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CIG

CIG SHANGHAI CO., LTD.
上海劍橋科技股份有限公司

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

(Stock Code: 6166)

CONNECTED TRANSACTION
ENTERING INTO THE LEASE AGREEMENT

The Board hereby announces that on February 27, 2026 (after trading hours), CIG Zhejiang Telecommunication Equipment Co., Ltd. (浙江劍橋通信設備有限公司) (as the lessee), a subsidiary of the Company, entered into the Lease Agreement with Jiashan Zhongxin Industrial Development Investment Co., Ltd. (嘉善縣中新產業發展投資有限公司) (as the lessor) for a lease term of nine years and nine months commencing from April 1, 2026 to December 31, 2035 (both days inclusive).

Jiashan Zhongxin Industrial Development Investment Co., Ltd. holds approximately 33.33% equity interest in CIG Zhejiang Telecommunication Equipment Co., Ltd., a significant subsidiary of the Company. Pursuant to Chapter 14A of the Listing Rules, Jiashan Zhongxin Industrial Development Investment Co., Ltd. is a connected person of the Company, the transaction under the Lease Agreement constitutes a connected transaction of the Company.

Pursuant to China Accounting Standards for Business Enterprises 21 — Leases, the Group (as the lessee) shall recognize the right-of-use assets and lease liabilities under the Lease Agreement in the consolidated financial statements. Therefore, the transaction under the Lease Agreement constitutes a one-off connected transaction of the Company pursuant to Chapter 14A of the Listing Rules. The aggregate value of the right-of-use assets to be recognised by the Group under the Lease Agreement is approximately RMB63,785,500. The amount is calculated with reference to the present value of the total rent payable (including value-added tax) throughout the lease term under the Lease Agreement, and has not yet been audited, and the final amount will be subject to further confirmation by the Company and the auditor.

Since all applicable percentage ratios (as defined in the Listing Rules) calculated with reference to the total amount of the right-of-use assets to be recognised by the Company in respect of the Lease Agreement exceed 0.1% but are less than 5%, the transaction under the Lease Agreement is subject to the reporting and announcement requirements, and are exempt from the requirement for approval by independent shareholders under Chapter 14A of the Listing Rules.

The Board hereby announces that on February 27, 2026 (after trading hours), CIG Zhejiang Telecommunication Equipment Co., Ltd. (浙江劍橋通信設備有限公司) (as the lessee), a subsidiary of the Company, entered into the Lease Agreement with Jiashan Zhongxin Industrial Development Investment Co., Ltd. (嘉善縣中新產業發展投資有限公司) (as the lessor).

1. Major Terms of the Lease Agreement

1.1 Parties

- Lessor: Jiashan Zhongxin Industrial Development Investment Co., Ltd.
- Lessee: CIG Zhejiang Telecommunication Equipment Co., Ltd. (a subsidiary of the Company)

1.2 Lease Property

The Lease Property is located in No. 2 Factory, No. 378 Zhongxin Avenue, Weitang Street, Jiashan, and the building area marked in the property right certificate is 88,815.11 square meters (property right certificate number: Zhejiang (2025) Jiashan County Real Estate No. 0026759). Since January 1, 2031, the leased area is subject to the one actually used by the Lessee at that time.

1.3 Lease Purpose

Industry/office/warehousing

1.4 Lease Term

For a period of nine years and nine months commencing from April 1, 2026 to December 31, 2035 (both days inclusive).

1.5 Rent and Payment Terms

- April 1, 2026 to December 31, 2030: Taking into account the market evaluation price in the Appraisal Report, both parties agree that the rent is RMB10/month/square meter (including value-added tax), and the leased area is 88,815.11 square meters. Therefore, the total rent during the lease period is approximately RMB50,624,600.
- January 1, 2031 to December 31, 2035: The rent is calculated based on the area actually used by the Lessee at that time and 40% discount on rent given according to the market evaluation price in the Appraisal Report, being RMB6/month/square meter (inclusive of value-added tax). If calculated based on the initial leased area, the total rent during this lease period is approximately RMB31,973,400.
- Rent pricing basis: The above rent is determined after arm's length negotiation between the parties, with reference to the Appraisal Report, the current market rent, property area, supporting facilities and service life of similar properties in the same area, so as to ensure that the rent level is fair and reasonable and no less favourable to the terms provided by Independent Third Parties.
- Payment mode: The rent is payable post-usage on an annual basis. After the expiration of each period, both parties will negotiate the specific payment time, no later than December 31 of the following year. If the payment date is a non-business day, the Lessee shall pay on the first business day after that date. The rent payable under the Lease Agreement will be funded primarily by the internal resources of the Group.
- Pursuant to the Appraisal Report, details of the Appraisal are set out below:

1. Appraisal Results

The subject of the Appraisal is the leasehold right of the Lease Property. The scope of the Appraisal covers the leasehold right of No. 2 Factory located at No. 378 Zhongxin Avenue, Weitang Street, Jiashan, with a building area of 88,815.11 square meters.

According to the Appraisal Report, using the market approach, the appraised value as of the Appraisal base date of December 31, 2025 amounts to RMB870,400.00 per month, with a unit price of RMB9.80 per square meter.

2. *Selection of Appraisal Method*

The market approach evaluates the current fair value of the appraisal object by reference to comparable cases in the real market. It has the characteristics of direct valuation perspectives and pathways, intuitive appraisal process, direct appraisal data from the market, and highly persuasive appraisal results. For the properties within the scope of the Appraisal, there are many recent transaction cases of similar factory leasehold rights within the same supply and demand circle. Therefore, the market approach can be applied in the Appraisal to assess such factory leasehold rights.

The income approach involves estimating the future normal net income of the appraisal object, selecting an appropriate capitalization rate to discount it to the appraisal time point, and then accumulating the results to estimate the objective and reasonable price or value of the appraisal object. As the subject of the Appraisal is currently in the decoration stage and has not yet been leased, its future cash flow is difficult to predict. Therefore, the income approach is not suitable for this Appraisal.

The cost approach is an asset valuation method that determines the appraisal value by calculating the full cost required to repurchase or reconstruct a brand-new appraised asset under the current conditions, and then deducting the depreciation that has occurred to the appraisal object. The subject of the Appraisal is the leasehold right of factory. As there is a relatively mature transaction market for such assets in the locality, their fair value cannot be reasonably reflected from the perspective of cost. Therefore, the cost approach is not suitable for this Appraisal.

Accordingly, based on the characteristics of the appraisal object, the market approach is adopted for the Appraisal.

3. *Appraisal Process*

The market approach involves selecting three (or more) comparable transaction cases of factory leasehold rights. This method compares the leasehold right of the factory under appraisal with recently transacted prices of similar factory leasehold rights in the market, taking into account the differences between the appraisal object and each comparable case regarding factors influencing land value. Based on this analysis, adjustments are made to the transaction prices of the comparable cases to derive multiple comparative reference values.

Through comprehensive analysis and further adjustments, the appraised value of the subject factory leasehold right at the preliminary main stage is then determined.

The basic formula is as follows:

$$P = P' \times A \times B \times C$$

Where:

P = the appraised value of the subject factory leasehold right;

P' = the transaction price of the comparable case;

A = the transaction condition correction coefficient;

B = the transaction date correction coefficient;

C = the real estate condition correction coefficient.

The transaction condition correction coefficient A is used to adjust the transaction price of the comparable case to a normal, objective, and fair transaction price under general market conditions. The transaction date correction coefficient B is used to adjust the transaction price of the comparable case to the price as of the appraisal base date. The real estate condition correction coefficient C is used to adjust for differences between the subject building and the comparable case due to variations in conditions, including location condition adjustments, physical condition adjustments, and equity condition adjustments.

4. *Appraisal Assumptions*

The Appraisal is based on the following assumptions and constraints:

(I) Specific Assumptions and Constraints

1. The entrusting party is responsible for the authenticity, accuracy, and legality of the information provided;
2. It is assumed that the price of the appraisal object is formed in an open, equal, and voluntary transaction market within its respective region, and its operating methods and procedures comply with relevant national laws and regulations as well as local provisions.

(II) General Assumptions and Constraints

1. The appraisal result reflects the current reference value determined by the appraisal object under the specific purpose of the Appraisal and in accordance with the principle of openness, without considering the impact of the additional price that may be paid by special trading methods on the appraisal value, nor the change of national macroeconomic policies, the impact of the occurrence of natural forces and other force majeure and unforeseeable events on the asset price. When the aforementioned conditions and other circumstances observed in the Appraisal change, the appraisal result would generally become invalid;
2. The appraisal results only provide the entrusting party with a reference basis for the value of the appraisal object under the purpose of the Appraisal, and cannot be used as a reference basis for other purposes and behaviors;
3. The Appraisal shall not be used as the basis for determining the ownership of the appraisal object.

5. *Appraisal Results*

After evaluation and estimation, and under the condition that the premise and assumptions of the appraisal are fully realized, the following appraisal results are obtained: As of the appraisal base date of December 31, 2025, the appraised value of the leasehold right of No.2 workshop involved in the factory to be leased by Jiashan Zhongxin Industrial Development Investment Co., Ltd. amounts to RMB870,400.00 per month, with a unit price of RMB9.80 per square meter.

6. *Date of the Appraisal Report*

The date of the Appraisal Report is December 31, 2025.

After considering the property characteristics, location, comparable market transactions and leasing prospects of the Lease Property, the Board considers that it is fair and reasonable for the Appraiser to adopt the market approach for appraisal. The Board has also reviewed and considered the comparable property lease information, the valuation principles applied by the Appraiser, the valuation assumptions and the calculation basis used in the appraisal, in order to conduct an

independent appraisal and determine the fairness and reasonableness of the key input data, comparable cases and assumptions adopted in the appraisal.

Based on the foregoing, and (i) the Appraiser has sufficient experience and qualifications to independently perform the Appraisal; (ii) the appraised value of the leasehold right of the Lease Property as of the appraisal base date as stated in the Appraisal Report; and (iii) the consideration of the lease agreement determined accordingly, the Board, after considering the appraisal result, believes that the consideration of the lease agreement is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

1.6 Other Fees

The Lessee shall bear water, electricity, gas and communication fees incurred by its use during the lease period. If these expenses are paid in advance by the Lessor, the Lessee shall pay them to the Lessor within 30 days after receiving the expense confirmation form and relevant vouchers issued by the Lessor. For other expenses not listed, the payer shall be determined through subsequent negotiation between both parties.

1.7 Sublease, Transfer and Renewal

- During the lease period, the Lessee has the right to conduct sublease and transfer according to the industrial layout, which must conform to the industrial orientation and notify the lessor in writing in advance.
- At the expiration of the lease term, if the Lessee needs to renew the lease, it must submit a written request to the Lessor for renewal six months before the expiration of the lease term. Under the same conditions, the Lessee has the priority to renew the lease.

1.8 Right of Pre-emption

Regardless of whether the Lessor sells part or all of the property unit, or the area where the property unit is located, the Lessee has the right of pre-emption.

2. Accounting Treatment and Right-of-Use Assets

Pursuant to China Accounting Standards for Business Enterprises 21 — Leases, the Group, as the Lessee, shall recognize the right-of-use assets and lease liabilities under the Lease Agreement in the consolidated statement of financial position. The aggregate value of the right-of-use assets to be recognised by the Group under the Lease Agreement is approximately RMB63,785,500. Such calculation is based on: the rent under this lease is inclusive of value-added tax (VAT Rate: 9%), the annual discount rate adopted for calculation is the Loan Prime Rate (LPR) for loans with a

term of more than 5 years, which is 3.5% (estimated based on the incremental borrowing rate of the Group under similar economic conditions). Such amount is calculated with reference to the present value of the total rent payable (inclusive of VAT) throughout the lease term under the Lease Agreement, and has not yet been audited and the final amount will be subject to further confirmation by the Company and the auditors.

3. Reasons and Benefits for Entering into the Lease Agreement

For the purpose of the Group's business development, the Lessor and the Lessee have entered into a Lease contract on January 1, 2026, pursuant to which the Lessor leases the lease property to the Lessee for use, with the lease term being three months from January 1, 2026 to March 31, 2026. To support enterprise development, the above-mentioned lease period is a rent-free period granted by the Lessor. As of the date of this announcement, the Lessee has not made any rental payment in respect of the leased property nor recognised any right-of-use assets, and accordingly, all applicable percentage ratios are less than 5% and also less than HK\$3 million. Therefore, the transaction is fully exempt from the requirements of a connected transaction under Chapter 14A of the Listing Rules.

The purpose of entering into the Lease Agreement is to provide stable and appropriate plant facilities for CIG Zhejiang Telecommunication Equipment Co., Ltd., a subsidiary of the Company, to meet its needs for daily production and operation, office work and warehousing. It is conducive to ensuring the continuous development and stable growth of its business, and is in line with the overall business plan and development strategy of the Group.

The rent under the Lease Agreement is determined through arm's length negotiation with reference to the rent level of similar properties in the market. The rent terms are better than the average market level, which helps the Group control operating costs. This lease is mainly in response to the actual needs of the continuous expansion of the Group's production scale. The lease property has an advantageous geographical location and complete supporting facilities, which cannot only fully undertake the new production capacity and meet the long-term development plan of the Group, but also effectively avoid operational interruptions, production capacity fluctuations and additional cost expenditures caused by frequent relocations, providing a solid guarantee for the steady expansion of the business.

The Board (including independent non-executive Directors) is of the view that the connected transaction has been entered into on normal commercial terms or better after arm's length negotiation between the contracting parties and in the ordinary and usual course of business, the terms of the Lease Agreement are fair and reasonable and the connected transaction is in the interests of the Company and its Shareholders as a whole.

To the best of the Company's knowledge, information and belief, having made all reasonable enquiries, that as at the date of this announcement, none of the Directors has any material interest in the transaction, and accordingly, no Director is required to abstain from voting on the Board resolution in respect of the Lease Agreement and the transaction contemplated thereunder.

4. Information of the Contracting Parties

4.1 The Company and the Group

The Company is mainly engaged in the research and development, production and sales of terminal equipment (covering telecommunication broadband, wireless networks and small cells, edge computing and industrial internet products) and high-speed optical module products in the fields of telecommunications, digital communication, enterprise networks and home networks. The Group includes the Company and its subsidiaries, and is committed to providing high-quality optical communication solutions to global customers.

4.2 The Lessee

CIG Zhejiang Telecommunication Equipment Co., Ltd., a subsidiary of the Company, was established on July 18, 2023, with its registered address at No. 18 Jiawei Road, Jiashan County, Zhejiang Province, the PRC. It is mainly engaged in the production, sales and technical services of communication equipment and related products.

4.3 The Lessor

Jiashan Zhongxin Industrial Development Investment Co., Ltd., with its registered address at Weitang Sub-district, Jiashan County, Zhejiang Province, the PRC, is mainly engaged in industrial investment, plant leasing, property management and other businesses. It holds approximately 33.33% equity interest in the Lessee and is a connected person of the Company. All of the equity interest in Jiashan Zhongxin Industrial Development Investment Co., Ltd. is held by Jiashan Shancheng Industrial Co., Ltd. (嘉善縣善成實業有限公司), with the ultimate beneficial owner being Jiashan Finance Bureau, a government authority.

5. Listing Rules Implications

Jiashan Zhongxin Industrial Development Investment Co., Ltd. holds approximately 33.33% equity interest in CIG Zhejiang Telecommunication Equipment Co., Ltd., a significant subsidiary of the Company. Pursuant to Chapter 14A of the Listing Rules, Jiashan Zhongxin Industrial Development Investment Co., Ltd. is a connected person of the Company, and the transaction under the Lease Agreement constitutes a connected transaction of the Company.

Pursuant to China Accounting Standards for Business Enterprises 21 — Leases, the Group (as a lessee) shall recognize the right-of-use assets and lease liabilities under the Lease Agreement in the consolidated statement of financial position. Therefore, the transaction under the Lease Agreement constitutes a one-off connected transaction of the Company pursuant to Chapter 14A of the Listing Rules.

Since all applicable percentage ratios (as defined in the Listing Rules) calculated with reference to the total amount of the right-of-use assets to be recognised by the Company in respect of the Lease Agreement exceed 0.1% but are less than 5%, the transaction under the Lease Agreement is subject to the reporting and announcement requirements under Chapter 14A of the Listing Rules, and is exempt from the requirement for approval by independent shareholders.

6. Definitions

Unless the context otherwise requires, the following terms shall have the following meanings in this announcement:

Terms	Meaning
“applicable percentage ratio(s)”	has the meaning ascribed thereto under the Listing Rules
“Appraisal”	the appraisal of the Lease Property conducted by the Appraiser
“Appraisal Report”	the Appraisal Report issued by the Appraiser dated December 31, 2025
“Appraiser”	Jiaxing Chengzhou Assets Appraisal Co., Ltd. (嘉興誠州資產評估有限公司), an independent and qualified Chinese assets appraisal institution. To the best of the Directors’ knowledge, information and belief and after reasonable enquiry, as at the date of the Appraisal Report and the date of this announcement, the Appraiser is not connected with the Company and its subsidiaries, their respective directors, chief executives, substantial shareholders, and their respective associates
“associates”	has the meaning ascribed thereto under the Listing Rules
“Board”	the board of directors of our Company

Terms	Meaning
“Company”	CIG SHANGHAI CO., LTD., a joint stock company incorporated in the People’s Republic of China with limited liability, whose H Shares are listed on the Main Board of the Stock Exchange (stock code: 06166) and A Shares are listed on the Shanghai Stock Exchange (stock code: 603083)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of our Company
“Group”	the Company and its subsidiaries
“Independent Third Party(ies)”	has the meaning ascribed thereto under the Listing Rules
“Lease Agreement”	the “Plant Lease Contract” to be entered into between CIG Zhejiang Telecommunication Equipment Co., Ltd. and Jiashan Zhongxin Industrial Development Investment Co., Ltd. on February 27, 2026
“Lease Property”	Factory Building No. 2, No. 378 Zhongxin Avenue, Weitang Street, Jiashan, as described in section 1.2 of this announcement
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“PRC”	the People’s Republic of China, for the purpose of this announcement, excluding Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and region of Taiwan of the PRC
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	the shareholder(s) of our Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“the Lessee”	CIG Zhejiang Telecommunication Equipment Co., Ltd., a subsidiary of the Company

Terms	Meaning
“the Lessor”	Jiashan Zhongxin Industrial Development Investment Co., Ltd., a connected person of the Company
“%”	per cent

By order of the Board
CIG SHANGHAI CO., LTD.

Mr. Gerald G Wong

*Chairman, Executive Director and General Manager
(Chief Executive Officer)*

Shanghai, February 27, 2026

As at the date of this announcement, the Board of the Company comprises: (i) Mr. Gerald G Wong, Mr. Zhao Haibo, Mr. Zhao Hongwei and Mr. Zhang Jie, as Executive Directors; (ii) Mr. Qin Guisen, Mr. Yao Minglong and Ms. Yuen Shuk Yee as Independent Non-executive Directors.