Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

Huaqin Co., Ltd.
華勤技術股份有限公司
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock code: 3296)

PROPOSED PROFIT DISTRIBUTION AND CAPITALIZATION OF CAPITAL RESERVE FOR THE YEAR 2025

References are made to the announcement dated April 29, 2026 (the "**Announcement**") and the annual general meeting circular dated April 29, 2026 (the "**Circular**") in relation to, among other things, the proposed adjustment to the Company's profit distribution plan and capitalization of capital reserve for the year 2025 (the "**Adjustment to the 2025 Profit Distribution Plan and Capital Reserve Capitalization Plan**").

The Board wishes to provide the following additional information to its Shareholders to facilitate the consideration of the proposed special resolution numbered (4) at the forthcoming Annual General Meeting.

ADJUSTMENT TO THE 2025 PROFIT DISTRIBUTION PLAN AND CAPITAL RESERVE CAPITALIZATION PLAN

As disclosed in the Announcement and the Circular, the Company made adjustment to its dividend plan for year 2025 and proposed to distribute a cash dividend of RMB12 per 10 Shares (tax inclusive) to all shareholders. As of April 29, 2026, the total A Shares and H Shares of the Company was 1,074,280,544 Shares. After deducting 215,947 Shares in the Company's dedicated securities account for A Share repurchases, the total cash dividend proposed to be distributed was calculated at RMB1,288,877,516.40 (tax inclusive), representing 31.8% of the Company's net profit attributable to shareholders of the listed company in the consolidated financial statements for the year 2025.

The Company proposed to capitalize its capital reserve by allotting 4 shares for every 10 shares to all Shareholders. As of April 29, 2025, the total A Shares and H Shares of the Company was 1,074,280,544 Shares. After deducting 215,947 A Shares which are held as treasury shares in the Company's dedicated securities account for A Share repurchases, the total number of Shares after completion of the Capitalization Issue will be 1,503,906,383 Shares (where the total share capital of the Company shall be subject to the final registration results of CSDC and any discrepancy due to rounding).

In the event of change in the total issued share capital of the Company before the record date for profit distribution, the total number of new Shares to be issued out of capital reserve to all Shareholders will be adjusted accordingly.

The Capitalization Issue is subject to, amongst others, the following conditions:

(i) approval by the Shareholders by way of special resolution(s) at the Annual General Meeting to be held on Wednesday, May 20, 2026;

(ii) the Stock Exchange granting the listing of, and permission to deal in, the Capitalization H Shares; and

(iii) compliance with the relevant legal procedures and requirements under the PRC Company Law, the Articles of Association and other applicable laws, rules and regulations to effect the Capitalization Issue.

There were no outstanding options, convertible bonds, warrants or other similar securities of the Company which are convertible into Shares, as of the date of this announcement.

As of the date of this announcement, the Company's dedicated securities account for repurchases held 215,947 A Shares, representing approximately 0.02% of the Company's total share capital of 1,074,280,544 Shares, and the Company did not hold any H Shares as treasury shares. No A Shares held in the Company's dedicated securities account for repurchases and other treasury Shares would be subject to the Adjustment to the 2025 Profit Distribution Plan and Capital Reserve Capitalization Plan.

Reasons for the Capitalization Issue

As of December 31, 2025, the balance of capital reserve as shown at the financial statement of the Company amounted to approximately RMB10,724.87 million. The Company has sufficient capital reserve for the conversion of capital reserve into share capital under the Adjustment to the 2025 Profit Distribution Plan and Capital Reserve Capitalization Plan. Based on the expectations on the future development of the Company, and with reference to the overall financial status of the Company, the Board proposed the Adjustment to the 2025 Profit Distribution Plan and Capital Reserve Capitalization Plan. Based on the expectations on the future development of the Group, and with reference to the overall financial status of the Group, the Board proposed the 2025 Profit Distribution and Capital Reserve Capitalization Plan. The Board believes that the Capitalization Issue will allow the Shareholders to enjoy a pro-rata increase in the number of Shares held by them in the Company without incurring any significant costs to them, and further afford the Shareholders with more flexibility in managing their own investment portfolios. For example, Shareholders may dispose of a portion of the Shares to realize a cash return to meet their own financial needs or to make a capital gain under favourable market condition whilst at the same time choosing to hold the remaining portion of the Shares for long term investment to receive more cash dividend in the future. Therefore, the Board expects that the Capitalization Issue would enhance the liquidity of the Shares in the market. Besides, it is expected that the trading price per Share traded after ex-entitlement to the Capitalization Shares would decrease after the Capitalization Issue. By way of illustration only, the closing price per H Share as quoted on the Stock Exchange as of the Latest Practicable Date for issuing the Circular (being April 28, 2026) was HK$91.50 and the board lot value of the Shares as of the Latest Practicable Date was HK$9,150. As the total number of Shares to be held by the Shareholders would increase by 40% had the Capitalization Issue taken place, the market value per board lot would theoretically decrease by approximately

28.6% after the Capitalization Issue. With reference to the aforementioned closing price per H Share, the theoretical board lot value as a result of the Capitalization Issue would be approximately HK$6,536. The decrease in trading price for each Share will reduce transaction costs incurred by the Shareholders and potential investors of the Company for acquiring each board lot of Shares in future, which may attract more investors to buy Shares on the Stock Exchange, and hence is expected to broaden the Shareholder base of the Company.

In determining the ratio of the Capitalization Issue on the basis of 4 new Shares for every 10 existing Shares, the Board has considered (i) the number of Capitalization Shares that the Company will issue (i.e. 429,625,839 Shares, comprising of 406,206,559 A Shares and 23,419,280 H Shares) pursuant to the Capitalization Issue, (ii) the existing board lot size of 100 Shares, with a view to minimize the creation of odd lots and aggregation of fractional Shares as a result of the Capitalization Issue, (iii) the amount to be capitalised out of the capital reserve account of the Company as a result of the Capitalization Issue (i.e. approximately RMB429 million), and (iv) the requirement of the Guidelines No.1 of the Shanghai Stock Exchange for Self-Regulation of Listed Companies – Standardised Operations (《上海證券交易所自律監管指引第1號－規範運作》) that provides that a company listed on the Shanghai Stock Exchange shall comply with the PRC Company Law, the Articles of Association and other applicable laws and regulations in the PRC conducting a capitalization issue at a high ratio, i.e. a ratio exceeding five capitalization shares for every ten existing shares. Accordingly, the Directors believe that the Capitalization Issue will be in the interest of the Company and the Shareholders as a whole.

As of the date of this announcement, the Company does not have any present intention or concrete plan to conduct any equity fundraising activity in the next 12 months.

Status of the Capitalization Shares

The Capitalization Shares will, subject to the Articles of Association, rank *pari passu* in all respects with the Shares in issue on the date of the issue of the Capitalization Shares. Holders of the Capitalization Shares will be entitled to receive all future dividends and distributions (if any) which are declared, made or paid after the date on which the Capitalization Shares are allotted and issued. The Capitalization Issue should not result in any change to the rights of the Shares. The Capitalization Issue is non-renounceable.

Overseas H Shareholders

As of the Latest Practicable Date, according to the latest register of members available to the Company, none of the H Shareholders as recorded on the register of members of the Company had an address which is outside Hong Kong.

Upon the proposed Capitalization Issue becoming unconditional, the Company will consider if there are any overseas H Shareholders located in other jurisdictions, and if there are such overseas H Shareholders, then the Company will make enquiry regarding the legal restrictions (if any) under the laws of the relevant places and the requirements of the relevant regulatory bodies for the relevant overseas H Shareholders to be eligible to take part in the Capitalization Issue pursuant to the Listing Rules.

Taxation

According to the relevant provisions of the State Administration of Taxation of the PRC, the Capitalization Issue shall be proceeded by the capital reserve from equity, which will not be treated as income in the nature of dividends or bonuses for the investor. As a result, there will be no levy of PRC taxation in respect of the Capitalization Issue, and the Company will not withhold personal income tax or corporate income tax on behalf of the investor.

Trading in the new H Shares is subject to Hong Kong stamp duty.

Should the H Shareholders have any doubt in relation to the taxation arrangements, they are recommended to consult their tax advisors for relevant tax impact in the PRC, Hong Kong and other countries (regions) on the possession and disposal of the H Shares.

Effect to the Shareholding upon completion of the Capitalization of Issue

Set out below is the shareholding structure of the Company as of April 23, 2026 (being the Listing Date) and immediately upon completion of allotment and issue of Capitalization Shares (assuming that no other Shares are allotted or issued and no existing Shares are repurchased or cancelled prior to the record date(s) in respect of holders of H Shares and A Shares by reference to their entitlements to the Capitalization Issue, upon satisfaction of the conditions set out above) for illustration only:

	As of the Listing Date		**Immediately upon completion of the Capitalization Issue**	
	Number of Shares	**Approximate percentage of total issued Shares**	**Number of Shares**	**Approximate percentage of total issued Shares**
H Shares				
Public H Shareholders	58,548,200	5.45%	81,967,480	5.45%
Sub-total	58,548,200	5.45%	81,967,480	5.45%
A Shares				
Controlling Shareholders Group [(1)]	440,515,043	41.01%	616,721,060	41.01%
A Shares held in the Company's dedicated securities account for repurchases	215,947	0.02%	215,947	0.01%
Other Directors and their associates [(2)]	56,874,280	5.29%	79,623,992	5.29%
Other public A Shareholders	518,127,074	48.23%	725,377,904	48.23%
Sub-total	1,015,732,344	94.55%	1,421,938,903	94.55%
Total number of issued Shares	**1,074,280,544**	**100.00%**	**1,503,906,383**	**100.00%**

Notes:

(1) As of the Listing Date, Mr. Qiu Wensheng (邱文生), Shanghai Aoqin Information Technology Co., Ltd. (上海奧勤信息科技有限公司) ("**Shanghai Aoqin**"), Shanghai Haixian Information Technology Co., Ltd. (上海海賢信息科技有限公司) ("**Shanghai Haixian**"), Mr. Qiu Wenhui (邱文輝), Ms. Lin Min (林敏) and Fujian Yuexiang Investment Partnership Enterprise (Limited Partnership) (福建悦翔投資合夥企業(有限合夥)) ("**Fujian Yuexiang**") were in aggregate entitled to exercise the voting rights attached to 440,515,043 Shares and constituted our Controlling Shareholders (the "**Controlling Shareholders Group**") pursuant to the applicable PRC laws and regulations and Rule 19A.14 of the Listing Rules. Among the Controlling Shareholders Group, as of the Listing Date:

(a) Mr. Qiu Wensheng is a direct beneficial owner of 48,746,040 Shares of our Company and controls 321,300,000 Shares of our Company through Shanghai Aoqin and 56,700,000 Shares of our Company through Shanghai Haixian. Both Shanghai Aoqin and Shanghai Haixian are ultimately controlled by Mr. Qiu Wensheng.

(b) Mr. Qiu Wenhui, brother of Mr. Qiu Wensheng, is a direct beneficial owner of 18,060 Shares of our Company and controls 13,750,943 Shares of our Company through Fujian Yuexiang, which was held by Mr. Qiu Wenhui as to 90% as a limited partner and as to 10% by Ms. Lin Min (the spouse of Mr. Qiu Wenhui) as the general partner of Fujian Yuexiang.

(2) These include the direct beneficial ownership of A Shares by our Directors, namely, Mr. Cui Guopeng (崔國鵬), Mr. Wu Zhenhai (吳振海), Ms. Chen Xiaorong (陳曉蓉), Ms. Xi Pinghua (奚平華) and Mr. Mr. Hu Saixiong (胡賽雄).

(3) Certain figures and percentage figures included in the above table have been subject to rounding adjustments.

Based on the information available to the Company and to the knowledge of the Board, upon completion of the Capitalization Issue, the market value of the H Shares held by the public is expected to be over HK$1 billion. Accordingly, the Company will still be able to comply with the open market requirements and maintain sufficient public float upon completion of the Capitalization Issue as prescribed under 19A.28B(2) of the Listing Rules.

Application for Listing

Application will be made by the Company to the listing committee of the Stock Exchange for the approval for the listing of, and permission to deal in, the Capitalization H Shares. The Capitalization A Shares will be listed on the Main Board of the Shanghai Stock Exchange. Subject to the satisfaction of the conditions as set out in this circular (including but not limited to the granting of the aforesaid listing approval by the Stock Exchange), the Capitalization H Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS. All necessary arrangements will be made by the Company for the Capitalization H Shares to be admitted into CCASS. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

Aside from the Stock Exchange, the Capitalization H Shares will not be listed at or dealt in any other stock exchanges, and the Company is not currently seeking for or proposing to seek for the listing at or dealing in any other stock exchanges for the Capitalization H Shares.

Subject to the Capitalization Issue becoming unconditional, the certificates for the Capitalization H Shares will be despatched by ordinary post to the H Shareholders who are entitled thereto at their own risk. In case of joint shareholding, the certificates for the Capitalization H Shares will be posted to the first named person on the H Shareholder's register in respect of such joint shareholding. The Capitalization H Shares are expected to commence dealing on the Stock Exchange no later than Thursday, June 4, 2026.

Record Date

The record date for determining the entitlement of the H Shareholders to the Capitalization Issue will be on Tuesday, June 2, 2026. Registers of members of the Company will be closed from Wednesday, May 27, 2026 to Tuesday, June 2, 2026, both days inclusive, during which no transfer of H Shares will be effected. For the purpose of determining the entitlement of the H Shareholders to the Capitalization Issue, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for holders of the Company's H Shares) no later than 4:30 p.m. on Tuesday, May 26, 2026.

Fractional Capitalization Shares

The Capitalization H Shares will be issued on a pro rata basis and any fractional Shares (if any) will be rounded down to the nearest whole unit. No fractional Shares will be issued and distributed pursuant to the Capitalization Issue but will be aggregated and sold for the benefit of the Company.

In respect of A Shareholders, in accordance with requirements under the Guideline of the Shanghai Branch of CSDC on Business of Security Issuers (《中國證券登記結算有限責任公司上海分公司證券發行人業務指南》), in the event of registration of fractional shares, CSDC requires that the fractional shares less than one share arising from the issuance of bonus shares or the issuance of shares by capitalization of capital reserve are sorted in descending order by the number of fractional shares held by shareholders, and if the numbers of fractional shares are same, they shall be sorted randomly by electronic settlement system. The CSDC shall register them as one share one by one according to the order until the issuance of bonus shares or the issuance of shares by capitalization of capital reserve is completed. Accordingly, no fractional Capitalization A Shares shall be allotted to A Shareholders under the Capitalization Issue.

The Capitalization H Shares arising from the Capitalization Issue may be allotted in odd lot (i.e. less than a board lot of 100 H Shares). No special dealing arrangements will be put in place by the Company to facilitate the trading or disposal of the Capitalization H Shares in odd lots. Shareholders should be aware that odd lots usually trade at a discount to the price of board lots.

Risk Warning for Trading in H Shares

H Shareholders should note that H Shares are expected to be traded on ex-entitlement basis commencing from Friday, May 22, 2026. The Capitalization Issue will not be carried out until satisfaction of the conditions to the Capitalization Issue as set out in this circular. Any person who deals in H Shares on ex-entitlement basis prior to the satisfaction of the conditions and obtaining of the approval will be subject to the risk that the relevant proposal may not become unconditional or fail to proceed.

Shareholders or potential investors shall seek professional advice from their own professional consultants should they have any doubt on their situations.

If the Company's total issued Shares and the number of repurchased Shares change between the date of disclosure of this plan and the record date for determining H Shareholders' entitlement to the the Adjustment to the 2025 Profit Distribution Plan and Capital Reserve Capitalization Plan, the Company will adjust the total cash dividend amount according to the principle of "fixed cash dividend distribution ratio" and adjust the total amount of capital reserve capitalization according to the principle of "fixed capital reserve capitalization ratio", both based on the number of total issued Shares (but excluding the A Shares held in the Company's dedicated securities account for repurchases) on the record date for determining H Shareholders' entitlement to the the Adjustment to the 2025 Profit Distribution Plan and Capital Reserve Capitalization Plan.

Expected Timetable for the Capital Reserve Capitalization Plan in respect of the issue of new H Shares

The expected timetable for the Adjustment to the 2025 Profit Distribution Plan and Capital Reserve Capitalization Plan (in respect of the issue of the new H Shares), which are subject to the Shareholders' approval at the Annual General Meeting as set forth below is indicative only and has been prepared on the assumption that all conditions of the Adjustment to the 2025 Profit Distribution Plan and Capital Reserve Capitalization Plan will be fulfilled. Any consequential changes to the expected timetable will be announced in a separate announcement by the Company as and when appropriate.

Latest time for lodging transfer documents of H Shares for entitlement to attend and vote at the Annual General Meeting	4:30 p.m. on Thursday, May 14, 2026
Closure of the H Share register of members for determining H Shareholders' entitlement to attend and vote at the Annual General Meeting	Friday, May 15, 2026 to Wednesday, May 20, 2026 (both days inclusive)
Record date for determining entitlement to attend and vote at the Annual General Meeting	Wednesday, May 20, 2026
Latest time for lodging proxy forms for the Annual General Meeting	9:00 a.m. on Tuesday, May 19, 2026
Annual General Meeting	9:00 a.m. on Wednesday, May 20, 2026

Publication of the poll results of the Annual General Meeting	Wednesday, May 20, 2026
Last day of dealings in H Shares on a cum-entitlement basis	Thursday, May 21, 2026
First day of dealings in H Shares on an ex-entitlement basis	Friday, May 22, 2026
Latest time for lodging transfer documents of H Shares for entitlement to the Adjustment to the 2025 Profit Distribution Plan and Capital Reserve Capitalization Plan	4:30 p.m. on Tuesday, May 26, 2026
Closure of the H Share register of members for determining H Shareholders' entitlement to the Adjustment to the 2025 Profit Distribution Plan and Capital Reserve Capitalization Plan	Wednesday, May 27, 2026 to Tuesday, June 2, 2026 (both days inclusive)
Record date for determining H Shareholders' entitlement to the Adjustment to the 2025 Profit Distribution Plan and Capital Reserve Capitalization Plan	Tuesday, June 2, 2026
Despatch of share certificate for the Capitalization H Shares	Wednesday, June 3, 2026
Dealing in the Capitalization H Shares commence	9:00 a.m. on Thursday, June 4, 2026
Distribution date of 2025 Profit Distribution Plan	Wednesday, June 17, 2026

Notes:

1. References to dates and times above refer to Hong Kong time.

2. For the avoidance of doubt, any person(s) who become Shareholder(s) after 4:30 p.m., Thursday, May 14, 2026 will not be entitled to attend and vote at the Annual General Meeting.

DEFINITIONS

Unless otherwise defined in this announcement, capitalized terms used herein shall have the same meanings given thereto in the Announcement and the Circular. Unless the context otherwise requires, the terms used in this announcement shall have the following meanings:

"A Share(s)"	ordinary shares issued by our Company, with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange and traded in RMB
"A Shareholder(s)"	holder(s) of A Share(s)
"associate(s)"	has the meaning ascribed to it under the Hong Kong Listing Rules
"Board"	the board of directors of the Company
"Capitalization A Shares"	the new A Shares to be issued by the Company pursuant to the Adjustment to the 2025 Profit Distribution Plan and Capital Reserve Capitalization Plan
"Capitalization H Shares"	the new H Shares to be issued by the Company pursuant to the Adjustment to the 2025 Profit Distribution Plan and Capital Reserve Capitalization Plan
"Capitalization Issue"	the proposed capitalization of the Company's capital reserve by allotting four Shares for every ten Shares to all Shareholders under the Adjustment to the 2025 Profit Distribution Plan and Capital Reserve Capitalization Plan
"Company"	Huaqin Co., Ltd. (華勤技術股份有限公司), a joint stock company with limited liability established under the laws of the PRC, the A Shares of which have been listed on the Main Board of the Shanghai Stock Exchange (stock code: 603296) and the H Shares of which have been listed on the Main Board of the Hong Kong Stock Exchange
"Controlling Shareholders"	has the meaning ascribed to it under the Hong Kong Listing Rules
"CSDC"	China Securities Depository and Clearing Corporation (中國證券登記結算有限責任公司)
"Directors"	the directors of the Company
"Group"	the Company and its subsidiaries
"H Share(s)"	overseas listed foreign shares in our ordinary share capital with a nominal value of RMB1.00 each, which are listed on the Main Board of the Stock Exchange and traded in HKD
"H Shareholder(s)"	holder(s) of H Share(s)

"Hong Kong"	Hong Kong Special Administrative Region of the PRC
"HKD"	Hong Kong dollars, the lawful currency of Hong Kong
"Listing Date"	April 23, 2026, the date on which the H Shares are listed on the Main Board of the Stock Exchange
"PRC" or "China"	the People's Republic of China (中華人民共和國), which excludes, except where the context requires, for the purpose of this announcement and for geographical reference only, except where the context requires, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan, China
"RMB"	Renminbi, the lawful currency of the PRC
"Shanghai Stock Exchange" or the "SSE"	The Shanghai Stock Exchange
"Share(s)"	A Share(s) and H Share(s) of the Company
"Shareholder(s)"	holder(s) of A Share(s) and H Share(s)
"Stock Exchange" or "Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"%"	per cent

For ease of reference, the names of the Chinese laws and regulations, government authorities, institutions, natural persons or other entities have been included in this announcement in both the Chinese and English languages. In the event of any inconsistency, the Chinese name shall prevail.

By order of the Board
Huaqin Co., Ltd.
QIU Wensheng
Chairman of the Board and Executive Director

Hong Kong, May 6, 2026

As at the date of this announcement, Directors of the Company are: (i) Mr. Qiu Wensheng, Mr. Cui Guopeng, Mr. Wu Zhenhai, Ms. Chen Xiaorong, Ms. Xi Pinghua and Mr. Deng Zhiguo as executive Directors; and (ii) Mr. Hu Saixiong, Mr. Huang Zhiguo and Dr. Yu Fang as independent non-executive Directors.