FUTURE MACHINE LIMITED
未來機器有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1401)

DISCLOSEABLE TRANSACTION
CAPITAL INCREASE IN TARGET COMPANY

THE CAPITAL INCREASE

The Company is pleased to announce that on 12 August 2026, Interstellar Quantum, an indirect wholly-owned subsidiary of the Company, together with Other New Investors, entered into the fourth angel round Capital Increase Agreement with the shareholders of the Target Company. Pursuant to the Capital Increase Agreement, among other things, Interstellar Quantum shall subscribe for RMB50,073.57 of newly issued registered capital, as part of a total new registered capital of RMB633,430.68 to be issued in the Capital Increase Agreement of the Target Company at a subscription price of RMB20 million. Upon completion of the Capital Increase, the registered capital of the Target Company will be RMB5,140,052.12, and the Company will indirectly hold approximately 0.9742% of the equity interest in the Target Company through Interstellar Quantum.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Transaction exceed 5% but all are less than 25%, the Transaction constitutes a disclosable transaction of the Company and is subject to the reporting and announcement requirements but is exempt from the circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

INTRODUCTION

Between July 2025 and June 2026, the Target Company successfully completed its first three angel rounds of financing, raising a total of RMB369.68 million and increasing its registered capital to RMB4,506,621.44. Following these rounds, the registered capital of the Target Company increased from its initial registered capital of RMB3,000,000 to RMB4,506,621.44. The Company did not participate in the previous three angel rounds of financing and did not hold any equity interest in the Target Company before entering into the Capital Increase Agreement.

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THE PRINCIPAL TERMS OF THE CAPITAL INCREASE AGREEMENT

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

Date:	12 August 2026
Parties:	(1) Interstellar Quantum; (2) the Target Company; (3) Mr. Wang Xiaobin* (王孝斌先生) (as the founder) and existing shareholders of the Target Company; (4) Other New Investors
Capital Contribution Amount:	Subject to the terms and conditions of the Capital Increase Agreement, Interstellar Quantum has agreed to inject RMB20,000,000 to subscribe for the newly increased registered capital of RMB50,073.57 of the Target Company. The premium over the registered capital shall be credited to the capital reserve of the Target Company.
Payment Terms:	Interstellar Quantum shall pay the Capital Increase Amount in cash within twenty (20) business days after all the conditions precedent have been fulfilled or waived.
Conditions Precedent	(1) All necessary internal and third-party approvals, consents, authorizations, and permits in relation to the Capital Increase Agreement have been obtained by the Target Company and the existing shareholders, and the execution and performance of the Transaction Documents will not cause any party to violate any applicable laws;

(2) The Investors have completed the filing of their private fund products with the Asset Management Association of China (if required);

(3) All Transaction Documents have been duly executed by the Target Company, and the Investors have received the originals thereof;

(4) The key employees have entered into labor contracts, confidentiality and intellectual property protection agreements, and non-competition agreements with the Target Company, and copies of such documents have been provided to the Investors;

(5) The legal, business, and financial due diligence on the Target Company is satisfactory to the Investors;

(6) The representations and warranties made by the Target Company under the Capital Increase Agreement remain true, accurate, complete, and not misleading from the signing date (inclusive) to the closing date (inclusive); and all covenants, obligations, and undertakings required to be performed by the Target Company on or prior to the closing date under the Capital Increase Agreement have been duly performed, with no breach of any provisions of the Capital Increase Agreement;

(7) There is no event, fact, condition, change, or other circumstance that has occurred or is reasonably expected to have a material adverse effect on the assets, financial structure, liabilities, technology, market, profitability prospects, or normal operations of the Target Company; there is no applicable law, judgment, ruling, order, or injunction from any court, arbitration institution, or governmental authority that restricts, prohibits, or cancels the Capital Increase Agreement; and there is no pending or potential material litigation, arbitration, judgment, ruling, order, or injunction involving the Target Company;

(8) The Target Company has executed all documents necessary for the registration and filing procedures with the market supervision administration in connection with the Capital Increase Agreement;

(9) The Target Company has provided the Investors with a written payment notice signed by its legal representative and affixed with the company chop, specifying the amount of the capital increase and the designated bank account of the Target Company; and

(10) The Target Company has issued a certificate confirming the satisfaction of the conditions precedent, certifying that all conditions precedent have been fully satisfied or fulfilled.

BASIS OF THE CAPITAL CONTRIBUTION AMOUNT

The capital contribution amount for the Capital Increase is determined based on arm's length negotiations between the parties. The consideration takes into full account the successful completion of the previous three rounds of angel investments, technological achievements, and current equity structure. This also considers the Target Company's strong future growth prospects, market potential in the semiconductor and artificial intelligence sector, and expected business milestones.

REASONS AND BENEFITS OF THE TRANSACTION

As disclosed in the 2025 annual report, the Directors are of the view that the continued integration of artificial intelligence into smartphones and smart terminal, together with the global rollout of 5G networks, will drive substantial demand for smartphones and smart terminal products. To capitalise on these market prospects and maximise shareholder value, the Group adopts a prudent growth strategy focused on strengthening research and development capabilities, expanding and diversifying its product portfolio, enhancing sales and marketing efforts to broaden geographical presence, further diversifying its customer base. Meanwhile, the Company believes that the rapid development of general artificial intelligence and large models will make artificial intelligence-powered smartphones and versatile on-device artificial intelligence terminals mainstream, driving a surge in demand. The Company will strengthen and improve its industrial ecosystem through means such as investment and strategic deployment.

In support of this strategy, the Company successfully completed the allotment and issue of 500,000,000 rights shares in November 2025, raising net proceeds of approximately HK$138 million. According to the intended use of the net proceeds from the rights issue, approximately 14.5% of the net proceeds, or approximately HK$20 million, will be allocated for selected mergers, acquisitions, and strategic investments, with a particular focus on exploring potential opportunities in the artificial intelligence sector.

Hence, based on the high recognition of the industry in which the Target Company operates, its future business development strategy, and the founder and his team, the Company considers that the Capital Increase aligns with the long-term development strategy of the Group and is conducive to the Company's strategic layout in the semiconductor and artificial intelligence sectors.

The Directors consider that the terms of the Capital Increase Agreement are fair and reasonable and in the interests of the shareholders of the Company as a whole.

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INFORMATION OF THE GROUP AND INTERSTELLAR QUANTUM

The Group is principally engaged in R&D, designing, manufacturing and sale of smart terminals, on-device artificial intelligence products, hardware, software and ecosystem, with a focus on expanding emerging markets.

Interstellar Quantum is a subsidiary of the Group set up to focus on R&D and design of on-device artificial intelligence products and humanoid intelligent robots.

INFORMATION OF THE TARGET COMPANY

The Target Company is a limited liability company incorporated under the laws of the PRC. The Target Company is principally engaged in the research, development and sales of software and hardware related to chips and artificial intelligence technologies.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Target Company and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings when used herein:

"Board"	the board of Directors
"Company"	Future Machine Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Capital Increase"	the capital increase in the Target Company by Interstellar Quantum pursuant to the Capital Increase Agreement

“Capital Increase Agreement”	the capital increase agreement entered into among Interstellar Quantum, the thirteen (13) other new investors, the Target Company, Mr. Wang Xiaobin* (王孝斌先生) (as the founder) and its existing shareholders in respect of the fourth angel round financing of the Target Company
“Capital Increase Amount”	RMB20,000,000, being the subscription price payable by Interstellar Quantum for the new registered capital in the Target Company
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HK$”	the lawful currency of Hong Kong
“Interstellar Quantum”	Shenzhen Interstellar Quantum Technology Co., Ltd.* (深圳星際量子科技有限公司), an indirect wholly-owned subsidiary of the Company
“Investors”	Interstellar Quantum and Other New Investors
“Listing Rules”	the rules governing the listing of securities on the Stock Exchange
“Other New Investors”	the thirteen (13) other new investors (excluding Interstellar Quantum) participating in the fourth angel round capital increase of the Target Company
“PRC”	the People’s Republic of China, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan for the purposes of this announcement
“R&D”	research and development
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	any entity within the meaning of the term “subsidiary” as defined in the Listing Rules and the term “subsidiaries” shall be construed accordingly

"Target Company"	Zhichen Semiconductor (Shenzhen) Co., Ltd.* (智辰半導體(深圳)有限公司), a limited liability company established under the laws of the PRC
"Transaction"	the transaction contemplated under the Capital Increase Agreement
"Transaction Documents"	the Capital Increase Agreement and other related transaction documents
"%"	per cent

By order of the Board
Future Machine Limited
Li Chengjun
Chairman

Hong Kong, 14 August 2026

The English translation of Chinese names or words in this announcement, where indicated by "", are included for information purpose only, and should not be regarded as the official English translation of such Chinese names or words.*

As at the date of this announcement, the executive Directors are Mr. LI Chengjun, Mr. XIONG Bin, Mr. WEN Chuanchuan, Mr. GUO Qinglin, Mr. HE Wenyuan and Mr. CHAN Hoi Shu, and the independent non-executive Directors are Mr. HUNG Wai Man, Mr. WONG Kwan Kit, Mr. LU Brian Yong Chen, and Ms. WANG Huihui.