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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)

SUPPLEMENTAL ANNOUNCEMENT

GRANT OF INCENTIVE OPTIONS TO A CONNECTED PERSON

Reference is made to the announcement of the Company dated 29 April 2026 (the “**Announcement**”) in relation to, among others, the grant of incentive options to a connected person (the “**Grant**”). Unless otherwise defined, terms used herein shall have the same meanings as ascribed to them in the Announcement.

The Company would like to provide the following supplemental information regarding the Grant.

Grant of Incentive Options

Save for Dr. Liu, there are no other participants considered as Tranche I Eligible Participants under the Equity Incentive Plan.

As disclosed in the Announcement, Dr. Liu’s annual bonus for each of the three years from 1 June 2026 to 31 May 2029 will be reduced by US\$1 million. The original annual bonus was agreed and fixed pursuant to Dr. Liu’s service agreement with the Company as part of his annual remuneration package. It does not represent a discretionary or performance-based bonus determined by reference to the results of the preceding financial year, but forms part of his agreed annual remuneration.

Exercise Price

The exercise price of the incentive options granted to Dr. Liu is nil. The exercise price was determined after arm’s length negotiations between the parties taking into account various factors, including (i) the nature of the arrangement as part of an integrated long-term incentive and remuneration restructuring, rather than a simple cash subscription for equity interests in PDT Xuzhou; (ii) the incentive options are subject to vesting conditions, including Dr. Liu’s continued employment as the chief executive officer of the Group during the relevant period, and prior to vesting and exercise, the incentive options do not confer

any shareholder rights, voting rights or dividend rights; (iii) in particular, pursuant to the incentive framework agreement, Dr. Liu's annual bonus for each of the three years from 1 June 2026 to 31 May 2029 will be reduced by US\$1 million, representing an aggregate reduction of approximately US\$3 million; and (iv) the fair value attributable to the incentive options granted to Dr. Liu in the amount of approximately USD3.9 million, partially offset by the lack of liquidity of the underlying equity interests in PDT Xuzhou as a non-listed company and the minority interest to be acquired upon exercise. Such fair value was determined with reference to the valuation of the underlying business of PDT Xuzhou in the most recent transaction at the time when the incentive arrangement with Dr. Liu was negotiated.

Vesting Conditions

The incentive options granted to Dr. Liu are subject to the following vesting conditions throughout the relevant period: (i) Dr. Liu remains in continuous employment as the chief executive officer of the Group; and (ii) there is no occurrence of change of control or material disposal of all assets of PDT Xuzhou (the “**Events**”). Under the existing incentive arrangement, where the above vesting conditions continue to be satisfied, the incentive options would vest and be exercisable in a lump sum on 1 June 2029. If the Events occur prior to 1 June 2029, the incentive options shall automatically vest and be exercised in a lump sum immediately prior to the completion of such Events.

The Company wishes to clarify that the incentive options will vest only in the following two scenarios: (i) if no change of control or material disposal of all assets of PDT Xuzhou occurs before 1 June 2029, Dr. Liu must remain in continuous employment as the chief executive officer of the Group up to 1 June 2029, and the incentive options will vest and become exercisable in a lump sum on that date; and (ii) if a change of control or material disposal of all assets of PDT Xuzhou occurs before 1 June 2029, the incentive options will vest and become exercisable in a lump sum immediately prior to completion of such Events, provided that Dr. Liu remains in continuous employment as the chief executive officer of the Group up to such time. In the scenario (ii), the occurrence of the Events would indicate that the underlying business of PDT Xuzhou has been disposed of or otherwise realized at an agreed value through a bona fide transaction, and the accelerated vesting occurs only where such value-realization event is achieved and is commercially reasonable as it rewards Dr. Liu for his leadership and contribution to the value creation and successful exit of such business. Further, the occurrence of the Events is subject to the consideration and approval of the board of directors and shareholders of PDT Xuzhou (as applicable) and is not within the grantee's unilateral control. The board of directors of PDT Xuzhou comprises three members, namely Dr. Liu (Chairman), Mr. Tan Jue and Mr. Cao Xiaohui. Dr. Liu would abstain from voting on the relevant board resolution approving any of the Events.

Accordingly, the automatic vesting upon the occurrence of the Events represents an acceleration of the vesting timing upon a value-realization event, rather than a waiver of the underlying vesting conditions, and remains consistent with the purpose of aligning Dr. Liu's interests with the long-term value creation of the business of the Group.

Taking into account the above, the Directors believe that the grant of the incentive options, corresponding to a minority interest in PDT Xuzhou upon exercise, to Dr. Liu as a long-term incentive will help further solidify the management's long-term commitment.

Information about PDT Xuzhou

The net profit (loss) of PDT Xuzhou for the two years ended 31 December 2024 and 2025 as disclosed in the Announcement have already reflected the financial effects of the internal asset restructuring.

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

Hong Kong, 25 August 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*