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Innovativity To Productivity

PRODUCTIVE TECHNOLOGIES COMPANY LIMITED

普達特科技有限公司*

(Incorporated in Bermuda and continued in the Cayman Islands with limited liability)

(Stock Code: 650)

GRANT OF AWARDS PURSUANT TO 2025 SHARE AWARD SCHEME

This announcement is made by Productive Technologies Company Limited (the "**Company**") pursuant to Rules 17.06A, 17.06B and 17.06C of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").

References are made to the circular of the Company (the "**Circular**") dated 11 April 2025 and the announcement of the Company dated 29 April 2025 in relation to the 2025 Share Award Scheme. Reference is also made to the announcement of the Company dated 14 May 2025 in relation to the grant of awards pursuant to the 2025 Share Award Scheme. Unless otherwise defined, terms used in this announcement shall have the same meanings as ascribed to them in the Circular.

GRANT OF AWARD SHARES

The Board announces that on 20 May 2026, the Company granted an aggregate of 26,303,426 Awards, representing 26,303,426 Awarded Shares (0.35% of the total number of Shares in issue as at the date of this announcement), to 38 employees of the Company and its subsidiaries (the "**Grantees**") pursuant to the terms of the 2025 Share Award Scheme at nil consideration, subject to the acceptance by each of the Grantees, as incentives for their continuing and/or future contributions to the Company and its subsidiaries.

The 26,303,426 Award Shares shall be satisfied by way of (i) allocation of 23,733,248 migrated returned Shares previously granted to certain selected participants who ceased to be eligible participants or whose vesting conditions (including performance targets) were not met under the 2021 Share Award Scheme; and (ii) allotment and issuance of 2,570,178 new Shares to the Trustee as fully paid at nominal value pursuant to the terms of the 2025 Share Award Scheme under the Scheme Mandate Limit.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, none of the Grantees is (i) a director, chief executive or substantial Shareholder of the Company and its subsidiaries, or an associate of any of them; (ii) a participant with options and awards granted and to be granted exceeding the 1% individual limit under the Listing Rules; or (iii) a related entity participant or service provider with options and awards granted and to be granted in any 12-month period exceeding 0.1% of the issued Shares (excluding Treasury Shares).

Details of the grant of Awards are set out below:

Date of grant	:	20 May 2026
Number of Grantees	:	38 employees of the Company and its subsidiaries
Number of Awards granted	:	26,303,426 Awards, representing 26,303,426 Award Shares (0.35% of the total number of Shares in issue as at the date of this announcement)
Purchase price of the Awards granted	:	Nil
Closing price of the Shares on the date of grant	:	HK$0.59
Vesting period of the Awards	:	The 26,303,426 Award Shares shall be vested on the date of grant. The vesting period for the 26,303,426 Award Shares is less than 12 months. Under the 2025 Share Award Scheme, the Board may determine that the vesting period of the Awards granted to the Employee Participants is less than 12 months under certain circumstances, including where the Awards are granted with performance-based vesting conditions in lieu of time-based vesting criteria. The Board and the Remuneration Committee are of the view that a vesting period less than 12 months for the grant of Awards to the Grantees is appropriate, having taken into account that: (i) the Awards form part of the Grantees' overall remuneration packages and represent a performance-linked variable component determined with reference to the Group's performance and the individual contributions of the relevant Grantees for the preceding financial year; (ii) the grant serves to recognise and reward the past performance and contributions of the Grantees in achieving the Group's business and financial targets, which have already been assessed by the Board and the Remuneration Committee; and (iii) the use of equity-settled awards aligns the interests of the Grantees with those of the Shareholders and supports the Group's objective of retaining cash resources while maintaining competitive and market-aligned remuneration arrangements.

In light of the above, the Board and the Remuneration Committee are of the view that permitting such a circumstance in having vesting periods of less than 12 months could retain, incentivize and reward the Grantees as well as encourage the Grantees to continuously contribute to the operation, development and long-term success and growth of the Company and its subsidiaries, which is in line with the purpose of the 2025 Share Award Scheme. For more details, please refer to the section headed "Vesting period" of Appendix I to the Circular.

Performance targets of the Awards : The performance targets attached to the Awards, which form part of the vesting conditions, relate to the revenue, the profitability and/or the business goals of the Group or any of its business unit, to be assessed based on such method as the Scheme Administrator may determine in its absolute discretion as set out in the Offer Letter to the respective Grantees. For more details, please refer to the section headed "Vesting conditions" of Appendix I to the Circular.

Clawback mechanism of the Awards : In the event that:

(a) at any time after a Selected Participant is found to have engaged in serious misconduct including but not limited to, fraud and deception, guilty of persistent or serious misconduct, convicted of any criminal offence, are discovered;

(b) the performance forming the basis on which the grant of an Award, or its becoming exercisable or vested (as the case may be) has been proved not genuine; or

(c) in the reasonable opinion of the Scheme Administrator, a Selected Participant has committed a serious breach of an internal policy or code of any member of the Group, including the breach of a non-compete obligation or commitment to anti-corruption imposed on the Selected Participant by the Group, and such breach is considered material;

then the Board may make a determination at its absolute discretion that: (A) any Award granted but not yet vested or settled shall immediately lapse, regardless of whether such Awards have vested or not; and (B) with respect to any Award Share delivered, or Actual Selling Price paid, to the Selected Participant pursuant to any Award granted under this Scheme, the Selected Participant shall be required to transfer back to the Company or its nominee (1) the equivalent number of Shares; (2) an amount in cash equal to the market value of such Shares or the Actual Selling Price; or (3) a combination of (1) and (2).

Financial assistance : The Company and/or its subsidiaries have not provided any financial assistance to the Grantees to facilitate the purchase of Award Shares under the 2025 Share Award Scheme.

The number of new Shares available for future grant involving issue of new Shares after the grant of the Awards will be 663,685,253 Shares and 74,012,876 Shares, respectively, under the Scheme Mandate Limit and the Service Provider Sublimit.

REASONS FOR AND BENEFITS OF THE GRANT OF THE AWARDS

The purpose of the 2025 Share Award Scheme is to recognise the contributions or the future contributions by certain employees and persons to the Group, to provide them with incentives in order to retain them for the continuous operation and development of the Group, and to attract suitable personnel for further development of the Group.

The grant of Awards to the Grantees is designed to recognise their significant contribution of the Grantees to the Company's operational success and strategic development in the past. In particular, the Awards were granted as part of the Group's overall remuneration framework to provide timely recognition of the Grantees' efforts following the completion of the relevant performance assessment. The Company has elected to settle part of such performance-linked remuneration in the form of equity rather than cash, which enables the Company to maintain prudent cash flow management while at the same time aligning the interests of the Grantees more closely with those of the Shareholders. The Board believes that the grant will further motivate the employees' ongoing dedication, enhance employee engagement and align their interests with those of the Shareholders in a competitive talent market.

ISSUE OF NEW SHARES UNDER THE SCHEME MANDATE LIMIT

The number of the Award Shares granted under the 2025 Share Award Scheme shall be issued pursuant to the Scheme Mandate Limit approved by the Shareholders at the EGM held on 29 April 2025. Application had been made by the Company to the Stock Exchange for the grant of approval for the listing of, and permission to deal in, the 740,128,765 new Shares which may be allotted and issued under the Scheme Mandate Limit in respect of the 2025 Share Award Scheme, and the listing approval was granted by the Stock Exchange on 13 May 2025.

By Order of the Board
Productive Technologies Company Limited
Liu Erzhuang
Chairman and Chief Executive Officer

Hong Kong, 20 May 2026

As at the date hereof, the Board comprises eight Directors, of whom three are executive Directors, namely Dr. Liu Erzhuang (Chairman), Mr. Tan Jue and Mr. Liu Zhihai; two are non-executive Directors, namely Mr. Cao Xiaohui and Mr. Lin Yukai; and three are independent non-executive Directors, namely Ms. Ge Aiji, Mr. Chau Shing Yim David and Mr. Wang Guoping.

* *For identification purposes only*