FOSHAN HAITIAN FLAVOURING AND FOOD COMPANY LTD.
佛山市海天調味食品股份有限公司
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock code: 3288)

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The Board of Directors resolved to approve the 2026 A Share Employee Stock Ownership Scheme (Draft) of the Company at the 12th Meeting of its 6th Session held on March 26, 2026. This Scheme shall be subject to the approval of the shareholders' meeting before its implementation.

IMPLICATIONS UNDER THE LISTING RULES

The 2026 A Share Employee Stock Ownership Scheme constitutes a share scheme under Chapter 17 of the Listing Rules and is subject to the applicable disclosure requirements under Rule 17.12 of the Listing Rules. However, it does not constitute a share scheme involving the issuance of new shares under Chapter 17 of the Listing Rules. In accordance with relevant Chinese laws and regulations, the 2026 A Share Employee Stock Ownership Scheme must be approved by the Shareholders at the shareholders' meeting.

The Participants of the 2026 A Share Employee Stock Ownership Scheme include the Company's Directors. Pursuant to Chapter 14A of the Listing Rules, the Company's Directors are connected persons of the Company, and participation by each of such Directors in the Employee Stock Ownership Scheme constitutes a connected transaction of the Company. For Directors, their participation in the Employee Stock Ownership Scheme forms part of the remuneration package under their respective service contracts with the Company. Therefore, pursuant to Rules 14A.73(6) and 14A.95 of the Listing Rules, such connected transactions are exempted from complying with the reporting, announcement and independent shareholders' approval requirements.

The Company will propose a resolution at the shareholders' meeting to consider and, if thought fit, approve, among others, the 2026 A Share Employee Stock Ownership Scheme. A circular containing, among others, details of the aforesaid resolution, together with a notice of the shareholders' meeting, will be published in due course.

I. PROPOSED ADOPTION OF THE 2026 A SHARE EMPLOYEE STOCK OWNERSHIP SCHEME

The Board of Directors resolved to approve the 2026 A Share Employee Stock Ownership Scheme (Draft) of the Company at the 12th Meeting of its 6th Session held on March 26, 2026. This Scheme shall be subject to the approval of the shareholders' meeting before its implementation.

The main terms of the 2026 A Share Employee Stock Ownership Scheme are as follows:

Objective

The Company has formulated the draft of this Scheme in accordance with the provisions of the *Company Law of the People's Republic of China,* the *Securities Law of the People's Republic of China,* the *Guiding Opinions on the Pilot Program of Employee Stock Ownership Schemes Implemented by Listed Companies* (《關於上市公司實施員工持股計劃試點的指導意見》), the *Self-regulatory Guidelines No. 1 for Companies Listed on the Shanghai Stock Exchange — Standardized Operation* (《上海證券交易所上市公司自律監管指引第 1 號－規範運作》), and other relevant laws, administrative regulations, rules, regulatory documents, as well as the Articles of Association.

Participants voluntarily participate in this Scheme in a legal and compliant manner. The purposes of holding the Company's shares are as follows:

(I) To further improve the Company's corporate governance structure, establish a long-term and effective incentive and restraint mechanism, optimize the Company's remuneration and appraisal system; to further unleash the initiative and creativity of the core management and key employees, attract, motivate and retain key employees who have a significant impact on the Company's future development, and promote the sustained, steady and rapid development of the Company.

(II) To establish a profit-sharing mechanism among the Company, its Shareholders and employees, and encourage all parties to jointly focus on the Company's long-term development, thereby bringing more efficient and sustainable returns to Shareholders.

Participants, criteria for determination and share allocation

(I) Legal basis for determining Participants

The Company has determined the list of Participants for this Scheme in accordance with the relevant provisions of the *Company Law of the People's Republic of China,* the *Securities Law of the People's Republic of China,* the *Guiding Opinions on the Pilot Program of Employee Stock Ownership Schemes Implemented by Listed Companies,* the *Self-regulatory Guidelines No. 1 for Companies Listed on the Shanghai Stock Exchange – Standardized Operation,* and other relevant laws, regulations, normative documents, as well as the Articles of Association, and in light of its actual circumstances. The scope of participation covers employees who have signed labor contracts with the Company or its subsidiaries.

(II) Criteria for determining Participants

1. Participants of this Scheme shall be determined in accordance with the relevant laws, regulations, normative documents including the *Company Law of the People's Republic of China,* the *Securities Law of the People's Republic of China,* the *Guiding Opinions on the Pilot Program of Employee Stock Ownership Schemes Implemented by Listed Companies,* the *Self-regulatory Guidelines No. 1 for Companies Listed on the Shanghai Stock Exchange — Standardized Operation,* as well as the Articles of Association. Participants shall take part in this Scheme in accordance with the principles of voluntary participation, compliance with laws and regulations, and assumption of risks by themselves.

   All Participants are employed by the Company or its subsidiaries, have signed labor contracts with the Company or its subsidiaries, and receive remuneration therefrom.

2. The core management team and key employees of the Company are the decisive force in ensuring the implementation of the Company's strategies and the improvement of its performance. Participants in this Scheme shall meet one of the following criteria:

   (1) Directors and senior management of the Company;

   (2) Middle-level management personnel of the Company;

   (3) Key personnel of the Company.

(III) Scope of Participants in this Scheme

The total number of Participants in this Scheme shall not exceed 800. Among them, the aggregate shareholding ratio of Directors and senior management of the Company participating in this Scheme shall not exceed 15%, and the current Participants as Directors and senior management of the Company include Dai Wen, Gui Junqiang, Liu Zhiqing, Xia Zhendong, Li Jun, and Ke Ying, totaling six people. The aggregate shareholding ratios are as shown in the table below. The amount and ratio of the interests of the Underlying Shares ultimately allocated to each Participant shall be determined based on the Participant's appraisal results during the Vesting Appraisal Period and their contribution level.

Name	Position	Proposed Shareholding Ratio
Dai Wen	Director	An aggregate of not more than 15% held by Directors and senior management of the Company
Gui Junqiang	Vice president	
Liu Zhiqing	Vice president	
Xia Zhendong	Vice president	
Li Jun	Chief financial officer	
Ke Ying	Secretary to the Board of Directors	
Other Participants	–	No less than 85% in aggregate
Total	–	100%

(IV) Verification of Participants

The Company shall engage a lawyer to issue a legal opinion on whether this Scheme and the qualifications of Participants comply with the provisions of relevant laws, regulations, normative documents, the Articles of Association, and other applicable requirements.

(V) Neither Shareholders holding 5% or more of the Company's shares nor the actual controller shall participate in this Scheme.

Source of funds, source of shares and scale

(I) Sources of funds

1. The source of funds for this Scheme is the incentive fund of the Company, i.e. the dedicated incentive fund for the stock ownership scheme of the Company in accordance with the relevant management regulations on remuneration of RMB184.35 million.

2. Under this Scheme, the Company shall not provide financial assistance to Participants or guarantee their loans, and no leveraged funds shall be involved.

3. Under this Scheme, there shall be no arrangements where a third party provides rewards, subsidies, guarantees, or similar arrangements for employees to participate in the Employee Stock Ownership Scheme.

(II) Source of the Underlying Shares involved

Source of the shares for this Scheme: The shares for this Scheme shall be the Company's own A Shares repurchased by itself.

Status of the Company's repurchased shares: The Company held the 5th Meeting of the 5th Board of Directors on October 30, 2023, at which the *Proposal on the Company's Share Repurchase Scheme* (hereinafter referred to as the "Repurchase Scheme") was reviewed and approved. The Company was approved to use its own funds to repurchase part of its shares through centralized bidding, for the purpose of implementing the Company's equity incentive scheme or Employee Stock Ownership Scheme. The repurchase price did not exceed RMB56.60 per share, and the repurchase amount was not more than RMB800 million and not less than RMB500 million. As of October 31, 2024, the aforementioned Repurchase Scheme has been completed. The Company has repurchased 15,289,491 shares, with the highest purchase price of RMB41.81 per share and the lowest purchase price of RMB33.05 per share. The total amount paid was RMB563,649,337.41 (excluding transaction fees), and the average repurchase price was RMB36.87 per share.

(III) Quantity of the Underlying Shares involved

The total number of shares held under this Scheme shall not exceed 10% of the total share capital of the Company. The total number of Underlying Shares corresponding to the share in the Employee Stock Ownership Scheme held by any single Participant shall not exceed 1% of the total share capital of the Company.

The total number of Underlying Shares shall exclude the shares obtained by Participants prior to the Company's initial public offering (IPO) and listing, the shares purchased by Participants themselves through the secondary market, and the shares obtained by Participants through equity-based incentives.

The shares of this Scheme shall be sourced from the shares to be transferred from the Company's special securities account for repurchased shares. The transfer price of such shares shall be RMB36.87 per share. Calculated based on the total amount of RMB184.35 million of this Scheme, the total number of shares to be transferred from the repurchase account shall be 5,000,000 shares.

The Management Committee shall vest the interests of the Underlying Shares corresponding to each Participant to the Participant, based on the achievement of the Company's performance assessment indicators (if applicable), as well as the Participant's appraisal results and contribution level during the Vesting Appraisal Period. Any remaining unallocated Underlying Shares and their corresponding dividends (if any) shall be fully recovered by the Management Committee.

(IV) Purchase price of shares and explanation of reasonableness

The shares of this Scheme are sourced from the shares repurchased and held in the Company's special repurchase account. The existing shares held in the Company's special securities account for repurchased shares will be obtained through non-trading transfer or other methods permitted by laws and regulations, with the transfer price of such shares of RMB36.87 per share, being the average price of the repurchased shares in the Company's special repurchase account as of October 31, 2024.

Duration, Lock-up Period, Modification and Termination

(I) Duration

1. The basic duration of this Scheme is 36 months, calculated from the date on which the Company announces the completion of the transfer of the last batch of Underlying Shares of this Scheme into the name of this Scheme. This Scheme shall terminate automatically upon the expiration of its duration if no extension is granted; alternatively, its duration may be extended upon the proposal of the Employee Stock Ownership Scheme Management Committee and the approval of the Board of Directors after deliberation.

2. If the Company's shares held under this Scheme cannot be fully liquidated before the expiration of this Scheme's duration due to the suspension of trading of shares of the Company, blackout periods, or similar circumstances, the duration may be extended upon the proposal of the Management Committee and the approval of the Board of Directors after deliberation.

(II) Lock-up Period of the Underlying Shares

1. A 12-month Lock-up Period for this Scheme shall commence from the date on which the Company discloses the announcement of completing the transfer of the repurchased Underlying Shares from the Company's special securities account for repurchased shares. During the Lock-up Period, no transactions shall be conducted, including but not limited to transfer, mortgage/pledge, use as collateral for loans, and provision of guarantees. Upon the expiration of the Lock-up Period, this Scheme shall strictly comply with market trading rules, as well as the securities regulatory rules of the place where the Company's shares are listed regarding the prohibition of share trading during insider trading blackout periods.

2. During the Lock-up Period, if the Company has the capital reserve converted into share capital or the share dividends issued, the newly acquired shares shall also be locked up and shall not be sold in the secondary market or transferred in any other manner. The unlocking date of such shares shall be the same as that of the corresponding shares.

3. The Lock-up Period of this Scheme is set based on the principle of balancing incentives and constraints. On the premise of compliance with laws and regulations, while fully incentivizing employees, the Lock-up Period can also impose corresponding constraints on them. This will more effectively align the interests of Participants with those of the Company and its Shareholders, achieve the Company's objectives of this Scheme, and thereby promote the Company's further development.

(III) Modification of the Employee Stock Ownership Scheme

During the duration of this Scheme, any material and substantive modification to this Scheme shall be approved by Participants representing more than one-half of the total shares present at the Participants' meeting, and shall then be submitted to the Company's Board of Directors for review and approval.

(IV) Termination of the Employee Stock Ownership Scheme

This Scheme shall terminate automatically upon the expiration of its duration; alternatively, its duration may be extended upon the proposal of the Employee Stock Ownership Scheme Management Committee and the approval of the Board of Directors after deliberation.

Vesting and Disposal of share interests under this Scheme

(I) Vesting of share interests during the duration

1. During the Vesting Appraisal Period, the Underlying Shares and their interests shall be held under this Scheme. Upon the expiration of the corresponding Vesting Appraisal Period of this Scheme, the interests of the Underlying Shares shall be vested into the Participants' accounts (i.e., transferred into the names of the Participants) based on the Company's performance during the Vesting Appraisal Period (if applicable), as well as the Participants' performance assessment results and contribution levels.

   The Underlying Shares of this Scheme that remain unvested to Participants and their corresponding dividends (if any) shall be recovered free of charge by the Employee Stock Ownership Scheme Management Committee, and may be disposed of in the following ways: (1) Continuously used for the Employee Stock Ownership Scheme during the duration; (2) Being handled in accordance with the applicable laws and regulations in effect before the expiration of this Scheme.

2. The Company's performance assessment indicator corresponding to this Scheme is a compound annual growth rate of no less than 11.5% in the net profit attributable to the parent in 2027, with 2025 as the baseline (the calculation of such indicators shall exclude the impact of following matters: mergers, acquisitions, restructuring and capital operations (if any) occurring during the assessment years). The scope of Participants targeted by this performance assessment indicator includes the Company's Directors, senior management and some relevant business leaders (hereinafter referred to as "Category I Participants"); other Participants except Category I Participants (hereinafter referred to as "Category II Participants", if any) shall, in principle, not be subject to the restriction of this performance assessment indicator.

3. Category I Participants: If the Company's performance assessment indicators are achieved, the interests of the Underlying Shares under this Scheme to be vested in each Participant shall be determined based on their individual performance assessment results and contribution levels during the Vesting Appraisal Period. Such interests shall be transferred to the Participants' names. Category II Participants: In principle, the interests of the Underlying Shares under this Scheme to be vested in each Participant shall be directly determined based on their individual performance assessment results and contribution levels during the Vesting Appraisal Period. Such interests shall be transferred to the Participants' names.

(II) Methods for handling the vesting of share interests

Participants shall strictly comply with market trading rules, as well as the securities regulatory rules of the place where the Company's shares are listed that prohibit share trading during insider trading blackout periods. If a Participant conducts share trading, they shall operate independently through their personal securities account. Matters regarding the financial treatment, accounting treatment, taxation, and other related issues of this Scheme shall be handled in accordance with relevant laws, regulations, and normative documents. Participants shall bear their own individual income tax liabilities.

(III) Modification and termination of Participant

1. If a Participant falls under any of the following circumstances, the Management Committee shall recover all the interests of the Underlying Shares of the Participant free of charge (regardless of whether such interests have been transferred to the Participant's name, and regardless of whether the Participant is still employed by the Company or has left): (1) Violating laws and being subject to legal sanctions; (2) Violating professional ethics, disclosing the Company's confidential information, being derelict in duties or committing malfeasance, seriously violating the Company's rules and regulations, or causing serious losses to the Company, etc.; (3) Violating non-compete obligations and damaging the Company's interests or reputation; (4) Being involved in other circumstances as determined by the Management Committee.

2. During the duration of the Employee Stock Ownership Scheme, if, due to circumstances other than those mentioned above (including resignation, retirement, death, or other situations rendering the Participant no longer eligible to participate in this Scheme, etc.), there remain unvested interests of the Underlying Shares of this Scheme, such unvested interests of the Underlying Shares shall be recovered free of charge by the Management Committee or distributed to other Participants as determined by the Management Committee.

(IV) Methods for disposal of shares after the expiration of this Scheme

After the expiration of the Vesting Appraisal Period of this Scheme and the transfer of shares by the Management Committee to the accounts of this Scheme's Participants, this Scheme may be terminated in advance.

The duration of this Scheme may be extended upon the proposal of the Management Committee and the approval of the Board of Directors after deliberation. If the duration expires without extension, liquidation shall be completed within 30 working days after the expiration of the duration, and the Management Committee shall return all proceeds to the Company.

Management Mode

This Scheme shall be managed by the Company itself. The Participants' Meeting shall be the supreme authority of the Employee Stock Ownership Scheme. A Management Committee shall be elected through the Participants' Meeting to supervise the daily management of the Employee Stock Ownership Scheme, exercise shareholder rights on behalf of the Participants or authorize a management institution to exercise such rights, implement the specific provisions of the Employee Stock Ownership Scheme, and effectively safeguard the legitimate rights and interests of the Participants under the Employee Stock Ownership Scheme.

II. IMPLICATIONS UNDER THE LISTING RULES

The 2026 A Share Employee Stock Ownership Scheme constitutes a share scheme under Chapter 17 of the Listing Rules and is subject to the applicable disclosure requirements under Rule 17.12 of the Listing Rules. However, it does not constitute a share scheme involving the issuance of new shares under Chapter 17 of the Listing Rules. In accordance with relevant Chinese laws and regulations, the 2026 A Share Employee Stock Ownership Scheme must be approved by the Shareholders at the shareholders' meeting.

The Participants of the 2026 A Share Employee Stock Ownership Scheme include the Company's Directors. Pursuant to Chapter 14A of the Listing Rules, the Company's Directors are connected persons of the Company, and participation by each of such Directors in the Employee Stock Ownership Scheme constitutes a connected transaction of the Company. For Directors, their participation in the Employee Stock Ownership Scheme forms part of the remuneration package under their respective service contracts with the Company. Therefore, pursuant to Rules 14A.73(6) and 14A.95 of the Listing Rules, such connected transactions are exempted from complying with the reporting, announcement and independent shareholders' approval requirements.

The Company will propose a resolution at the shareholders' meeting to consider and, if thought fit, approve, among others, the 2026 A Share Employee Stock Ownership Scheme. A circular containing, among others, details of the aforesaid resolution, together with a notice of the shareholders' meeting, will be published in due course.

III. DEFINITION

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

"2026 A Share Employee Stock Ownership Scheme" or "Employee Stock Ownership Scheme" or "Scheme"	the 2026 A Share Employee Stock Ownership Scheme implemented in accordance with the *2026 A Share Employee Stock Ownership Scheme (Draft) of Foshan Haitian Flavouring and Food Company Ltd.*
"Articles of Association"	the *Articles of Association* of Foshan Haitian Flavouring and Food Company Ltd.
"A Shares"	the ordinary shares of the Company with a par value of RMB1.00 per share, listed on the SSE and traded in Renminbi
"Board of Directors"	the Board of Directors of the Company
"Company"	Foshan Haitian Flavouring and Food Company Ltd., a PRC company established on April 8, 2000, whose A Shares are listed on the SSE (Stock Code: 603288) and H Shares are listed on the Stock Exchange (Stock Code: 03288)
"Directors"	the directors of the Company
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"H Shares"	the ordinary shares of the Company with a par value of RMB1.00 per share, listed on the Stock Exchange and traded in Hong Kong Dollars
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
"Lock-up Period"	a period of 12 months starting from the date on which the Company discloses the announcement of the transfer of the Underlying Shares under the Scheme. In case of any changes to the regulatory policies in the future, the provisions of the regulatory policies shall prevail
"Management Committee"	the management committee of this Scheme
"Participant(s)"	the personnel(s) of the Company who participate in the Scheme

"Participants' Meeting"	the Participants' meeting under the Scheme
"RMB"	Renminbi, the legal currency of the People's Republic of China
"Shareholders"	the holders of the Company's shares
"SSE"	Shanghai Stock Exchange
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Underlying Shares"	the A Shares of the Company
"Vesting Appraisal Period"	the years of 2026 and 2027

The Board of Directors
Foshan Haitian Flavouring and Food Company Ltd.

Hong Kong, March 26, 2026

As at the date of this announcement, the Board of Directors comprises: (i) Ms. CHENG Xue, Mr. GUAN Jianghua, Mr. HUANG Wenbiao, Mr. WEN Zhizhou, Mr. LIAO Changhui and Mr. DAI Wen as executive directors; and (ii) Mr. ZHANG Kechun, Mr. QU Wenzhou and Mr. DING Bangqing as independent non-executive directors.