SMIT HOLDINGS LIMITED
國微控股有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2239)

DISCLOSEABLE TRANSACTION
DISPOSAL OF EQUITY INTEREST IN X-TIMES

EQUITY TRANSFERS

The Board is pleased to announce that on 20 July 2026, the Vendor (a wholly-owned subsidiary of the Company) and the Warrantors have entered into the Equity Transfer Agreement A and Equity Transfer Agreement B with Shengshi Zhida and Jiutian Shengshi, respectively, pursuant to which the Vendor has agreed to sell, and Shengshi Zhida and Jiutian Shengshi have agreed to purchase, in aggregate, 5,000,000 shares of X-Times (representing approximately 3.95% of the equity interest in X-Times), at a total consideration of approximately RMB63.2 million.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Equity Transfers exceed 5% but all of them are less than 25%, the Equity Transfers constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and are subject to the reporting and announcement requirement, but exempt from the circular and Shareholders' approval requirements under the Listing Rules.

INTRODUCTION

The Board is pleased to announce that on 20 July 2026, the Vendor (a wholly-owned subsidiary of the Company) and the Warrantors have entered into the Equity Transfer Agreement A and Equity Transfer Agreement B with Shengshi Zhida and Jiutian Shengshi, respectively, pursuant to which the Vendor has agreed to sell, and Shengshi Zhida and Jiutian Shengshi have agreed to purchase, in aggregate, 5,000,000 shares of X-Times (representing approximately 3.95% of the equity interest in X-Times), at a total consideration of approximately RMB63.2 million.

THE EQUITY TRANSFER AGREEMENTS

The principal terms of the Equity Transfer Agreements are set out as follows:

Date:

20 July 2026

Parties to Equity Transfer Agreement A:

(i) the Vendor

(ii) Shengshi Zhida (as purchaser)

(iii) the Warrantors

Parties to Equity Transfer Agreement B:

(i) the Vendor

(ii) Jiutian Shengshi (as purchaser)

(iii) the Warrantors

Equity Transfers

As at the date of this announcement, the Vendor holds an approximate 3.95% equity interest in X-Times.

Pursuant to the Equity Transfer Agreement A, the Vendor has conditionally agreed to sell, and Shengshi Zhida has conditionally agreed to purchase, 4,510,000 shares of X-Times, representing approximately 3.57% of the total equity interest in X-Times.

Pursuant to the Equity Transfer Agreement B, the Vendor has conditionally agreed to sell, and Jiutian Shengshi has conditionally agreed to purchase, 490,000 shares of X-Times, representing approximately 0.39% of the total equity interest in X-Times.

Consideration

The consideration of Equity Transfer A and Equity Transfer B was RMB57,048,383 and RMB6,198,161, respectively. The Consideration was arrived at after arm's length negotiations between the Vendor, Shengshi Zhida and Jiutian Shengshi taking into account, among other things, (i) the appraised value of the Vendor's 3.9529% equity interest in X-Times of approximately RMB63.0 million by FVA Advisory Limited, an independent valuer (the "**Valuation**"); (ii) the business development and future prospects of X-Times; and (iii) the reasons for and benefits of the Equity Transfers as stated under the section headed "Reasons and Benefits of the Equity Transfers" in this announcement. For details of the valuation, please refer to the appendix to this announcement.

The consideration for Equity Transfer A shall be payable by Shengshi Zhida (or a designated fund which it acts as the general partner) to the Vendor in one lump sum upon fulfillment (or waiver) of all the conditions precedent to the Equity Transfer Agreement A by 30 September 2026 (or such later date as may be agreed by the parties to the Equity Transfer Agreement A).

The consideration for Equity Transfer B shall be payable by Jiutian Shengshi to the Vendor in one lump sum within five Business Days upon fulfillment (or waiver) of all the conditions precedent to the Equity Transfer Agreement B. The parties to the Equity Transfer Agreement B have agreed to proactively fulfill the conditions precedent to the Equity Transfer Agreement B by 24 July 2026.

The Directors consider the Consideration to be fair and reasonable and on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Conditions Precedent

Completion of Equity Transfer A and Equity Transfer B is subject to the following conditions being fulfilled and satisfied:

(a) all parties having completed the signing of the relevant Equity Transfer Agreement;

(b) the shareholders' rights and obligations succession agreement (the "**Succession Agreement**") having been signed by Shengshi Zhida or Jiutian Shengshi (as applicable), X-Times and the existing shareholders holding in aggregate more than two-thirds of the shares in X-Times and any necessary related parties; and X-Times having passed valid shareholders' resolutions approving the signing, delivery and performance of the relevant Equity Transfer Agreement and the Succession Agreement;

(c) all transaction documents (including the relevant Equity Transfer Agreement) having been validly signed by the relevant parties and Shengshi Zhida or Jiutian Shengshi (as applicable) having received the transaction documents to which it is a party;

(d) the representations, warranties and undertakings given by each of Warrantors and the Vendor under the relevant Equity Transfer Agreement remaining true, accurate and complete and not misleading at the date of completion of the relevant Equity Transfer, and no material breach of the relevant Equity Transfer Agreement having occurred; and there being no judgments, rulings, awards or injunctions of any PRC laws, courts, arbitral tribunals or PRC governmental authorities restricting, prohibiting or canceling the relevant Equity Transfer;

(e) X-Times and the Vendor having issued to Shengshi Zhida or Jiutian Shengshi (as applicable) a confirmation letter in the form set out in the relevant Equity Transfer Agreement confirming that the applicable conditions precedent have been satisfied; and

(f) (with respect to the Equity Transfer Agreement A) the designated fund has completed its filing with the Asset Management Association of China and has entered into a written agreement (the "**Assumption Agreement**") with the Vendor and Shengshi Zhida to assume all of Shengshi Zhida's rights and obligations under the Equity Transfer Agreement A.

Each of Shengshi Zhida or Jiutian Shengshi (as applicable) may waive any of the conditions precedent in writing applicable to it as set out in (a) to (e) above in the Equity Transfer Agreement to which they are a party. With respect to the Equity Transfer Agreement A, condition precedent (f) may not be waived by Shengshi Zhida.

For the avoidance of doubt, the completion of Equity Transfer A and Equity Transfer B are not inter-conditional.

Completion

The completion of Equity Transfer A shall take place on the date on which Shengshi Zhida (or its designated fund) is registered as a shareholder of X-Times in the register of shareholders, which shall be provided by X-Times within one Business Day upon fulfillment (or waiver) of all the conditions precedent to the Equity Transfer Agreement A and the delivery to X-Times of the Assumption Agreement.

Upon fulfillment (or waiver) of all the conditions precedent to the Equity Transfer Agreement B, the completion of Equity Transfer B shall take place on the date on which Jiutian Shengshi settles the entire consideration payable to the Vendor.

INFORMATION ON THE GROUP

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

The Group is a leading security devices provider globally for pay-TV broadcasting access in the PRC. Meanwhile, the Group is also engaged in the following two business activities: (i) intelligent sense technology business which focuses on research, development and sales of smart sensing oriented products and solutions; and (ii) other businesses focusing on integrated circuit ("**IC**") solution and new energy sectors.

INFORMATION ON THE PARTIES TO THE EQUITY TRANSFER AGREEMENT

The Vendor

The Vendor is a wholly-owned subsidiary of the Company incorporated in the PRC with limited liability. It is the Company's principal operating subsidiary in the PRC and is mainly engaged in developing and marketing security devices such as CAMs (for the paid TV industry) and investment holding.

X-Times

X-Times is a joint stock company established under the laws of the PRC with limited liability and is principally engaged in the digital implementation field of IC design and had in 2023 launched certain self-developed EDA tools and was in the process of pitching to major IC design industry players.

X-Times has a diverse base of shareholders with no shareholders holding more than 30% equity interest. The largest shareholder of X-Times is Nanjing Xinshuling, holding 21.56% equity interest.

Shengshi Zhida

Shengshi Zhida is a company established under the laws of the PRC with limited liability and is principally engaged in private equity investment and venture capital, with a focus on strategic emerging sectors such as integrated circuits and electronic design automation. The equity interests of Shengshi Zhida are held by Shanghai Shengshi Hongming Investment Group Co., Ltd.*（上海盛世鴻明投資集團有限公司）(“**Shengshi Hongming**”) as to 78.87%.

Shengshi Hongming is held as to 57.44% by Mr. Jiang Mingming（姜明明）with three other shareholders each holding less than a 20% equity interest.

Jiutian Shengshi

Jiutian Shengshi is a limited partnership established under the laws of the PRC and is principally engaged in private equity investment and venture capital, with a focus on strategic emerging sectors such as integrated circuits and electronic design automation.

Jiutian Shengshi is held by Shengshi Zhida as to 0.97% as its general partner, with eight other limited partners each holding not more than 30% of the partnership interest.

The Founders' Group

Nanjing Xinshuling is a limited partnership established under the laws of the PRC and is one of the controlling shareholders and an employee shareholding platform of X-Times. Nanjing Xinshuling holds 21.56% equity interest in X-Times.

Nanjing Xinshuling is held by Nanjing Xinyuwei Enterprise Management Co., Ltd.*（南京芯煜微企业管理有限公司）(“**Nanjing Xinyuwei**”) as the executive general partner with 0.002% partnership interest, Shanghai Xinshu Enterprise Management Partnership (Limited Partnership)*（上海芯數企業管理合夥企業（有限合夥））(“**Shanghai Xinshu**”) as a limited partner with 39.4626% partnership interest and five other limited partners each holding not more than 30% of the partnership interest.

Nanjing Xinzhuoheng holds 8.3% equity interest in X-Times. Nanjing Xinzhuoheng is held by Nanjing Xinyuwei as the executive general partner with 0.0075% partnership interest, Shanghai Xinzan Enterprise Management Partnership (Limited Partnership)*（上海芯贊企業管理合夥企業（有限合夥））(“**Shanghai Xinzan**”) as a limited partner with 62.1466% partnership interest and four other limited partners each holding not more than 30% of the partnership interest.

Each of Nanjing Xinyuwei, Shanghai Xinshu and Shanghai Xinzan is beneficially owned by Mr. Shi.

Except for the Vendor's equity interest in X-Times, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Shengshi Zhida, Jiutian Shengshi, X-Times and the Founders' Group and their respective ultimate beneficial owners are Independent Third Parties.

Consolidated Financial Information on X-Times Group

The following are the audited consolidated financial information on X-Times Group for the years ended 31 December 2024 and 2025 in accordance with the generally accepted accounting principles of the PRC:

	For the year ended 31 December 2024	**For the year ended 31 December 2025**
	RMB'000	*RMB'000*
Loss before taxation	(167,956)	(201,103)
Loss after taxation	(167,990)	(201,103)

The unaudited net asset value of X-Times Group as at 31 March 2026 was approximately RMB437,389,000.

FINANCIAL EFFECT OF THE EQUITY TRANSFERS

Upon Completion, the Vendor will no longer hold any equity interest in X-Times. As such, the investment in X-Times previously accounted as a financial asset at fair value through profit or loss on the consolidated financial statements of the Company will be derecognized.

The Group is expected to record an estimated unaudited pre-tax loss on disposal from the Equity Transfers of approximately US$1.4 million in aggregate. Such unaudited pre-tax loss on disposal is estimated after taking into account, among other things, (i) the Consideration of approximately US$9.3 million; (ii) the carrying amount of the investment in X-Times of approximately US$10.6 million as at 31 December 2025; and (iii) other transaction costs directly associated with Equity Transfers. The Group is expected to (i) recognize the net proceeds from the Equity Transfers of approximately US$9.2 million as cash and cash equivalents/consideration receivables; and (ii) derecognize the carrying amount of the investment in X-Times of approximately US$10.6 million. As a result, the consolidated total assets of the Group are expected to decrease by US$1.4 million, subject to audit. Shareholders and potential investors of the Company should note that the above estimation is for illustrative purposes only. The actual amount of pre-tax loss on the disposal will depend on the finalized amount of the investment in X-Times as of the Completion date and other transaction costs associated with the Equity Transfers, and therefore may be different from the amount mentioned above.

INTENDED USE OF PROCEEDS

Net proceeds from the Equity Transfers, which have deducted expenses in relation to the Equity Transfers, are estimated to be approximately US$9.2 million. The disposal of X-Times aligns with the Group's previously resolved strategy to cease the research and development of EDA products and downsize its EDA investment portfolio. Upon exiting the EDA sector, the Group will reposition its strategic focus, deploying the net proceeds to pursue high-potential investment opportunities in emerging technologies and areas that create strong synergies with its existing operations.

REASONS FOR AND BENEFITS OF ENTERING INTO THE EQUITY TRANSFER AGREEMENTS

The Group acquired its equity interest in X-Times in 2020 as a strategic investment in an early-stage technology company engaged in the development of IC design services and EDA software for digital chip implementation. Since then, X-Times has made progress in developing its proprietary EDA tools and has been in the process of commercializing these tools with major IC design industry players. The Board considers that the Equity Transfers represent an exit opportunity for the Group's minority equity investment in X-Times and will enable the Group to realize a significant return from its investment in X-Times.

Notwithstanding that the Equity Transfers would result in an accounting loss on disposal, the Company remeasured its equity interest in X-Times at fair value using the market comparable company approach, which fluctuated over time based on X-Times' revenue level and changes in market revenue multiples. Fair value gains and losses had been recognized in the historical financial statements of the Group annually. Taking into account the original acquisition cost of RMB5 million incurred by the Group when it first acquired the relevant equity interest in 2020, the Equity Transfers represent a significant investment return for the Group.

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

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Equity Transfers exceed 5% but all of them are less than 25%, the Equity Transfers constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and are subject to the reporting and announcement requirement, but exempt from the circular and Shareholders' approval requirements under the Listing Rules.

DEFINITIONS

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

"Board"	the board of Directors
"Business Day"	a day (other than any Saturday or Sunday) on which banks in PRC are generally open for business throughout their normal business hours
"Company"	SMIT Holdings Limited (國微控股有限公司), a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 2239)
"Completion"	the completion of the Equity Transfers
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"Consideration"	the consideration in the sum of RMB63.2 million for the Equity Transfers
"Director(s)"	the director(s) of the Company
"Equity Transfer A"	the disposal of 4,510,000 shares of X-Times by the Vendor to Shengshi Zhida pursuant to the Equity Transfer Agreement A
"Equity Transfer B"	the disposal of 490,000 shares of X-Times by the Vendor to Jiutian Shengshi pursuant to the Equity Transfer Agreement B

"Equity Transfers"	collectively, Equity Transfer A and Equity Transfer B, individually referred to as an Equity Transfer
"Equity Transfer Agreement A"	the equity transfer agreement dated 20 July 2026 entered into between the Vendor, Shengshi Zhida and the Warrantors in relation to the transfer of 4,510,000 shares of X-Times by the Vendor to Shengshi Zhida
"Equity Transfer Agreement B"	the equity transfer agreement dated 20 July 2026 entered into between the Vendor, Jiutian Shengshi and the Warrantors in relation to the transfer of 490,000 shares of X-Times by the Vendor to Jiutian Shengshi
"Equity Transfer Agreements"	collectively, Equity Transfer Agreement A and Equity Transfer Agreement B, individually referred to as an Equity Transfer Agreement
"Founders' Group"	collectively, Mr. Shi, Nanjing Xinshuling and Nanjing Xinzhuoheng
"Group"	the Company and its subsidiaries
"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"Independent Third Party"	a party who is not a connected person of the Company and is third party independent of the Company and the connected persons of the Company
"Jiutian Shengshi"	Shaoxing Jiutian Shengshi Venture Capital Fund Partnership (Limited Partnership)*（紹興九天盛世創業投資基金合夥企業（有限合夥））, a limited partnership established under the laws of the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Mr. Shi"	Mr. Shi Haiyong（施海勇）

"Nanjing Xinshuling"	Nanjing Xinshuling Enterprise Management Partnership (Limited Partnership)* (南京芯數領企業管理合夥企業(有限合夥)), a limited partnership established under the laws of the PRC
"Nanjing Xinzhuoheng"	Nanjing Xinzhuoheng Enterprise Management Partnership (Limited Partnership)* (南京芯卓珩企業管理合夥企業(有限合夥)), a limited partnership established under the laws of the PRC
"PRC"	the People's Republic of China, which shall, for the purposes of this announcement, exclude Hong Kong Special Administrative Region of the PRC, Macao Special Administrative Region of the PRC and Taiwan
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) with a nominal value of US$0.01 each in the share capital of the Company
"Shareholder(s)"	shareholder(s) of the Company
"Shengshi Zhida"	Beijing Shengshi Zhida Investment Fund Management Co., Ltd.* (北京盛世智達投資基金管理有限公司), a company established under the laws of the PRC with limited liability
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Vendor"	SMIT Group Limited* (國微集團(深圳)有限公司), a company established under the laws of the PRC with limited liability and a wholly-owned subsidiary of the Company
"Warrantors"	collectively, X-Times and the Founders' Group, who have agreed to provide certain warranties in relation to X-Times pursuant to the Equity Transfer Agreements

"X-Times"	X-Times Design Automation Co., Ltd (芯行紀科技股份有限公司), a joint stock company established under the laws of the PRC with limited liability
"X-Times Group"	X-Times and its subsidiaries
"%"	per cent

By order of the Board
SMIT Holdings Limited
Huang Xueliang
Chairman

Hong Kong, 20 July 2026

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

APPENDIX – SUMMARY OF THE VALUATION REPORT

The valuation for the appraised value of 3.9529% of the equity interest of X-Times (the "**Subject Interest**") was conducted by FVA Advisory Limited (the "**Valuer**"), a professional valuer in Hong Kong and an Independent Third Party.

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

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

Valuation Approach

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

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

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

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

Selection of Valuation Multiples

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

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

Comparable Companies

To identify a representative pool of comparable peers, a systematic search was initialized with baseline parameters established as follows: geographic locations (global), listing status (publicly listed), and industry classifications (application software, systems software, semiconductor equipment). Based on initial quantitative and qualitative research, potential comparable companies were categorized into distinct operational tiers to assess their suitability against X-Times' business model.

Following the screening process, the following five public companies were retained as the final comparable peer group, representing the closest matches to X-Times' technological focus, growth profile, and operational ecosystem:

(1) Cadence Design Systems, Inc. (Nasdaq: CDNS) – a global EDA software company providing design technologies to creators of advanced integrated circuits, electronic systems and systems on a chip, with an EV/Revenue ratio of 13.8x;

(2) Synopsys, Inc. (Nasdaq: SNPS) – the largest EDA player in the world, supplying EDA solutions to the global electronics markets, with an EV/Revenue ratio of 10.6x;

(3) Semitronix Corporation (SZSE: 301095) – a PRC-based company developing semiconductor industry software and test chip products, with an adjusted EV/Revenue ratio of 15.1x;

(4) Empyrean Technology Co., Ltd. (SZSE: 301269) – a PRC-based EDA developer and solutions provider, with an adjusted EV/Revenue ratio of 31.8x; and

(5) Primarius Technologies Co., Ltd. (SHSE: 688206) – a PRC-based company developing EDA tools and semiconductor device characteristics test equipment, with an adjusted EV/Revenue ratio of 25.0x.

Selection of Valuation Multiple

The Valuer selected the valuation multiple based on the third quartile (i.e., 75th Percentile, 25.0x) of the final peer group. This premium positioning is justified by two core economic and structural factors:

(a) a distinct structural geographic premium is observable within the domestic PRC EDA peer subset relative to global Western peers. Utilizing the 75th percentile appropriately aligns the valuation framework with these localized pricing realities, which directly correspond to X-Times' primary operational locale and market ecosystem; and

(b) X-Times exhibits a superior growth profile characterized by a ~30% two-year revenue CAGR, which significantly outperforms the selected guideline public peer group average of under 20%. Placing the multiple at the upper quartile ensures that the final valuation framework adequately reflects X-Times' superior top-line velocity and localized market advantages while remaining fundamentally anchored in observable capital market data.

Discount for Lack of Marketability ("DLOM")

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

To quantify this discount objectively, a protective put option method was utilized via the Black-Scholes Option Pricing Model ("**BSM**"). This quantitative approach treats the cost of a liquidity-restricting restriction as equivalent to the cost of purchasing an option to sell the stock at the current market price, providing a market-standard economic basis for the final applied discount percentage. Based on the BSM calculation with inputs including a risk-free interest rate of 3.7%, expected volatility of 44.6%, and time to maturity of 0.50 years, the discount for lack of marketability was concluded to be 11.5%.

Valuation Calculation

Market approach calculation

		RMB'000	
Revenue	***A***	**58,659**	*Note 1*
Borrowing	***B***	**–**	
Cash	***C***	**333,790**	*Note 2*
Adopted multiple	***D***	**25.0x**	*Note 3*
Enterprise value	**= *A X D***	**1,467,392**	
Add: Net debt cash/(debt)	**= *C-B***	**333,790**	
Equity value before discount		**1,801,182**	
Liquidity discount ("**DLOM**")		**(207,190)**	*Note 4*
100% Equity interest		**1,593,992**	
Fully diluted equity %		**3.9529%**	
Concluded value of SMIT stake		**63,009**	

Notes

1. Representing the revenue of X-Times for the 12 months preceding the Valuation Date.

2. Representing the balance sheet as of Valuation Date.

3. Multiple selection is anchored at the third quartile (75th Percentile) to objectively reflect X-Times' risk-return profile. This premium positioning captures: (i) the structural geographic premium observed in the domestic Chinese EDA peer subset (e.g., Empyrean at 31.8x, Primarius at 25.0x) relative to US peers, aligning with X-Times' primary operational locale; and (ii) X-Times' superior revenue growth, characterized by a ~30% 2-year revenue CAGR versus the peer group average of under 20%.

4. Discount on lack of marketability is adopted due to private status of X-Times relative to public peers. Calculated based on Black-Scholes option pricing model.

Assumptions to the Valuation

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

- there would be no material changes in existing political, legal, regulatory, technological, fiscal, market or economic conditions which might adversely affect the economy in general and the business;

- in arriving at the Valuer's opinion, the Valuer had assumed and relied extensively upon the accuracy and completeness of the information provided to the Valuer by the Company such as financial statements, documents and oral conversation through correspondences and interviews. The financial statements of X-Times were prepared in accordance with the applicable accounting standard. The Valuer did not independently investigate or otherwise verify the data provided and did not express an opinion or offer any form of assurance regarding its accuracy and completeness;

- X-Times was expected to continue as a going concern, having the capability and intention to successfully execute all necessary activities required to develop and grow its business operations;

- there were no hidden or unexpected conditions associated with X-Times that might adversely affect the reported values;

- prudent management of X-Times would continue over whatever period of time that would be reasonable and necessary to maintain the character and integrity of X-Times;

- interest rate, tax rates, inflation, population, and industry policies would not undergo significant changes.

- the information provided and representations made by the Company with regard to X-Times are accurate and reliable, and there is no material information which is relevant and important to the valuation that has been withheld;

- there are no undisclosed actual or contingent assets or liabilities, no unusual obligations or substantial commitments, other than in the ordinary course of business and as reflected in the financials, nor any litigation pending or threatened, which would have a material impact on the values; and

- the valuation analysis does not take into consideration potential withholding taxes which may arise from any potential repatriations of dividend or share/asset sale transactions.