三环集团
— SINCE 1970 —

Chaozhou Three-Circle (Group) Co., Ltd.
潮州三環（集團）股份有限公司
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 6951)

PROPOSED ADOPTION OF THE 2026 A SHARE EMPLOYEE STOCK OWNERSHIP PLAN

The Board resolved at the 3rd meeting of the 12th session of the Board held on August 28, 2026 to propose the adoption of the 2026 A Share Employee Stock Ownership Plan by the Company, of which the implementation is subject to consideration and approval at the general meeting.

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

The Board resolved at the 3rd meeting of the 12th session of the Board held on August 28, 2026 to propose the adoption of the 2026 A Share Employee Stock Ownership Plan by the Company, of which the implementation is subject to consideration and approval at the general meeting.

The key terms of this Stock Ownership Plan are set out as follows:

A. Purpose

The purpose for which the Company establishes the Employee Stock Ownership Plan is to build a benefit-sharing mechanism for employees and shareholders, further improve the corporate governance structure of the Company, establish a sound, long-term and effective incentive and restraint mechanism for the Company, enhance staff cohesion and the Company's competitiveness, stimulate the enthusiasm and creativity of employees, and promote the long-term, sustainable and healthy development of the Company.

B. Eligible Participants

Eligible participants of this Employee Stock Ownership Plan are the directors, senior management, key personnel of the Company (including its subsidiaries and branches, the same hereinafter), and such other personnel as the Board deems necessary to incentivize. Independent directors, Shareholders holding 5% or more of the Shares individually or jointly, the actual controller and its related parties are excluded. All participants shall maintain labor relationships or engagement relationships with the Company or its subsidiaries.

The above eligible employees shall participate in this Employee Stock Ownership Plan in accordance with the principles of compliance with laws and regulations, voluntary participation, and self-assumption of risk. There is no situation where employees are forced to participate in this Employee Stock Ownership Plan through apportionment, mandatory allocation or other means.

The total number of participants proposed to participate in this Employee Stock Ownership Plan shall not exceed 2,572 persons (excluding participants for reserved grant and persons proposed for re-allocation in the future), among whom there are 12 Directors and senior management. The exact number of participants shall be determined based on actual contributions made by the employees.

The allocation plan for the reserved portion (including but not limited to the participants, underlying Shares and assessment requirements) shall be determined by the Management Committee during the duration of this Employee Stock Ownership Plan after it is approved at the Company's general meeting.

In accordance with domestic securities regulatory rules and the Articles of Association, Mr. Li Gang, Mr. Ma Yanhong, Mr. Qiu Jihua, Mr. Chen Guixu, Mr. Liu Jiepeng, Mr. Zheng Kecheng, Mr. Liu Dexin, Mr. Feng Xiaopeng, Ms. Wang Hongyu and Ms. Wu Xiaochun, as the Shareholders, are required to abstain from voting on the resolutions concerning the Employee Stock Ownership Plan. In addition, other relevant Shareholders involved in the Employee Stock Ownership Plan who actually hold Shares on the date of the general meeting of the Company for consideration and approval of the Employee Stock Ownership Plan shall also abstain from voting on the aforementioned resolutions.

C. Source of Shares and Number of Shares

Source of Shares

The source of Shares for this Employee Stock Ownership Plan will be the A Shares repurchased and held in the Company's dedicated securities account for repurchases. Upon consideration and approval at the general meeting of the Company, this Employee Stock Ownership Plan will obtain the A Shares held in the Company's dedicated securities account for repurchases through non-trade transfer or other methods permitted by laws and regulations.

As of the date of this announcement, the Company's dedicated securities account for repurchases holds 17,851,761 A Shares, representing 0.89% of the Company's current total share capital. The final number of Shares held under this Stock Ownership Plan shall be subject to the number of Shares actually transferred.

Number of Shares

The number of underlying Shares proposed to be held under this Employee Stock Ownership Plan is 5,000,000 Shares, representing approximately 0.25% of the Company's total share capital as of the date of this announcement. Of such Shares, the shareholding size corresponding to the initial grant portion is 3,000,000 Shares, accounting for 0.15% of the Company's current total share capital; the shareholding size corresponding to the reserved portion is 2,000,000 Shares, accounting for 0.10% of the Company's current total share capital. The reserved portion shall be transferred after the holders of the reserved portion are determined. Prior to allocation, the reserved portion shall not participate in the Holders' Meeting.

D. Sources of Funds, Transfer Price and Pricing Basis

Sources of Funds

The funds for employee contributions under this Employee Stock Ownership Plan shall be sourced from employees' lawful remuneration, self-raised funds and other sources permitted by laws and regulations. The Company does not provide holders with financial assistance in any form, including advances, guarantees or loans. The Company is not aware of any third-party arrangement to provide employees with incentives, financial assistance, subsidies or backstopping in connection with their participation in the Employee Stock Ownership Plan.

Transfer Price and Pricing Basis

Transfer price: Upon consideration and approval of this Employee Stock Ownership Plan at the Company's general meeting, it is intended to acquire Shares repurchased by the Company by way of non-trading transfer or other means permitted by applicable laws and regulations, at a transfer price of RMB57.58/Share (including the reserved portion).

Basis for determining the transfer price: The transfer price under this Employee Stock Ownership Plan shall not be lower than the par value of the Shares, and shall not be lower than the higher of the following:

(1) 50% of the average trading price of the A Shares on the trading day immediately preceding the date of the Board resolution approving this Employee Stock Ownership Plan (total trading value of the Shares on the preceding trading day/total trading volume of the Shares on the preceding trading day), which is RMB55.59/Share;

(2) 50% of the average trading price of the A Shares for the 120 trading days prior to the date of the Board resolution approving this Employee Stock Ownership Plan (total trading value of the Shares for the preceding 120 trading days/total trading volume of the Shares for the preceding 120 trading days), which is RMB57.58/Share;

Prior to completion of the transfer of the underlying Shares under this Employee Stock Ownership Plan, if the Company undergoes events such as capitalization of capital reserves, the distribution of Share or cash dividends, Share subdivision or Share consolidation, the Board may decide whether to make corresponding adjustments to the price of such underlying Shares.

E. Duration

The duration of this Employee Stock Ownership Plan shall be 48 months, commencing on the date on which this Employee Stock Ownership Plan is considered and approved at the Company's general meeting and the Company announces that the final tranche of underlying Shares under the initial grant has been transferred to the Plan. Upon expiry of its duration, the Plan shall terminate automatically unless extended. This Employee Stock Ownership Plan may be terminated early upon review and approval by the Holders' Meeting, if all underlying Shares held under this Employee Stock Ownership Plan have been sold or transferred into the securities accounts of the holders, and settlement and allocation have been completed in accordance with applicable requirements. One month prior to the expiry of the duration of this Employee Stock Ownership Plan, its duration may be extended upon the consent of holders attending the Holders' Meeting who hold more than 50% of the units, and after submission to and consideration and approval by the Board. Where relevant laws, administrative regulations, departmental rules or normative documents restrict the transfer of the underlying Shares, or where the underlying Shares cannot be fully realized before the expiry of the duration of this Employee Stock Ownership Plan due to market reasons such as insufficient liquidity of the Shares, the duration of this Employee Stock Ownership Plan shall be extended accordingly upon consent by holders representing more than two-thirds of the units present at the Holders' Meeting and subject to consideration and approval by the Board.

F. Lock-up Period and Assessment Arrangements

This Employee Stock Ownership Plan provides for a lock-up period and performance assessment conditions for the holders. The specific unlocking ratio and quantity shall be calculated and determined based on the Company's performance indicators and the holders' assessment results, as follows:

Lock-up Period

The underlying Shares acquired under the initial grant portion of this Employee Stock Ownership Plan shall be unlocked in one lump sum, with the unlocking date being 29 months after the date on which the Company announces that the final tranche of underlying Shares under the initial grant portion has been transferred to this Employee Stock Ownership Plan.

Once the reserved portion has been granted, it shall be unlocked concurrently with the initial grant portion.

Performance Assessment

The holders may unlock their underlying Shares only if the Company's audited operating revenue for 2028 is not less than RMB260 hundred million and the holder has passed the individual performance assessment for the 2026–2028 period.

If any of the aforesaid performance targets are not met, none of the corresponding underlying Shares shall be unlocked. The underlying Shares that have not been unlocked shall be recovered and disposed of by the Management Committee. Disposal methods include, but not limited to, selling at an appropriate time, repurchase by the Company for subsequent use under other employee stock ownership plans or equity incentive plans, cancellation by the Company, or such other means as may be prescribed by applicable laws and regulations. Upon completion of such disposal, the original holders shall be refunded an amount equal to their original capital contributions plus interest calculated at the prevailing bank deposit rate for the relevant period. Any remaining funds (if any) shall belong to the Company.

G. Management of this Employee Stock Ownership Plan

Following approval by the general meeting, this Employee Stock Ownership Plan shall be managed by the Company itself or by a third party entrusted by the Company. A Company employee shall become a holder of this Stock Ownership Plan upon subscribing for the units in this Employee Stock Ownership Plan. The Holders' Meeting shall be the internal management authority of this Employee Stock Ownership Plan. The Company shall establish a Management Committee. Under the authority delegated by the Holders' Meeting and in accordance with the relevant provisions of this Employee Stock Ownership Plan, the Management Committee shall decide on matters concerning the disqualification of holders and the handling of units held by disqualified holders; perform asset management duties in respect of this Employee Stock Ownership Plan; perform any other duties authorised by the Holders' Meeting and the Board; and perform any other duties required to be performed by the Management Committee under this Employee Stock Ownership Plan and relevant laws and regulations.

Implications under Listing Rules

This Employee Stock Ownership Plan constitutes a share scheme under Chapter 17 of the Listing Rules and is governed by the applicable disclosure requirements under Rule 17.12 of the Listing Rules, and also constitutes a share scheme involving existing shares or treasury shares not listed on the Hong Kong Stock Exchange for the purposes of Rule 19A.39E of the Listing Rules. However, it does not constitute a share scheme involving the issue of new shares under Chapter 17 of the Listing Rules. According to relevant PRC laws and regulations, this Employee Stock Ownership Plan is subject to the approval of Shareholders at a general meeting of the Company.

The Company will propose a resolution at the general meeting to consider and approve (among other things) this Employee Stock Ownership Plan. A circular containing, among other things, details of the above resolution, together with the notice of the general meeting, will be published in due course.

II. PROPOSED ADOPTION OF THE ADMINISTRATIVE MEASURES FOR THE 2026 A SHARE EMPLOYEE STOCK OWNERSHIP PLAN

In order to regulate the implementation of this Employee Stock Ownership Plan, the Board proposes to adopt the Administrative Measures for this Employee Stock Ownership Plan of the Company, upon consideration and approval at the general meeting of the Company before taking effect.

The aforementioned administrative measures are formulated in accordance with the requirements of applicable laws, regulations, normative documents and the Articles of Association, and are in line with the provisions of this Employee Stock Ownership Plan.

III. PROPOSED AUTHORIZATION TO THE BOARD TO HANDLE MATTERS RELATING TO THE 2026 A SHARE EMPLOYEE STOCK OWNERSHIP PLAN

To ensure the smooth implementation of this Employee Stock Ownership Plan, the Board proposes that, subject to the approval of this Employee Stock Ownership Plan at the general meeting of the Company, a resolution will also be proposed at the general meeting to authorize the Board to handle matters relating to the implementation of this Employee Stock Ownership Plan, including but not limited to the following:

(1) authorizing the Board to be responsible for formulating, amending and interpreting this Employee Stock Ownership Plan;

(2) authorizing the Board to handle matters in connection with the commencement, variation and termination of this Employee Stock Ownership Plan; authorizing the Board to determine the allocation plan for the reserved portion in accordance with the provisions of this Employee Stock Ownership Plan;

(3) authorizing the Board to make decisions regarding the extension of the term and early termination of this Employee Stock Ownership Plan;

(4) authorizing the Board, if, after this Employee Stock Ownership Plan is approved at the general meeting, relevant laws, regulations, and policies change within the implementation period, to make corresponding adjustments to the Employee Stock Ownership Plan in accordance with the new policies;

(5) authorizing the Board to handle matters necessary for the relevant registration and settlement involved in this Employee Stock Ownership Plan;

(6) authorizing the Board to handle other necessary matters required for this Employee Stock Ownership Plan, except for rights that are explicitly stipulated in relevant documents to be exercised by the general meeting.

The aforesaid authorization shall be effective from the date of approval at the Company's general meeting up to the date of completion of implementation of this Employee Stock Ownership Plan.

With respect to the above authorized matters, except for those matters that are explicitly required by laws, administrative regulations, normative documents, this Employee Stock Ownership Plan, or the Articles of Association to be approved by a Board resolution, the relevant matters stipulated under this Employee Stock Ownership Plan may be handled by such other appropriate body (including but not limited to the Management Committee) or person as authorized by the Board in accordance with the stipulations of this Employee Stock Ownership Plan. Other matters may be handled directly by the chairman of the Board or an appropriate person authorized by the chairman on behalf of the Board.

DEFINITIONS

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

"A Share(s)"	ordinary share(s) issued by the Company, with a nominal value of RMB1.00 each, which are listed on the ChiNext of the Shenzhen Stock Exchange and traded in RMB
"Administrative Measures"	the administrative measures for the 2026 A Share Employee Stock Ownership Plan
"Articles of Association"	the articles of association of the Company, as amended from time to time
"Board" or "Board of Directors"	the board of Directors of the Company
"Company"	Chaozhou Three-Circle (Group) Co., Ltd. (潮州三環(集團)股份有限公司), a joint stock company with limited liability incorporated in the PRC, the A Shares and H Shares of which are listed on the Shenzhen Stock Exchange (stock code: 300408) and the Hong Kong Stock Exchange (stock code: 6951), respectively
"Director(s)"	the director(s) of the Company
"Employee Stock Ownership Plan" or "this Stock Ownership Plan" or "this Employee Stock Ownership Plan"	the Employee Stock Ownership Plan proposed to be implemented pursuant to the 2026 A Share Employee Stock Ownership Plan (Draft) of Chaozhou Three-Circle (Group) Co., Ltd.

"H Share(s)"	ordinary share(s) issued by the Company, with a nominal value of RMB1.00 each, which are listed on the main board of the Hong Kong Stock Exchange and subscribed for and traded in Hong Kong dollars
"Holders' Meeting"	the meeting of holders of this Stock Ownership Plan
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Hong Kong Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
"Management Committee"	the management committee of this Stock Ownership Plan
"Participant(s)"	participant(s) of this Stock Ownership Plan
"PRC"	the People's Republic of China
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, including both A Shares and H Shares
"Shareholder(s)"	holder(s) of the Share(s)
"%"	per cent

By order of the Board
Chaozhou Three-Circle (Group) Co., Ltd.
潮州三環（集團）股份有限公司
Mr. Li Gang
Chairman and Executive Director

Hong Kong, August 28, 2026

As at the date of this announcement, the Board comprises: (i) Mr. Zhang Wanzhen and Mr. Chen Guixu as non-executive Directors; (ii) Mr. Li Gang, Mr. Ma Yanhong and Mr. Qiu Jihua as executive Directors; and (iii) Mr. Jiang Lijun, Mr. Su Yanqi and Ms. Wong Sze Wing as independent non-executive Directors.