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**FAME CASTLE ENTERPRISES
LIMITED**

名堡企業有限公司

(Incorporated in British Virgin Islands with limited liability)



中國儲能科技發展有限公司

CHINA ENERGY STORAGE TECHNOLOGY DEVELOPMENT LIMITED

(incorporated in the Cayman Islands with limited liability)

(Stock code: 1143)

JOINT ANNOUNCEMENT

**(1) PROPOSAL FOR THE PRIVATISATION OF
CHINA ENERGY STORAGE TECHNOLOGY DEVELOPMENT LIMITED
BY THE OFFEROR BY WAY OF
A SCHEME OF ARRANGEMENT UNDER SECTION 86
OF THE COMPANIES ACT OF THE CAYMAN ISLANDS;
(2) PROPOSED WITHDRAWAL OF LISTING;
(3) ESTABLISHMENT OF THE INDEPENDENT BOARD
COMMITTEE; AND
(4) RESUMPTION OF TRADING IN SHARES**

Financial Adviser to the Offeror



**Lego Corporate
Finance Limited**

力高企業融資有限公司

INTRODUCTION

In late January 2026, the Board resolved to put forward a proposal for the privatisation of the Company to the Shareholders. The Offeror was subsequently invited by the Board to make an offer for the Proposal. Upon the Offeror's acceptance to the invitation, the Board put forward the Proposal to the Scheme Shareholders for the proposed privatisation of the Company by way of a scheme of arrangement under section 86 of the Companies Act. The Scheme will involve the cancellation of the Scheme Shares in consideration for the payment by the Offeror to the Scheme Shareholders of the Cancellation Price in cash, and the listing of the Shares will be withdrawn from the Stock Exchange.

If the Proposal is implemented, all Scheme Shares will be cancelled on the Effective Date. Contemporaneously with the cancellation of the Scheme Shares, the share capital of the Company will be maintained at the amount immediately prior to the cancellation of the Scheme Shares by the issuance at par to the Offeror, credited as fully paid, of an aggregate number of new Shares as is equal to the number of Scheme Shares cancelled. The reserve created in the books of account of the Company as a result of the cancellation of the Scheme Shares will be applied in paying up in full at par the new Shares so issued to the Offeror.

TERMS OF THE PROPOSAL

Subject to the satisfaction or waiver (where applicable) of the Conditions and the Scheme becoming effective, all Scheme Shares will be cancelled and the Scheme Shareholders will be entitled to receive from the Offeror:

For every Scheme Share cancelled HK\$0.45 in cash

If, after the Announcement Date, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Shares, the Offeror reserves the right to reduce the Cancellation Price by all or any part of the amount or value of such dividend, distribution and/or, as the case may be, return of capital after consultation with the Executive, in which case any reference in this joint announcement, the Scheme Document or any other announcement or document to the Cancellation Price will be deemed to be a reference to the Cancellation Price as so reduced. As at the Announcement Date, the Company has no declared but unpaid dividends and has not declared any distribution or return of capital, and the Company has no intention to declare any dividend, distribution or return of capital before the Effective Date.

The Cancellation Price will not be increased, and the Offeror does not reserve the right to do so. Shareholders and potential investors of the Company should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Cancellation Price.

CONDITIONS OF THE PROPOSAL AND THE SCHEME

The Proposal and the Scheme will only become effective and binding on the Company and all of the Scheme Shareholders if the following Conditions are fulfilled or waived (as applicable):

- (a) the approval of the Scheme (by way of poll) by the Scheme Shareholders representing not less than 75% in value of the Scheme Shares held by the Scheme Shareholders entitled to vote at the Court Meeting, present and voting either in person or by proxy, at the Court Meeting;
- (b) the approval of the Scheme (by way of poll) at the Court Meeting by the Disinterested Scheme Shareholders holding at least 75% of the votes attaching to the Scheme Shares held by the Disinterested Scheme Shareholders that are cast either in person or by proxy at the Court Meeting and the number of votes cast by Disinterested Scheme Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all Scheme Shares held by the Disinterested Scheme Shareholders;
- (c) the passing of a special resolution by a majority of at least 75% of the votes cast by the Shareholders present and voting in person or by proxy at the EGM to approve and give effect to any reduction of the issued share capital of the Company resulting from the cancellation of the Scheme Shares and to contemporaneously therewith maintain the issued share capital of the Company at the amount immediately prior to the cancellation of the Scheme Shares by applying the reserve created as a result of the cancellation of the Scheme Shares to pay up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled for issuance to the Offeror;
- (d) the sanction of the Scheme (with or without modification) by the Grand Court and the delivery to the Registrar of Companies in the Cayman Islands of a copy of the order of the Grand Court for registration;
- (e) all Approvals which are (i) required in connection with the Proposal by (1) the Applicable Laws or (2) any licenses, permits or contractual obligations of the Company; and (ii) material in the context of the Group (taken as a whole), having been obtained (or, as the case may be, completed) and remaining in full force and effect without modification up to and as at the Effective Date;
- (f) no Authority in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (or enacted or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order), in each case, which would make the Proposal or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Proposal);

- (g) all the Applicable Laws having been complied with and no legal or regulatory requirement having been imposed by any Authority which is not expressly provided for, or is in addition to the requirements expressly provided for, in the Applicable Laws in connection with the Proposal which are material in the context of the Group (taken as a whole), in each case up to and as at the Effective Date; and
- (h) since the Announcement Date, there having been no adverse change to the business, financial or trading position of the Group taken as a whole, to an extent that is material in the context of the Proposal or the Scheme.

The Conditions set out in paragraphs (a) to (d) and (e)(i)(1) above cannot be waived. The Offeror reserves the right to waive all or any of the Conditions in paragraphs (e) to (h) (other than (e)(i)(1)) in whole or in part. The Company does not have the right to waive any of the Conditions. All of the above Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date, failing which the Scheme will not become effective and the Proposal will lapse.

As at the Announcement Date and based on the information available to the Offeror and the Company, other than the Approvals listed in the Conditions in paragraphs (a) to (d) (inclusive) and the approval by the Stock Exchange for the withdrawal of listing of the Shares on the Stock Exchange, the Offeror and the Company are not aware of any other Approvals which are required as set out in the Condition in paragraph (e) above, and the Offeror and the Company are also not aware of any other circumstances which may result in any of the Conditions in paragraphs (e) to (h) (inclusive) not being satisfied. In particular, as at the Announcement Date, the Company is not aware of any Authority in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry as set out in the Condition in paragraph (f).

THE OPTION PROPOSAL

As at the Announcement Date, there are 15,550,182 outstanding Share Options each giving holders the right to subscribe for one new Share per Share Option at the exercise price of HK\$2.5 per Share Option.

The Offeror will make an appropriate offer to the Share Option Holders in accordance with Rule 13 of the Takeovers Code as set out below.

Under the Option Proposal, the Offeror will offer the Share Option Holders a nominal price of HK\$0.0001 per Share Option for the cancellation of each Share Option (i.e. the Option Cancellation Price), as the exercise price of each Share Option exceeds the Cancellation Price and the “see-through” price is negative.

If any outstanding Share Option is exercised at the relevant exercise price in accordance with the terms of the Share Option Scheme and corresponding Shares are issued to the relevant Share Option Holder(s) prior to the Scheme Record Date, such Shares shall form part of the Scheme Shares.

Pursuant to the rules of the Share Option Scheme, if a general offer (whether by way of takeover offer or scheme of arrangement or otherwise in like manner) is made to the Shareholders and such general offer becomes or is declared unconditional, the grantee shall be entitled to exercise the Share Option in full or in part (to the extent which has become exercisable and not already lapsed or exercised) at any time within one month after the date on which the offer becomes or is declared unconditional.

Hence, Share Option Holders may either (i) exercise the outstanding Share Options prior to the Scheme Record Date, such that any Shares issued pursuant to the exercise of Share Options on or before the Scheme Record Date will be subject to the Scheme; (ii) accept the Option Offer and receive the Option Cancellation Price; (iii) exercise the Share Options after the Scheme Record Date but prior to the expiry of one month after the Effective Date, whereby the Shares issued pursuant to the exercise of the Share Options following the Scheme Record Date would not be subject to the Scheme; or (iv) take no action, and in such event the Share Options will lapse upon the expiry of one month after the Effective Date in accordance with the Share Option Scheme. Share Option Holders are reminded that if they exercise the outstanding Share Options after the Scheme Record Date, they will hold Shares in the Company as an unlisted company.

The Option Proposal will be conditional on the Scheme becoming effective. If any of the Conditions is not fulfilled or (where applicable) waived on or before the Long Stop Date and the Proposal and the Scheme lapse, the Option Proposal will also lapse.

Further information on the Option Proposal will be set out in a letter to the Share Option Holders, which will be despatched at or around the same time as the despatch of the Scheme Document.

IRREVOCABLE UNDERTAKING

As at the Announcement Date, Mr. Lin is the holder of 1,725,291 Share Options bearing the right to subscribe for 1,725,291 Shares at an exercise price of HK\$2.5 per Share Option. Mr. Lin has made an irrevocable and unconditional undertaking to the Company and the Offeror that he will not exercise the 1,725,291 outstanding Share Options held by him at any time prior to the expiry of one month after the Effective Date and will not accept the Option Proposal in respect thereof. Such irrevocable undertaking will remain valid until the lapse of the Share Options upon the expiry of one month after the Effective Date pursuant to the rules of the Share Option Scheme or the lapse of the Proposal.

SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Announcement Date:

- (i) the issued share capital of the Company comprises 224,289,185 Shares;
- (ii) the Offeror beneficially owns, controls or has direction over 53,000,000 Shares, representing approximately 23.63% of the issued Shares; for the avoidance of doubt, the Shares held by the Offeror shall not form part of the Scheme Shares;
- (iii) the Disinterested Scheme Shareholders legally or beneficially own, control or have direction over 171,289,185 Shares in aggregate, representing approximately 76.37% of the issued Shares;
- (iv) the Scheme Shares, comprising 171,289,185 Shares, represent approximately 76.37% of the issued Shares;
- (v) the Share Option Holders in aggregate hold 15,550,182 outstanding Share Options, of which 3,450,582 outstanding Share Options are held by Directors (including Mr. Lin);
- (vi) Lego Corporate Finance is the financial adviser to the Offeror in connection with the Proposal. Accordingly, Lego Corporate Finance is presumed to be acting in concert with the Offeror in relation to the Company in accordance with class (5) of the definition of “acting in concert” under the Takeovers Code. As at the Announcement Date, Lego Corporate Finance does not hold any Shares; and
- (vii) save for the 224,289,185 Shares in issue and the outstanding Share Options set out above, there are no other outstanding options, warrants, derivatives, convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company that carry a right to subscribe for or which are convertible into Shares.

Assuming there is no other change in shareholding of the Company before completion of the Proposal and all Share Option Holders accept the Option Proposal (except Mr. Lin, who is subject to the Irrevocable Undertaking, and none of the Undertaken Share Options are exercised after the Scheme has become effective), the Company will be wholly owned by the Offeror upon the Scheme becoming effective and the withdrawal of listing of the Shares from the Stock Exchange.

TOTAL CONSIDERATION AND FINANCIAL RESOURCES

On the basis of the Cancellation Price of HK\$0.45 per Scheme Share and 171,289,185 Scheme Shares being in issue as at the Announcement Date, and assuming that all Share Options other than the Undertaken Share Options are exercised and there is no other change in the shareholding of the Company before the Scheme Record Date, the Scheme Shares are in aggregate valued at HK\$83,301,334.20, which represents the maximum amount of cash required for the Scheme.

The Offeror's payment obligations to the Scheme Shareholders in respect of the Cancellation Price in cash pursuant to and in accordance with the Scheme shall be fulfilled by the Offeror. The Offeror intends to finance the cash required for the cancellation of the Scheme Shares with the Offeror's internal cash resources.

Lego Corporate Finance has been appointed as financial adviser to the Offeror in respect of the Proposal and the Option Proposal, and is satisfied that sufficient financial resources are available to the Offeror for discharging its obligations in respect of the cash consideration payable under the Proposal.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, which comprises Mr. Li Huiwu, Mr. Wu Chi King and Ms. Zhang Xiulin, all being independent non-executive Directors, has been established by the Board in accordance with Rule 2.1 of the Takeovers Code to make a recommendation to the Disinterested Scheme Shareholders as to whether the Proposal and the Option Proposal are, or are not, fair and reasonable and as to voting at the Court Meeting and the EGM.

An Independent Financial Adviser will be appointed to advise the Independent Board Committee in connection with the terms of the Proposal and the Option Proposal. The advice of the Independent Financial Adviser and recommendation of the Independent Board Committee will be included in the Scheme Document and despatched to the Shareholders in due course. The Company will make further announcement(s) in respect of the appointment of the Independent Financial Adviser in due course.

WITHDRAWAL OF LISTING OF THE SHARES

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company will make an application for the listing of the Shares to be withdrawn from the Stock Exchange in accordance with Rule 6.15 of the Listing Rules, immediately after the Effective Date.

IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

If the Scheme is not approved or does not become effective, or the Proposal otherwise lapses or is withdrawn, the listing of the Shares on the Stock Exchange will not be withdrawn and, as the Option Proposal is conditional upon the Scheme becoming effective, the Option Proposal will lapse.

If the Scheme is not approved or otherwise lapses or is withdrawn, there are restrictions under Rule 31.1 of the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with the Offeror in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may within 12 months from the date on which the Scheme is not approved or otherwise lapses or is withdrawn announce an offer or possible offer for the Company, except with the consent of the Executive.

DESPATCH OF THE SCHEME DOCUMENT

The Scheme Document including, among other things: (i) further details of the Proposal and the Option Proposal; (ii) an explanatory statement as required under the Companies Act and the Grand Court Rules; (iii) the expected timetable relating to the Proposal and the Option Proposal; (iv) the recommendations of the Independent Board Committee; (v) the letter of advice from the Independent Financial Adviser; and (vi) the notices of the Court Meeting and the EGM together with proxy forms in relation thereto, will be despatched to the Scheme Shareholders and the Share Option Holders as soon as practicable and in compliance with the requirements of the Takeovers Code, the Grand Court Rules and other Applicable Laws and regulations.

Under Rule 8.2 of the Takeovers Code, the Scheme Document should be despatched to the Shareholders no later than 21 days after the Announcement Date, that is, on or before 20 April 2026. The Scheme Document may only be despatched to the Shareholders after the Grand Court has, at a Directions Hearing to be held on a date to be fixed by the Grand Court, directed the holding of the Court Meeting.

As additional time is required to procure the holding of the Directions Hearing and to finalise the information to be included in the Scheme Document, an application will be made with the Executive for its consent to extend the latest time for the despatch of the Scheme Document. Further announcement(s) will be made by the Company and the Offeror as and when appropriate in accordance with the Takeovers Code.

RESUMPTION OF TRADING IN SHARES

At the request of the Company, trading in the Shares on the Stock Exchange has been halted from 9:00 a.m. on 22 January 2026 pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 31 March 2026.

WARNINGS

Shareholders, Share Option Holders and potential investors should be aware that the implementation of the Proposal and the Option Proposal is subject to the Conditions being fulfilled or waived, as applicable, and therefore the Proposal and the Option Proposal may or may not be implemented. Shareholders, Share Option Holders and potential investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

This joint announcement is not intended to and does not constitute, or form part of, any offer to sell or subscribe for or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Proposal or the Option Proposal or otherwise, nor shall there be any sale, issuance or transfer of securities of the Company in any jurisdiction in contravention of the applicable laws and regulations. The Proposal and the Option Proposal will be made solely through the Scheme Document, which will contain the full terms and conditions of the Proposal and the Option Proposal, including details of how to vote at the Court Meeting and the EGM and how to accept the Option Offer. Any approval or other response to the Proposal and the Option Proposal should be made only on the basis of information in the Scheme Document and the individual circumstances of the Shareholder making the decision.

The availability of the Proposal and the Option Proposal to persons who are not resident in Hong Kong may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in Hong Kong should inform themselves about, and observe, any applicable legal or regulatory requirements of their jurisdictions. Further details in relation to overseas Shareholders and overseas Share Option Holders will be contained in the Scheme Document.

PROFIT WARNING FOR THE YEAR ENDED 31 DECEMBER 2025

Reference is made to the announcement (the “**Profit Warning Announcement**”) of the Company dated 26 March 2026 in relation to warning on potential net loss of the Group for the year ended 31 December 2025.

The profit warning statements included in the Profit Warning Announcement constitute a profit forecast under Rule 10 of the Takeovers Code and should therefore be reported on by the Company’s financial advisers and its auditors or accountants in accordance with Rule 10.4 of the Takeovers Code. Under Rule 10.4 and Practice Note 2 of the Takeovers Code, if a profit forecast is made during an offer period and is first published in an announcement, it must be repeated in full, together with the reports from the Company’s financial advisers and auditors on the said profit forecast, in the next document to be sent to the Shareholders by the Company (the “**Shareholders’ Document**”). However, if the annual results for the year ended 31 December 2025 which fall within the ambit of Rule 10.9 of the Takeovers Code and to which the profit warning relates, are published prior to the despatch of the next Shareholders’ Document, the requirements to report on the profit warning statements contained in the Profit Warning Announcement under Rule 10 of the Takeovers Code will no longer apply.

WARNING: The profit warning statements in the Profit Warning Announcement do not meet the standard required by Rule 10 of the Takeovers Code and have not been reported on in accordance with the Takeovers Code. Shareholders and potential investors should exercise caution in placing reliance on the profit warning statements in assessing the merits and demerits of the Proposal and the Option Proposal. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. Persons who are in doubt about their positions should consult their professional advisers.

NOTICE TO OVERSEAS SHAREHOLDERS AND THE SHARE OPTION HOLDERS

This joint announcement is not intended to, and does not constitute, or form part of any offer to sell or subscribe for or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Proposal or the Option Proposal or otherwise, nor shall there be any sale, issuance or transfer of securities of the Company in any jurisdiction in contravention of applicable law. The Proposal and the Option Proposal will be made solely through the Scheme Document (and, in respect of the Option Proposal, the letter to the Share Option Holders which is expected to be despatched at or around the same time as the despatch of the Scheme Document), which will contain the full terms and conditions of the Proposal and the Option Proposal, including details of how to vote at the Court Meeting and the EGM and how to accept the Option Offer. Any acceptance, approval, rejection or other response to the Proposal or the Option Proposal should be made only on the basis of information in the Scheme Document or any other document by which the Proposal and the Option Proposal are made.

The availability of the Proposal and the Option Proposal to persons who are not resident in Hong Kong may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not so resident in Hong Kong should inform themselves about, and observe, any applicable legal or regulatory requirements of their jurisdictions. Further details in relation to overseas Shareholders and Share Option Holders will be contained in the Scheme Document and the letter to the Share Option Holders, respectively. Persons who are not resident in Hong Kong should consult their professional advisors if in doubt.

NOTICE TO US INVESTORS

The Proposal is being made to cancel the securities of a Cayman Islands exempted company by means of a scheme of arrangement provided for under the laws of Cayman Islands. The Option Proposal represents an appropriate offer to be made by the Company to the Share Option Holders in respect of the Share Options held by them pursuant to Rule 13 of the Takeovers Code. The Proposal and the Option Proposal are subject to Hong Kong disclosure requirements which are different from those of the United States.

A transaction effected by means of a scheme of arrangement is not subject to the tender offer or proxy solicitation rules under the US Securities Exchange Act of 1934, as amended. Accordingly, the Proposal and the Option Proposal are subject to the disclosure requirements and practices applicable in the Cayman Islands and Hong Kong to schemes of arrangement which differ from the disclosure and procedural requirements applicable under the US federal securities laws.

The receipt of cash pursuant to the Proposal and the Option Proposal by a US holder of Scheme Shares or the Share Options may be a taxable transaction for US federal income tax purposes and under applicable US state and local, as well as foreign and other tax laws. Each holder of Scheme Shares or the Share Options is urged to consult his/her/its independent professional adviser immediately regarding the tax consequences of the Proposal and the Option Proposal applicable to him/her/it.

It may be difficult for US holders of Scheme Shares or the Share Options to enforce their rights and claims arising out of the US federal securities laws, since the Offeror and the Company are located in a country other than the United States, and some or all of their officers and directors may be residents of a country other than the United States. US holders of Scheme Shares or Share Options may not be able to sue a non-US company or its officers or directors in a non-US court for violations of the US securities laws. Further, it may be difficult to compel a non-US company and its affiliates to subject themselves to a US court's judgement.

INTRODUCTION

In late January 2026, the Board resolved to put forward a proposal for the privatisation of the Company to the Shareholders. The Offeror was subsequently invited by the Board to make an offer for the Proposal. Upon the Offeror's acceptance to the invitation, the Board put forward the Proposal to the Scheme Shareholders for the proposed privatisation of the Company by way of a scheme of arrangement under section 86 of the Companies Act. The Scheme will involve the cancellation of the Scheme Shares in consideration for the payment by the Offeror to the Scheme Shareholders of the Cancellation Price in cash, and the listing of the Shares will be withdrawn on the Stock Exchange.

If the Proposal is implemented, all Scheme Shares will be cancelled on the Effective Date. Contemporaneously with the cancellation of the Scheme Shares, the share capital of the Company will be maintained at the amount immediately prior to the cancellation of the Scheme Shares by the issuance at par to the Offeror, credited as fully paid, of an aggregate number of new Shares as is equal to the number of Scheme Shares cancelled. The reserve created in the books of account of the Company as a result of the cancellation of the Scheme Shares will be applied in paying up in full at par the new Shares so issued to the Offeror.

TERMS OF THE PROPOSAL

The Scheme

Subject to the satisfaction or waiver (where applicable) of the Conditions and the Scheme becoming effective, all Scheme Shares will be cancelled and the Scheme Shareholders will be entitled to receive from the Offeror:

For every Scheme Share cancelledHK\$0.45 in cash

Comparison of value

The Cancellation Price of HK\$0.45 represents:

- (a) a premium of approximately 15.38% over the closing price of HK\$0.39 per Share as quoted on the Stock Exchange on 21 January 2026, being the Last Trading Date;
- (b) a premium of approximately 25.0% over the closing price of HK\$0.36 per Share as quoted on the Stock Exchange on 20 January 2026, being the trading day immediately prior to the Last Trading Date;
- (c) a premium of approximately 23.29% over the average closing price of HK\$0.365 per Share as quoted on the Stock Exchange for the five trading days up to and including the Last Trading Date;
- (d) a premium of approximately 19.05% over the average closing price of HK\$0.378 per Share as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Date;

- (e) a premium of approximately 12.73% over the average closing price of approximately HK\$0.399 per Share as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Date;
- (f) a premium of approximately 11.69% over the average closing price of approximately HK\$0.403 per Share as quoted on the Stock Exchange for the 90 trading days up to and including the Last Trading Date;
- (g) a premium of approximately 15.30% over the average closing price of approximately HK\$0.390 per Share as quoted on the Stock Exchange for the 180 trading days up to and including the Last Trading Date;
- (h) a discount of approximately 81.03% to the unaudited consolidated equity attributable to Shareholders per Share of approximately HK\$2.372 as at 30 June 2025; and
- (i) a discount of approximately 81.19% to the audited consolidated equity attributable to Shareholders per Share of approximately HK\$2.392 as at 31 December 2024.

The Cancellation Price has been determined on an arm's length commercial basis after taking into account the prices and liquidity of the Shares traded on the Stock Exchange, and the financial performance and business prospects of the Group.

Highest and lowest prices

During the six-month period ended on and including the Last Trading Date, the highest closing price of the Shares as quoted on the Stock Exchange was HK\$0.47 on 19 August 2025, and the lowest closing price of the Shares as quoted on the Stock Exchange was HK\$0.355 on 8, 12 and 15 January 2026.

No increase in the Cancellation Price

If, after the Announcement Date, any dividend and/or other distribution and/or other return of capital is announced, declared or paid in respect of the Shares, the Offeror reserves the right to reduce the Cancellation Price by all or any part of the amount or value of such dividend, distribution and/or, as the case may be, return of capital after consultation with the Executive, in which case any reference in this joint announcement, the Scheme Document or any other announcement or document to the Cancellation Price will be deemed to be a reference to the Cancellation Price as so reduced. As at the Announcement Date, the Company has no declared but unpaid dividends and has not declared any distribution or return of capital, and the Company has no intention to declare any dividend, distribution or return of capital before the Effective Date.

The Cancellation Price will not be increased, and the Offeror does not reserve the right to do so. Shareholders and potential investors of the Company should be aware that, following the making of this statement, the Offeror will not be allowed to increase the Cancellation Price.

Conditions of the Proposal and the Scheme

The Proposal and the Scheme will only become effective and binding on the Company and all of the Scheme Shareholders if the following Conditions are fulfilled or waived (as applicable):

- (a) the approval of the Scheme (by way of poll) by the Scheme Shareholders representing not less than 75% in value of the Scheme Shares held by the Scheme Shareholders entitled to vote at the Court Meeting, present and voting either in person or by proxy, at the Court Meeting;
- (b) the approval of the Scheme (by way of poll) at the Court Meeting by the Disinterested Scheme Shareholders holding at least 75% of the votes attaching to the Scheme Shares held by the Disinterested Scheme Shareholders that are cast either in person or by proxy at the Court Meeting and the number of votes cast by Disinterested Scheme Shareholders present and voting either in person or by proxy at the Court Meeting against the resolution to approve the Scheme at the Court Meeting is not more than 10% of the votes attaching to all Scheme Shares held by the Disinterested Scheme Shareholders;
- (c) the passing of a special resolution by a majority of at least 75% of the votes cast by the Shareholders present and voting in person or by proxy at the EGM to approve and give effect to any reduction of the issued share capital of the Company resulting from the cancellation of the Scheme Shares and to contemporaneously therewith maintain the issued share capital of the Company at the amount immediately prior to the cancellation of the Scheme Shares by applying the reserve created as a result of the cancellation of the Scheme Shares to pay up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled for issuance to the Offeror;
- (d) the sanction of the Scheme (with or without modification) by the Grand Court and the delivery to the Registrar of Companies in the Cayman Islands of a copy of the order of the Grand Court for registration;
- (e) all Approvals which are (i) required in connection with the Proposal by (1) the Applicable Laws or (2) any licenses, permits or contractual obligations of the Company; and (ii) material in the context of the Group (taken as a whole), having been obtained (or, as the case may be, completed) and remaining in full force and effect without modification up to and as at the Effective Date;
- (f) no Authority in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry (or enacted or proposed, and there not continuing to be outstanding, any statute, regulation, demand or order), in each case, which would make the Proposal or its implementation in accordance with its terms void, unenforceable, illegal or impracticable (or which would impose any material and adverse conditions or obligations with respect to the Proposal);

- (g) all the Applicable Laws having been complied with and no legal or regulatory requirement having been imposed by any Authority which is not expressly provided for, or is in addition to the requirements expressly provided for, in the Applicable Laws in connection with the Proposal which are material in the context of the Group (taken as a whole), in each case up to and as at the Effective Date; and
- (h) since the Announcement Date, there having been no adverse change to the business, financial or trading position of the Group taken as a whole, to an extent that is material in the context of the Proposal or the Scheme.

The Conditions set out in paragraphs (a) to (d) and (e)(i)(1) above cannot be waived. The Offeror reserves the right to waive all or any of the Conditions in paragraphs (e) to (h) (other than (e)(i)(1)) in whole or in part. The Company does not have the right to waive any of the Conditions. All of the above Conditions will have to be fulfilled or waived, as applicable, on or before the Long Stop Date, failing which the Scheme will not become effective and the Proposal will lapse.

Pursuant to Note 2 to Rule 30.1 of the Takeovers Code, the Offeror may only invoke any or all of the Conditions as a basis for not proceeding with the Proposal or the Scheme if the circumstances which give rise to the right to invoke such Condition are of material significance to the Offeror in the context of the Proposal or the Scheme.

As at the Announcement Date and based on the information available to the Offeror and the Company, other than the Approvals listed in the Conditions in paragraphs (a) to (d) (inclusive), and the approval by the Stock Exchange for the withdrawal of listing of the Shares on the Stock Exchange, the Offeror and the Company are not aware of any other Approvals which are required as set out in the Condition in paragraph (e) above, and the Offeror and the Company are also not aware of any other circumstances which may result in any of the Conditions in paragraphs (e) to (h) (inclusive) not being satisfied. In particular, as at the Announcement Date, the Company is not aware of any Authority in any jurisdiction having taken or instituted any action, proceeding, suit, investigation or enquiry as set out in the Condition in paragraph (f).

If approved, the Scheme will be binding on the Company and all the Scheme Shareholders, irrespective of whether or not they attended or voted at the Court Meeting or the EGM.

Warning: Shareholders, Share Option Holders and potential investors should be aware that the implementation of the Proposal and the Option Proposal is subject to the Conditions being fulfilled or waived, as applicable, and therefore the Proposal and the Option Proposal may or may not be implemented and the Scheme may or may not become effective. Shareholders, Share Option Holders and potential investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, licensed securities dealer, registered institution in securities, bank manager, solicitor or other professional advisers.

THE OPTION PROPOSAL

As at the Announcement Date, there are 15,550,182 outstanding Share Options each giving holders the right to subscribe for one new Share per Share Option at the exercise price of HK\$2.5 per Share Option.

The Offeror will make an appropriate offer to the Share Option Holders in accordance with Rule 13 of the Takeovers Code as set out below.

Under the Option Proposal, the Offeror will offer the Share Option Holders a nominal price of HK\$0.0001 per Share Option for the cancellation of each Share Option (i.e. the Option Cancellation Price), as the exercise price of each Share Option exceeds the Cancellation Price and the “see-through” price is negative.

If any outstanding Share Option is exercised at the relevant exercise price in accordance with the terms of the Share Option Scheme and corresponding Shares are issued to the relevant Share Option Holder(s) prior to the Scheme Record Date, such Shares shall form part of the Scheme Shares.

Pursuant to the rules of the Share Option Scheme, if a general offer (whether by way of takeover offer or scheme of arrangement or otherwise in like manner) is made to the Shareholders and such general offer becomes or is declared unconditional, the grantee shall be entitled to exercise the Share Option in full or in part (to the extent which has become exercisable and not already lapsed or exercised) at any time within one month after the date on which the offer becomes or is declared unconditional.

Hence, Share Option Holders may either (i) exercise the outstanding Share Options prior to the Scheme Record Date, such that any Shares issued pursuant to the exercise of Share Options on or before the Scheme Record Date will be subject to the Scheme; (ii) accept the Option Offer and receive the Option Cancellation Price; (iii) exercise the Share Options after the Scheme Record Date but prior to the expiry of one month after the Effective Date, whereby the Shares issued pursuant to the exercise of the Share Options following the Scheme Record Date would not be subject to the Scheme; or (iv) take no action, and in such event the Share Options will lapse upon the expiry of one month after the Effective Date in accordance with the Share Option Scheme. Share Option Holders are reminded that if they exercise the outstanding Share Options after the Scheme Record Date, they will hold Shares in the Company as an unlisted company.

The Option Proposal will be conditional on the Scheme becoming effective. If any of the Conditions is not fulfilled or (where applicable) waived on or before the Long Stop Date and the Proposal and the Scheme lapse, the Option Proposal will also lapse.

Further information on the Option Proposal will be set out in a letter to the Share Option Holders, which will be despatched at or around the same time as the despatch of the Scheme Document.

IRREVOCABLE UNDERTAKING

As at the Announcement Date, Mr. Lin is the holder of 1,725,291 Share Options bearing the right to subscribe for 1,725,291 Shares at an exercise price of HK\$2.5 per Share Option. Mr. Lin has made an irrevocable and unconditional undertaking to the Company and the Offeror that he will not exercise the 1,725,291 outstanding Share Options held by him at any time prior to the expiry of one month after the Effective Date and will not accept the Option Proposal in respect thereof. Such irrevocable undertaking will remain valid until the lapse of the Share Options upon the expiry of one month after the Effective Date pursuant to the rules of the Share Option Scheme or the lapse of the Proposal.

TOTAL CONSIDERATION AND FINANCIAL RESOURCES

As at the Announcement Date, there are (a) 224,289,185 Shares in issue, and there are 171,289,185 Scheme Shares (representing approximately 76.37% of the issued share capital of the Company) in issue; and (ii) 15,550,182 outstanding Share Options. Save for the above, there are no other outstanding options, warrants, derivatives, convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company that carry a right to subscribe for or which are convertible into Shares.

On the basis of the Cancellation Price of HK\$0.45 per Scheme Share and 171,289,185 Scheme Shares being in issue as at the Announcement Date, and assuming that all Share Options other than the Undertaken Share Options are exercised and there is no other change in the shareholding of the Company before the Scheme Record Date, the Scheme Shares are in aggregate valued at HK\$83,301,334.20, which represents the maximum amount of cash required for the Scheme.

The Offeror's payment obligations to the Scheme Shareholders in respect of the Cancellation Price in cash pursuant to and in accordance with the Scheme shall be fulfilled by the Offeror. The Offeror intends to finance the cash required for the cancellation of the Scheme Shares with the Offeror's internal cash resources.

Lego Corporate Finance has been appointed as financial adviser to the Offeror in respect of the Proposal and the Option Proposal, and is satisfied that sufficient financial resources are available to the Offeror for discharging its obligations in respect of the cash consideration payable under the Proposal.

SHAREHOLDING STRUCTURE OF THE COMPANY

As at the Announcement Date:

- (a) the issued share capital of the Company comprises 224,289,185 Shares;
- (b) the Offeror beneficially owns, controls or has direction over 53,000,000 Shares, representing approximately 23.63% of the issued Shares; for the avoidance of doubt, the Shares held by the Offeror shall not form part of the Scheme Shares;

- (c) the Disinterested Scheme Shareholders legally or beneficially own, control or have direction over 171,289,185 Shares, representing approximately 76.37% of the issued Shares;
- (d) the Scheme Shares, comprising 171,289,185 Shares, represent approximately 76.37% of the issued Shares;
- (e) the Share Option Holders in aggregate hold 15,550,182 outstanding Share Options, of which 3,450,582 outstanding Share Options are held by the following Directors;

Directors	Number of outstanding Share Options	Approximate % of total issued Shares⁽¹⁾
Mr. Lin (<i>Executive Director and co-Chairman</i>)	1,725,291	0.77
Ms. Bian Sulan (<i>Executive Director</i>)	<u>1,725,291</u>	<u>0.77</u>
Total	<u><u>3,450,582</u></u>	<u><u>1.54</u></u>

Note (1): Based on the total number of issued Shares as at the Announcement Date.

Note (2): The other outstanding Share Options are held by employees of the Group.

- (f) Lego Corporate Finance is the financial adviser to the Offeror in connection with the Proposal and the Option Proposal. Accordingly, Lego Corporate Finance is presumed to be acting in concert with the Offeror in relation to the Company in accordance with class (5) of the definition of “acting in concert” under the Takeovers Code. As at the Announcement Date, Lego Corporate Finance does not hold any Shares;
- (g) save for the 224,289,185 Shares in issue and the outstanding Share Options set out above, there are no other outstanding options, warrants, derivatives, convertible securities or other relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) issued by the Company that carry a right to subscribe for or which are convertible into Shares;
- (h) there are no convertible securities, warrants or options in respect of the Shares held, controlled or directed by the Offeror and the Offeror Concert Parties;
- (i) neither the Offeror nor any of the Offeror Concert Parties have entered into any outstanding derivative in respect of the securities in the Company; and
- (j) neither the Offeror nor any of the Offeror Concert Parties have borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company.

Upon the Scheme becoming effective, all Scheme Shares will be cancelled in consideration for the Cancellation Price (with the equivalent number of new Shares being contemporaneously issued to the Offeror credited as fully paid). Assuming there is no other change in shareholding of the Company before completion of the Proposal and all Share Option Holders accept the Option Proposal (except Mr. Lin, who is subject to the Irrevocable Undertaking, and none of the Undertaken Share Options are exercised after the Scheme has become effective), the Company will be wholly owned by the Offeror upon the Scheme becoming effective and the withdrawal of listing of the Shares from the Stock Exchange.

The table below sets out the shareholding structure of the Company (i) as at the Announcement Date; (ii) immediately following completion of the Proposal (assuming no outstanding Share Options are exercised); and (iii) immediately following completion of the Proposal (assuming all outstanding Share Options will be exercised after the Scheme Record Date but prior to the expiry of one month after the Effective Date), assuming that: (a) no further Shares will be issued and no further Share Options will be granted on or before the Scheme Record Date; and (b) there will be no other change in the shareholding of the Company before the Effective Date:

Shareholders	As at the Announcement Date		Immediately following completion of the Proposal (assuming no outstanding Share Options are exercised)		Immediately following completion of the Proposal (assuming all outstanding Share Options are exercised after the Scheme Record Date but prior to expiry of one month after the Effective Date)	
	<i>Approximate percentage of</i>		<i>Approximate percentage of</i>		<i>Approximate percentage of</i>	
	<i>Number of Shares</i>	<i>issued Shares (%)⁽²⁾</i>	<i>Number of Shares</i>	<i>issued Shares (%)⁽²⁾</i>	<i>Number of Shares</i>	<i>issued Shares (%)⁽²⁾</i>
The Offeror ⁽¹⁾	53,000,000	23.63	224,289,185	100.00	224,289,185	93.52
Disinterested Shareholders	171,289,185	76.37	—	—	—	—
Share Option Holders	—	—	—	—	15,550,182	6.48
Total	224,289,185	100.00	224,289,185	100.00	239,839,367	100.00

Notes:

1. The Offeror is a company incorporated in the British Virgin Islands with limited liability and is owned as to 25% each by each of Mr. Lee Kai Bon, Mr. Ng Kim Yuen, Mr. Wong Sik Hung and Mr. Tam Kam Fong. Each of Mr. Lee, Mr. Ng, Mr. Wong and Mr. Tam is a director of various subsidiaries of the Company. Shares in which the Offeror is interested will not form part of the Scheme Shares and will not be cancelled.
2. All percentages in the above table are approximations and rounded to the nearest 2 decimal places and the aggregate percentages may not add up due to rounding of the percentages to 2 decimal places.
3. No Directors are interested in the Shares as at the Announcement Date save for the Share Options as disclosed in paragraph (e) above in this section.

REASONS FOR AND BENEFITS OF THE PROPOSAL

The Board considers that the Proposal and the withdrawal of listing is in the interests of the Company and the Shareholders as a whole on the following bases:

Benefits to the Scheme Shareholders:

(a) Opportunity for Scheme Shareholders to exit their investment of limited liquidity

The Shares have been trading with limited liquidity for a substantial period, with the average daily trading volume of only 1,003,422 Shares for the 12-month period up to and including the Last Trading Date, representing 0.45% of the total number of issued Shares as at the Announcement Date. Considering the low trading volume, it could be difficult for Shareholders to divest a substantial amount of the Shares without a significant discount through on-market disposals. The Proposal provides Scheme Shareholders with a unique opportunity to achieve exit at an attractive premium with certainty of value.

(b) Opportunity for Scheme Shareholders to monetise their investment in the Company at a premium over the market price of the Shares

The proposed Cancellation Price sets an attractive premium over the market price of the Shares. The Cancellation Price of HK\$0.45 per Scheme Share represents (a) a premium of approximately 15.38% over the closing price of HK\$0.39 per Share as quoted on the Stock Exchange on 21 January 2026, being the Last Trading Date; (b) a premium of approximately 25.0% over the closing price of HK\$0.36 per Share as quoted on the Stock Exchange on 20 January 2026, being the trading day immediately prior to the Last Trading Date; (c) a premium of approximately 23.29% over the average closing price of HK\$0.365 per Share as quoted on the Stock Exchange for the five trading days up to and including the Last Trading Date; (d) a premium of approximately 19.05% over the average closing price of HK\$0.378 per Share as quoted on the Stock Exchange for the 30 trading days up to and including the Last Trading Date; (e) a premium of approximately 12.73% over the average closing price of approximately HK\$0.399 per Share as quoted on the Stock Exchange for the 60 trading days up to and including the Last Trading Date; (f) a premium of approximately 11.69% over the average closing price of approximately HK\$0.403 per Share as quoted on the Stock Exchange for the 90 trading days up to and including the Last Trading Date; and (g) a premium of approximately 15.30% over the average closing price of approximately HK\$0.390 per Share as quoted on the Stock Exchange for the 180 trading days up to and including the Last Trading Date.

(c) Unlocking shareholder value and realising gains in uncertain market conditions

The Proposal provides the Scheme Shareholders an opportunity to realise their investment in the Company amid uncertain market conditions. The Group recorded gradual decrease in revenue over the past few years mainly due to complex and multiple uncertainties faced by the global economic environment. In addition, China's economic transformation has progressed at a pace slower than anticipated, with property crisis, local debt problems and subdued consumer confidence continuing to exert pressure on economic growth.

Benefits to the Company:

- (d) *The Company has limited equity financing capabilities and has lost its advantages as a listed platform*

The Shares have long experienced low trading volumes, restricting the Company's ability to raise capital from the capital market. The Company has attempted to conduct a rights issue in December 2024 and a placing of new Shares under general mandate in June 2025, both of which were unsuccessful. Given the challenging and complex external environment, the Company's listing status may no longer provides adequate funding support for the Group's business development and future growth. The Proposal, which entails the delisting of the Company, is expected to reduce the administrative costs and management resources associated with maintaining the Company's listing status and compliance with regulatory requirements.

- (e) *The Proposal will help streamline the Company's corporate structure and enhance management efficiency*

Following the implementation of the Proposal, the Company will be delisted from the Stock Exchange. This will facilitate to streamline the Company's corporate and shareholding structure, reduce management and compliance complexities, and further enhance overall operational efficiency and decision-making effectiveness. This will enable the Company to focus resources more effectively on business development and the execution of its strategic initiatives. Taking the Company private will allow the Company to make strategic decisions focused on long-term commercial development and benefits, free from the pressure of market expectations and share price fluctuations which arise from the Company being a public listing company.

INTENTION OF THE OFFEROR WITH REGARD TO THE GROUP

Following the implementation of the Proposal, the Offeror intends that the Group will continue to carry on its current business. The Offeror has no intention of making any major changes to the business of the Group, including any major redeployment of fixed assets or making any material change to the continued employment of employees of the Group, other than those in the ordinary course of business of the Group. The Offeror will continue to monitor the Group's performance and implement appropriate strategies for the Group and its business.

INFORMATION ON THE GROUP

The Company is an exempted company incorporated in the Cayman Islands with limited liability whose Shares have been listed on the Main Board of the Stock Exchange since 27 January 2011. The Group's principal activities are (i) electronic manufacturing services (EMS); (ii) equity investment, property agency service and other operations; (iii) real estate advisory service and real estate purchase service and energy storage products; and (iv) provision of loan services by a licensed money lender under the Group.

Based on the published consolidated financial statements of the Company, the table below sets out the audited financial information of the Group for each of the two financial years ended 31 December 2024 and the unaudited financial information of the Group for the six months ended 30 June 2025:

	For the six months ended 30 June 2025	For the year ended 31 December 2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	<i>(unaudited)</i>	<i>(audited)</i>	<i>(audited)</i>
Revenue	188,226	479,317	491,597
Gross profit	41,009	123,601	131,755
Profit/(loss) from operations	(9,080)	15,184	11,103
Profit/(loss) before tax	(15,725)	10,355	8,038
Profit/(loss) for the year/period	(16,497)	6,328	5,165

As at 31 December 2023 and 2024, the audited net assets attributable to Shareholders amounted to approximately HK\$486,663,000 and HK\$536,531,000, respectively, and the audited net assets attributable to Shareholders per Share (based on the then number of issued Shares) amounted to approximately HK\$2.486 and HK\$2.392, respectively.

INFORMATION ON THE OFFEROR

The Offeror is a company incorporated in the British Virgin Islands with limited liability, which is an investment holding company that currently has no business operation and does not hold any assets other than 53,000,000 Shares. As at the Announcement Date, the issued shares of the Offeror are owned as to 25% each by each of Mr. Lee Kai Bon, Mr. Ng Kim Yuen, Mr. Wong Sik Hung and Mr. Tam Kam Fong, who are also directors of the Offeror. Shareholders of the Offeror are the directors of certain wholly-owned subsidiaries of the Company, which are the main operating subsidiaries of the Company.

As at the Announcement Date, the Offeror holds 53,000,000 Shares, representing approximately 23.63% of the issued share capital of the Company.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, which comprises Mr. Li Huiwu, Mr. Wu Chi King and Ms. Zhang Xiulin, all being independent non-executive Directors, has been established by the Board in accordance with Rule 2.1 of the Takeovers Code to make a recommendation to the Disinterested Scheme Shareholders as to whether the Proposal and the Option Proposal are, or are not, fair and reasonable and as to voting at the Court Meeting and the EGM.

An Independent Financial Adviser will be appointed to advise the Independent Board Committee in connection with the terms of the Proposal and the Option Proposal. The advice of the Independent Financial Adviser and recommendation of the Independent Board Committee will be included in the Scheme Document and despatched to the Shareholders in due course. The Company will make further announcement(s) in respect of the appointment of the Independent Financial Adviser in due course.

WITHDRAWAL OF LISTING OF THE SHARES

Upon the Scheme becoming effective, all Scheme Shares will be cancelled and the share certificates for the Scheme Shares will thereafter cease to have effect as documents or evidence of title. The Company will make an application for the listing of the Shares to be withdrawn from the Stock Exchange in accordance with Rule 6.15 of the Listing Rules, immediately after the Effective Date.

IF THE SCHEME IS NOT APPROVED OR THE PROPOSAL LAPSES

If the Scheme is not approved or does not become effective, or the Proposal otherwise lapses or is withdrawn, the listing of the Shares on the Stock Exchange will not be withdrawn and, as the Option Proposal is conditional upon the Scheme becoming effective, the Option Proposal will lapse.

If the Scheme is not approved or otherwise lapses or is withdrawn, there are restrictions under Rule 31.1 of the Takeovers Code on making subsequent offers, to the effect that neither the Offeror nor any person who acted in concert with the Offeror in the course of the Proposal (nor any person who is subsequently acting in concert with any of them) may within 12 months from the date on which the Scheme is not approved or otherwise lapses or is withdrawn announce an offer or possible offer for the Company, except with the consent of the Executive.

COSTS OF THE SCHEME

If the Independent Board Committee or the Independent Financial Adviser does not recommend the Proposal and the Option Proposal, and the Scheme is not approved, all expenses incurred by the Company in connection therewith shall be borne by the Offeror in accordance with Rule 2.3 of the Takeovers Code.

OVERSEAS SHAREHOLDERS AND OVERSEAS SHARE OPTION HOLDERS

The making and implementation of the Proposal to the Scheme Shareholders and the Option Proposal to the Share Option Holders who are not resident in Hong Kong may be affected by the applicable laws and regulations of the relevant jurisdictions. Any Scheme Shareholders and Share Option Holders who are not resident in Hong Kong should inform themselves about and observe any applicable legal and regulatory requirements in their own jurisdictions.

It is the responsibility of any overseas Scheme Shareholders and overseas Share Option Holders wishing to take any action in relation to the Proposal or the Option Proposal (as the case may be) to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdiction in connection therewith, including the obtaining of any governmental, exchange control or other consents which may be required, compliance with the necessary formalities and the payment of any issue, transfer or other taxes due from such shareholder or optionholder in such jurisdiction. Based on latest available information, there is one Scheme Shareholder with registered address situated in the British Virgin Islands and eight Share Option Holders (including Mr. Lin who has undertaken not to accept the Option Proposal pursuant to the Irrevocable Undertaking) whose addresses are situated in the People's Republic of China.

Any acceptance by the Scheme Shareholders or the Share Option Holders will be deemed to constitute a representation and warranty from such persons to the Offeror and the Company and their respective advisers, including Lego Corporate Finance, the financial adviser to the Offeror, that those laws and regulatory requirements have been complied with. If you are in doubt as to your position, you should consult your professional advisers.

In the event that the despatch or receipt of the Scheme Document by overseas Scheme Shareholders or overseas Share Option Holders is prohibited by any relevant law or regulation or may only be effected after compliance with conditions or requirements that the directors of the Offeror or the Company regard as unduly onerous or burdensome (or otherwise not in the best interests of the Offeror or the Company or their respective shareholders), the Scheme Document may not be despatched to such overseas Scheme Shareholders or overseas Share Option Holders. Such overseas Scheme Shareholders will not be prohibited to exercise their voting rights at the Court Meeting and/or the EGM. For that purpose, the Company will apply for a waiver pursuant to Note 3 to Rule 8 of the Takeovers Code at such time. Any such waiver will only be granted if the Executive is satisfied that it would be unduly burdensome to despatch the Scheme Document to such overseas Scheme Shareholders or overseas Share Option Holders. In granting the waiver, the Executive will be concerned to see that all material information in the Scheme Document is made available to such Scheme Shareholders or overseas Share Option Holders.

TAXATION ADVICE

The Scheme Shareholders and Share Option Holders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications relating to the Proposal and the Option Proposal. It is emphasised that none of the Offeror, the Offeror Concert Parties, the Company, Lego Corporate Finance nor any of their respective directors, officers or associates or any other person involved in the Proposal or the Option Proposal accepts responsibility (other than in respect of themselves, if applicable) for any taxation effects on, or liabilities of, any other persons as a result of their acceptance or rejection of the Proposal or the Option Proposal.

DESPATCH OF THE SCHEME DOCUMENT

The Scheme Document including, among other things, (i) further details of the Proposal and the Option Proposal; (ii) an explanatory statement as required under the Companies Act and the Grand Court Rules; (iii) the expected timetable relating to the Proposal and the Option Proposal; (iv) the recommendations of the Independent Board Committee; (v) the letter of advice from the Independent Financial Adviser; and (vi) the notices of the Court Meeting and the EGM together with proxy forms in relation thereto, will be despatched to the Scheme Shareholders and the Share Option Holders as soon as practicable and in compliance with the requirements of the Takeovers Code, the Grand Court Rules and other Applicable Laws and regulations.

Under Rule 8.2 of the Takeovers Code, the Scheme Document should be despatched to the Shareholders no later than 21 days after the Announcement Date, that is, on or before 20 April 2026. The Scheme Document may only be despatched to the Shareholders after the Grand Court has, at a Directions Hearing to be held on a date to be fixed by the Grand Court, directed the holding of the Court Meeting.

As additional time is required to procure the holding of the Directions Hearing and to finalise the information to be included in the Scheme Document, an application will be made with the Executive for its consent to extend the latest time for the despatch of the Scheme Document. Further announcement(s) will be made by the Company and the Offeror as and when appropriate in accordance with the Takeovers Code.

VOTING AT THE COURT MEETING AND THE EGM

As at the Announcement Date, the Offeror holds 53,000,000 Shares in the Company, representing approximately 23.63% of the total number of Shares in issue. Shares held by the Offeror will not form part of the Scheme Shares and will not be cancelled under the Proposal. As the Offeror is not a Scheme Shareholder, the Shares held by the Offeror will not be voted at the Court Meeting. The Offeror will undertake to the Grand Court to be bound by the Scheme so as to ensure that it will comply with and be subject to the terms and conditions of the Scheme.

All Scheme Shareholders as at the Meeting Record Date will be entitled to attend and vote at the Court Meeting to approve the Scheme, provided that only the votes of the Disinterested Scheme Shareholders will be taken into account in determining whether Condition (b) under the section headed “Conditions of the Proposal and the Scheme” above and Rule 2.10 of the Takeovers Code are satisfied.

All Shareholders as at the Meeting Record Date will be entitled to attend and vote on the special resolution to be proposed at the EGM to approve and give effect to any reduction of the issued share capital of the Company resulting from the cancellation of the Scheme Shares and to contemporaneously therewith maintain the issued share capital of the Company at the amount immediately prior to the cancellation of the Scheme Shares by applying the reserve created as a result of the cancellation of the Scheme Shares to pay up in full at par such number of new Shares as is equal to the number of Scheme Shares cancelled for issuance to the Offeror.

GENERAL

As at the Announcement Date:

- (a) the Company has no relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) other than its 224,289,185 Shares in issue;
- (b) save as disclosed in the section headed “Shareholding Structure of the Company” above, neither the Offeror nor the Offeror Concert Parties owns, controls or directs any existing holding of voting rights and rights over the Shares;
- (c) none of the Offeror nor the Offeror Concert Parties has received any irrevocable commitment to vote for or against the Proposal at the Court Meeting;
- (d) save for the Proposal, the Option Proposal and the Irrevocable Undertaking, there is no agreement or arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the Shares or shares of the Offeror, and its concert parties which might be material to the Proposal;
- (e) there is no agreement or arrangement to which any of the Offeror nor the Offeror Concert Parties is a party which relates to circumstances in which the Offeror may or may not invoke or seek to invoke a Condition to the Proposal or the Option Proposal;
- (f) there is no understanding, arrangement or agreement which constitutes a “special deal” (as defined in Rule 25 of the Takeovers Code) between any Scheme Shareholder, on the one hand, and (i) the Offeror or the Offeror Concert Parties; or (ii) the Company or any of the subsidiaries or associated companies of the Company, on the other hand; and
- (g) save for the Cancellation Price payable under the Scheme and consideration to be provided pursuant to the Option Proposal, none of the Offeror nor the Offeror Concert Parties has paid and will pay any other consideration, compensation or benefit in whatever form to the Scheme Shareholders or Share Option Holders or persons acting in concert with them in connection with the Proposal or the Option Proposal.

DISCLOSURE OF DEALINGS

Save for the acquisition of 53,000,000 Shares by the Offeror from an Independent Third Party off market on 12 December 2025 at consideration of HK\$15,300,000 in aggregate (i.e. consideration per Share of approximately HK\$0.2887), none of the Offeror nor the Offeror Concert Parties have dealt for value in the Shares during the six months prior to the Announcement Date.

The respective associates (as defined in the Takeovers Code) of the Offeror and the Company, including shareholders holding 5% or more of any class of relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of each of the foregoing, are hereby reminded to disclose their dealings in the relevant securities of the Company.

In accordance with Rule 3.8 of the Takeovers Code, reproduced below is the full text of Note 11 to Rule 22 of the Takeovers Code:

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

RESUMPTION OF TRADING IN SHARES

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended from 9:00 a.m. on 22 January 2026 pending the release of this joint announcement. An application has been made by the Company to the Stock Exchange for resumption of trading in the Shares on the Stock Exchange with effect from 9:00 a.m. on 31 March 2026.

WARNINGS

Shareholders, Share Option Holders and potential investors should be aware that the implementation of the Proposal and the Option Proposal is subject to the Conditions being fulfilled or waived, as applicable, and therefore the Proposal and the Option Proposal may or may not be implemented. Shareholders, Share Option Holders and potential investors should therefore exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisers.

This joint announcement is not intended to and does not constitute, or form part of, any offer to sell or subscribe for or an invitation to purchase or subscribe for any securities or the solicitation of any vote or approval in any jurisdiction pursuant to the Proposal or the Option Proposal or otherwise, nor shall there be any sale, issuance or transfer of securities of the Company in any jurisdiction in contravention of the applicable laws and regulations. The Proposal and the Option Proposal will be made solely through the Scheme Document, which will contain the full terms and conditions of the Proposal and the Option Proposal, including details of how to vote at the Court Meeting and the EGM and how to accept the Option Offer. Any approval or other

response to the Proposal and the Option Proposal should be made only on the basis of information in the Scheme Document and the individual circumstances of the Shareholder making the decision.

The availability of the Proposal and the Option Proposal to persons who are not resident in Hong Kong may be affected by the laws of the relevant jurisdictions in which they are located or of which they are citizens. Persons who are not resident in Hong Kong should inform themselves about, and observe, any applicable legal or regulatory requirements of their jurisdictions. Further details in relation to overseas Shareholders and overseas Share Option Holders will be contained in the Scheme Document.

PROFIT WARNING FOR THE YEAR ENDED 31 DECEMBER 2025

Reference is made to the announcement (the “**Profit Warning Announcement**”) of the Company dated 26 March 2026 in relation to warning on potential net loss of the Group for the year ended 31 December 2025.

The profit warning statements included in the Profit Warning Announcement constitute a profit forecast under Rule 10 of the Takeovers Code and should therefore be reported on by the Company’s financial advisers and its auditors or accountants in accordance with Rule 10.4 of the Takeovers Code. Under Rule 10.4 and Practice Note 2 of the Takeovers Code, if a profit forecast is made during an offer period and is first published in an announcement, it must be repeated in full, together with the reports from the Company’s financial advisers and auditors on the said profit forecast, in the next document to be sent to the Shareholders by the Company (the “**Shareholders’ Document**”). However, if the annual results for the year ended 31 December 2025 which fall within the ambit of Rule 10.9 of the Takeovers Code and to which the profit warning relates, are published prior to the despatch of the next Shareholders’ Document, the requirements to report on the profit warning statements contained in the Profit Warning Announcement under Rule 10 of the Takeovers Code will no longer apply.

WARNING: The profit warning statements in the Profit Warning Announcement do not meet the standard required by Rule 10 of the Takeovers Code and have not been reported on in accordance with the Takeovers Code. Shareholders and potential investors should exercise caution in placing reliance on the profit warning statements in assessing the merits and demerits of the Proposal and the Option Proposal. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. Persons who are in doubt about their positions should consult their professional advisers.

DEFINITIONS

In this joint announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“acting in concert”	has the meaning ascribed to it in the Takeovers Code
“Announcement Date”	30 March 2026, being the date of this joint announcement
“Applicable Laws”	with respect to any person, any laws, rules, regulations, guidelines, directives, treaties, judgements, decrees, orders or notices of any Authority that is applicable to such person
“Approvals”	licenses, approvals, permits, consents, permissions, clearances and registrations
“Authority”	any relevant government, administrative or regulatory body, or court, tribunal, arbitrator or governmental agency or authority or department (including any relevant securities exchange) and whether supranational, national, regional or local
“Board”	the board of Directors
“Companies Act”	the Companies Act (2026 Revision) of the Cayman Islands, as consolidated and revised from time to time
“Company”	China Energy Storage Technology Development Limited (中國儲能科技發展有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 1143)
“Cancellation Price”	the cancellation price of HK\$0.45 per Scheme Share payable in cash by the Offeror
“Condition(s)”	the condition(s) to the Proposal and the Scheme as set out in the section headed “Conditions of the Proposal and the Scheme” of this joint announcement
“connected persons”	has the meaning ascribed to it in the Listing Rules
“Court Meeting”	a meeting of the Scheme Shareholders to be convened at the direction of the Grand Court at which the Scheme (with or without modification) will be voted upon, or any adjournment thereof
“Directions Hearing”	a directions hearing of the Grand Court for the purpose of giving direction as to the holding of the Court Meeting
“Director(s)”	the director(s) of the Company

“Disinterested Scheme Shareholders”	all Shareholders, other than the Offeror and the Offeror Concert Parties
“Effective Date”	the date on which the Scheme becomes effective in accordance with the Companies Act and the Conditions
“EGM”	an extraordinary general meeting of the Company to be convened for the purposes of approving all resolutions necessary for the implementation of the Proposal, or any adjournment thereof
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any delegate of the Executive Director
“Grand Court”	the Grand Court of the Cayman Islands
“Grand Court Rules”	the Grand Court Rules (2023 Revision) of the Cayman Islands, as consolidated and revised from time to time
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee of the Company comprising the following independent non-executive Directors: Mr. Li Huiwu, Mr. Wu Chi King and Ms. Zhang Xiulin established by the Board to make a recommendation to the Disinterested Scheme Shareholders in respect of the Proposal and the Option Proposal
“Independent Financial Adviser”	an independent financial adviser to the Independent Board Committee in relation to the Proposal and the Option Proposal to be appointed by the Company
“Independent Third Party”	party independent of and not connected with the Company and its connected persons
“Irrevocable Undertaking”	Mr. Lin’s irrevocable undertaking dated 27 March 2026, under which he has irrevocably and unconditionally undertaken to the Company and the Offeror that he will not exercise the 1,725,291 outstanding Share Options held by him (i.e. the Undertaken Share Options) at any time before they are lapsed upon expiry of one month after the Effective Date pursuant to the rules of the Share Option Scheme and will not accept the Option Proposal in respect thereof

“Last Trading Date”	21 January 2026, being the last day on which Shares were traded on the Stock Exchange prior to the publication of this joint announcement
“Lego Corporate Finance”	Lego Corporate Finance Limited, a corporation licensed by the SFC to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the financial adviser to the Company in relation to the Proposal and the Option Proposal
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Long Stop Date”	30 September 2026 (or any later date as the Offeror and the Company may determine and, to the extent applicable, as the Grand Court on the application of the Company may direct, and in all cases, as the Executive may consent)
“Meeting Record Date”	the record date to be announced for the purposes of determining the entitlements of the Scheme Shareholders to attend and vote at the Court Meeting and the entitlements of the Shareholders to attend and vote at the EGM
“Mr. Lin”	Mr. Lin Dailian, a co-chairman of the Company and an executive Director
“offer period”	has the meaning ascribed to it in the Takeovers Code, which commenced on 30 March 2026, being the Announcement Date
“Offeror”	FAME CASTLE ENTERPRISES LIMITED (名堡企業有限公司), a company incorporated in the British Virgin Islands with limited liability, which is owned as to 25% each by each of Mr. Lee Kai Bon, Mr. Ng Kim Yuen, Mr. Wong Sik Hung and Mr. Tam Kam Fong, and is a substantial shareholder of the Company
“Offeror Concert Parties”	parties acting in concert or presumed to be acting in concert with the Offeror under the Takeovers Code
“Option Cancellation Price”	the cancellation price of HK\$0.0001 for the cancellation of each Share Option payable in cash by the Company to the Share Option Holders pursuant to the Option Proposal
“Option Proposal”	the proposal offered by the Company to each Share Option Holder, details of which are set out in the section headed “The Option Proposal” in this joint announcement

“Proposal”	the proposal for the privatisation of the Company by the Offeror by way of the Scheme and the withdrawal of the listing of the Shares from the Stock Exchange, on the terms and subject to the conditions as described in this joint announcement
“Scheme”	the scheme of arrangement to be proposed under section 86 of the Companies Act for the implementation of the Proposal
“Scheme Document”	the composite scheme document, which shall contain, among other things, further details of the Proposal and the Option Proposal (together with the additional information specified in the section headed “Despatch of the Scheme Document” of this joint announcement), the accompanying proxy forms and notices of the Court Meeting and the EGM, to be despatched by the Offeror and the Company to all Scheme Shareholders as required by the Takeovers Code
“Scheme Record Date”	the record date to be announced for the purposes of determining entitlements of the Scheme Shareholders under the Scheme
“Scheme Shareholder(s)”	the registered holder(s) of the Scheme Share(s)
“Scheme Share(s)”	the Share(s) in issue and such further Share(s) as may be issued prior to the Scheme Record Date, other than those held by the Offeror
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	share(s) with a nominal value of HK\$0.2 each in the share capital of the Company
“Shareholder(s)”	registered holder(s) of the Shares
“Share Option(s)”	share option(s) granted by the Company pursuant to the Share Option Scheme
“Share Option Holder(s)”	holder(s) of Share Option(s)
“Share Option Scheme”	the rules of the share option scheme approved by the Shareholders, which became effective on 8 June 2023
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it in the Listing Rules

“Takeovers Code”	The Code on Takeovers and Mergers issued by the SFC as amended from time to time
“Undertaken Share Options”	the 1,725,291 Shares Options held by Mr. Lin as at the date of this joint announcement which are the subject of the Irrevocable Undertaking
“US” or “United States”	United States of America
“%”	per cent.

By order of the board of
FAME CASTLE ENTERPRISES LIMITED

Lee Kai Bon
Director

By order of the Board of
**China Energy Storage Technology
Development Limited**
Lin Dailian
Co-Chairman and executive Director

Hong Kong, 30 March 2026

As at the Announcement Date, the directors of the Offeror are Mr. Lee Kai Bon, Mr. Ng Kim Yuen, Mr. Wong Sik Hung and Mr. Tam Kam Fong.

The directors of the Offeror jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than those relating to the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statements in this joint announcement misleading.

As at the date of this joint announcement, the executive Directors are Mr. Lin Dailian (Co-Chairman), Mr. Wang Wei (Co-Chairman), Mr. Liu Zhiwei, Ms. Wu Jingjing and Ms. Bian Sulan; and the independent non-executive directors are Mr. Li Huiwu, Mr. Wu Chi King and Ms. Zhang Xiulin.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than those relating to the Offeror and the Offeror Concert Parties) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the directors of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statements in this joint announcement misleading.

Unless otherwise specified, references to date and time refer to Hong Kong date and time.