



ADDRESSED BY

Board of Directors
Xiamen Intretech Technology Co., Ltd.

Explanation on the impact of the adjustment of the US tariff policy on the company's business

Recently, the U.S. government announced the implementation of a "reciprocal tariff" policy, imposing tariffs on its global trading partners. Xiamen Intretech Technology Co., Ltd. (hereinafter referred to as "the Company") closely monitors policy developments and promptly evaluates their impact on the Company's operations. The relevant information is outlined below:

1. Direct Exports to the U.S. Represent a Small Portion of Revenue, and Most Production is Handled by Overseas Manufacturing Bases.

The Company's direct exports to the U.S. primarily consist of household engraving machines, health and environmental products, and certain smart component products. These exports account for approximately 20%–30% of related product revenue. Prior to the announcement of this policy, the majority of these products were already being produced and delivered from our Smart Manufacturing Bases in Malaysia and Hungary.

2. Strong Product Customization, Diversified Portfolio, and Resilient Business Model Provide Risk Resistance.

The Company primarily serves internationally renowned and technology-driven enterprises. Our products are highly customized, which fosters strong customer loyalty and long-term partnerships. These customers operate across diverse sectors, including simulation and office automation, automotive systems, tobacco, and food industries. This diversity helps mitigate operational risks and strengthens business resilience.

In recent years, the Company has continued to optimize its product offerings, customer base, and industry positioning. We have established a balanced development model across multiple segments, including UDM, automotive electronics, health and environmental products, intelligent manufacturing solutions, and smart home systems. Among these, automotive electronics and health/environmental products have reached a meaningful scale and demonstrate promising growth prospects. The Company's low reliance on any single market and its diverse product, market, and customer portfolio enhance its ability to withstand external shocks.



ADDRESSED BY

Xiamen Intretech Technology Co., Ltd.

3. Early and Extensive International Expansion Supports Agility and Growth in a Changing Global Trade Landscape.

Since 2016, the Company has actively pursued an internationalization strategy. Our Malaysian and Hungarian Smart Manufacturing Bases, in operation for nearly a decade, feature modern industrial infrastructure, stable management teams, and efficient operations. These facilities currently absorb the production capacity for products impacted by tariffs. Their flexibility allows them to meet current customer needs and take on new product lines and customer orders.

Construction of a new Smart Manufacturing Base in Mexico is also underway and is expected to begin operations in the second half of 2025.

Furthermore, the Company maintains R&D and marketing centers in Switzerland, the United Kingdom, and the United States. These international teams provide robust support for R&D and market development across time zones, geographies, and industries. Our long-term commitment to global expansion has positioned the Company well to navigate and seize opportunities from shifts in international trade and economic dynamics.

4. Impact of the "Reciprocal Tariff" Policy and the Company's Response

The U.S. government's adoption of the "reciprocal tariff" policy is expected to have a limited effect on the Company's overall operations. Our Smart Manufacturing Bases are operating smoothly and ensuring timely, stable delivery of customer orders. The Company will continue to:

- Strengthen technological innovation
- Maintain its commitment to internationalization
- Advance global R&D, marketing, and manufacturing systems
- Leverage its early-mover advantage in global expansion
- Actively respond to challenges and seize emerging opportunities

Additionally, the Company will closely monitor policy development, adjust strategies as needed, and ensure stable, long-term development.

Hereby announced.

DATE

9 April 2025
