditions of the Equity Transfer Agreement, the completion shall occur on the date on which all the conditions precedent under the Equity Transfer Agreement have been satisfied (or waived by the relevant parties) and the Purchaser has paid the consideration to the designated bank account in accordance with the requirements of the Equity Transfer Agreement.

4. Principal terms of the Capital Increase Agreement

Set out below are the principal terms of the Capital Increase Agreement, details of which are set out in the section headed "II. THE EQUITY TRANSFER AND THE CAPITAL INCREASE — 2. The Capital Increase" of the Letter from the Board:

Date

April 8, 2026

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Parties

- (i) Guangzhou Tianze as the Investor; and
- (ii) the Target Company

Subject Matter

Pursuant to the Capital Increase Agreement, the Investor shall subscribe for newly increased registered capital of RMB17,517,705 in the Target Company, representing approximately 6.54% of the total enlarged equity interests of the Target Company immediately following the Capital Increase, at a price of approximately RMB25.6655 per registered capital.

Consideration and Payment

The total consideration for the Capital Increase shall be RMB449.6 million. The consideration for the Capital Increase shall be settled by the Investor in cash and will be funded by its internal sources.

Guangzhou Tianze shall make payment of the aforementioned consideration to the designated bank account of the Target Company within ten Business Days after the date on which the conditions precedent (as disclosed below) have been fulfilled (or waived).

The consideration for the Capital Increase was determined after arm's length negotiations between the Investor and the Target Company on normal commercial terms with reference to, among others: (i) the Appraised Value of the Series D Preferred Shares of the Target Company assessed by the Valuer, as at the Valuation Date; (ii) the business development and future prospects of the Target Company; (iii) the reasons and benefits as stated under the section headed "V. REASONS FOR AND BENEFITS OF THE EQUITY TRANSFER AND THE CAPITAL INCREASE" in the Letter from the Board; and (iv) the valuation of the Target Company in the previous financing rounds. Please refer to Appendix II to the Circular for a summary of the Valuation Report including, among others, the valuation method, the key assumptions and key inputs.

The price per registered capital of the Capital Increase is approximately RMB25.6655, representing a discount of approximately 1.51% to the Appraised Value, which the Company believes to be within a reasonable range. In addition, as disclosed in the Circular, the Target Company recently completed a share exchange transaction with AscenPower and its minority shareholders by way of issuing newly registered capital of the Target Company to such minority shareholders of AscenPower in exchange for their equity interests in AscenPower. The price per

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

registered capital of the Capital Increase is the same as the price at which such minority shareholders of AscenPower subscribed for the newly increased registered capital of the Target Company under the relevant share exchange transaction, thereby ensuring consistency in pricing within the same financing round.

The price per registered capital of the Equity Transfer is approximately RMB23.0989, representing a discount of approximately 10% to the price per registered capital of the Capital Increase. Such discount arrangement is determined primarily based on arm's length commercial negotiations among the relevant parties and is consistent with the Target Company's historical practice in previous financing rounds where equity transfers and capital increases were carried out concurrently, pursuant to which equity transfers were customarily priced at a discount to subscriptions for newly increased registered capital, and is also in line with the prevailing market commercial practice.

Conditions Precedent

The obligation of the Investor to pay the capital increase contribution shall be subject to the satisfaction or waiver by the Investor (as the case may be) of the following conditions within the completion period (being on or before July 31, 2026 or any other date as may be separately agreed by both parties):

- (i) both parties having executed and delivered the transaction documents, including without limitation the Capital Increase Agreement, the articles of association, and the transaction documents remaining in full force and effect;
- (ii) the general meeting of the Target Company having resolved to approve the Capital Increase, and the shareholders holding more than two-thirds of the voting rights of the Target Company having signed the resolutions;
- (iii) there being no applicable law or judgment, award, ruling, injunction or order of any governmental authority that restricts, prohibits or cancels the Capital Increase, and no pending or reasonably foreseeable lawsuits, arbitrations, judgments, awards, injunctions or orders that have had or would have an adverse effect on the Capital Increase;
- (iv) the representations and warranties made by the Target Company being true, accurate, complete and not misleading from the effective date of the Capital Increase Agreement to the completion date;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (v) the Target Company having performed and complied in all material respects with all covenants and undertakings required to be performed or complied with by the Target Company under the transaction documents on or before the completion date;
- (vi) no material adverse event having occurred in respect of the Target Company from the date of execution of the Capital Increase Agreement to the completion date;
- (vii) the Target Company having delivered to the Investor a confirmation letter (set forth in the appendix to the agreement) which confirms that all conditions precedent have been satisfied and the relevant documents;
- (viii) the Target Company having delivered to the Investor a payment notice for the Capital Increase that complies with the Investors' requirements.

Subject to the applicable laws, the Investor may, in its sole discretion, waive any conditions precedent and agree in writing on a time limit for the Target Company to fulfill the obligations under such waived condition.

If the Investor waive any conditions precedent in writing based on the undertakings of the Target Company, such waived condition shall automatically convert into a matter to be completed by the Target Company within a period acceptable to the Investor after the completion date. The Target Company shall comply with such written waiver agreement of the conditions precedent and perform such undertaken obligations on a timely basis.

As at the Latest Practicable Date, save for the Capital Increase Agreement having been executed, none of the other conditions precedent have been satisfied.

Special Rights

Pursuant to the Capital Increase Agreement, Guangzhou Tianze (as one of the Series D investors) shall be entitled to the special rights including liquidation preference right, right to information, pre-emptive right, right of first refusal, anti-dilution right, tag-along right, redemption right, most-favored-nation treatment and the right to appoint one non-voting observer to attend meetings of the board of directors of the Target Company. Such special rights shall be subject to the shareholders' agreement to be jointly entered into among Guangzhou Tianze, the Target Company and other shareholders of the Target Company after the completion of the Capital Increase.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As one of the Series D investors, the special rights attached to the equity interests in the Target Company enjoyed by Guangzhou Tianze through the Equity Transfer and the Capital Increase are same. Accordingly, for details of the abovementioned special rights under the Capital Increase Agreement, please refer to the paragraphs headed “Special Rights” under the section headed “3. Principal terms of the Equity Transfer Agreements” in this letter. For avoidance of doubt, Guangzhou Tianze shall be entitled to appoint one observer only under the Equity Transfer Agreements and the Capital Increase Agreement.

Completion

The completion shall occur on the date on which the Investor has paid full capital contribution to the designated bank account of the Target Company, which shall not be later than July 31, 2026 or any other date otherwise agreed by the parties.

5. Analysis on the consideration

As mentioned above, the consideration of the Equity Transfer of approximately RMB23.0989 per share of the Target Company and the consideration of the Capital Increase of approximately RMB25.6655 per share of the Target Company were determined after arm’s length negotiations between the parties to the Equity Transfer Agreements and the Capital Increase Agreement, respectively. We were given to understand that the differences between the consideration for the Equity Transfer and the Capital Increase were the results of the arm’s length negotiations between the parties taking into account the difference in the nature of these two transactions. Despite the fact that each of the Vendors agrees that all consideration received under the Equity Transfer shall be used in full to fulfil its obligations to make paid-in capital contributions to the Target Company and/or its subsidiary, the consideration of the Equity Transfer represents the purchase of existing registered capital of the Target Company from the Vendors (whereby the payment will be made by the Purchaser to the Vendors). Whilst the Capital Increase involves the subscription of newly increased registered capital of the Target Company, which represents direct capital injection to the Target Company (whereby the payment will be made by the Purchaser to the Target Company).

Both consideration were determined taking into account, among other things, the Appraised Value of the entire equity interest of the Target Company assessed by the Valuer, as at the Valuation Date of RMB26.06 per share of the Target Company. Taking into account (i) the difference in the nature of the two considerations under the Equity Transfer Agreement and the Capital Increase Agreement; (ii) both considerations were determined on arm’s length negotiation on normal commercial terms; and (iii) both the consideration of the Equity Transfer of approximately RMB23.0989 per share of the Target Company and the consideration of the Capital Increase of approximately RMB25.6655 per share of the Target Company are lower than the appraised value of the Target Company as at the Valuation Date of RMB26.06 per share of the

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Target Company, which was fairly and reasonably determined by the Valuer as further discussed below, we are of the view that the two different considerations for the Equity Transfer and the Capital Increase are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

The Valuation Report on the valuation of the Target Company as at the Valuation Date (i.e. December 31, 2025) (the “**Valuation**”) has been issued by Jones Lang LaSalle Corporate Appraisal and Advisory Limited (the “**Valuer**”), details of which are set out in Appendix II of the Circular. The value of the equity interest of the Target Company of RMB6,040.2 million was derived with the inclusion of the market value of the Target Company’s equity interest in AscenPower of approximately RMB3,720.4 million. For our due diligence purpose, we have reviewed the Valuation Report prepared by the Valuer, and have discussed with the Valuer regarding the Valuation, including details of the assumptions, basis and methodology of the Valuation, with details set out below.

5.1 Scope of work and qualifications of the Valuer

We have performed the work as required under Rule 13.80(2)(b) Note 1(d) of the Listing Rules in relation to the Valuer. In particular, we have reviewed the valuation report of the Target Company (the “**Valuation Report**”) and relevant documents obtained from the Valuer and interviewed the Valuer with particular attention to (i) the terms of engagement of the Valuer with the Company in relation to the valuation of Target Company; (ii) the certificates of qualifications and experience of the Valuer; and (iii) the valuation methodologies and assumptions used by the Valuer in formulating the Valuation Report.

We understand that the Valuer is certified with relevant professional qualifications required to perform the valuation of the Target Company. Mr. Simon Chan, being the person-in-charge of the valuations of the Target Company is a fellow (FCPA) of the Hong Kong Institute of Certified Public Accountants (HKICPA) and CPA Australia. He is also fellow of the Royal Institution of Chartered Surveyors (FRICS). He is an International Certified Valuation Specialist (ICVS) and a Chartered Valuer and Appraiser (Singapore). He oversees the business valuation services of JLL and has over 20 years of accounting, auditing, corporate advisory and valuation experiences. He has provided a wide range of valuation services to numerous listed and listing companies of different industries in the PRC, Hong Kong, Singapore and the United States.. Based on our review of the Valuer’s terms of engagement with the Company in relation to the valuation of the Target Company and discussion with the Valuer on the work it has performed in formulating the Valuation Report, we noted that the scope of work is appropriate for arriving at the valuation of the Target Company and we are not aware of any limitations on the scope of work which might adversely impact on the degree of assurance given by the Valuation Report. Nothing has come to our attention that the parties to the Equity Transfer and the Capital Increase had made formal or

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

informal representation to the Valuer that contravenes with our understanding of the information, to a material extent, as set out in the Circular. The Valuer has confirmed that it is an independent third party to the parties of the Capital Increase and their respective core connected persons.

In light of the above, we are not aware of any matters that would cause us to question the Valuer's competence and independence, and we consider that the Valuer has sufficient expertise to perform the valuation of the Target Company.

5.2 Valuation methodology and assumptions

We have reviewed the Valuation Report and discussed with the Valuer methodologies of, and bases and assumptions adopted for the valuations, and adjustments made to arrive at the Valuation Report. As advised by the Valuer, in arriving at the assessed value, the Valuer has considered three accepted approaches, namely, income approach, cost approach and market approach:

Income approach: the conversion of expected periodic benefits of ownership into an indication of value. It is based on the principle that an informed buyer would pay no more for a project than the present value of the expected future benefits (income) from the same or a substantially similar project with a similar risk profile. This approach allows for the prospective valuation of future profits and there are numerous empirical and theoretical justifications for the present value of expected future cash flows. However, this approach relies on numerous assumptions over a long-time horizon and the result may be very sensitive to certain inputs. It also presents a single scenario only.

Cost approach: considers the cost to reproduce or replace in new condition the assets appraised in accordance with current market prices for similar assets, with allowance for accrued depreciation or obsolescence present, whether arising from physical, functional or economic causes. The cost approach generally furnishes the most reliable indication of value for assets without a known secondary market. Despite the simplicity and transparency of this approach, it does not directly incorporate information about the economic benefits contributed by the subject assets.

Market approach: considers prices recently paid for similar assets, with adjustments made to market prices to reflect condition and utility of the appraised assets relative to the market comparative. Assets for which there is an established secondary market may be valued by this approach. Benefits of using this approach include its simplicity, clarity, speed and the need for few or no assumptions. It also introduces objectivity in application as publicly available inputs are used. However, one has to be wary of the hidden assumptions in those inputs as there are inherent assumptions on the value of those comparable assets. It is sometimes difficult to find comparable assets. Furthermore, this approach relies exclusively on the efficient market hypothesis.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In the selection of appropriate valuation methodology for the Target Company and AscenPower, the income approach was deemed inappropriate due to the high sensitivity of results to assumptions and the lack of a sufficient historical financial track record for the Target Company and AscenPower to support objective long-term financial projections as of the Valuation Date. The cost approach was also unsuitable because it does not capture the economic earnings potential of the business of Target Company and AscenPower. Therefore, the Valuer adopted the market approach.

The market approach generally involves two valuation methods, namely (i) the guideline public companies method, which requires identifying suitable guideline public companies and selection of appropriate trading multiples, and (ii) the guideline transaction method, which takes reference to recent mergers and acquisitions transaction between unrelated parties and ratio of transaction price to target company's financial metrics. We were given to understand that both the Target Company and AscenPower has completed certain rounds of fund raising activities in recent years, which could serve as comparable transactions under the guideline transaction method. However, as the business model of the Target Company has materially evolved since the latest fund raising activities, the Valuer considers the guideline transaction method not applicable to the Target Company. Taking into account (i) the latest fund raising activities of AscenPower were conducted with unrelated parties, which reflects actual investor valuation on the entity; and (ii) the sufficient number of comparable companies identified for the Target Company, which reflects the prevailing market valuation of the peer companies, we concur with the Valuer that the adoption of the respective valuation methodologies is appropriate.

As set out in the Valuation Report, certain key assumptions were adopted in the Valuation, including but not limited to:

- (i) there will be no material change in the existing political, legal, technological, fiscal or economic conditions, which might adversely affect the business of the Target Company and AscenPower;
- (ii) the information provided by the Target Company and AscenPower to the Valuer, including but not limited to, the operating licenses and incorporation documents, financial and operational information, are valid, complete, authentic, reliable and reasonable;
- (iii) the Target Company and AscenPower comply with all applicable laws and regulations, and all required licenses and permits are valid and renewable upon expiry, and the operational and contractual terms stipulated in the relevant contracts and agreements will be honored;

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

- (iv) the historical fund raising activities were conducted at arm's length between knowledgeable, independent, third-party investors;
- (v) there are no material unknown conditions affecting the Target Company and AscenPower that would adversely affect the value conclusion; and
- (vi) the share-swap reorganization between the Target Company and AscenPower is completed as of the Valuation Date, regardless of its actual legal status.

We have reviewed the Valuation Report and discussed with the Valuer in respect of the key assumptions adopted for performing the valuation of the Target Group. We noted that the above assumptions create a controlled and constant context for the Valuation and understand from the Valuer that the assumptions are commonly adopted in other valuations of similar assets and there is no unusual assumption which has been adopted during the valuation. As such, we consider that the assumptions adopted in the Valuation Report are general in nature and we are not aware of any material facts which lead us to doubt the reasonableness of the assumptions adopted by the Valuer.

5.3 Assessment on the valuation of AscenPower

In obtaining the appraised value of each ordinary share of AscenPower, the Valuer has adopted market approach by making reference to Transaction 3, details of which are set out in Appendix II to the Circular. As confirmed by the Valuer, the adopted Transaction 3 represented an exhaustive list of identified transactions involving transfer or issuance of shares of AscenPower during the period from January 1, 2024 up to and including the Valuation Date, which in our view represents a reasonably fair assessment period to reflect the prevailing market conditions. Considering that the subject issuance of Series A preferred shares of AscenPower under the Transaction 3 carry preferential liquidation, redemption features and anti-dilution protections, which differ in economic substance from standard ordinary shares held by the Target Company, back-solve analysis using the option pricing model was adopted by the Valuer to obtain the implied consideration per ordinary share of AscenPower under Transaction 3 which, as confirmed by the Valuer, is a commonly adopted approach for valuing companies with multiple share classes carrying different preferences on the basis that each share class is treated as a call option on the total equity value of the company. We have, in this regard, made references to the publicly available financial reports of the listed companies in Hong Kong, from which we noticed that option pricing model (“OPM”) is commonly adopted for valuating their derivatives including options.

Specifically, in adopting the option pricing model, we understand from the Valuer that they have first compiled a model whereby the equity value of the AscenPower as at November 29, 2024 (the “**Transaction 3 Date**”) is allocated across its two classes of shares, being the preferential shares (i.e. Series A Preferred Shares) and the ordinary shares, using the option pricing model

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

under the scenarios of liquidation and non-liquidation. In the non-liquidation (continuation) scenario, total equity value of AscenPower is distributed on an as-if fully- converted basis to each class of shares. In the liquidation scenario, the value of preferential shares is derived by adopting the Black-Scholes option pricing model.

For our due diligence purpose, we have enquired with the Valuer about the key parameters adopted in the option pricing model, including but not limited to (i) the life to expiration of 4.09 years, which represented the expected time to exit from Transaction 3 Date to December 31, 2028, being the expiry date of the preferential redemption rights under the subject preference shares; (ii) the risk free interest rate based on the yield of China government bond yield curve with a maturity of 4.09 years; (iii) the strike prices of the options, which were determined based on the liquidation preference amount of the subject preferences shares, representing the amount payable to holders of the preference shares prior to distribution to holders of ordinary shares in the event of any voluntary or involuntary liquidation, dissolution, or winding-up of AscenPower and that a qualified exit event had not occurred by December 31, 2028, which was in turn arrived at based on the actual investment commitment paid via secondary transfer, the period of 7.54 years from the Series A closing date and the interest rate of 8% per annum as stipulated in the underlying secondary transfer; (iv) the assigned probabilities for the liquidation scenario referencing to “Default Trends — Global: Corporate default rate to moderate in 2024 but remain near its long-term average” issued by Moody’s Investor Service on February 26, 2024, being the latest available reports as at the Transaction 3 Date and (v) the expected volatility of approximately 48.58% based on the average of historical volatilities of the listed comparable companies quoted from Capital IQ. In conducting our assessment, we have further reviewed the underlying bases, procedures and sources of information adopted by the Valuer in arriving at the above parameters, and nothing has come to our attention that would cause us to cast doubt on the fairness and reasonableness thereof. Specifically, we have obtained and reviewed the underlying shareholder agreements dated November 29, 2024 and noted that the adopted parameters of the life to expiration and the strike prices are in line with those in the aforesaid agreements. We have also reviewed the China Government Bond Yield Curve issued by the Ministry of Finance of the People’s Republic of China of 3-years and 5-years as at the Transaction 3 Date and the report published by Moody’s Investor Service for the respective adopted parameters in the option pricing model, where the reference of interest rate to the yield of China Government Bond Yield Curve is common in option pricing model.

For the assigned probabilities for the liquidation scenario, we noted that the adopted source of reference, being “Default Trends — Global: Corporate default rate to moderate in 2024 but remain near its long-term average” was the latest available report at the Transaction 3 Date, and that the adopted assigned probability of 14.33% is in line with the default rate for companies with comparable credit profile as AscenPower and comparable life to expiration from Transaction 3 Date to December 31, 2028 of approximately 4.09 years as suggested in the report. In arriving at the expected volatility, the Valuer has identified a peer group of publicly listed companies

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

operating in similar sector quoted from Capital IQ (being the same as the Comparable Companies (as defined below) of the Target Company). We noted that the adopted expected volatility represents the average of the historical volatilities of the adopted exhaustive list of the peer group of 48.58%. We have obtained from the Valuer and reviewed the underlying calculation in determining the expected volatility and confirmed that the respective volatilities of the Comparable Companies ranged from approximately 36.33% to approximately 65.86% with an average and a median of approximately 48.58% and 48.44%, respectively.

In addition, the Valuer has confirmed that the methodologies, bases and assumptions adopted in arriving at the above parameters conform to the common industry practice. Based on the above, the Valuer then applied back-solve analysis to infer the implied total equity value of AscenPower as at Transaction 3 Date such that the modelled value of the Preferred A Shares issued in Transaction 3 equals the actual consideration (RMB40,000,000). By deducting the value of the preference shares from the implied total equity value of AscenPower, residual value to ordinary shares of AscenPower of RMB4,524,293,925 was arrived at. To reflect market changes between the date of Transaction 3 and the Valuation Date, the percentage change in total market capitalization of Comparable Companies between the Transaction 3 Date and the Valuation Date of 10.70% was applied. In order to assess the reasonableness of the adjustment, we have reviewed performance of the Hang Seng China Semiconductor Chips Index, which reflects the performance of Chinese companies in the semiconductor chip business listed in Hong Kong and/or Chinese Mainland. We noted that such index increased from approximately 4,419 points as at the Transaction 3 Date to approximately 5,963 points as at the Valuation Date, representing an increase of approximately 34.9%. As such, we consider the 10.70% adjustment adopted by the Valuer to be conservative. On such basis, the implied total equity value of AscenPower as of the Valuation Date is RMB6,589,927,219 and the implied value of 56.4558% equity interest in AscenPower held by the Company amounted to approximately RMB3,720,398,000. Based on our review and analyses of the Valuation Report as aforementioned, having considered the competence and qualification of the Valuer, we are of the view that the methodology, principal bases and assumptions adopted in the Valuation of AscenPower are fair and reasonable.

5.4 Assessment on the valuation of the Target Company

Under the Guideline Public Companies Method, the Valuer has considered certain valuation benchmark multiples, including (i) the price-to-earnings (“P/E”) multiple; (ii) enterprise value-to-earnings before interests and taxes (“EV/EBIT”) multiple; (iii) price-to-sales (“P/S”) multiple; (vi) enterprise value-to-sales (“EV/S”) multiple; and (v) enterprise value-to-research and development expenditure (“EV/R&D”) multiple. As the Target Company recorded net loss and negative EBIT, the P/E and EV/EBIT multiples are not applicable. While the Target Company has generated revenue, its current sales level remains transitional and does not fully reflect its long-term earning potential. As such, the P/S and EV/S multiples are not applicable. Given that the power semiconductor industry is highly innovation-driven and requires sustained R&D expenditure

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

to maintain competitiveness, the EV/R&D multiple better reflects the Target Company's value drivers than traditional multiples. This metric aligns with the sector's emphasis on technological advancement and is particularly appropriate for a high-growth, pre-profitability company where R&D expenditure signals future potential. As such, the EV/R&D multiple is adopted. Taking into account (i) the financial information of the Target Company; and (ii) the business nature of the Target Company, in which R&D is the principal driver of future profitability, we concur with the Valuer that the EV/R&D multiple is appropriate.

As set out in the Valuation Report, the Valuer has adopted the following selection criteria to identify the comparable companies that are comparable to the Target Company (the "**Comparable Companies**"):

- (i) listed on the Stock Exchange, Shenzhen Stock Exchange and Shanghai Stock Exchange for at least six months;
- (ii) classified under the semiconductor industry;
- (iii) have established business or technology initiatives in silicon carbide (SiC);
- (iv) either offer silicon carbide (SiC) automotive-grade products that are similar to those of the Target Company, or be included in the Target Company's list of designated competitors;
- (v) reported R&D expenditure in each of the past three years; and
- (vi) sufficient data, including enterprise value, market capitalization and R&D expenditure, were available as at the Valuation Date.

Based on the selection criteria above, the Valuer has identified a list of 8 Comparable Companies. As set out in the section headed "1.3 Information of the Target Company" above, the Target Company is principally engaged in the application of silicon carbide power semiconductor products and integrates chip, device and module design, R&D, packaging manufacturing, testing and sales. Based on the information publicly available, we noted that the market capitalisation, operation scale and business model of the Comparable Companies may vary and might not be precisely the same as that of the Target Company. However, taking into account (i) the Comparable Companies and the Target Company are principally engaged in the same sector; and (ii) the sufficient number of companies identified, we are of the view that the above selection criteria adopted by the Valuer, which facilitate the identification of comparable companies that operate in same sector, is fair and reasonable. The list provides a meaningful reference as regards to the general market valuation for listed semiconductor companies focusing on products that are similar to those of the Target Company.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following table sets out the details of the Comparable Companies and their EV/R&D multiple as extracted from the Valuation Report:

| Stock code | Company | EV/R&D Multiple ^(note) |
|------------|--|--------------------------------------|
| 603290.SH | StarPower Semiconductor Ltd. | 24.37 |
| 300373.SZ | Yangzhou Yangjie Electronic Technology Co., Ltd. | 31.75 |
| 600460.SH | Hangzhou Silan Microelectronics Co., Ltd | 18.09 |
| 688711.SH | Jiangsu Macmic Science & Technology Co., Ltd. | 23.17 |
| 600703.SH | Sanan Optoelectronics Co., Ltd | 15.13 |
| 688396.SH | China Resources Microelectronics Limited | 20.54 |
| 600745.SH | Wingtech Technology Co., Ltd | 3.92 |
| 688469.SH | United Nova Technology Co., Ltd. | 15.09 |
| | Maximum | 31.75 |
| | Median | 19.31 |
| | Mean | 19.01 |
| | Minimum | 3.92 |

Note: The enterprise values of the Comparable Companies were sourced from S&P Capital IQ as of the Valuation Date. The R&D used in calculating the EV/R&D multiple represents the cumulative trailing 36-month R&D expenditure for each listed company, including both expensed R&D costs and the amount capitalized during the period as development expenditures, as disclosed in the companies' financial statements.

We noted that the Valuer has adopted the median of the EV/R&D multiple as the benchmark for its analysis as it is less sensitive to outliers and extreme values in the dataset. While median and mean share the same role in understanding the central tendency of a set of numbers, the median provides a more robust and representative benchmark than the mean, particularly when there is considerable variation among comparable companies. Given the EV/R&D multiple of the Comparable Companies are relatively scattered (from 3.92 times to 31.75 times), the mean is considered to be inappropriate as the result would be biased. As such, we concur with the Valuer, the median, which excludes any lower or higher values, is regarded a better mid-point measure for skewed number distributed and mitigate the impact of extreme values, were more appropriate. Given that (i) each of the Comparable Company met all the selection criteria as mentioned above; and (ii) the use of the median instead of the mean naturally negates the distortion that an outlier would otherwise cause, we concur with the valuer that no outliers shall be excluded from the calculation of the median and that the list of the Comparable Companies is fair and representative.

The Valuer has multiplied the median of the EV/R&D multiples of 19.31 times derived from the list of Comparable Companies with the cumulative R&D expenditure of the Target Company in the past three years of approximately RMB165.4 million to arrive at the enterprise value of the Target Company. Such enterprise value was used to further derive the equity value of the Target

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company by deducting net debt (being total debt — cash and cash equivalents) of the Target Company. We have reviewed the financial data of the Target Company for each of the three years ended December 31, 2025 and noted that the financial figures adopted the aforementioned calculation were derived based on the financial statements of the Target Company for each of the three years ended December 31, 2025.

As advised by the Valuer, DLOM is a factor to be considered in valuing privately held companies such as the Target Company, as they are not readily marketable and would face more difficulty in converting their interests into cash as compared with publicly held companies. As set out in the Valuation Report, the Valuer applied the DLOM of 20.40% based on the 2025 Edition of the Stout Restricted Stock Study Companion Guide issued by Stout Risius Ross, LLC., a reputable research company offering a broad range of financial advisory services to private and public companies. We have reviewed “Control Premium & Discount for Lack of Marketability Study (Issue 1 — February 2026)” issued by Moore Hong Kong (a member firm of Moore Global Network Limited which is a global accounting and consulting network) which has summarised the DLOMs adopted and disclosed in the circulars issued by Hong Kong listed Companies in the trailing twelve months ended December 31, 2025 and noted that those DLOMs adopted ranged from 5.0% to 42.9% with an average of 20.1% and a median of 20.4%. Given the DLOM of 20.4% used by the Valuer is the same to the median and close to the average of the DLOMs adopted by other Hong Kong listed companies in the past twelve months, we consider the DLOM adopted by the Valuer to be fair and reasonable.

As mentioned above, as the Target Company holds a material interest of 56.4558% in AscenPower, the market value of such equity interest in AscenPower of approximately RMB3,720.4 million (as discussed in the section headed “5.3 Assessment on the valuation of AscenPower” above) was added to the implied value of the equity interest in the Target Company of approximately RMB2,319.8 million to arrive at the final appraised value of the Target Company of approximately RMB6,040.2 million (equivalent to RMB26.06 per share of the Target Company).

Based on our review of the Valuation Report and discussion with the Valuer regarding, among others, the reasons and appropriateness of adopting the market approach for the valuation of the Target Company, the basis, assumptions and methodology adopted in the Valuation Report, and the valuation work and adjustments performed by the Valuer, nothing has come to our attention that causes us to doubt the fairness and reasonableness of the preparation of the Valuation Report.

In view of (i) the methodology, bases, assumptions, parameters and computation adopted by the Valuer in determining the valuation of the Target Group are appropriate; (ii) the consideration of the Equity Transfer of approximately RMB23.0989 per share of the Target Company and the consideration of the Capital Increase of approximately RMB25.6655 per share of the Target

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company are both lower than the appraised value of the Target Company as at the Valuation Date, which was fairly and reasonably determined by the Valuer; and (iii) the reasons for and benefits of the Equity Transfer and the Capital Increase as discussed above, we consider the considerations for both the Equity Transfer and the Capital Increase to be fair and reasonable so far as the Independent Shareholders are concerned.

6. Financial Impacts of the Equity Transfer and Capital Increase on the Group

Upon completion of the Equity Transfer and the Capital Increase, Guangzhou Tianze will hold approximately 9.5799% of the equity interests in the Target Company and the Company, as a limited partner of Guangzhou Tianze, will have an effective economic interest of approximately 3.8435% in the Target Company. Therefore, the Target Company will not become a subsidiary of the Company, and the financial results of the Target Company will not be consolidated into the consolidated financial statements of the Group.

OPINION AND RECOMMENDATION

Having taken into account the above principal factors, we consider that (i) the terms of the Equity Transfer Agreements and the Capital Increase Agreement are on normal commercial terms and are fair and reasonable; and (ii) the Equity Transfer and the Capital Increase, although not being in the ordinary and usual course of business of the Group, is in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the relevant resolution to be proposed at the EGM to approve the Equity Transfer and the Capital Increase.

Yours faithfully,
for and on behalf of
SOMERLEY CAPITAL LIMITED
Calvin Leung
Director

Mr. Calvin Leung is a licensed person registered with the Securities and Futures Commission of Hong Kong and a responsible officer of Somerley Capital Limited, which is licensed under the SFO to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities. He has over 21 years of experience in the corporate finance industry.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE OF THE COMPANY

As at the Latest Practicable Date, the interests and short positions of the Directors, Supervisors and chief executive of the Company in the Shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange were as follows:

| Name | Positions | Capacity/ Nature of Interest | Class of Shares | Number of Shares ⁽¹⁾ | Approximate Percentage of the Relevant Class of Shares ⁽¹⁾ | Approximate Percentage of the Total Issued Share Capital ⁽¹⁾ |
|--|---------------------------|---|-----------------------------|------------------------------------|---|---|
| Mr. Xiao ⁽²⁾⁽³⁾ | Executive Director | Beneficial owner | H Shares | 1,357,000 (L) | 0.53% | 0.25% |
| | | Interest held jointly with other persons | Domestic Unlisted Shares | 171,316,739 (L) | 60.54% | 31.89% |
| | | | H Shares | 64,910,835 (L) | 25.54% | 12.08% |
| Mr. Chan Philip Ching Ho ("Mr. Chan") ⁽²⁾⁽³⁾⁽⁴⁾ | Non-executive Director | Beneficial owner | H Shares | 732,000 (L) | 0.29% | 0.14% |

| Name | Positions | Capacity/ Nature of Interest | Class of Shares | Number of Shares ⁽¹⁾ | Class of Shares ⁽¹⁾ | Approximate Percentage of the Relevant Issued Share Capital ⁽¹⁾ | Approximate Percentage of the Total Issued Share Capital ⁽¹⁾ |
|--|---------------------------|---|-----------------------------|------------------------------------|-----------------------------------|--|---|
| | | Interest held jointly with other persons | Domestic Unlisted Shares | 171,316,739 (L) | 60.54 % | 31.89% | |
| | | | H Shares | 65,535,835 (L) | 25.79% | 12.20% | |
| Mr. Yuan Lie Ming Peter (“Mr. Yuan”) ⁽²⁾⁽³⁾ | Non-executive Director | Beneficial owner | H Shares | 654,000 (L) | 0.26% | 0.12% | |
| | | Interest held jointly with other persons | Domestic Unlisted Shares | 171,316,739 (L) | 60.54 % | 31.89% | |
| | | | H Shares | 65,613,835 (L) | 25.82% | 12.22% | |
| Mr. Hou Yu (“Mr. Hou”) ⁽⁵⁾ | Executive Director | Interest of spouse | Domestic Unlisted Shares | 3,500,000 (L) | 1.24% | 0.65% | |
| | | | H Shares | 1,500,000 (L) | 0.59% | 0.28% | |

Notes:

- (1) The letter “L” denotes the person’s long position in the Shares. The calculation is based on the total number of 537,146,709 Shares in issue as at the Latest Practicable Date, which comprised 283,000,066 Domestic Unlisted Shares and 254,146,643 H Shares.
- (2) To the best knowledge of the Directors, as at the Latest Practicable Date, Advanced Photoelectronic Technology Limited (“**Advanced Photoelectronic**”) was held as to (i) 11.14% by Mr. Xiao, (ii) 17.76% by APTCESS Company Limited (“**APTESS**”), which is wholly-owned by Mr. Xiao, (iii) 32.66% by Giant Power Limited, which is wholly-owned by Mr. Yuan, (iv) 3.91% by Mr. Chan, (v) 1.74% by Ms. Loh Rebecca May-Leung (“**Ms. Loh**”), the spouse of Mr. Chan, and (vi) 32.79% by other Shareholders, none of which held more than one third therein.
- (3) Pursuant to the acting-in-concert agreement dated January 1, 2021, Mr. Xiao, Mr. Chan, Mr. Yuan, APTCESS, Giant Power Limited are parties acting in concert in respect of their shareholding interests in Advanced Photoelectronic and/or our Company. Therefore, each of Mr. Xiao, Mr. Chan, Mr. Yuan, APTCESS and Giant Power Limited is deemed to be interested in the interest of each other under the SFO.

As at the Latest Practicable Date, Mr. Xiao was the general partner of Guangzhou Jingyu Equity Investment Partnership (Limited Partnership) (“**Jingyu Investment**”), Guangzhou Jingling Investment Partnership (Limited Partnership) (“**Jingling Investment**”), Guangzhou Jingrui Investment Partnership (Limited Partnership) (“**Jingrui Investment**”), and Guangzhou Jingshi Investment Partnership (Limited Partnership) (“**Jingshi Investment**”). Therefore, Mr. Xiao is deemed to be interested in the 14,105,000, 6,567,670, 5,279,328 and 6,581,700 Shares held by each of Jingyu Investment, Jingling Investment, Jingrui Investment and Jingshi Investment in the Company, respectively. Pursuant to the acting-in-concert agreement dated December 8, 2023, Advanced Photoelectronic, Jingyu Investment, Jingling Investment, Jingrui Investment and Jingshi Investment are parties acting in concert. Therefore, each of Advanced Photoelectronic, Jingyu Investment, Jingling Investment, Jingrui Investment and Jingshi Investment is deemed to be interested in the interest of each other under the SFO.

As at the Latest Practicable Date, 1,357,000 H Shares, 654,000 H Shares and 732,000 H Shares were personally held by Mr. Xiao, Mr. Yuan and Mr. Chan respectively. Therefore, Mr. Xiao, Mr. Chan, Mr. Yuan, Advanced Photoelectronic, APTCESS, Giant Power Limited, Jingyu Investment, Jingling Investment, Jingrui Investment and Jingshi Investment are deemed to be interested in 66,267,835 H Shares collectively according to the acting-in concert agreements as mentioned.

- (4) Mr. Chan and Ms. Loh are spouses, and hence are deemed to be interested in the interest of each other under the SFO.
- (5) Mr. Hou and Ms. Gao Tao are spouses, and hence are deemed to be interested in the interest of each other under the SFO.

Save as disclosed above, as at the Latest Practicable Date, to the best knowledge of the Directors, Supervisors or the chief executive of the Company, none of the Directors, Supervisors or chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were required to be recorded in the register to be kept by the Company pursuant to section 352 of the SFO, or which were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

3. DIRECTORS’ AND SUPERVISORS’ POSITIONS IN SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, save as disclosed below, none of the other Directors and Supervisors was a director or employee of a company which had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

| Name of the Director/Supervisor | Name of the Substantial Shareholder | Position in the Substantial Shareholder |
|--|--|--|
| Mr. Xiao | Advanced Photoelectronic | The director |
| Mr. Chan | Advanced Photoelectronic | The director |
| Mr. Yuan | Advanced Photoelectronic | The director |

4. DIRECTORS' AND SUPERVISORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors or Supervisors had any existing or proposed service contracts with any member of the Group which will not expire or is not determinable by the employer within one year without payment of compensation (other than statutory compensation).

5. COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors nor their respective close associates had interests in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group (which would be required to be disclosed under Rule 8.10 of the Listing Rules).

6. DIRECTORS' AND SUPERVISORS' INTERESTS IN ASSETS AND CONTRACTS

As at the Latest Practicable Date, none of the Directors and Supervisors had any interest, direct or indirect, in any assets that had been acquired or disposed of by or leased to any member of the Group, or proposed to be acquired or disposed of by or leased to any member of the Group since December 31, 2025 (being the date to which the latest published audited consolidated accounts of the Company).

As at the Latest Practicable Date, none of the Directors and Supervisors was materially interested in any contract or arrangement subsisting at such date which was significant in relation to the business of the Group.

7. NO MATERIAL ADVERSE CHANGES

The Directors confirm that, as at the Latest Practicable Date, there was no material adverse change in the financial or trading position of the Group since December 31, 2025, being the date to which the latest published audited accounts of the Company were made up.

8. EXPERT'S QUALIFICATION AND CONSENT

The following is the qualification of the experts who have given opinion or advice which is contained in this circular:

| Name | Qualification |
|--------------------|--|
| Somerley | A licensed corporation to carry out Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO |
| Jones Lang LaSalle | Independent professional valuer |

As at the Latest Practicable Date, each of the above experts:

- (1) has given and has not withdrawn its written consent to the issue of this circular with the inclusion therein of its letter, report or opinion and reference to its name in the form and context in which they respectively appear;
- (2) did not have any shareholdings in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for shares in any member of the Group; and
- (3) did not have any direct or indirect interests in any assets which had been acquired or disposed of by or leased to any of member of the Group, or are proposed to be acquired or disposed of by or leased to any of member of the Group since December 31, 2025 (being the date to which the latest published audited consolidated financial accounts of the Company were made up).

9. DOCUMENTS ON DISPLAY

The Equity Transfer Agreements and the Capital Increase Agreement will be published on the website of the Stock Exchange (<https://www.hkexnews.hk>) and of the Company (<https://www.apt-hk.com>) for at least 14 days from the date of this circular.



仲量聯行

仲量聯行企業評估及諮詢有限公司
香港英皇道979號太古坊一座7樓
電話：+852 2846 5000 傳真：+852 2169 6001
牌照號碼：C-030171

18 May 2026

The Board of Directors

APT Electronics Co., Ltd.

Unit 322, 3/F 19W, Science Park West Avenue

Hong Kong Science Park, Pak Shek Kok

New Territories

Hong Kong

Dear Sirs,

In accordance with the instructions from APT Electronics Co., Ltd. (the “**Company**”), Jones Lang LaSalle Corporate Appraisal and Advisory Limited (“**JLL**”) has undertaken a valuation exercise which requires us to express an independent opinion on the market value of each Series D Preferred Share (the “**Subject**”), representing RMB 1.00 of registered capital, in AccoPower Semiconductor Co., Ltd. (廣東芯聚能半導體有限公司, the “**Target Company**”) as of 31 December 2025 (the “**Valuation Date**”). The report which follows is dated 18 May 2026 (the “**Report Date**”). The purpose of this valuation is to express an independent opinion for the Company’s internal reference and inclusion in its public disclosure.

The Series D Preferred Shares have not been issued as of the Valuation Date but are to be created in connection with a contemplated share exchange transaction (the “**Share Exchange**”) between the Target Company and AscenPower Semiconductor Co., Ltd (廣東芯粵能半導體有限公司, “**AscenPower**”). The Company has confirmed that these shares will carry rights and preferences identical in all material respects to those of the existing Series C Preferred Shares. For valuation purposes, we assume such shares exist as of the Valuation Date with equivalent economic rights.

Our Valuation was carried out with consideration of the International Valuation Standards (the “**IVS**”) issued by the International Valuation Standards Council (the “**IVSC**”) on a market value basis. According to the IVS, market value is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s length transaction, after proper marketing and where the parties act knowledgeably, prudently and without compulsion.”

BACKGROUND

The Target Company is a company incorporated in the People’s Republic of China (“PRC”) with limited liability. It was founded in November 2018 and is headquartered in Nansha District, Guangzhou City. The Target Company focuses on the application of silicon carbide power semiconductor products and integrates chip, device and module design, research and development (“R&D”), packaging manufacturing, testing and sales. The main products include automotive-grade and industrial-grade silicon carbide power modules and discrete power devices, which are widely used in the traction inverter of new energy vehicles, photovoltaic inverters, power storage converters, power supplies and other fields. The Target Company also holds 34.9398 % in AscenPower as of the Valuation Date.

The capital structure of the Target Company as of the Valuation Date is as follows:

| Equity Class | Nominal Value (RMB)/ Number of Shares | Shareholding (%) |
|---|--|-------------------------|
| Ordinary Shares | 133,000,000 | 68.2701% |
| Ordinary Shares with Redemption and Liquidation Rights (“Series A Preferred Shares”) | 20,312,500 | 10.4266% |
| Ordinary Shares with Redemption and Liquidation Rights (“Series B Preferred Shares”) | 16,420,313 | 8.4287% |
| Ordinary Shares with Redemption and Liquidation Rights (“Series C Preferred Shares”) | <u>25,081,524</u> | <u>12.8746%</u> |
| Total | <u>194,814,337</u> | <u>100.0000%</u> |

Note: For the purpose of this report, each share (whether ordinary or preferred) represents RMB 1.00 of registered capital of the respective company. The discrepancy in the sum of the individual line items is due to rounding.

AscenPower, founded in 2021 and headquartered in Guangzhou, focuses on R&D and manufacturing of silicon carbide (SiC) chips for automotive and industrial applications. It has achieved full-chain capability from design to volume production which is centered on its 1200V trench-type SiC MOSFET chip. The Target Company complements this with downstream high-reliability packaging and module integration, leveraging silver-sintering technology, ultra-low stray inductance design, and IATF 16949 certification to deliver traction inverter solutions for new energy vehicles.

The capital structure of AscenPower as of the Valuation Date is as follows:

| Equity Class | Nominal Value (RMB)/ Number of Shares | Shareholding (%) |
|--|--|-----------------------------|
| Ordinary Shares (Held by the Target Company) | 160,000,000 | 34.9398% |
| Ordinary Shares (Held by Other Entities) | 199,402,298 | 43.5442% |
| Ordinary Shares with Redemption and Liquidation Rights (“ Series A Preferred Shares ”) | 98,528,737 | 21.5161% |
| Total | 457,931,035 | 100.0000% |

Note: The discrepancy in the sum of the individual line items is due to rounding.

The Company has informed us that as of the Valuation Date, the Target Company was currently undertaking a share-exchange transaction with AscenPower. Under this arrangement, the Target Company would issue newly designated Series D Preferred Shares to certain shareholders of AscenPower in exchange for their equity interests in AscenPower. The Series D Preferred Shares of the Target Company carry the same priority rights as the existing Series C Preferred Shares. Upon completion of the transaction, the Target Company’s equity interest in AscenPower would increase from 34.9398% to 56.4558%. Concurrently, all preferential rights attached to AscenPower’s existing share classes would be terminated or waived by agreement among shareholders, and AscenPower’s capital structure would consist solely of ordinary shares with equal rights.

The capital structures of the Target Company and AscenPower as if the Share Exchange had been completed are as follows:

| Equity Class of the Target Company after the Share Exchange | Nominal Value (RMB)/ Number of Shares | Shareholding (%) |
|---|--|-----------------------------|
| Ordinary Shares | 129,837,416 | 51.8356% |
| Ordinary Shares with Redemption and Liquidation Rights (“ Series A Preferred Shares ”) | 20,312,500 | 8.1095% |
| Ordinary Shares with Redemption and Liquidation Rights (“ Series B Preferred Shares ”) | 16,420,313 | 6.5556% |
| Ordinary Shares with Redemption and Liquidation Rights (“ Series C Preferred Shares ”) | 28,244,108 | 11.2760% |
| Ordinary Shares with Redemption and Liquidation Rights (“ Series D Preferred Shares ”) | 55,664,948 | 22.2234% |
| Total | 250,479,285 | 100.0000% |

| Equity Class of AscenPower after the Share Exchange | Nominal Value (RMB)/ Number of Shares | Shareholding (%) |
|--|--|-----------------------------|
| Ordinary Shares (Held by the Target Company) | 258,528,737 | 56.4558% |
| Ordinary Shares (Held by other entities) | 199,402,298 | 43.5442% |
| Total | 457,931,035 | 100.0000% |

The Company, in its capacity as a limited partner, will commit capital through a dedicated private equity fund (廣州天澤晶芯創業投資基金合夥企業(有限合夥) or “**Guangzhou Tianze**”) which was established specifically to invest in semiconductor and integrated circuit sector, including the Target Company. Guangzhou Tianze will subscribe for Series D Preferred Shares, which will have identical rights and preferences to those of the other Series D Preferred Shares and the existing Series C Preferred Shares.

FINANCIAL PERFORMANCE OF THE TARGET COMPANY

Key financial information of the Target Company for the last three financial years ended 31 December are set out as below:

| Reporting Period for the Year Ended <i>(Amounts in RMB)</i> | 31 December 2023 (Audited) | 31 December 2024 (Audited) | 31 December 2025 (Unaudited) |
|---|--|--|--|
| Revenue | 364,415,693 | 872,247,569 | 94,543,181 |
| R&D Expense | 46,227,810 | 45,045,777 | 74,155,924 |
| Net profit (Loss) | (56,100,106) | (187,710,983) | (187,301,269) |

The Target Company specializes in automotive-grade silicon carbide (SiC) power modules, with products primarily serving the new energy vehicle (NEV), photovoltaic (PV), and energy storage markets. From 2023 to 2024, the Target Company's revenue grew from RMB 364 million to RMB 872 million. However, due to previously locked-in high-priced imported chips, its cost of goods sold exceeded prevailing market prices, resulting in negative gross margins and an enlarged net loss.

In 2025, the Target Company proactively adjusted its strategy by accelerating the adoption of in-house developed chips. Despite a short-term decline in revenue, the net loss narrowed. The Target Company successfully qualified its proprietary SiC-based power modules for large-scale production and began initial deliveries to key customers, with formal qualifications secured from leading automakers such as Hongqi, Leapmotor, and Dongfeng Nissan.

During the same period, the Target Company substantially increased its R&D expenditure. In 2025, R&D expenses reached RMB 74.2 million, representing a notable increase as a percentage of revenue, aiming at strengthening technological self-reliance and enabling continuous product iteration.

FINANCIAL PERFORMANCE OF ASCENPOWER

Key financial information of the AscenPower for the last three financial years ended 31 December are set out as below:

| Reporting Period | Year ended 31 December 2023 | Year ended 31 December 2024 | Year ended 31 December 2025 |
|-------------------------|--|--|--|
| <i>(Amounts in RMB)</i> | <i>(Audited)</i> | <i>(Audited)</i> | <i>(Unaudited)</i> |
| Revenue | 22,032,881 | 30,655,008 | 64,517,154 |
| R&D Expense | 89,980,087 | 383,443,116 | 286,958,841 |
| Net profit (Loss) | (77,500,194) | (142,098,392) | (522,412,650) |

As AscenPower’s SiC chips are still in the early stage of large-scale customer adoption, revenue remains low. The company continues to ramp up R&D expenditure to overcome key technical bottlenecks, resulting in an increased net loss.

Looking ahead, the Target Company intends to strengthen collaboration across the SiC value chain to drive cost reduction and operational efficiency, accelerate adoption on 800V electric vehicle platforms, and expand into diversified end markets — progressively moving toward sustainable profitability.

RECENT TRANSACTIONS OF SHARES IN THE TARGET COMPANY

Transaction 1 (18 August 2023)

In 2023, the Target Company completed its Series C equity financing round. Pursuant to a shareholder resolution, the registered capital was increased from RMB 17.87 million to RMB 19.48 million, reflecting an addition of RMB 1.61 million in registered capital. The business registration amendment was completed on 18 August 2023. The newly issued shares were **Series C preferred shares**, carrying special rights including preferential liquidation, redemption features, and anti-dilution protections. These shares were issued for total investment proceeds of RMB 200 million, which implied a price of approximately RMB 24.73 per Series C Share.

Transaction 2 (18 October 2024)

In 2024, an existing investor, Guangzhou Shipping Hai Xin Partnership, L.P. (廣州航運海芯合夥企業(有限合夥), “**Guangzhou Shipping**”), transferred 0.24% of the Target Company’s equity (representing RMB 467,036.00 in nominal share capital) through a public listing on the Guangzhou

State-owned Equity Exchange. On 18 October 2024, Guangzhou Shipping and Nansha District Guangzhou Skies & Space Tonghang Industrial Investment Partnership, L.P. (廣州南沙區空天同航實業投資合夥企業(有限合夥)), “**Yuexiu Kong Tian**”) entered into a Share Transfer Agreement, pursuant to which Guangzhou Shipping sold RMB 467,036.00 of fully paid-in **ordinary shares**, which carry no preferential rights or special contractual terms, to Yuexiu Kong Tian for a total consideration of RMB 10,395,720, implying a price of RMB 22.26 per share.

RECENT TRANSACTIONS OF SHARES IN ASCENPOWER

Transaction 3 (29 November 2024)

In 2024, AscenPower commenced its Series A financing round. On 22 August 2024, Guangdong Semiconductor and Integrated Circuit Industry Equity Investment Fund II, L.P. (廣東省半導體及集成電路產業股權投資基金二期合夥企業(有限合夥)), SDIC (Guangdong) Technology Commercialization Venture Investment Fund, L.P. (國投(廣東)科技成果轉化創業投資基金合夥企業(有限合夥)), and Guangzhou Industrial Investment Holdings Semiconductor & IC Dedicated Fund of Funds, L.P. (廣州產投半導體與集成電路專項母基金合夥企業(有限合夥)) agreed to subscribe newly issued shares of AscenPower with a nominal value of RMB 55,172,414 for a consideration of RMB 800,000,000. The newly issued shares were Series A preferred shares. On 29 November 2024, Guangzhou Haikexin Venture Investment Fund, L.P. (廣州海科新創業投資基金合夥企業(有限合夥)) agreed to subscribe newly issued shares of AscenPower with a nominal value of RMB2,758,621 for a consideration of RMB 40,000,000. The newly issued shares were Series A+ preferred shares. Series A and Series A+ preferred shares carried the same special rights including preferential liquidation, redemption features, and anti-dilution protections. Both Series A and Series A+ preferred shares were issued at a price of RMB 14.50 per share. The issuance of Series A+ preferred shares is denoted as Transaction 3 in this report.

We are given to understand all Transactions 1, 2 and 3 were conducted at arm’s length, under market conditions, and between knowledgeable, independent, third-party investors.

SOURCES OF INFORMATION

In conducting our valuation of the Subject, we have reviewed information including, but not limited to:

- Background information of the Target Company and AscenPower;
- Historical financial information of the Target Company and AscenPower for the financial years ended 31 December 2023, 2024, and 2025;

- The shareholder agreements governing the historical transactions;
- The agreement for the contemplated share exchange between the Target Company and AscenPower; and
- Other operation and market information in relation to the business of the Target Company and AscenPower.

We held discussions with management of the Company and the Target Company, and we assumed the information provided to be reliable and legitimate. We have relied to a considerable extent on the information provided in arriving at our conclusion of value.

BASIS OF OPINION

We have conducted our valuation in accordance with the IVS. The valuation procedures employed include a review of legal status and economic condition of the Target Company and AscenPower and an assessment of key assumptions, estimates and representations made by the proprietor or the operator of the Target Company and AscenPower. All matters we consider essential to the proper understanding of the valuation are disclosed in this valuation report.

The following factors form an integral part of our basis of opinion:

- The nature of business and history of the operation concerned;
- The financial condition of the Target Company and AscenPower;
- Market-driven investment returns of companies engaged in similar lines of business;
- Financial and business risk of the business;
- Consideration and analysis of macroeconomic and industry-specific factors affecting the business of the Target Company and AscenPower; and
- Assessment of the liquidity of the business of the Target Company and AscenPower.

We planned and performed our valuation so as to obtain all the information and explanations that we considered necessary in order to provide us with sufficient evidence to express our opinion on the valuation of the Subject.

VALUATION METHODOLOGY

In arriving at our assessed value, we have considered three generally accepted approaches, namely market approach, cost approach and income approach.

Market Approach considers prices recently paid for similar assets, with adjustments made to market prices to reflect condition and utility of the appraised assets relative to the market comparative. Assets for which there is an established secondary market may be valued by this approach. Benefits of using this approach include its simplicity, clarity, speed and the need for few or no assumptions. It also introduces objectivity in application as publicly available inputs are used. However, one has to be wary of the hidden assumptions in those inputs as there are inherent assumptions on the value of those comparable assets. It is sometimes difficult to find comparable assets. Furthermore, this approach relies exclusively on the efficient market hypothesis.

Cost Approach considers the cost to reproduce or replace in new condition the assets appraised in accordance with current market prices for similar assets, with allowance for accrued depreciation or obsolescence present, whether arising from physical, functional or economic causes. The cost approach generally furnishes the most reliable indication of value for assets without a known secondary market. Despite the simplicity and transparency of this approach, it does not directly incorporate information about the economic benefits contributed by the subject assets.

Income Approach is the conversion of expected periodic benefits of ownership into an indication of value. It is based on the principle that an informed buyer would pay no more for the project than an amount equal to the present worth of anticipated future benefits (income) from the same or a substantially similar project with a similar risk profile. This approach allows for the prospective valuation of future profits and there are numerous empirical and theoretical justifications for the present value of expected future cash flows. However, this approach relies on numerous assumptions over a long-time horizon and the result may be very sensitive to certain inputs. It also presents a single scenario only.

Selection of Valuation Approach and Methodology

To select the most appropriate method, we evaluated the valuation purpose, the basis of value, and the availability and reliability of information, along with each approach's suitability given the nature of the Subject.

The income approach was deemed inappropriate due to the high sensitivity of results to assumptions and the lack of a sufficient historical financial track record for the Target Company and AscenPower to support objective long-term financial projections as of the Valuation Date. The cost approach was also unsuitable because it does not capture the economic earnings potential of the business of Target Company and AscenPower. Therefore, we adopted the market approach.

There are two common methods under market approach, namely, Guideline Public Companies Method and Guideline Transaction Method (also known as the Precedent Transaction Method). Guideline Public Companies Method requires identifying suitable guideline public companies and selection of appropriate trading multiples, while Guideline Transaction Method takes reference to recent mergers and acquisitions transaction between unrelated parties and ratio of transaction price to target company's financial metrics.

Valuation Methodology for AscenPower

As the Target Company holds a material interest in AscenPower, it is necessary to evaluate AscenPower before valuing the Target Company.

We applied the Guideline Transaction Method to value AscenPower, using Transaction 3 (29 November 2024) as the primary observable market evidence. AscenPower completed two arm's-length financing rounds in 2024, both at RMB 14.50 per share, providing direct pricing for its Series A/A+ preferred shares.

Because those shares carry preferential rights senior to the ordinary shares held by the Target Company, we adjusted for share class differences using an Option Pricing Model ("OPM"). The OPM reflects the contractual terms of each class under liquidation and continuation scenarios. The OPM back-solve derived AscenPower's total equity value as of 29 November 2024. To reflect market conditions as of the Valuation Date (31 December 2025), we adjusted the total equity value of AscenPower based on market capitalization movement of the comparable companies.

As of the Valuation Date, the Target Company directly held 34.9398% equity interest in AscenPower and was, at that time, contemplating a share exchange transaction with AscenPower and its minority shareholders, pursuant to which the Target Company would acquire an additional 21.5160% equity interest in AscenPower in consideration for the issuance of new shares of the Target Company to those minority shareholders of AscenPower. Upon completion of such transaction, the Target Company would hold an aggregate 56.4558% equity interest in AscenPower and AscenPower will be a subsidiary of the Target Company. For prudence and valuation purposes only, it has been assumed that the contemplated share exchange between the Target Company and AscenPower had been completed as of the Valuation Date. This enables direct application of the Target Company's 56.4558% ownership interest to the adjusted total equity value of AscenPower.

The full OPM methodology parameters, scenario assumptions, and allocation results are set out in the “CALCULATION OF VALUATION RESULT” section and Exhibit B.

Valuation Methodology for the Target Company

We applied the Guideline Public Companies Method to value the Target Company. This method was selected over the Guideline Transaction Method because the Target Company’s business model has materially evolved since Transaction 1 (August 2023) and Transaction 2 (October 2024) — shifting from reliance on imported chips to full-stack SiC power module solutions.

The market value of the Target Company was developed by analyzing benchmark valuation multiples from publicly traded companies comparable to the Target Company. This approach aligns with the availability of a robust set of guideline companies operating in similar sectors and exhibiting comparable risk and growth profiles.

Because the Target Company’s equity classes carry differential rights, we allocated the total equity value across share classes using the OPM. For valuation purposes only, we assumed the contemplated share exchange between the Target Company and AscenPower is completed as of the Valuation Date. This means Series D Preferred Shares exist with rights identical to Series C Preferred Shares, and all contractual terms of the Share Exchange (including capital structure changes and extinguishment of preferential rights in AscenPower) are effective. The OPM reflects these terms under liquidation and continuation scenarios.

Full inputs, scenario analysis, and per-share valuations are in the “CALCULATION OF VALUATION RESULT” section and Exhibit A.

As a secondary and corroborative method, we considered the Guideline Transaction Method, specifically referencing recent arm’s-length financing transactions involving the Target Company before the Share Exchange, i.e. Transaction 1 and 2.

MAJOR ASSUMPTIONS

We have evaluated assumptions that significantly affect the valuation to establish a reasonable and supportable basis for our conclusion. The following key assumptions underpin our determination of the market value of the Subject:

- There will be no material change in the existing political, legal, technological, fiscal, or economic conditions, which might adversely affect the business of the Target Company and AscenPower;
- The operating licenses and incorporation documents provided to us are valid, complete, and authentic;
- The Target Company and AscenPower complies with all applicable laws and regulations, and all required licenses and permits are valid and renewable upon expiry;
- The operational and contractual terms stipulated in the relevant contracts and agreements will be honored;
- Transaction 1, Transaction 2, and Transaction 3 were conducted at arm's-length between knowledgeable, independent, third-party investors, as confirmed in discussions with the Target Company and AscenPower's management;
- The financial and operational information provided by the Target Company and AscenPower, including management accounts and contractual agreements, is reliable and reasonable, and we have relied on this information to a significant extent in forming our opinion;
- There are no material unknown conditions affecting the Target Company and AscenPower that would adversely affect the value conclusion; and
- The Company has advised that all steps relating to the Share Exchange will be completed prior to the announcement date. For valuation purposes only, we assume the Share Exchange between the Target Company and AscenPower is completed as of the Valuation Date, regardless of its actual legal status. This is referred to as the Share Exchange Assumption in this report and it means:
 - The Target Company's equity interest in AscenPower is increased to 56.4558% from 34.9398%;

- AscenPower's capital structure consists only of ordinary shares (all preferential rights terminated);
- Series D Preferred Shares of the Target Company exist as issued, each representing RMB 1.00 of registered capital, with identical rights, preferences, and liquidation priority to Series C Preferred Shares; and
- All contractual terms in the Share Exchange Agreement (including timing, consideration, and governance changes) are fully effective.

Note: We assume no responsibility for changes in market conditions or other external factors occurring after the Valuation Date.

Market Multiple

Under the Guideline Public Companies Method, we have considered the following benchmark multiples:

| Benchmark multiple | Abbreviation | Analysis |
|--|--------------|---|
| Price to earnings | P/E | Not used. P/E is suitable for profitable companies, however, the Target Company is not yet profitable; as such, earnings-based multiples are not applicable. |
| Price to Sales & Enterprise Value to Sales | P/S & EV/S | Not used. P/S & EV/S were also considered but found to be inappropriate. While the Target Company has generated revenue, its current sales level remains transitional and does not fully reflect its long-term earning potential. |
| Price to Book Value | P/B | Not used. P/B is considered but found to be inappropriate. The Target Company's value lies primarily in intangible assets (technology, know-how) which are not captured by the net asset value, making P/B inappropriate for this R&D-intensive semiconductor business. |
| Enterprise Value to EBIT | EV/EBIT | Not used. EV/EBIT is not applicable, as the Target Company has not yet achieved positive EBIT, continuing to incur operating losses due to significant ongoing investments in R&D and production ramp-up typical of early-stage semiconductor firms. |

| Benchmark multiple | Abbreviation | Analysis |
|--|--------------|---|
| Enterprise Value to Research & Development Expenditure | EV/R&D | Adopted. Given that the power semiconductor industry is highly innovation-driven and requires sustained R&D expenditure to maintain competitiveness, the EV/R&D multiple better reflects the Target Company's value drivers than traditional multiples. This metric aligns with the sector's emphasis on technological advancement and is particularly appropriate for a high-growth, pre-profitability company where R&D expenditure signals future potential. |

In determining the EV/R&D multiple, we identified a list of comparable companies. The selection criteria include the followings:

- The companies are listed on the Hong Kong Exchanges and Clearing Limited (HKEX), Shenzhen Stock Exchange (SZSE), or Shanghai Stock Exchange (SHSE) for at least six months;
- The comparable companies are classified under the semiconductor industry;
- The comparable companies have established business or technology initiatives in silicon carbide (SiC);
- The comparable companies must either offer silicon carbide (SiC) automotive-grade products that are similar to those of the Target Company, or be included in the Target Company's list of designated competitors;
- The comparable companies reported R&D expenditure in each of the past three years;
- Sufficient data, including enterprise value, market capitalization and R&D expenditure, were available as at the Valuation Date.

The comparable companies satisfying the aforementioned criteria are:

| Ticker | Name | Company Description |
|---------------|--|--|
| SHSE:603290 | StarPower Semiconductor Ltd. | StarPower designs, manufactures, and sells power semiconductor chips and modules, including IGBT, SiC, MOSFET, and diode products. Its offerings serve industrial control, power supplies, renewable energy, EVs, and white goods. |
| SZSE:300373 | Yangzhou Yangjie Electronic Technology Co., Ltd. | Yangzhou Yangjie Electronic Technology Co., Ltd. researches, develops, manufactures, and sells power semiconductor wafers, chips, and devices — including MOSFETs, IGBTs, SiC products, rectifiers, and protection devices — for applications in automotive, clean energy, AI, 5G, industrial, and consumer electronics sectors. |
| SHSE:600460 | Hangzhou Silan Microelectronics Co., Ltd | Silan develops and produces power semiconductors, ICs, and sensors, including MOSFETs, IGBTs, SiC devices, LED drivers, and MEMS sensors. Its products target home appliances, consumer electronics, industrial systems, and automotive applications. |
| SHSE:688711 | Macmic Science&Technology Co., Ltd. | Macmic Science & Technology designs, develops, produces, and sells power semiconductors — including IGBT, SiC, FRED chips, and power modules — for industrial, electric vehicle, renewable energy, and appliance applications. |
| SHSE:600703 | Sanan Optoelectronics Co., Ltd | Sanan specializes in compound semiconductors, producing GaN, GaAs, SiC, and sapphire-based materials and devices. It supplies LED chips, RF filters, power electronics, and optoelectronic components for communications, lighting, and automotive sectors. |
| SHSE:688396 | China Resources Microelectronics Limited | China Resources Microelectronics manufactures power devices, modules, power ICs, and intelligent controls for applications in EVs, energy storage, industrial equipment, and consumer electronics. |

| Ticker | Name | Company Description |
|-------------|----------------------------------|--|
| SHSE:600745 | Wingtech Technology Co., Ltd | Wingtech Technology is an integrated device manufacturer serving consumer, industrial, and automotive markets. It produces diodes, bipolar transistors, MOSFETs, GaN FETs, SiC diodes, IGBTs, and analog/logic ICs. The company operates R&D centers, wafer fabs, and packaging/test facilities. |
| SHSE:688469 | United Nova Technology Co., Ltd. | United Nova Technology develops and manufactures power discretes, modules, analog ICs, MEMS, and MCUs. It offers automotive-grade IGBT/SiC solutions and high-voltage mixed-signal chips for automotive, clean energy, industrial, and appliance applications. |

We selected the median EV/R&D multiple as it is less sensitive to outliers and extreme values in the dataset. The median provides a more robust and representative benchmark than the mean, particularly when there is considerable variation among comparable companies. For reference purposes, we also present supplementary statistical measures including the maximum, minimum, and average EV/R&D multiples.

Below are the financial details and the Calculated EV/R&D multiples of the comparable companies (all amounts are in RMB million, except the EV/R&D Multiple):

| Ticker | Market Value ¹ | Enterprise Value ¹ | Trailing Twelve Month Revenue ¹ | Trailing Twelve Month Net Income/(Loss) ¹ | 3-Year | EV/R&D Multiple |
|-------------|---------------------------|-------------------------------|--|--|---|-----------------|
| | | | | | Cumulative R&D Expenditure ² | |
| SHSE:603290 | 23,011 | 23,930 | 3,966 | 466 | 982 | 24.37 |
| SZSE:300373 | 36,715 | 35,945 | 6,957 | 1,307 | 1,132 | 31.75 |
| SHSE:600460 | 47,276 | 53,030 | 12,770 | 540 | 2,931 | 18.09 |
| SHSE:688711 | 6,669 | 7,355 | 1,335 | (13) | 317 | 23.17 |
| SHSE:600703 | 68,779 | 74,696 | 18,068 | 94 | 4,938 | 15.13 |
| SHSE:688396 | 70,173 | 69,051 | 10,716 | 789 | 3,362 | 20.54 |
| SHSE:600745 | 45,580 | 49,426 | 50,206 | (1,734) | 12,608 | 3.92 |
| SHSE:688469 | 55,641 | 70,402 | 7,384 | (741) | 4,667 | 15.09 |
| | | | | | Maximum | 31.75 |
| | | | | | Median | |
| | | | | | (Adopted) | 19.31 |
| | | | | | Average | 19.01 |
| | | | | | Minimum | 3.92 |

Note:

1. Data sourced from S&P Capital IQ.
2. Data sourced from S&P Capital IQ and the corresponding financial reports of the companies. “3-Year Cumulative R&D Expenditure” represents the cumulative trailing 36-month R&D expenditure for each listed company. For this purpose, R&D expenditure includes both expensed R&D costs and the amount capitalized during the period as development expenditures, as disclosed in the companies’ financial statements.

ADDITIONAL CONSIDERATION**Discount for Lack of Marketability (DLOM)**

A factor to be considered in valuing closely held companies such as the Target Company is the marketability of an interest in such businesses. Marketability is defined as the ability to convert the business interest into cash quickly, with minimum transaction and administrative costs, and with a high degree of certainty as to the amount of net proceeds. There is usually a cost and a time lag associated with locating interested and capable buyers of interests in privately-held companies, because there is no established market of readily-available buyers and sellers. All other factors being equal, an interest in a publicly traded company is worth more because it is readily marketable. Conversely, an interest in a private-held company is worth less because no established market exists.

The 2025 Stout Restricted Stock Study is a widely used empirical database that supports valuation professionals in determining marketability discount. It includes over 750 screened restricted stock transactions, providing detailed data to compare with subject companies. This resource is recognized for its industry acceptance, enabling professionals to make supportable discount determinations.

For this exercise, to develop the equity value of the Target Company, we have made reference to the 2025 Edition Stout Restricted Stock Study of 783 private placement transactions of unregistered common stock issued by publicly traded companies. The discount was calculated by dividing the difference between the private placement price and the market reference price by the market reference price. The overall average discount for all transactions in the study is 20.40%. The indicated discount for lack of marketability adopted is 20.40% as at the Valuation Date, consistent with the 2025 Edition of the Stout Restricted Stock Study Companion Guide issued by Stout Risius Ross, LLC.

CALCULATION OF VALUATION RESULT**Market Value of AscenPower**

Transaction 3 (29 November 2024) priced AscenPower's Series A+ Preferred Shares at RMB 14.50 per share. Because those shares carry preferential rights senior to ordinary shares and the Target Company holds only ordinary shares, we applied the OPM to allocate value across share classes as of the Transaction 3 date. The OPM used AscenPower's actual capital structure and contractual rights at that time to derive a total equity value of RMB 5,952.96 million as of 29 November 2024. This transaction represents an arm's-length private placement between knowledgeable, independent third-party investors. As the transaction involved unregistered securities of a privately held company, the transaction price inherently reflects an appropriate discount for lack of marketability, and the implied total equity value therefore represents a non-marketable equity interest.

To reflect market conditions as of the Valuation Date (31 December 2025), we adjusted this value upward by 10.70%, based on the average percentage change in total market capitalization of the comparable companies. This yields a total equity value of RMB 6,589.93 million as of the Valuation Date.

Consistent with the Share Exchange Assumption, we treat this RMB 6,589.93 million as the total equity value of AscenPower where all shares have equal rights. This allows direct application of the Target Company's 56.4558% ordinary share interest, resulting in a value of RMB 3,720.40 million. This represents non-marketable equity interest.

The full methodology and calculations of the OPM are detailed in Exhibit B.

Market Value of the Target Company

Under the guideline public company method, we derived the equity value of the Target Company based on the market multiples of the comparable companies derived from S&P Capital IQ as at the Valuation Date. We have also taken into account the DLOM. Consistent with the Share Exchange Assumption, we then added the Target Company's equity interest in AscenPower.

The calculation as at the Valuation Date is as follows:

| | As at 31 December 2025 (RMB'000) |
|--|---|
| Cumulative R&D Expenditure in the past three years of the Target Company ¹ | 165,430 |
| EV/R&D Expenditure Multiple | 19.31 |
| Core Enterprise Value of the Target Company (marketable) | 3,194,444 |
| Add: Cash and cash equivalents ¹ | 79,857 |
| Less: Short- & Long-term debt ¹ | 359,923 |
| Less: Minority Interest ¹ | 0 |
| | <hr/> |
| Implied Value of 100 Percent Equity Interest in Target Company (marketable) | 2,914,379 |
| Less: Discount for Lack of Marketability (20.40%) ² | (594,533) |
| | <hr/> |
| Implied Value of 100 Percent Equity Interest in Target Company (non-marketable) | 2,319,845 |
| Add: Market value of the Target Company's equity interest in AscenPower under the Share Exchange Assumption | 3,720,398 |
| | <hr/> |
| 100 Percent Equity Interest in Target Company (non-marketable) | 6,040,243 |
| | <hr/> <hr/> |

Note:

1. Data sourced from the Target Company's financial statement.
2. As discussed under the heading "Discount for Lack of Marketability" in the section titled "ADDITIONAL CONSIDERATION"

Based on the Target Company's post-Share Exchange capital structure, we allocated the total equity value across share classes using the OPM. This model yields a per-share value of RMB 26.06 for the Series D Preferred Shares.

As a secondary and corroborative check, the Guideline Transaction Method was applied. Transaction 1 directly involved Series C preferred shares and implies a per-share value of RMB 24.73. Transaction 2 involved ordinary shares and was therefore subject to a back-solve analysis

using the same OPM methodology to derive an implied Series C per-share value of RMB 26.48. These transaction-derived indications serve solely as supplementary validation of the primary valuation conclusion.

The full methodology and calculations of the OPM are detailed in Exhibit A.

VALUATION COMMENT

The conclusion of value is based on accepted valuation procedures and practices that rely substantially on the use of numerous assumptions and the consideration of many uncertainties, not all of which can be easily quantified or ascertained. Further, while the assumptions and other relevant factors are considered by us to be reasonable, they are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Target Company, the Company and JLL.

We do not intend to express any opinion on matters which require legal or other specialized expertise or knowledge, beyond what is customarily employed by valuers. Our conclusions assume continuation of prudent management of the Target Company over whatever period of time that is reasonable and necessary to maintain the character and integrity of the assets valued.

This report is issued subject to our Limiting Conditions as attached.

INDEPENDENCE DECLARATION

We confirm that to the best of our knowledge and belief, we are independent of the Company and the Target Company, and have not contravened any independence requirements stipulated as per our professional memberships. Our fee is not contingent upon our conclusion of value.

OPINION OF VALUE

Based on our analyses and under the Share Exchange Assumption, we are of the opinion that the market value of the Subject, i.e. one Series D Preferred Share in the Target Company, representing RMB1.00 of registered capital, as of the Valuation Date is reasonably stated at the amount of RMB26.06.

For the proposed transaction, Guangzhou Tianze will acquire an aggregate registered capital of RMB25,673,931 of the Target Company, representing 25,673,931 Series D Preferred Shares with a nominal value of RMB1.00 each, which carry rights equivalent in priority to the existing Series C Preferred Shares. The aggregate value of these Series D Preferred Shares (rounded to the nearest thousand) is approximately RMB 669.06 million.

Yours faithfully,

For and on behalf of

Jones Lang LaSalle Corporate Appraisal and Advisory Limited

Simon M.K. Chan

Executive Director

Note: Mr. Simon M.K. Chan is a fellow (FCPA) of the Hong Kong Institute of Certified Public Accountants (HKICPA) and CPA Australia. He is also fellow of the Royal Institution of Chartered Surveyors (FRICS). He is an International Certified Valuation Specialist (ICVS) and a Chartered Valuer and Appraiser (Singapore). He oversees the business valuation services of JLL and has over 20 years of accounting, auditing, corporate advisory and valuation experiences. He has provided a wide range of valuation services to numerous listed and listing companies of different industries in the PRC, Hong Kong, Singapore and the United States.

EXHIBIT A — EQUITY ALLOCATION MODEL OF THE TARGET COMPANY**Overview**

This exhibit outlines the methodology used to derive the value of one Series D Share in the Target Company based on the calculated total equity value from the Guideline Public Companies Method (at RMB 6,040 million).

Because the shares the Company intend to invest carry preferential redemption and liquidation rights, a direct comparison to standard ordinary shares is not appropriate. Therefore, an Option Pricing Model (OPM) was applied to estimate the market value of Series D preferred share.

The OPM treats each share class as a call option on the total equity value of a company, with different payoff structures depending on exit timing and proceeds distribution.

Key Transaction Terms*Term of Shareholder Agreement (Post-Share Exchange)*

Registered capital in nominal value RMB 250,479,285

Liquidation preference In the event of a liquidation as defined in the agreement, the priority and amounts of liquidation proceeds payable to each shareholder class are as follows:

- (1) Series D and Series C investors: 100% of their respective investment costs (less dividends received; excludes declared but unpaid dividends), *pari passu*. If insufficient, shared pro rata among them.
- (2) Series B investors: 100% of original investment (less dividends received; excludes declared but unpaid dividends).
- (3) Series A investors: 100% of original investment (less dividends received; excludes declared but unpaid dividends). If insufficient, shared pro rata among them.

- (4) Series D and Series C investors: Additional 8% p.a. simple interest from their respective closing dates, pari passu. If insufficient, shared pro rata among them.
- (5) Series B investors: 8% p.a. simple interest from closing date.
- (6) Series A investors: 8% p.a. simple interest from closing date. If insufficient, shared pro rata among them.
- (7) Other shareholders: Return of initial investment cost (pro rata if insufficient funds).
- (8) All shareholders: Any remaining proceeds distributed pro rata by shareholding.

For Series D investors, “investment cost” means cash paid to AscenPower or to the seller for equity; “closing date” means the date such payment was made. For other investors, these terms refer to payments made to the Target Company or its sellers.

Redemption right

Redemption is triggered if, by December 31, 2028 — due to Founding Shareholders’ actions — the Target Company has not commenced a qualified exit filing.

Upon trigger, Series D, C, B, and A investors may require the Target Company to repurchase their shares at:

Investment principal + 8% p.a. simple interest (from payment date to full redemption), less dividends already received (excluding declared but unpaid dividends).

Exit mechanism

Priority: Series D = Series C > Series B > Series A.

Capital Structure

The table below shows the shareholders and their respective shareholding and investment amount as at the Valuation Date under the Share Exchange Assumption:

| Equity Class (Post-Share Exchange) | Investment Date | Nominal Value | | Investment Amount (RMB) | Unit Price (RMB) |
|--|-------------------------|-------------------------------|---------------------|-------------------------------|---------------------|
| | | (RMB)/ Number of Shares | Shareholding (%) | | |
| Ordinary Shares | N.A. | 129,837,416 | 51.84% | 58,511,635 | N.A. |
| Series A Preferred Shares | 2021/6/17 | 20,312,500 | 8.11% | 130,000,000 | 6.4 |
| Series B Preferred Shares — B1 | 2022/3/7 | 7,265,625 | 2.90% | 100,000,000 | 13.76 |
| Series B Preferred Shares — B2 | 2022/3/11 | 9,154,688 | 3.65% | 150,000,000 | 16.39 |
| Series C Preferred Shares — C1 | 2023/2/9 | 17,444,141 | 6.96% | 430,320,000 | 22.26 – 24.73 |
| Series C Preferred Shares — C2 | 2023/8/18 2024/10/18 | 10,799,967 | 4.31% | 260,395,720 | 22.26 – 24.73 |
| Series D Preferred Shares | 2024/8/22 2024/11/29 | 55,664,948 | 22.22% | 1,376,000,000 | 19.25 – 25.67 |
| Total | | 250,479,285 | 100.00% | | |

Basis of Equity Allocation: Option Pricing Model (OPM)

The OPM treats each share class as a call option on the total equity value of a company, with different payoff structures depending on the outcome at exit.

Two scenarios are modelled:

- | | |
|--|--|
| (1) Liquidation Scenario: | Involuntary or voluntary winding-up |
| (2) Non-Liquidation (Continuation) Scenario: | Business continues or exits via IPO/M&A above thresholds |

Each scenario is assigned a probability, and the expected value per share class is calculated on a probability-weighted basis.

Scenario Definitions and Payoff Structures

(a) *Non-Liquidation Scenario*

- Total equity value distributed on an as-if-fully-converted basis
- All shares participate proportionally in proceeds
- Applies when exit occurs and proceeds exceed liquidation thresholds

(b) *Liquidation Scenario*

If total equity value under various conditions are allocated as follows:

| Condition | Distribution |
|--------------------------------------|--|
| (1) Equity Value < RMB 2,016,715,720 | Allocate entirely to Series C and Series D preferred shares |
| (2) Equity Value < RMB 2,266,715,720 | Allocate entirely to Series B preferred shares |
| (3) Equity Value < RMB 2,396,715,720 | Allocate entirely to Series A preferred shares |
| (4) Equity Value < RMB 3,170,628,487 | Allocate entirely to Series C and Series D preferred shares |
| (5) Equity Value < RMB 3,306,883,474 | Allocate entirely to Series B preferred shares |
| (6) Equity Value < RMB 3,385,299,901 | Allocate entirely to Series A preferred shares |
| (7) Equity Value < RMB 3,443,811,536 | Allocate entirely to shareholders holding shares other than Series A, Series B, Series C and Series D preferred shares |
| (8) Equity Value > RMB 3,443,811,536 | Allocate pro rata among all shareholders in accordance with their respective shareholdings |

The equity value under each condition is calculated as follows:

| Condition | Liquidation Thresholds Calculation (as of 31 December 2025): | Remarks |
|-----------|---|---|
| (1) | RMB 2,016,715,720 | Principal amount of Series C and Series D investors |
| (2) | RMB 2,016,715,720 + RMB 250,000,000 = RMB 2,266,715,720 | Aggregate principal amounts of Series B, Series C and Series D investors |
| (3) | RMB 2,266,715,720 + RMB 130,000,000 = RMB 2,396,715,720 | Aggregate principal amounts of Series A, Series B, Series C and Series D investors |
| (4) | RMB 2,396,715,720 + RMB 773,912,767 = RMB 3,170,628,487 | Principal amounts of Series A, Series B, Series C and Series D investors, plus the accrued 8% simple interest for Series C and Series D investors |
| (5) | RMB 3,170,628,487 + RMB 136,254,986 = RMB 3,306,883,474 | Principal amounts of Series A, Series B, Series C and Series D investors, plus the accrued 8% simple interest for Series B, Series C and Series D investors |
| (6) | RMB 3,306,883,474 + RMB 78,416,427 = RMB 3,385,299,901 | Principal amounts plus accrued 8% simple interest for Series A, Series B, Series C and Series D investors |
| (7) | RMB 3,385,299,901 + RMB 58,511,635 = RMB 3,443,811,536 | Principal plus accrued 8% simple interest for Series A, Series B, Series C, and Series D investors, plus the principal amounts for all other investors |

Probability Weighting Assumptions

| Scenario | Assigned Probability | Remarks |
|-------------------------------|----------------------|--|
| Liquidation | 11.16% | With reference to a Moody's statistics for companies with similar financial position and performance as the Target Company |
| Continuation/ Non-Liquidation | 88.84% | Residual |
| Total | 100.00% | |

OPM Input Parameters

| Parameter | Valuation Date | Basis |
|-----------------------------|-------------------|---|
| Current equity value (S) | RMB 6,040,243,000 | The market value of the Target Company under Guideline Public Companies Method |
| Strike prices (K) | | Derived from liquidation thresholds |
| Option 1 | RMB 0 | |
| Option 2 | RMB 2,016,715,720 | |
| Option 3 | RMB 2,266,715,720 | |
| Option 4 | RMB 2,396,715,720 | |
| Option 5 | RMB 3,170,628,487 | |
| Option 6 | RMB 3,306,883,474 | |
| Option 7 | RMB 3,385,299,901 | |
| Option 8 | RMB 3,443,811,536 | |
| Life to expiration (T) | 3 years | Expected time to exit (The updated shareholders' agreement following the entry of Series D investors) |
| Risk-free interest rate (R) | 1.41% | Yield on China government bond yield curve matching time of maturity |
| Expected volatility (V) | 41.50% | Based on historical volatility of selected public comparables |

Black-Scholes Formula Application

$$\text{Price of a call option} = S * N(d1) - K * e^{-rt} * N(d2)$$

Where:

- d1 = $[\ln(S/K) + (R + V^2/2) * T] / (V * \sqrt{T})$
d2 = $d1 - V * \sqrt{T}$
N = normal distribution
S = current value of total equity of the subject company
K = strike price of the option
e = exponential
T = life to expiration of the option
R = risk free interest rate corresponding to the life of the option
V = expected volatility in the value of the subject company

This formula is applied separately to each tranche of claims held by the preferential shareholder.

Conclusion — Valuation Date

Based on the OPM analysis using inputs as of 31 December 2025, the total value of each equity class and price per share is presented as follows:

| Equity Class | Nominal Value (RMB)/ Number of Shares | Per Share Value (RMB) | Total Value of Each Equity Class (RMB) |
|--------------------------------------|--|--------------------------------------|---|
| Ordinary Shares | 129,837,416 | 22.83 | 2,964,347,846 |
| Series A Preferred Shares | 20,312,500 | 23.67 | 480,724,150 |
| Series B Preferred Shares | 16,420,313 | 24.85 | 408,112,465 |
| Series C & Series D Preferred Shares | <u>83,909,056</u> | 26.06 | <u>2,187,058,539</u> |
| Total | <u>250,479,285</u> | | <u>6,040,243,000</u> |

Back-Solve Validation — Transaction 2 (18 October 2024)

To cross check against the above result, we performed a back-solve using inputs as of the date of Transaction 2. The table below shows the shareholders and their respective shareholding and investment amount as of date of Transaction 2:

| Equity Class (Transaction 2) | Investment Date | Nominal Value (RMB)/ | | Investment Amount (RMB) | Unit Price (RMB) |
|-----------------------------------|--------------------|---------------------------|-----------------------|-------------------------------|---------------------|
| | | Number of Shares | Shareholding (%) | | |
| Ordinary Shares | N.A. | 133,000,000 | 68.27% | 128,907,355 | N.A. |
| Series A Preferred Shares | 2021/6/17 | 20,312,500 | 10.43% | 130,000,000 | 6.4 |
| Series B Preferred Shares — B1 | 2022/3/7 | 7,265,625 | 3.73% | 100,000,000 | 13.76 |
| Series B Preferred Shares — B2 | 2022/3/11 | 9,154,688 | 4.70% | 150,000,000 | 16.39 |
| Series C Preferred Shares — C1 | 2023/2/9 | 16,994,883 | 8.72% | 420,320,000 | 24.73 |
| Series C Preferred Shares — C2 | 2023/8/18 | 8,086,641 | 4.15% | 200,000,000 | 24.73 |
| Total | | <u>194,814,337</u> | <u>100.00%</u> | | |

Key Terms of Transaction 2

- Ordinary shares transferred: 467,036
- Consideration received: RMB 10,395,720 → implied price of RMB 22.26 per ordinary share
- Using the same OPM structure (liquidation priorities, probabilities, and volatility), we solved iteratively for the total equity value that yields this ordinary-share price.

Terms of Shareholder Agreement as at the Date of Transaction 2

| | |
|-------------------------------------|--|
| Registered capital in nominal value | RMB 194,814,337 |
| Liquidation preference | <p>In the event of a liquidation as defined in the agreement, the priority and amounts of liquidation proceeds payable to each shareholder class are as follows:</p> <ol style="list-style-type: none">(1) Series C investors: 100% of original investment (less dividends received; excludes declared but unpaid dividends).(2) Series B investors: 100% of original investment (less dividends received; excludes declared but unpaid dividends).(3) Series A investors: 100% of original investment + 8% p.a. simple interest from closing date (less dividends received; excludes declared but unpaid dividends).(4) Series C and B investors: Additional 8% p.a. simple interest from closing date (pro rata if insufficient funds).(5) Other shareholders: Return of initial investment (pro rata if insufficient funds).(6) All shareholders: Remaining proceeds distributed pro rata by shareholding. |
| Redemption right | <p>Redemption is triggered if, by December 31, 2028 — due to Founding Shareholders' actions — the Target Company has not commenced a qualified exit filing.</p> <p>Upon trigger, Series C, B, and A investors may require the Target Company to repurchase their shares at:</p> <p>Investment principal + 8% p.a. simple interest (from payment date to full redemption), less dividends already received (excluding declared but unpaid dividends).</p> |
| Exit mechanism | Priority: Series C > Series B > Series A. |

OPM Input Parameters as at the Date of Transaction 2

| Parameter | Date of Transaction 2 | Basis |
|-----------------------------|-----------------------|---|
| Current equity value (S) | Iteratively solved | |
| Strike prices (K) | | Derived from liquidation thresholds |
| Option 1 | RMB 0 | |
| Option 2 | RMB 620,320,000 | |
| Option 3 | RMB 870,320,000 | |
| Option 4 | RMB 1,078,736,427 | |
| Option 5 | RMB 1,498,990,386 | |
| Option 6 | RMB 1,627,897,741 | |
| Life to expiration (T) | 4.21 years | Expected time to exit (The updated shareholders' agreement following the entry of Series C investors) |
| Risk-free interest rate (R) | 1.72% | Yield on China government bond yield curve matching time of maturity |
| Expected volatility (V) | 48.20% | Based on historical volatility of selected public comparables |

Based on the OPM analysis using inputs as of 18 October 2024, the total value of each equity class and price per share is presented as follows

| Equity Class | Nominal Value (RMB)/ Number of Shares | Per Share Value (RMB) | Total Value of Each Equity Class (RMB) |
|---------------------------|--|-----------------------------|---|
| Ordinary Shares | 133,000,000 | 22.25 | 2,959,621,161 |
| Series A Preferred Shares | 20,312,500 | 23.35 | 474,235,071 |
| Series B Preferred Shares | 16,420,313 | 25.10 | 412,190,423 |
| Series C Preferred Shares | 25,081,524 | 26.48 | 664,094,869 |
| Total | 194,814,337 | | 4,510,141,523 |

A back-solve methodology was used to infer the total equity value of the Target Company such that the modelled value of the Ordinary Shares transferred in Transaction 2 equals the actual consideration (RMB 10,395,720). The implied total equity value of the Target Company as of the date of Transaction 2 was RMB 4,510 million, with an implied value per Series C Preferred Share of RMB 26.48. This corroborative check supports reasonableness of primary valuation above (RMB 26.06 vs. RMB 26.48).

Note: The opinion of value is based solely on the Valuation Date analysis above.

EXHIBIT B — EQUITY ALLOCATION MODEL OF ASCENPOWER**Overview**

This exhibit outlines the methodology and calculation of the Target Company’s equity interest in AscenPower.

Since AscenPower has multiple equity classes with differing economic rights on the date of Transaction 3, a back-solve analysis was performed using the Option Pricing Model (“OPM”) to derive the total equity value of AscenPower.

The OPM treats each share class as a call option on the total equity value of a company, with different payoff structures depending on exit timing and proceeds distribution.

Key Transaction Terms***Term (Pre-Share Exchange)***

Registered capital in RMB 457,931,035
nominal value

| | |
|------------------------|--|
| Liquidation preference | <p>In the event of a liquidation as defined in the agreement, the priority and amounts of liquidation proceeds payable to each shareholder class are as follows:</p> <p>(1) Series A Investors:</p> <p>Investors who acquired shares via secondary transfer (i.e., purchasing existing shares from prior shareholders): Receive 100% of their original investment plus 8% per annum simple interest from the Series A closing date (less dividends already received, excluding declared but unpaid dividends).</p> <p>Investors who subscribed for newly issued shares with cash (i.e., direct capital contribution to AscenPower): the amount of their capital contribution to AscenPower.</p> <p>(2) Other Shareholders: Receive an amount equal to their initial investment on a pro rata basis to the extent remaining proceeds are available; if insufficient, distributions are made in proportion to their relative holdings.</p> <p>(3) All Shareholders: Any remaining proceeds are distributed pro rata according to shareholding percentages.</p> |
| Redemption right | <p>Redemption is triggered if, by December 31, 2028 — due to Founding Shareholders' actions — AscenPower has not commenced a qualified exit.</p> <p>Upon trigger, Series A investors may require the AscenPower to repurchase their shares at:</p> <p>Investment principal + 8% p.a. simple interest (from payment date to full redemption), less dividends already received (excluding declared but unpaid dividends).</p> |
| Exit mechanism | Priority: Series A |

Capital Structure

The table below shows the shareholders and their respective shareholding and investment amounts as at the date of Transaction 3:

| Equity Class (Date of Transaction 3) | Investment Date | Nominal Value (RMB)/ Number of Shares | Shareholding (%) | Investment Amount (RMB) | Unit Price (RMB) |
|--|-----------------|--|---------------------|-------------------------------|---------------------|
| Ordinary Shares (Held by the Target Company) | N.A. | 160,000,000 | 34.94% | 160,000,000 | N.A. |
| Ordinary Shares (Held by other entity) | N.A. | 199,402,298 | 43.54% | 131,402,298 | N.A. |
| Series A Preferred Shares | 2021/4/23 | 98,528,737 | 21.52% | 1,376,000,000 | 10.87 – 14.50 |
| Total | | 457,931,035 | 100.00% | | |

The table below shows the shareholders and their respective shareholding and investment amounts as at the Valuation Date under the Share Exchange Assumption:

| Equity Class (Post-Share Exchange) | Nominal Value (RMB)/ Number of Shares | Shareholding (%) |
|--|--|---------------------|
| Ordinary Shares (Held by the Target Company) | 258,528,737 | 56.4558% |
| Ordinary Shares (Held by other entities) | 199,402,298 | 43.5442% |
| Total | 457,931,035 | 100.0000% |

Basis of Equity Allocation: Option Pricing Model (OPM)

The OPM treats each share class as a call option on the total equity value of the company, with different payoff structures depending on the outcome at exit.

Two scenarios are modelled:

- | | |
|--|--|
| (1) Liquidation Scenario: | Involuntary or voluntary winding-up |
| (2) Non-Liquidation (Continuation) Scenario: | Business continues or exits via IPO/M&A above thresholds |

Each scenario is assigned a probability, and the expected value per share class is calculated on a probability-weighted basis.

Scenario Definitions and Payoff Structures**(a) Non-Liquidation Scenario**

- Total equity value distributed on an as-if-fully-converted basis
- All shares participate proportionally in proceeds
- Applies when exit occurs and proceeds exceed liquidation thresholds

(b) Liquidation Scenario

If total equity value under various conditions are allocated as follows:

| Condition | Distribution |
|--------------------------------------|--|
| (1) Equity Value < RMB 1,560,655,063 | Allocate entirely to Series A preferred shares |
| (2) Equity Value < RMB 1,852,057,361 | Allocate entirely to shareholders holding shares other than Series A preferred shares |
| (3) Equity Value > RMB 1,852,057,361 | Allocate pro rata among all shareholders in accordance with their respective shareholdings |

| Condition | Liquidation Thresholds Calculation (as of date of Transaction 3): | Remarks |
|-----------|---|--|
| (1) | RMB 840,000,000 + RMB 536,000,000 × (1 + 8% × 7.54 years) ≈ RMB 1,560,655,063 | Principal amount for Series A investors who subscribed for newly issued shares, and the principal plus accrued 8% simple interest for those who acquired shares via secondary transfer. |
| (2) | RMB 840,000,000 + RMB 536,000,000 × (1 + 8% × 7.54 years) + RMB 291,402,298 ≈ RMB 1,852,057,361 | (i) The principal amount for Series A investors who subscribed for newly issued shares, (ii) the principal plus accrued 8% simple interest for Series A investors who acquired shares via secondary transfer, and (iii) the principal amounts for all other investors. |

Probability Weighting Assumptions

| Scenario | Assigned Probability | Remarks |
|------------------------------|----------------------|--|
| Liquidation | 14.33% | With reference to a Moody's statistics for companies with similar financial position and performance as AscenPower |
| Continuation/Non-Liquidation | 85.67% | Residual |
| Total | 100.00% | |

OPM Input Parameters (as of the Date of Transaction 3)

| Parameter | Value | Basis |
|-----------------------------|--------------------|---|
| Current equity value (S) | Iteratively solved | See back-solve process below |
| Strike prices (K) | | Derived from liquidation thresholds |
| Option 1 | RMB 0 | |
| Option 2 | RMB 1,560,655,063 | |
| Option 3 | RMB 1,852,057,361 | |
| Life to expiration (T) | 4.09 years | Expected time to exit (The updated shareholders' agreement following the entry of Series A investors) |
| Risk-free interest rate (R) | 1.52% | Yield on China government bond yield curve matching time to maturity |

| Parameter | Value | Basis |
|-------------------------|--------|---|
| Expected volatility (V) | 48.58% | Based on historical volatility of selected public comparables (Given the close ties between AscenPower and the Target Company — adjacent players in the same SiC power semiconductor value chain with similar technology roadmaps and maturity — the same comparables were used.) |

Black-Scholes Formula Application

$$\text{Price of a call option} = S * N(d1) - K * e^{-rt} * N(d2)$$

Where:

- d1 = $[\ln (S/K)+(R+V^2/2)*T]/(V * \sqrt{T})$
- d2 = $d1 - V * \sqrt{T}$
- N = normal distribution
- S = current value of total equity of the subject company
- K = strike price of the option
- e = exponential
- T = life to expiration of the option
- R = risk free interest rate corresponding to the life of the option
- V = expected volatility in the value of the subject company

This formula is applied separately to each tranche of claims held by the preferential shareholder.

Back-Solve Process of Transaction 3

A back-solve methodology was used to infer the total equity value of the AscenPower such that the modelled value of the Preferred A Shares issued in Transaction 3 equals the actual consideration (**RMB 40,000,000**).

Steps:

1. Construct OPM with multiple strike points reflecting liquidation/redemption thresholds.
2. Assign probabilities to each scenario (liquidation and continuation).

3. For a given total equity value, compute the expected payoff to Preferred Shares.
4. Adjust total equity value iteratively until modeled value = actual paid-in capital.
5. Once total equity value is derived, calculate residual value for Ordinary Shares.

Result:

- Implied total equity value as of 29 November 2024: **RMB 5,952,960,450**
- Value attributable to Series A Preferred Shares: **RMB 1,428,666,526**
- Residual value to Ordinary Shares: **RMB 4,524,293,925**

To reflect market changes between the date of Transaction 3 and the Valuation Date, the percentage change in the aggregate total market capitalization of all comparable companies between these two dates, which was applied as an estimate of the change in AscenPower's equity value. The following table presents the market capitalization data of the comparable companies between the two reference dates.

| Ticker | Market Capitalization as of Date of Transaction 3 <i>(RMB million)</i> | Market Capitalization as of the Valuation Date <i>(RMB million)</i> |
|--|--|---|
| SHSE:603290 | 24,014 | 23,011 |
| SZSE:300373 | 24,487 | 36,715 |
| SHSE:600460 | 46,062 | 47,276 |
| SHSE:688711 | 4,308 | 6,669 |
| SHSE:600703 | 62,418 | 68,779 |
| SHSE:688396 | 66,652 | 70,173 |
| SHSE:600745 | 50,445 | 45,580 |
| SHSE:688469 | 41,252 | 55,641 |
| Subtotal | 319,639 | 353,845 |
| Change of Market Capitalization | | 10.70% |

The implied total value of AscenPower's derived from the back-solve analysis was multiplied by this percentage change to arrive at the total equity value as of the Valuation Date.

| | | Amount <i>(RMB)</i> |
|--|----------------------|------------------------------------|
| Implied total equity value of AscenPower as of date of Transaction 3 | A | 5,952,960,450 |
| Percentage change in total market capitalization between the date of Transaction 3 and the Valuation Date (%) | B | 10.70 |
| Implied total equity value of AscenPower as of the Valuation Date | $C = A \times (1+B)$ | 6,589,927,219 |
| Percentage of Equity Interest held by the Target Company under the Share Exchange Assumption | | <u>56.4558%</u> |
| Implied Value of 56.4558 Percent Equity Interest in AscenPower held by the Target Company (non-marketable, round to thousand) | | <u><u>3,720,398,000</u></u> |

Conclusion

Following the above calculations and analysis and under the Share Exchange Assumption, the market value of the Target Company's 56.4558% equity interest in AscenPower was estimated at RMB 3,720.40 million, which represents a non-marketable equity interest. This amount was added to the valuation result of the Target Company from the Guideline Public Companies Method, as shown in the CALCULATION OF VALUATION section.

LIMITING CONDITIONS

1. In the preparation of this Report, we relied on the accuracy, completeness and reasonableness of the financial information, forecast, assumptions and other data provided to us by the Client/Target Company and/or its representatives. We did not carry out any work in the nature of an audit and neither are we required to express an audit or viability opinion. We take no responsibility for the accuracy of such information. Our Report was used as part of the analysis of the Client/Target Company in reaching their conclusion of value and due to the above reasons, the ultimate responsibility of the derived value of the Subject rests solely with the Client.
2. We have explained as part of our service engagement procedure that it is the director's responsibility to ensure proper books of accounts are maintained, and the financial information and forecast give a true and fair view and have been prepared in accordance with the relevant standards and companies ordinance.
3. Public information and industry and statistical information have been obtained from sources we deem to be reputable; however, we make no representation as to the accuracy or completeness of such information, and have accepted the information without any verification.
4. The board of directors and the management of Client/Target Company have reviewed this Report and agreed and confirmed that the basis, assumptions, calculations and results are appropriate and reasonable.
5. Jones Lang LaSalle Corporate Appraisal and Advisory Limited shall not be required to give testimony or attendance in court or to any government agency by reason of this exercise, with reference to the project described herein. Should there be any kind of subsequent services required, the corresponding expenses and time costs will be reimbursed from you. Such kind of additional work may incur without prior notification to you.
6. No opinion is intended to be expressed for matters which require legal or other specialised expertise, which is out of valuers' capacity.
7. The use of and/or the validity of the Report is subject to the terms of the Agreement and the full settlement of the fees and all the expenses.
8. Our conclusions assume continuation of prudent and effective management policies over whatever period of time that is considered to be necessary in order to maintain the character and integrity of the Subject.

9. We assume that there are no hidden or unexpected conditions associated with the subject matter under review that might adversely affect the reported review result. Further, we assume no responsibility for changes in market conditions, government policy or other conditions after the Valuation Date. We cannot provide assurance on the achievability of the results forecasted by the Client/Target Company because events and circumstances frequently do not occur as expected; difference between actual and expected results may be material; and achievement of the forecasted results is dependent on actions, plans and assumptions of management.
10. This Report has been prepared solely for internal use purpose. The Report should not be otherwise referred to, in whole or in part, or quoted in any document, circular or statement in any manner, or distributed in whole or in part or copied to any third party without our prior written consent. Even with our prior written consent for such, we are not liable to any third party except for our client for this report. Our client should remind of any third party who will receive this report and the client will need to undertake any consequences resulted from the use of this report by the third party. We shall not under any circumstances whatsoever be liable to any third party.
11. This Report is confidential to the Client and the calculation of values expressed herein is valid only for the purpose stated in the Agreement as at the Valuation Date. In accordance with our standard practice, we must state that this Report and exercise is for the use only by the party to whom it is addressed to and no responsibility is accepted with respect to any third party for the whole or any part of its contents.
12. Where a distinct and definite representation has been made to us by parties interested in the Subject, we are entitled to rely on that representation without further investigation into the veracity of the representation.
13. The Client/Target Company agrees to indemnify and hold us and our personnel harmless against and from any and all losses, claims, actions, damages, expenses or liabilities, including reasonable attorney's fees, to which we may become subjects in connection with this engagement. Our maximum liability relating to services rendered under this engagement (regardless of form of action, whether in contract, negligence or otherwise) shall be limited to the fee paid to us for the portion of its services or work products giving rise to liability. In no event shall we be liable for consequential, special, incidental or punitive loss, damage or expense (including without limitation, lost profits, opportunity costs, etc.), even if it has been advised of their possible existence.

14. We are not environmental, structural or engineering consultants or auditors, and we take no responsibility for any related actual or potential liabilities exist, and the effect on the value of the asset is encouraged to obtain a professional assessment. We do not conduct or provide such kind of assessments and have not considered the potential impact to the subject property.
15. This exercise is premised in part on the historical financial information and future forecast provided by the management of the Client/Target Company and/or its representatives. We have assumed the accuracy and reasonableness of the information provided and relied to a considerable extent on such information in our calculation of value. Since projections relate to the future, there will usually be differences between projections and actual results and in some cases, those variances may be material. Accordingly, to the extent any of the above mentioned information requires adjustments, the resulting value may differ significantly.
16. This Report and the conclusion of values arrived at herein are for the exclusive use of our client for the sole and specific purposes as noted herein. Furthermore, the Report and conclusion of values are not intended by the author, and should not be construed by any reader, to be investment advice or as financing or transaction reference in any manner whatsoever. The conclusion of values represents the consideration based on the information furnished by the Client/Target Company and other sources. Actual transactions involving the Subject might be concluded at a higher or lower value, depending upon the circumstances of the transaction and the knowledge and motivation of the buyers and sellers at that time. The transaction amount does not need to be close to the result as estimated in this report.
17. The board of directors, management, staff, and representatives of the Client/Target Company have confirmed to us that they are independent to JLL in this Valuation or calculation exercise. Should there be any conflict of interest or potential independence issue that may affect our independence in our work, the Client/Target Company and/or its representatives should inform us immediately and we may need to discontinue our work and we may charge our fee to the extent of our work performed or our manpower withheld or engaged.

NOTICE OF THE EGM



APT Electronics Co., Ltd. **廣東晶科電子股份有限公司**

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2551)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “EGM”) of APT Electronics Co., Ltd. (the “Company”) will be held at 10:00 a.m. on Tuesday, June 9, 2026 at No. 2 Zhengxiang Road, Wanqingsha, Nansha District, Guangzhou, Guangdong Province, PRC for the purpose of considering and, if thought fit, passing the following resolutions.

Ordinary Resolutions

1. To consider and approve the Equity Transfer Agreements and the indirect investment by the Company contemplated thereunder, and to authorize the Board and/or any person(s) authorized by the Board to handle, implement and follow up any matters in respect of the transactions contemplated thereunder.
2. To consider and approve the Capital Increase Agreement and the indirect investment by the Company contemplated thereunder, and to authorize the Board and/or any person(s) authorized by the Board to handle, implement and follow up any matters in respect of the transactions contemplated thereunder.

By order of the Board
APT Electronics Co., Ltd.
Xiao Guowei David
Chairperson of the Board

Hong Kong, May 18, 2026

As at the date of this notice, the Board comprises Mr. Xiao Guowei David and Mr. Hou Yu as executive Directors; Mr. Chan Philip Ching Ho, Mr. Yuan Lie Ming Peter and Mr. Huang Guansheng as non-executive Directors; Ms. Zhang He, Ms. Lin Nan, Ms. Ding Hui and Mr. Chan Chi Kong as independent non-executive Directors.

NOTICE OF THE EGM

Notes:

(1) Eligibility for attending the EGM and date of registration of members for H Shares

For the purpose of ascertaining the Shareholders who are entitled to attend and vote at the EGM, the register of members of the Company will be closed from Thursday, June 4, 2026, to Tuesday, June 9, 2026, both days inclusive, during which period no transfer of Shares can be registered. Shareholders whose names appear on the register of members of the Company on Tuesday, June 9, 2026 are entitled to attend and vote in respect of all resolutions to be proposed at the EGM. In order to qualify to attend and vote at the EGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on Wednesday, June 3, 2026.

(2) Proxy

Each Shareholder entitled to attend and vote at the EGM may appoint one or more proxies in writing to attend and vote on his/her behalf. A proxy need not be a Shareholder of the Company.

The instrument appointing a proxy must be in writing under the hand of the appointor or his/her attorney duly authorised in writing, or if the appointor is a legal entity, either under seal or signed by a director or a duly authorised attorney. If that instrument is signed by an attorney of the appointor, the power of attorney authorising that attorney to sign or other documents of authorisation must be notarised.

On a poll, every Shareholder present in person (or, in the case of a member being a corporation, by its duly authorised representative) or by proxy, shall have one vote for each share registered in his name in the register. A Shareholder entitled to more than one vote is under no obligation to cast all his votes in the same way.

- (3)** In order to qualify for attending and voting at the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to (i) the Company's registered office, headquarters and principal place of business in the PRC at No. 33, Huanshi Road South, Nansha District, Guangzhou, Guangdong Province, the PRC (for Domestic Unlisted Shares) or (ii) the Company's H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for H Shares) as soon as possible but in any event not less than 24 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting at the EGM or any adjournment thereof if they so wish and in such event, the proxy form shall be deemed to be revoked. For avoidance of doubt, holder of treasury shares, if any, shall abstain from voting on matters that require Shareholders' approval as required under the Listing Rules.

(4) Registration procedures for attending the EGM

A Shareholder or his proxy should present proof of identity when attending the EGM. If a Shareholder is a legal person, its legal representative or other person authorised by the board of directors or other governing body may attend the EGM by providing a copy of the resolution of the Board or other governing body of such Shareholder appointing such person to attend the meeting.

(5) Voting by poll

According to Rule 13.39(4) of the Listing Rules, apart from certain exceptions, any vote of Shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

NOTICE OF THE EGM

(6) Miscellaneous

- (i) Unless the context otherwise stated, capitalized terms used in this notice shall have the meanings as those defined in the circular of the Company dated May 18, 2026.
- (ii) The EGM is expected to be held for no more than half a day. Shareholders who attend the meeting in person or by proxy shall bear their own travelling and accommodation expenses.
- (iii) The registered office, headquarters and principal place of business in the People's Republic of China of the Company is located at:

No. 33, Huanshi Road South
Nansha District, Guangzhou
Guangdong Province, PRC

Contact Office: Office of the Board
Email: aptinvestors@apt-hk.com
Telephone No.: +86 020 3468 4266

The form of proxy for use at the EGM is enclosed herewith and also published on the websites of the Stock Exchange (<https://www.hkexnews.hk>) and of the Company (<https://www.apt-hk.com>).