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Delton Technology (Guangzhou) Inc.

廣州廣合科技股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock code: 1989)

**PROPOSED ADOPTION OF THE A SHARE INCENTIVE SCHEME
AND
THE H SHARE INCENTIVE SCHEME**

The Board of Directors has resolved at a Board meeting held on September 29, 2026 to propose the adoption of the A Share Incentive Scheme and the H Share Incentive Scheme by the Company to reward the contributions made by the Eligible Participants and Incentive Participants to attract suitable talent for the further development of the Group. The Shares under the A Share Incentive Scheme shall be sourced from the domestically listed RMB ordinary shares (A Shares) of the Company to be issued by the Company directly to the Incentive Participants, and shall not involve any Treasury Shares. The source of the Incentive Shares under the H Share Incentive Scheme shall be: (i) new H Shares to be issued by the Company; (ii) Treasury Shares; and/or (iii) existing H Shares purchased or acquired on-market or off-market by the Trustee of the Trust. Where new H Shares to be issued by the Company or Treasury Shares are used as the source, the issue or transfer of the relevant H Shares shall be subject to the approval and consent of the Stock Exchange (if applicable).

Pursuant to Chapter 17 of the Listing Rules, the A Share Incentive Scheme constitutes a share scheme involving the issue of new shares by the Company. Accordingly, the adoption of the A Share Incentive Scheme is conditional upon approval by the Shareholders. The terms of the A Share Incentive Scheme comply with the relevant requirements of Chapter 17 of the Listing Rules. Pursuant to Chapter 17 of the Listing Rules, the H Share Incentive Scheme constitutes a share scheme involving the issue of new shares by the Company. Accordingly, the adoption of the H Share Incentive Scheme is conditional upon approval by the Shareholders. The terms of the H Share Incentive Scheme comply with the relevant requirements of Chapter 17 of the Listing Rules.

The Company will convene a general meeting to seek the Shareholders' approval for, among other things, the adoption of the A Share Incentive Scheme, the H Share Incentive Scheme and the relevant matters. A circular containing, among other things, the notice of the general meeting and details of the proposed adoption of the A Share Incentive Scheme, the H Share Incentive Scheme and the relevant matters will be published as and when appropriate.

I. PROPOSED ADOPTION OF THE A SHARE INCENTIVE SCHEME AND THE H SHARE INCENTIVE SCHEME

The Board of Directors has resolved at a Board meeting held on September 29, 2026 to propose the adoption of the A Share Incentive Scheme and the H Share Incentive Scheme by the Company to reward the contributions made by the Incentive Participants and to attract and retain suitable talent for the further development of the Group. The Shares under the A Share Incentive Scheme shall be sourced from the domestically listed RMB ordinary shares (A Shares) of the Company to be issued by the Company directly to the Incentive Participants, and shall not involve any Treasury Shares. The source of the Incentive Shares under the H Share Incentive Scheme shall be: (i) new H Shares to be issued by the Company; (ii) Treasury Shares; and/or (iii) existing H Shares purchased or acquired on-market or off-market by the Trustee of the Trust. Where new H Shares to be issued by the Company or Treasury Shares are used as the source, the issue or transfer of the relevant H Shares shall be subject to the approval and consent of the Stock Exchange (if applicable).

(i) Summary of the A Share Incentive Scheme

The 2026 A Share Option and Restricted Share Incentive Scheme of the Company is divided into two parts: the Share Option Incentive Scheme and the Restricted Share Incentive Scheme.

The total equity interests proposed to be granted to the Incentive Participants under the A Share Incentive Scheme are 13,400,000 Share Options/13,400,000 Restricted Shares, representing approximately 2.83% of the total share capital of the Company of 472,726,900 Shares as at the date of this announcement. Among them, the equity interests granted under the first grant are 10,726,000 Share Options/10,726,000 Restricted Shares, representing approximately 2.27% of the total share capital of the Company of 472,726,900 Shares as at the date of this announcement, which account for 80.04% of total equity interests proposed to be granted under the A Share Incentive Scheme. 2,674,000 Share Options/2,674,000 Restricted Shares are reserved, representing approximately 0.57% of the total share capital of the Company of 472,726,900 Shares as at the date of this announcement, which account for 19.96% of total equity interests proposed to be granted under the A Share Incentive Scheme.

The total number of underlying shares involved in the Company's share incentive schemes within the Validity Period shall not exceed 10% of the total share capital of the Company as at the date of this announcement. The cumulative number of the Company's shares obtained by any single Incentive Participant through all the share incentive schemes in the Validity Period shall not exceed 1% of the total share capital of the Company. The reserved portion does not exceed 20% of the total equity interests proposed to be granted.

The Company undertakes not to provide loans or any other form of financial assistance, including guarantees for loans, to the Incentive Participants for the acquisition of the relevant Share Options and Restricted Shares under the A Share Incentive Scheme.

The Company will recalculate the share-based payment expenses based on the enlarged grant size, and will disclose in the circular/follow-up announcement(s) the amortization amounts for each period and the impact on operating results, and will also explain the possible dilution impact of this A Share Incentive Scheme.

The principal terms of the A Share Incentive Scheme are as follows:

Purpose of the Incentive Scheme

In order to further improve the Company's long-term incentive mechanism, attract and retain outstanding talent, fully motivate the Company's employees, effectively align the interests of Shareholders, the Company and the individual interests of the core team, and enable all parties to jointly focus on the Company's long-term development, the Incentive Scheme is formulated in accordance with the principles of matching returns with contributions and on the premise of fully safeguarding the interests of Shareholders, pursuant to the relevant laws, regulations and normative documents, including the Company Law, the Securities Law, the Administrative Measures, the Shenzhen Listing Rules, the Listing Rules and the Self-Regulatory Guidelines, and the provisions of the Articles of Association.

Management Body of the Incentive Scheme

The general meeting, as the highest authority of the Company, is responsible for deliberating and approving the implementation, amendment and termination of the A Share Incentive Scheme. The general meeting may, within the scope of its authority, authorize the Board to handle certain matters related to the A Share Incentive Scheme.

The Board is the executive and management body of the A Share Incentive Scheme and is responsible for the implementation of the A Share Incentive Scheme. The Remuneration and Appraisal Committee under the Board is responsible for formulating and amending the A Share Incentive Scheme and submitting it to the Board of the Company for deliberation; after the Board deliberates and approves the A Share Incentive Scheme, it shall be submitted to the general meeting of the Company for approval. The Board may, within the scope authorized by the general meeting, handle other related matters of this Incentive Scheme.

The Remuneration and Appraisal Committee is the supervisory body of the A Share Incentive Scheme and is responsible for expressing opinions on whether the Incentive Scheme is conducive to the sustainable development of the Company and whether there exists any circumstance that obviously damages the interests of the Company and all Shareholders. The Remuneration and Appraisal Committee supervises whether the implementation of the A Share Incentive Scheme complies with relevant laws, regulations, normative documents and the business rules of the stock exchange, and is responsible for reviewing the list of Incentive Participants.

Scope and List of Incentive Participants

The A Share Incentive Scheme involves a total of 653 Incentive Participants for the first grant, accounting for 10.50% of the Company's total number of employees of 6,219 as at June 30, 2026, all of whom are core employees serving at the Company (including its subsidiaries), including:

Share Option Incentive Participants

- 1) Class A Incentive Participants: core management personnel and core technical (business) staff (226 persons in total);
- 2) Class B Incentive Participants: core management personnel and core technical (business) staff (427 persons in total, of which 296 persons are under the non-special grant portion and 131 persons are under the special grant portion)

Restricted Share Incentive Participants

- 1) Class A Incentive Participants: core management personnel and core technical (business) staff (226 persons in total);
- 2) Class B Incentive Participants: core management personnel and core technical (business) staff (394 persons in total, of which 263 persons are under the non-special grant portion and 131 persons are under the special grant portion).

None of the above Incentive Participants includes the Company's independent non-executive Directors, Shareholders who individually or collectively hold more than 5% of the shares of the Company or the actual controller and their spouses, parents and children. All Incentive Participants must enter into labor contracts or employment contracts with the Company or its subsidiaries during the assessment period of the A Share Incentive Scheme.

The 653 Incentive Participants were selected based on their positions and contributions. In line with the Company's strategic development needs, the A Share Incentive Scheme focuses on core management and core technical (business) positions. The selection of Incentive Participants is mainly based on the importance of the employee's position within the Company, his/her contribution to the Company's performance and long-term development, individual performance and future growth potential. The final list of Incentive Participants will be determined by the Remuneration and Appraisal Committee after deliberation.

All Incentive Participants are employees of the Group and are all Chinese Mainland nationals, and such persons have entered into employment contracts with members of the Group incorporated or established in Chinese Mainland.

Except for adjustments made by the Board in accordance with the provisions of the A Share Incentive Scheme due to the resignation or waiver of subscription by Incentive Participants, the number and identity of the 653 Incentive Participants for the first grant have been determined.

The grantees of the Reserved Equity shall be determined within 12 months after the A Share Incentive Scheme is deliberated and approved by the general meeting. After the Board proposes, the Remuneration and Appraisal Committee issues clear opinions, and the lawyer issues professional opinions and a legal opinion letter, the Company shall disclose the relevant information of the Incentive Participants in a timely and accurate manner on the designated website as required. If the Incentive Participants are not determined beyond 12 months, the Reserved Equity shall lapse. The determination criteria for the Reserved Incentive Participants shall be determined with reference to the criteria for the first grant, i.e., they shall be core employees serving at the Company (including its subsidiaries) at the time of grant.

The Company will publish announcements in respect of the first grant and the grant of the Reserved Equity in accordance with Rules 17.06A, 17.06B and 17.06C of the Listing Rules.

The arrangement for the Reserved Equity is in line with the customary practice for incentive schemes in the A Share market. To address future needs such as talent recruitment and position adjustments, A Share listed companies generally reserve a certain proportion of entitlements under their incentive schemes for the subsequent incentive of key personnel.

The 12-month grant period for the Reserved Equity was determined mainly based on the following considerations:

- Compliance with regulatory requirements: The Administrative Measures stipulate that the grant recipients of the Reserved Equity shall be determined within 12 months after the incentive scheme is considered and approved by the general meeting.
- Alignment with the Company's talent planning cycle: The 12-month period is consistent with the Company's annual cycle for talent recruitment, development and position adjustments, enabling the Company to determine the recipients of the Reserved Equity flexibly according to its business development needs.
- Timeliness of incentives: The 12-month period provides the Company with sufficient time to select suitable grant recipients while avoiding the Reserved Equity remaining unused for an extended period, thereby ensuring that the incentives can be granted in a timely and effective manner.

Specific Contents of the Incentive Schemes

(A) Share Option Incentive Scheme

Source and Class of the Underlying Shares in Respect of the Proposed Grant of Share Options

The underlying Shares under the Share Option Incentive Scheme shall be sourced from the domestically listed RMB ordinary shares (A Shares) of the Company to be issued by the Company directly to the Incentive Participants, and shall not involve any Treasury Shares.

Number of Share Options Proposed to be Granted and Their Proportion to the Total Number of Shares of the Company

The number of Share Options proposed to be granted to the Incentive Participants under the A Share Incentive Scheme is 10,027,300, representing approximately 2.12% of the total share capital of the Company of 472,726,900 Shares as at the date of announcement of the draft A Share Incentive Scheme. Among which, 8,021,800 Share Options will be granted under the first grant, representing approximately 1.70% of the total share capital of the Company of 472,726,900 Shares as at the date of announcement of the draft A Share Incentive Scheme and 80.00% of the total number of Share Options proposed to be granted under the A Share Incentive Scheme; 2,005,500 Share Options will be reserved, representing approximately 0.42% of the total share capital of the Company of 472,726,900 Shares as at the date of announcement of the draft A Share Incentive Scheme and 20.00% of the total number of Share Options proposed to be granted under the A Share Incentive Scheme. Each Share Option granted under the A Share Incentive Scheme entitles the holder, subject to the satisfaction of the vesting conditions and vesting arrangements, to purchase one domestic listed Renminbi-denominated ordinary Share (A Share) of the Company at the exercise price during the exercise period.

List of Incentive Participants and Allocation of Share Options Proposed to be Granted

Position	Number of Share Options granted (0'000)	Proportion of the number of equity interests proposed to be granted under the Scheme to the total number of Share Options	Proportion to the total share capital of the Company as at the date of announcement of the draft Scheme
Class A Incentive Participants			
Core management personnel and core technical (business) staff (226 persons)	366.34	33.54%	0.71%
Class B Incentive Participants			
Core management personnel and core technical (business) staff (427 persons)			
– Portion of non-special grant (296 persons)	316.43	31.56%	0.67%
– Portion of special grant (131 persons)	149.41	14.90%	0.32%
Reserved portion	200.55	20.00%	0.42%
Total	<u>1,002.73</u>	<u>100.00%</u>	<u>2.12%</u>

Note: Any discrepancy between certain totals in the above table and the sum of the individual amounts is due to rounding.

Validity Period, Grant Date, Vesting Period, exercise arrangement and Lock-up Period of the Share Option Incentive Scheme

1. Validity Period of the Share Option Incentive Scheme

The Term of the Share Option Incentive Scheme shall commence from the date of the first grant of the Share Options and end on the date when all Share Options granted to the Incentive Participants have been fully exercised or cancelled, and shall not exceed 60 months. Accordingly, pursuant to Rule 17.03(11) of the Listing Rules, the duration of the Share Option Incentive Scheme shall not exceed ten (10) years.

2. Grant Date of the Share Option

After the A Share Incentive Scheme is approved by the general meeting of the Company, the Company shall, within 60 days after such approval (where there are conditions for the grant of equity interests, commencing from the date on which such conditions are satisfied), convene a meeting of the Board in accordance with the relevant provisions to make the first grant of equity interests to the Incentive Participants and complete the relevant procedures including announcement and registration; if the Company fails to complete the above work within 60 days, it shall timely disclose the reasons for such failure and terminate the implementation of the A Share Incentive Scheme. Periods during which the Company is prohibited from granting equity interests under the Administrative Measures shall not be counted within the 60-day period.

The Grant Date for the reserved portion of the Share Options shall be determined by the Board within 12 months after the approval of the A Share Incentive Scheme by the general meeting of the Company.

The Grant Date shall be determined by the Board after the A Share Incentive Scheme is approved by the general meeting of the Company, and the Grant Date must be an A Share trading day. If the date determined in accordance with the above principles is not an A Share trading day, the Grant Date shall be postponed to the first A Share trading day thereafter.

3. Vesting Period of the Share Option

The Share Options granted to the Incentive Participants are subject to different Vesting Periods, all commencing from the date of completion of the grant registration of the Share Options granted to the Incentive Participants. The Vesting Period for the Share Options under the first grant (Class A Incentive Participants) shall be 24 months and 36 months; the Vesting Period for the Share Options under the first grant (the non-specially granted portion among Class B Incentive Participants) shall be 12 months, 24 months and 36 months; the Vesting Period for the Share Options under the first grant (the specially granted portion among Class B Incentive Participants) shall be 18 months, 30 months and 42 months; and the Vesting Periods for the reserved portion shall be 24 months and 36 months.

The specially granted portion among Class B Incentive Participants is subject to longer Vesting Periods of 18 months, 30 months and 42 months, as these Incentive Participants are employees who have been employed for less than one year, and their Vesting Period is correspondingly extended by six months.

The assessment years for Class A Incentive Participants shall be 2027 and 2028, instead of commencing from 2026. This is because such personnel have already participated in the Company's 2024 Equity Incentive Scheme, under which performance assessment for 2026 is still ongoing. Accordingly, this Scheme assesses the performance of Class A Incentive Participants for 2027 and 2028.

4. Exercisable Arrangement of the Share Option

The Incentive Participants under the A Share Incentive Scheme may commence exercise of their Share Options upon expiry of the Vesting Period, and shall comply with the relevant requirements of the CSRC, the Shenzhen Stock Exchange and The Stock Exchange of Hong Kong Limited. The Exercisable Date must be an A Share trading day within the Validity Period of the A Share Incentive Scheme, and no exercise shall be permitted during any period in which the relevant laws, administrative regulations or departmental rules impose restrictions on the purchase and sale of shares of the Company by directors or senior management of a listed company.

During the Term of the A Share Incentive Scheme, if there are any changes to the provisions governing the foregoing period under the Company Law, Securities Law and other relevant laws, administrative regulations, regulatory documents and the Articles of Association, Incentive Participants shall comply with such amended Company Law, Securities Law and other relevant laws, regulations, regulatory documents and the Articles of Association upon exercise of Share Options.

The exercise period and the respective exercise schedule of the Share Options granted under the first grant (the Class A Incentive Participants) are set out in the table below:

Exercise Arrangement	Exercise Schedule	Exercise Ratio
First exercise period	Commencing from the first trading day after expiry of the 24-month period from the Grant Date and ending on the last trading day of the 36-month period from the Grant Date	50%
Second exercise period	Commencing from the first trading day after expiry of the 36-month period from the Grant Date and ending on the last trading day of the 48-month period from the Grant Date	50%

The exercise period and the respective exercise schedule of the Share Options granted under the first grant (the non-special grant portion of the Class B Incentive Participants) are set out in the table below:

Exercise Arrangement	Exercise Schedule	Exercise Ratio
First exercise period	Commencing from the first trading day after expiry of the 12-month period from the Grant Date and ending on the last trading day of the 24-month period from the Grant Date	40%

Exercise Arrangement	Exercise Schedule	Exercise Ratio
Second exercise period	Commencing from the first trading day after expiry of the 24-month period from the Grant Date and ending on the last trading day of the 36-month period from the Grant Date	30%
Third exercise period	Commencing from the first trading day after expiry of the 36-month period from the Grant Date and ending on the last trading day of the 48-month period from the Grant Date	30%

The exercise period and the respective exercise schedule of the Share Options granted under the first grant (the special grant portion of the Class B Incentive Participants) are set out in the table below:

Exercise Arrangement	Exercise Schedule	Exercise Ratio
First exercise period	Commencing from the first trading day after expiry of the 18-month period from the Grant Date and ending on the last trading day of the 30-month period from the Grant Date	40%
Second exercise period	Commencing from the first trading day after expiry of the 30-month period from the Grant Date and ending on the last trading day of the 42-month period from the Grant Date	30%

Exercise Arrangement	Exercise Schedule	Exercise Ratio
Third exercise period	Commencing from the first trading day after expiry of the 42-month period from the Grant Date and ending on the last trading day of the 54-month period from the Grant Date	30%

The exercise period and the respective exercise schedule of the reserved portion of the Share Options are set out in the table below:

Exercise Arrangement	Exercise Schedule	Exercise Ratio
First exercise period of the reserved grant	Commencing from the first trading day after expiry of the 24-month period from the Grant Date and ending on the last trading day of the 36-month period from the Grant Date	50%
Second exercise period of the reserved grant	Commencing from the first trading day after expiry of the 36-month period from the Grant Date and ending on the last trading day of the 48-month period from the Grant Date	50%

Share Options of which the Exercise Conditions are not satisfied during the aforesaid agreed period shall not be exercisable or shall not be deferred to the next period for exercise, and the Company shall cancel the corresponding Share Options of the Incentive Participants in accordance with the principles stipulated in the A Share Incentive Scheme. After the end of each exercise period of the Share Options, the Share Options of the current period not exercised by the Incentive Participants shall cease to be exercisable and shall be cancelled by the Company.

Upon satisfaction of the Exercise Conditions of the Share Options, the Company shall handle the exercise of the Share Options that satisfy the Exercise Conditions for the Incentive Participants.

5. Lock-up Period of the Share Options

The lock-up provisions applicable to the shares of the Company obtained by the Incentive Participants through the A Share Incentive Scheme shall be implemented in accordance with the Company Law, the Securities Law and other relevant laws, administrative regulations, regulatory documents and the Articles of Association. The specific provisions are as follows:

- (1) If the Incentive Participants are the directors and senior executives of the Company, the shares they transfer each year during their term of office determined at the time of their appointment and the six months after the expiry of such term shall not exceed 25% of the total number of shares of the Company held by them, and they shall not transfer the shares of the Company held by them during the half-year period after their departure from the Company.
- (2) If the Incentive Participants are the directors and senior executives of the Company and their spouses, parents or children, the gains from the disposal of the shares of the Company held by them within 6 months after they acquire such shares, or from the purchase of shares within 6 months after they have sold such shares, shall be retained by the Company. The Board will confiscate all the gains from such actions.

- (3) During the Validity Period of the A Share Incentive Scheme, if there is any change to the provisions of the Company Law, Securities Law, and other relevant laws and regulations, regulatory documents and the Articles of Association relating to the transfer of shares held by the directors and senior executives of the Company, the Incentive Participants shall comply with such revised provisions of the Company Law, Securities Law, and other relevant laws and regulations, regulatory documents and the Articles of Association when transferring the shares of the Company held by them.

The Acceptance Price for the Share Options

No consideration is required to be paid by the Incentive Participants to the Company for the acceptance of the incentive Share Options under the A Share Incentive Scheme.

The Exercise Price of the Share Options and the Basis of Determination of the Exercise Price

1. The Exercise Price of the Share Options under the First Grant

The Exercise Price of the Share Options granted under the first grant pursuant to the A Share Incentive Scheme shall be RMB188.60 per Option. Upon fulfilment of exercise conditions, each Share Option granted to an Incentive Participant shall entitle the Incentive Participant to purchase one A Share of the Company at the price of RMB188.60 per Share Option.

2. Basis of Determination of the Exercise Price of the Share Options under the First Grant

The Exercise Price of the Share Options under the first grant pursuant to the A Share Incentive Scheme shall not be lower than the nominal value of the Shares and not be lower than the higher of the followings:

- (1) the average trading price of the A Shares for the last A Share trading day preceding the date of announcement of the draft A Share Incentive Scheme of RMB188.60 per Share;
- (2) the average trading price of the Shares for the last 20 A Share trading days preceding the date of announcement of the draft A Share Incentive Scheme of RMB180.12 per Share.

3. Basis of Determination of the Exercise Price of the Share Options under the Reserved Grant

The Exercise Price of the Share Options under the reserved grant pursuant to the A Share Incentive Scheme shall be consistent with that under the first grant, being RMB188.60 per Share.

Conditions of Grant and Exercise of the Share Options

1. Conditions of Grant of the Share Options

The Company shall grant the Share Options to the Incentive Participants upon satisfaction of all of the following conditions of the grant. On the contrary, where any of the following conditions of the grant is not satisfied, no Share Options shall be granted to the Incentive Participants.

(1) None of the followings occurred to the Company:

- ① the certified public accountant issues an audit report with adverse opinion or disclaimer of opinion on the financial and accounting report for the most recent accounting year;
- ② the certified public accountant issues an audit report with adverse opinion or disclaimer of opinion on the internal control over financial reporting for the most recent accounting year;
- ③ the Company fails to implement a profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings during the last 36 months after listing;
- ④ the implementation of share incentives is prohibited by laws and regulations;
- ⑤ other circumstances as determined by the CSRC.

(2) None of the followings occurred to the Incentive Participants:

- ① the Incentive Participant has been determined as an inappropriate candidate by the Stock Exchanges within the last 12 months;
- ② the Incentive Participant has been determined as an inappropriate candidate by the CSRC and its delegated agencies within the last 12 months;
- ③ the Incentive Participant has been subject to administrative punishment or measures for banning the entry into the market by the CSRC and its delegated agencies due to material violation of laws and regulations within the last 12 months;
- ④ the Incentive Participant is prohibited from acting as a director or a member of the senior management of the company pursuant to the Company Law;
- ⑤ the Incentive Participant is prohibited from participating in share incentives of listed companies pursuant to the laws and regulations;
- ⑥ other circumstances as determined by the CSRC.

2. Exercise Conditions for the Share Options

Share Options granted to the Incentive Participants may be exercised only when all of the following conditions are met during the exercise period:

(1) None of the followings occurred to the Company:

- ① the certified public accountant issues an audit report with an adverse opinion or disclaimer of opinion on the financial and accounting report for the most recent accounting year;
- ② the certified public accountant issues an audit report with an adverse opinion or disclaimer of opinion on the internal control over financial reporting for the most recent accounting year;

- ③ the Company fails to implement a profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings during the last 36 months after listing;
- ④ the implementation of share incentives is prohibited by laws and regulations;
- ⑤ other circumstances as determined by the CSRC.

In case any of the circumstances specified in the above sub-paragraph (1) has occurred on the part of the Company, all Share Options that have been granted to the Incentive Participants under the A Share Incentive Scheme but have not been exercised shall be cancelled by the Company.

(2) None of the followings occurred to the Incentive Participants:

- ① the Incentive Participant has been determined as an inappropriate candidate by the Stock Exchanges within the last 12 months;
- ② the Incentive Participant has been determined as an inappropriate candidate by the CSRC and its delegated agencies within the last 12 months;
- ③ the Incentive Participant has been subject to administrative punishment or measures for banning the entry into the market by the CSRC and its delegated agencies due to material violation of laws and regulations within the last 12 months;
- ④ the Incentive Participant is prohibited from acting as a director or a member of the senior management of the company pursuant to the Company Law;
- ⑤ the Incentive Participant is prohibited from participating in share incentives of listed companies pursuant to the laws and regulations;
- ⑥ other circumstances as determined by the CSRC.

In case any of the circumstances specified in the above sub-paragraph (2) has occurred on the part of any Incentive Participants, the Company shall terminate his/her right to participate in the A Share Incentive Scheme, and the Share Options that have been granted to the Incentive Participants under the A Share Incentive Scheme but have not been exercised shall be cancelled by the Company.

(3) Performance appraisal requirements at company level

The assessment years for the Incentive Participants under the first grant of Share Options (Class A Incentive Participants) under the A Share Incentive Scheme shall be the two accounting years from 2027 to 2028; the assessment years for the Incentive Participants under the first grant of Share Options (Class B Incentive Participants, including the non-special grant portion and the special grant portion) shall be the three accounting years from 2026 to 2028; and the assessment years for the Incentive Participants under the reserved grant shall be the two accounting years from 2027 to 2028. An assessment shall be conducted once in each accounting year.

The exercise periods of the Share Options under the first grant (Class A Incentive Participants) and the performance appraisal targets for each year are set out in the table below:

Exercise period	Appraisal year	Annual Revenue (A)	
		Trigger value (An)	Target value (Am)
First exercise period	2027	RMB13.5 billion	RMB16.0 billion
Second exercise period	2028	RMB20.0 billion	RMB23.0 billion

Note 1: “Trigger value” means that if the Company achieves this target, the Incentive Participants may exercise at least 80% of the Share Options (provided that the individual performance assessment requirements are met); “Target value” means that if the Company achieves this target, the Incentive Participants may exercise 100% of the Share Options (provided that the individual performance assessment requirements are met); the same below.

Note 2: The data shall be based on the consolidated financial statements audited by the accounting firm; the same below.

The exercise periods of the Share Options under the first grant (Class B Incentive Participants, including the non-special grant portion and the special grant portion) and the performance appraisal targets for each year are set out in the table below:

Exercise period	Appraisal year	Annual Revenue (A)	
		Trigger value (An)	Target value (Am)
First exercise period	2026	RMB8.5 billion	RMB10.0 billion
Second exercise period	2027	RMB13.5 billion	RMB16.0 billion
Third exercise period	2028	RMB20.0 billion	RMB23.0 billion

The exercise periods of the Share Options under the reserved grant and the performance appraisal targets for each year are set out in the table below:

Exercise period	Appraisal year	Annual Revenue (A)	
		Trigger value (An)	Target value (Am)
First exercise period	2027	RMB13.5 billion	RMB16.0 billion
Second exercise period	2028	RMB20.0 billion	RMB23.0 billion

Note: The reserved Share Options must be granted before September 30, 2027.

According to the Company's actual annual performance results, the Company-level exercise ratio arrangement is as follows:

Appraisal indicator	Achievement of performance target	Company-level exercisable ratio
Revenue for the appraisal year (A)	$A \geq A_m$	100.00%
	$A > A_m \geq A_n$	$80\% + (A - A_n) / (A_m - A_n) * 20\%$
	$A < A_n$	0

If the Company fails to meet the above performance appraisal targets, all Share Options that the Incentive Participants are entitled to exercise in the corresponding year shall not be exercised and shall be cancelled by the Company.

(4) Individual-level performance appraisal requirements for Incentive Participants

The individual-level performance appraisal of Incentive Participants shall be implemented in accordance with the Company's internal performance appraisal-related rules.

The performance appraisal results of Incentive Participants are classified into four grades: Excellent (A), Good (B), Qualified (C) and Unqualified (D), and the corresponding individual-level exercise ratios are as follows:

Appraisal result	Excellent (A)	Good (B)	Qualified (C)	Unqualified (D)
Individual-level exercise ratio	100%	100%	80%	0%

If the Company's performance targets are achieved, the actual number of Share Options that an Incentive Participant may exercise in the current year = the number of Share Options that the individual plans to exercise in the current year $\times$ the individual-level exercise ratio. Any Share Options that an Incentive Participant fails to exercise shall be cancelled by the Company.

The specific assessment contents of the A Share Incentive Scheme shall be implemented in accordance with the A Share Incentive Scheme Measures.

Methods and Procedures Relating to Adjustment of the Share Option Incentive Scheme

1. Adjustment methods of the number of the Share Options

If, during the period from the date of announcement of the draft A Share Incentive Scheme to the date on which the exercise registration of the Share Options granted to an Incentive Participant is completed, the Company carries out any capitalization of capital reserves, bonus issue, share subdivision, share consolidation, rights issue or other similar events, the number of Share Options shall be adjusted accordingly. The adjustment methods are as follows:

(1) Capitalization of capital reserves, bonus issue, share subdivision

$$Q=Q_0 \times (1+n)$$

Where: Q_0 represents the number of the Share Options prior to the adjustment; n represents the ratio of increase per share resulting from capitalization of capital reserves, bonus issue or share subdivision (i.e. the number of increased share(s) per share upon capitalization of capital reserves, bonus issue or share subdivision); and Q represents the number of the Share Options after the adjustment.

(2) Rights issue

$$Q=Q_0 \times P_1 \times (1+n) \div (P_1 + P_2 \times n)$$

Where: Q_0 represents the number of the Share Options prior to the adjustment; P_1 represents the closing price as at the record date; P_2 represents the subscription price in respect of the rights issue or the public offering price; n represents the ratio of the rights issue or public offering (i.e. the number of shares to be issued under the rights issue or public offering in proportion to the total share capital of the Company prior to the rights issue or public offering); and Q represents the number of the Share Options after the adjustment.

(3) Share consolidation

$$Q=Q_0 \times n$$

Where: Q_0 represents the number of the Share Options prior to the adjustment; n represents the ratio of consolidation of Shares (i.e. one Share of Delton Technology shall be consolidated into n Shares); and Q represents the number of the Share Options after the adjustment.

(4) Dividend distribution, new issue

In the event of issue of new Shares by the Company, the number of the Share Options to be exercised will not be adjusted.

2. Adjustment methods of the Exercise Price of the Share Options

If, during the period from the date of announcement of the draft A Share Incentive Scheme to the date on which the exercise registration of the Share Options granted to an Incentive Participant is completed, there occurs any capitalization of capital reserves, bonus issue, share subdivision, share consolidation, rights issue or dividend distribution or any other similar event of the Company, the Exercise Price of the Share Options shall be adjusted accordingly, provided that no adjustment shall cause the Exercise Price to be lower than the par value of the Shares. The adjustment methods are as follows:

(1) Capitalization of capital reserves, bonus issue, share subdivision

$$P=P_0 \div (1+n)$$

Where: P_0 represents the Exercise Price prior to the adjustment; n represents the ratio of increase per Share resulting from the capitalization of capital reserves, bonus issue or share subdivision (i.e. the number of increased Share(s) per Share upon capitalization of capital reserves, bonus issue or share subdivision); and P represents the Exercise Price after the adjustment.

(2) Rights issue

$$P = P_0 \times (P_1 + P_2 \times n) \div [P_1 \times (1 + n)]$$

Where: P_0 represents the Exercise Price prior to the adjustment; P_1 represents the closing price as at the record date; P_2 represents the price in respect of the rights issue or public offering; n represents the ratio of the rights issue or public offering (i.e. the number of Shares to be issued under the rights issue or public offering in proportion to the total share capital of the Company prior to the rights issue or public offering); and P represents the Exercise Price after the adjustment.

(3) Share consolidation

$$P = P_0 \times n$$

Where: P_0 represents the Exercise Price prior to the adjustment; n represents the ratio of share consolidation; (i.e. one Share of the Company is consolidated into n Shares); and P represents the Exercise Price after the adjustment.

(4) Dividend distribution

$$P = P_0 - V$$

Where: P_0 represents the Exercise Price prior to the adjustment; V represents the dividend per Share; and P represents the Exercise Price after the adjustment. After the adjustment of dividend distribution, P shall still be greater than the par value of the Company's Shares.

(5) New issue

In the event of issue of new Shares by the Company, the Exercise Price of the Share Options will not be adjusted.

(B) Restricted Share Incentive Scheme

Source and Type of Shares Involved in the Proposed Grant of Restricted Shares

The underlying Shares involved in the Restricted Share Incentive Scheme are the RMB-denominated ordinary A Shares of the Company to be issued by the Company to the Incentive Participants by way of directed issuance.

Number of Restricted Shares to be Granted and Their Proportion to the Total Number of Shares of the Company

The number of Restricted Shares to be granted to the Incentive Participants under the A Share Incentive Scheme is 3,372,700 Shares, representing approximately 0.71% of the total share capital of the Company of 472,726,900 Shares as at the date of announcement of the draft A Share Incentive Scheme. Among these, 2,704,200 Restricted Shares are granted under the first grant, representing approximately 0.57% of the total share capital of the Company of 472,726,900 Shares as at the date of announcement of the draft A Share Incentive Scheme, which accounts for 80.18% of the total Restricted Shares to be granted under the A Share Incentive Scheme; 668,500 Restricted Shares are reserved, representing approximately 0.14% of the total share capital of the Company of 472,726,900 Shares as at the date of announcement of the draft A Share Incentive Scheme, which accounts for 19.82% of the total Restricted Shares to be granted under the A Share Incentive Scheme.

List of Incentive Participants and Allocation of Restricted Shares Proposed to be Granted

Position	Number of Restricted Shares granted (0'000)	Proportion of the number of equity interests proposed to be granted under the Scheme to the total number of Restricted Shares	Proportion to the total share capital of the Company as at the date of announcement of the draft Scheme
Class A Incentive Participants			
Core management personnel and core technical (business) staff (226 persons)	138.98	41.21%	0.29%
Class B Incentive Participants			
Core management personnel and core technical (business) staff (394 persons)			
– Portion of non-special grant (263 persons)	75.97	22.52%	0.16%
– Portion of special grant (131 persons)	55.47	16.45%	0.12%
Reserved portion	66.85	19.82%	0.14%
Total	337.27	100.00%	0.71%

Notes: Any difference in the last digit between the total of certain figures in the above table and the sum of the individual items is due to rounding.

The Validity Period, Grant Date, Lock-up Period, and unlocking arrangements of the Restricted Share Incentive Scheme and Lock-up Period of Restricted Shares

1. Validity Period of the Restricted Share Incentive Scheme

The validity period of the Restricted Share Incentive Scheme shall commence from the date of grant of the Restricted Shares and end on the date on which all Restricted Shares granted to the Incentive Participants are unlocked or repurchased and cancelled, and shall not exceed 60 months. Accordingly, pursuant to Rule 17.03(11) of the Listing Rules, the duration of the Restricted Share Incentive Scheme shall not exceed ten (10) years.

2. Grant Date of the Restricted Share Incentive Scheme

After the A Share Incentive Scheme is approved by the general meeting of the Company, the Company shall, within 60 days (where there are conditions for the grant of equity interests, from the date on which such conditions are fulfilled), convene a meeting of the Board in accordance with the relevant requirements to grant equity interests to the Incentive Participants and complete the relevant procedures including announcement and registration. If the Company fails to complete the above work within 60 days, it shall timely disclose the reasons for such failure and announce the termination of the implementation of the A Share Incentive Scheme. Periods during which the Company is prohibited from granting equity interests under the Administrative Measures shall not be counted within the 60-day period.

The Grant Date shall be determined by the Board of the Company after the A Share Incentive Scheme is approved by the general meeting of the Company, and shall comply with the relevant regulations of the CSRC, the Shenzhen Stock Exchange and The Stock Exchange of Hong Kong Limited. The Grant Date must be an A Share trading day. If the date determined in accordance with the above principles is not an A Share trading day, the Grant Date shall be postponed to the first A Share trading day thereafter. In addition, during any period in which the relevant laws, administrative regulations and departmental rules restrict the purchase and sale of shares of the Company by directors and senior management of a listed company, no Restricted Shares shall be granted to the Incentive Participants.

During the Validity Period of the A Share Incentive Scheme, if there are any changes to the relevant provisions concerning the aforesaid period under the Company Law, the Securities Law and other applicable laws, administrative regulations and regulatory documents, or the Articles of Association, the Company shall, when granting Restricted Shares to the Incentive Participants, comply with the provisions of the amended Company Law, Securities Law and other applicable laws, regulations and regulatory documents, and the Articles of Association.

3. Lock-up Period of the Restricted Share Incentive Scheme

The Restricted Shares granted to the Incentive Participants shall be subject to different Lock-up Period, each commencing from the date on which the registration of the Restricted Shares granted to the relevant Incentive Participants is completed. The Lock-up Period for the first grant to Class A Incentive Participants shall be 24 months and 36 months; the Lock-up Period for the non-special grant portion of the first grant to Class B Incentive Participants shall be 12 months, 24 months and 36 months; the Lock-up Period for the special grant portion of the first grant to Class B Incentive Participants shall be 18 months, 30 months and 42 months; and the Lock-up Period for the reserved portion shall be 24 months and 36 months.

The Restricted Shares granted to the Incentive Participants pursuant to the A Share Incentive Scheme shall not be transferred, used as security or used to repay debts during the Lock-up Period. Upon registration of the Restricted Shares granted to the Incentive Participants with the securities registration and clearing institution, the Incentive Participants shall be entitled to the rights attaching to such shares, including, without limitation, the rights to receive dividends, rights to participate in rights issues and voting rights in respect of such shares. During the Lock-up Period, any shares obtained by the Incentive Participants as a result of the capitalization of capital reserve, distribution of bonus shares, rights issue or allotment of shares to existing shareholders in a further issue by the Company in respect of the Restricted Shares granted to them shall also be subject to the lock-up restrictions and shall not be sold in the secondary market or otherwise transferred. The expiry date of the Lock-up Period applicable to such shares shall be the same as that applicable to the Restricted Shares.

4. Unlocking Arrangements under the Restricted Share Incentive Scheme

The unlocking arrangements for the Restricted Shares shall be as follows for each class of Incentive Participants:

The Unlocking Period and the respective unlocking schedule of the Restricted Shares granted under the first grant (the Class A Incentive Participants) of the A Share Incentive Scheme are set out in the table below:

Unlocking Arrangement	Unlocking Schedule	Proportion of the number of equity interests unlocked to the total number of equity interests granted
First Unlocking Period	Commencing from the first trading day after expiry of the 24-month period from the Grant Date and ending on the last trading day of the 36-month period from the Grant Date	50%
Second Unlocking Period	Commencing from the first trading day after expiry of the 36-month period from the Grant Date and ending on the last trading day of the 48-month period from the Grant Date	50%

The Unlocking Period and the respective unlocking schedule of the Restricted Shares granted under the first grant (the non-special grant portion of the Class B Incentive Participants) of the A Share Incentive Scheme are set out in the table below:

Unlocking Arrangement	Unlocking Schedule	Proportion of the number of equity interests unlocked to the total number of equity interests granted
First Unlocking Period	Commencing from the first trading day after expiry of the 12-month period from the Grant Date and ending on the last trading day of the 24-month period from the Grant Date	40%
Second Unlocking Period	Commencing from the first trading day after expiry of the 24-month period from the Grant Date and ending on the last trading day of the 36-month period from the Grant Date	30%
Third Unlocking Period	Commencing from the first trading day after expiry of the 36-month period from the Grant Date and ending on the last trading day of the 48-month period from the Grant Date	30%

The Unlocking Period and the respective unlocking schedule of the Restricted Shares granted under the first grant (the special grant portion of the Class B Incentive Participants) of the A Share Incentive Scheme are set out in the table below:

Unlocking Arrangement	Unlocking Schedule	Proportion of the number of equity interests unlocked to the total number of equity interests granted
First Unlocking Period	Commencing from the first trading day after expiry of the 18-month period from the Grant Date and ending on the last trading day of the 30-month period from the Grant Date	40%
Second Unlocking Period	Commencing from the first trading day after expiry of the 30-month period from the Grant Date and ending on the last trading day of the 42-month period from the Grant Date	30%
Third Unlocking Period	Commencing from the first trading day after expiry of the 42-month period from the Grant Date and ending on the last trading day of the 54-month period from the Grant Date	30%

The Unlocking Period and the respective unlocking schedule of the reserved portion of the Restricted Shares are set out in the table below:

Unlocking Arrangement	Unlocking Schedule	Proportion of the number of equity interests unlocked to the total number of equity interests granted
First Unlocking Period under the reserved grant	Commencing from the first trading day after expiry of the 24-month period from the Grant Date and ending on the last trading day of the 36-month period from the Grant Date	50%
Second Unlocking Period under the reserved grant	Commencing from the first trading day after expiry of the 36-month period from the Grant Date and ending on the last trading day of the 48-month period from the Grant Date	50%

Restricted Shares for which the Unlocking Conditions have not been fulfilled during the aforesaid agreed period shall not be unlocked or deferred to the next period for unlocking, and shall be repurchased and cancelled by the Company in accordance with the principles stipulated in the A Share Incentive Scheme.

Upon satisfaction of the Unlocking Conditions for the Restricted Shares, the Company shall uniformly handle the unlocking of the Restricted Shares that satisfy the Unlocking Conditions.

5. Lock-up Period of Restricted Shares

The lock-up provisions applicable to the shares of the Company obtained by the Incentive Participants under the A Share Incentive Scheme shall be implemented in accordance with the Company Law, the Securities Law and other relevant laws, administrative regulations, regulatory documents and the Articles of Association. The specific provisions are as follows:

- (1) If the Incentive Participants are the directors and senior executives of the Company, the shares they transfer each year during their term of office determined at the time of their appointment and the six months after the expiry of such term shall not exceed 25% of the total number of shares of the Company held by them, and they shall not transfer the shares of the Company held by them during the half-year period after their departure from the Company.
- (2) If the Incentive Participants are the directors and senior executives of the Company, their spouses, parents and children, the gains from the disposal of the shares of the Company held by them within 6 months after they acquire such shares, or from the purchase of shares within 6 months after they have sold such shares, shall be retained by the Company. The Board will confiscate all the gains from such actions.
- (3) During the Validity Period of the A Share Incentive Scheme, if there is any change to the provisions of the Company Law, the Securities Law, and other relevant laws and regulations, regulatory documents and the Articles of Association relating to the transfer of shares held by the directors and senior executives of the Company, such Incentive Participants shall, when transferring the shares of the Company held by them, comply with the revised Company Law, the Securities Law, and other relevant laws and regulations, regulatory documents and the Articles of Association.

The Grant Price and Acceptance Price of the Restricted Shares and the Basis of Determination

1. The Grant Price and Acceptance Price of the Restricted Shares

The Grant Price of the Restricted Shares is RMB94.30 per Share, and the Grant Price for the first grant and the reserved grant is the same.

Save as aforesaid, no consideration is required to be paid by the Incentive Participants to the Company for the acceptance of the Restricted Shares under the A Share Incentive Scheme.

2. Basis of Determination of the Grant Price of the Restricted Shares

The Grant Price of the Restricted Shares shall not be lower than the nominal value of the Shares and shall, in principle, not be lower than 50% of the higher of the following prices:

- (1) The average trading price of the A Shares of the Company for the one A Share trading day preceding the date of announcement of the draft A Share Incentive Scheme, being RMB188.60 per Share, 50% of which is RMB94.30 per Share;
- (2) The average trading price of the A Shares of the Company for the 20 A Share trading days preceding the date of announcement of the draft A Share Incentive Scheme, being RMB180.12 per Share, 50% of which is RMB90.06 per Share.

Conditions for the Grant and Unlocking of Restricted Shares

1. Conditions of Grant of the Restricted Shares

The Company shall grant the Restricted Shares to the Incentive Participants upon satisfaction of all of the following conditions of the grant. Conversely, where any of the following conditions of the grant is not satisfied, no Restricted Shares shall be granted to the Incentive Participants.

- (1) None of the followings occurred to the Company:
 - ① the certified public accountant issues an audit report with adverse opinion or disclaimer of opinion on the financial and accounting report for the most recent accounting year;
 - ② the certified public accountant issues an audit report with adverse opinion or disclaimer of opinion on the internal control over financial reporting for the most recent accounting year;

- ③ the Company fails to implement a profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings during the last 36 months after listing;
 - ④ the implementation of share incentives is prohibited by laws and regulations;
 - ⑤ other circumstances as determined by the CSRC.
- (2) None of the followings occurred to the Incentive Participants:
- ① the Incentive Participant has been determined as an inappropriate candidate by the Stock Exchanges within the last 12 months;
 - ② the Incentive Participant has been determined as an inappropriate candidate by the CSRC and its delegated agencies within the last 12 months;
 - ③ the Incentive Participant has been subject to administrative punishment or measures for banning the entry into the market by the CSRC and its delegated agencies due to material violation of laws and regulations within the last 12 months;
 - ④ the Incentive Participant is prohibited from acting as a director or a member of the senior management of the company pursuant to the Company Law;
 - ⑤ the Incentive Participant is prohibited from participating in share incentives of listed companies pursuant to the laws and regulations;
 - ⑥ other circumstances as determined by the CSRC.

2. Unlocking Conditions of Restricted Shares

The Restricted Shares granted to the Incentive Participants may be unlocked only when all of the following conditions are met during the Unlocking Period:

(1) None of the followings occurred to the Company:

- ① the certified public accountant issues an audit report with adverse opinion or disclaimer of opinion on the financial and accounting report for the most recent accounting year;
- ② the certified public accountant issues an audit report with adverse opinion or disclaimer of opinion on the internal control over financial reporting for the most recent accounting year;
- ③ the Company fails to implement a profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings during the last 36 months after listing;
- ④ the implementation of share incentives is prohibited by laws and regulations;
- ⑤ other circumstances as determined by the CSRC.

In case any of the circumstances specified in the above sub-paragraph (1) has occurred on the part of the Company, the Restricted Shares that have been granted to the Incentive Participants under the A Share Incentive Scheme but have not been unlocked shall be repurchased and cancelled by the Company at a price equal to the sum of the Grant Price plus interest on time deposits of the People's Bank of China for the same period. If an Incentive Participant bears personal responsibility for the above circumstances, the Restricted Shares granted to such Incentive Participant but not yet unlocked shall be repurchased and cancelled by the Company at the lower of the Grant Price and the market price of the Shares.

(2) None of the followings occurred to the Incentive Participants:

- ① the Incentive Participant has been determined as an inappropriate candidate by the Stock Exchanges within the last 12 months;
- ② the Incentive Participant has been determined as an inappropriate candidate by the CSRC and its delegated agencies within the last 12 months;
- ③ the Incentive Participant has been subject to administrative punishment or measures for banning the entry into the market by the CSRC and its delegated agencies due to material violation of laws and regulations within the last 12 months;
- ④ the Incentive Participant is prohibited from acting as a director or a member of the senior management of the company pursuant to the Company Law;
- ⑤ the Incentive Participant is prohibited from participating in share incentives of listed companies pursuant to the laws and regulations;
- ⑥ other circumstances as determined by the CSRC.

In case any of the circumstances specified in the above sub-paragraph (2) has occurred on the part of any Incentive Participant, the Company shall terminate his/her right to participate in the A Share Incentive Scheme, and the Restricted Shares that have been granted to the Incentive Participant under the A Share Incentive Scheme but have not been unlocked shall be repurchased and cancelled by the Company at the lower of the Grant Price and the market price of the Shares.

(3) Performance appraisal requirements at company level

The assessment years for the Incentive Participants under the first grant of Restricted Shares (Class A Incentive Participants) under this Incentive Scheme shall be the two accounting years from 2027 to 2028; the assessment years for the Incentive Participants under the first grant of Restricted Shares (Class B Incentive Participants, including the non-special grant portion and the special grant portion) shall be the three accounting years from 2026 to 2028; and the assessment years for the Incentive Participants under the reserved portion shall be the two accounting years from 2027 to 2028. An assessment shall be conducted once in each accounting year.

The Unlocking Period of the Restricted Shares under the first grant (Class A Incentive Participants) and the performance appraisal targets for each year are set out in the table below:

Unlocking Period	Appraisal year	Annual Revenue (A)	
		Trigger value (An)	Target value (Am)
First Unlocking Period	2027	RMB13.5 billion	RMB16.0 billion
Second Unlocking Period	2028	RMB20.0 billion	RMB23.0 billion

The Unlocking Period of the Restricted Shares under the first grant (Class B Incentive Participants, including the non-special grant portion and the special grant portion) and the performance appraisal targets for each year are set out in the table below:

Unlocking Period	Appraisal year	Annual Revenue (A)	
		Trigger value (An)	Target value (Am)
First Unlocking Period	2026	RMB8.5 billion	RMB10.0 billion
Second Unlocking Period	2027	RMB13.5 billion	RMB16.0 billion
Third Unlocking Period	2028	RMB20.0 billion	RMB23.0 billion

The Unlocking Periods of the Restricted Shares under the reserved grant and the performance appraisal targets for each year are set out in the table below:

Unlocking Period	Appraisal year	Annual Revenue (A)	
		Trigger value (An)	Target value (Am)
First Unlocking Period under the reserved grant	2027	RMB13.5 billion	RMB16.0 billion
Second Unlocking Period under the reserved grant	2028	RMB20.0 billion	RMB23.0 billion

Note: The reserved Restricted Shares must be granted before September 30, 2027.

According to the Company's actual annual performance results, the Company-level unlocking ratio arrangement is as follows:

Appraisal indicator	Achievement of performance target	Company-level unlocking ratio
Revenue for the appraisal year (A)	$A \geq Am$	100.00%
	$A > Am \geq An$	$80\% + (A - An) / (Am - An) * 20\%$
	$A < An$	0

If the Company fails to meet the above performance appraisal targets, all the Restricted Shares held by the Incentive Participants that are planned to be unlocked in the corresponding year shall not be unlocked, and shall be repurchased and cancelled by the Company at an amount equal to the Grant Price plus PBOC deposit interest for the same period.

(4) Individual-level performance appraisal requirements for Incentive Participants

The individual-level performance appraisal of Incentive Participants shall be carried out in accordance with the Company's internal performance assessment policies.

The individual-level performance appraisal results of Incentive Participants are classified into four grades: Excellent (A), Good (B), Qualified (C) and Unqualified (D), and the corresponding individual-level unlocking ratios are as follows:

Appraisal result	Excellent (A)	Good (B)	Qualified (C)	Unqualified (D)
Individual-level unlocking ratio	100%	100%	80%	0%

Subject to the achievement of the Company's performance targets, the number of Restricted Shares actually eligible for unlocking by an Incentive Participant in the relevant year shall be equal to the number of Restricted Shares scheduled to be unlocked by such Incentive Participant in that year multiplied by the individual unlocking ratio at the individual level. Where any Restricted Shares cannot be unlocked in the relevant assessment year due to the individual-level performance assessment, the Company shall repurchase and cancel such shares at a price equal to the sum of the Grant Price and the interest on the same-term fixed deposits of the PBOC for the corresponding period.

The specific assessment criteria under the A Share Incentive Scheme shall be implemented in accordance with the A Share Incentive Scheme Measures.

Methods and Procedures Relating to Adjustment of the Restricted Share Incentive Scheme

1. Adjustment methods of the number of the Restricted Shares

In the event of capitalization of capital reserves, bonus issue, share subdivision, share consolidation or rights issue of the Company during the period from the date of announcement of the draft A Share Incentive Scheme to the date on which the Incentive Participants completes the registration of the Restricted Shares, the number of the Restricted Shares shall be adjusted accordingly. The adjustment methods are as follows:

(1) Capitalization of capital reserves, bonus issue, share subdivision

$$Q=Q_0 \times (1+n)$$

Where: Q_0 represents the number of the Restricted Shares prior to the adjustment; n represents the ratio of increase per share resulting from capitalization of capital reserves, bonus issue or share subdivision (i.e. the number of increased share(s) per share upon capitalization of capital reserves, bonus issue or share subdivision); and Q represents the number of the Restricted Shares after the adjustment.

(2) Rights issue

$$Q=Q_0 \times P_1 \times (1+n) \div (P_1 + P_2 \times n)$$

Where: Q_0 represents the number of the Restricted Shares prior to the adjustment; P_1 represents the closing price of the Shares as at the record date; P_2 represents the subscription or public offering price in respect of the rights issue; n represents the ratio of the right issue or public offering (i.e. the number of shares to be issued under the rights issue or public offering in proportion to the total share capital of the Company prior to the rights issue or public offering); and Q represents the number of the Restricted Shares after the adjustment.

(3) Share consolidation

$$Q=Q_0 \times n$$

Where: Q_0 represents the number of the Restricted Shares prior to the adjustment; n represents the ratio of consolidation of shares (i.e. one share of the Company shall be consolidated into n shares); and Q represents the number of the Restricted Shares after the adjustment.

(4) Dividend distribution, new issue

In the event of issue of new shares by the Company, the number of the Restricted Shares to be granted will not be adjusted.

2. Adjustment methods of the Grant Price of Restricted Shares

In the event of capitalization of capital reserves, bonus issue, share subdivision, share consolidation, rights issue or dividend distribution of the Company during the period from the date of announcement of the draft A Share Incentive Scheme to the date on which the Incentive Participants completes the registration of the Restricted Shares granted, the Grant Price of the Restricted Shares shall be adjusted accordingly. The adjustment methods are as follows:

(1) Capitalization of capital reserves, bonus issue, share subdivision

$$P=P_0 \div (1+n)$$

Where: P_0 represents the Grant Price prior to the adjustment; n represents the ratio of increase per share resulting from the capitalization of capital reserves, bonus issue or share subdivision (i.e. the increase in the number of shares per share after such capitalisation, bonus issue or subdivision); and P represents the Grant Price after the adjustment.

(2) Rights issue

$$P=P_0 \times (P_1 + P_2 \times n) \div [P_1 \times (1+n)]$$

Where: P_0 represents the Grant Price prior to the adjustment; P_1 represents the closing price of the Shares as at the record date; P_2 represents the price of the rights issue or public offer; n represents the ratio of the rights issue or public offer (i.e. the number of shares to be issued under the rights issue or public offer in proportion to the total share capital of the Company prior to the rights issue or public offer); and P represents the Grant Price after the adjustment.

(3) Share consolidation

$$P=P_0 \div n$$

Where: P_0 represents the Grant Price prior to the adjustment; n represents the ratio of the share consolidation (i.e. one share of the Company shall be consolidated into n shares); and P represents the Grant Price after the adjustment.

(4) Dividend distribution

$$P=P_0 - V$$

Where: P_0 represents the Grant Price prior to the adjustment; V represents the dividend per share; P represents the adjusted Grant Price. After the adjustment of dividend distribution, P shall still be greater than the nominal value of the Shares of the Company.

(5) New issue

In the event of issue of new shares by the Company, the Grant Price of the Restricted Shares will not be adjusted.

(C) Repurchase and Cancellation of Restricted Shares

1. Principles for the Repurchase and Cancellation of Restricted Shares

After the completion of the registration of the grant of the Restricted Shares granted to the Incentive Participants, in the event of capitalization of capital reserves, bonus issue, share subdivision, rights issue, share consolidation or dividend distribution by the Company, the Company shall repurchase, in accordance with the adjusted number, the Restricted Shares granted to the Incentive Participants but not yet unlocked and the Shares of the Company acquired on the basis of such Restricted Shares. Where adjustments to the repurchase price and the number of shares to be repurchased are required under the A Share Incentive Scheme, the corresponding adjustments shall be made in accordance with the following methods.

2. Adjustment methods of the number of the Restricted Shares to be repurchased

(1) Capitalization of capital reserves, bonus issue, share subdivision

$$Q=Q_0\times(1+n)$$

Where: Q_0 represents the number of the Restricted Shares prior to the adjustment; n represents the ratio of increase per share resulting from capitalization of capital reserves, bonus issue or share subdivision (i.e. the number of increased share(s) per share upon capitalization of capital reserves, bonus issue or share subdivision); and Q represents the number of the Restricted Shares after the adjustment.

(2) Rights issue

$$Q=Q_0 \times P_1 \times (1+n) \div (P_1 + P_2 \times n)$$

Where: Q_0 represents the number of the Restricted Shares prior to the adjustment; n represents the ratio of the rights issue or public offer (i.e. the number of shares to be issued under the rights issue or public offer in proportion to the total share capital of the Company prior to the rights issue or public offer); and Q represents the number of the Restricted Shares after the adjustment.

(3) Share consolidation

$$Q=Q_0 \times n$$

Where: Q_0 represents the number of the Restricted Shares prior to the adjustment; n represents the ratio of the share consolidation (i.e. one share of the Company shall be consolidated into n shares); and Q represents the number of the Restricted Shares after the adjustment.

3. Adjustment methods of the repurchase price

(1) Capitalization of capital reserves, bonus issue, share subdivision

$$P=P_0 \div (1+n)$$

Where: P_0 represents the Grant Price prior to the adjustment; n represents the ratio of increase per share resulting from capitalization of capital reserves, bonus issue or share subdivision (i.e. the number of increased share(s) per share upon capitalization of capital reserves, bonus issue or share subdivision); and P represents the repurchase price after the adjustment.

(2) Rights issue

$$P = P_0 \times (P_1 + P_2 \times n) \div [P_1 \times (1 + n)]$$

Where: P_0 represents the Grant Price prior to the adjustment; P_1 represents the price of the rights issue or public offer; n represents the ratio of the rights issue or public offer (i.e. the number of shares to be issued under the rights issue or public offer in proportion to the total share capital of the Company prior to the rights issue or public offer); and P represents the repurchase price after the adjustment.

(3) Share consolidation

$$P = P_0 \div n$$

Where: P_0 represents the Grant Price prior to the adjustment; n represents the ratio of the share consolidation; and P represents the adjusted repurchase price.

(4) Dividend distribution

$$P = P_0 - V$$

Where: P_0 represents the Grant Price prior to the adjustment; V represents the dividend per share; P represents the repurchase price after the adjustment. If the cash dividend obtained by an Incentive Participant in respect of the Restricted Shares granted to him/her is collected by the Company on his/her behalf, it shall be paid to the Incentive Participant as dividends payable upon the unlocking of the Restricted Shares, and the repurchase price of the Restricted Shares not yet unlocked shall not be adjusted.

4. Procedures for adjustment of repurchase quantity or repurchase price

The board of directors of the Company shall convene a board meeting in a timely manner according to the authorization of the general meeting of the Company, and formulate a repurchase adjustment plan according to the above-mentioned reasons. After the board of directors adjusts the repurchase quantity or repurchase price according to the above-mentioned provisions, it shall announce it in a timely manner. If it is necessary to adjust the repurchase quantity or repurchase price of Restricted Shares for other reasons, a resolution shall be proposed by the board of directors for consideration and approval by the general meeting.

5. Procedures for repurchase cancellation

When the Company implements repurchase in accordance with the A Share Incentive Scheme, it shall apply to the Stock Exchange for repurchase of such Restricted Shares. Upon confirmation by the Stock Exchange, the registration and clearing company shall handle the registration and settlement matters. The Company shall pay the repurchase amount to the Incentive Participants and complete the transfer procedures of the corresponding Shares with the registration and clearing company. The Company shall cancel the Shares within a reasonable time after the transfer is completed.

(ii) Summary of the H Share Incentive Scheme

The principal terms of the H Share Incentive Scheme are summarized below. This summary is merely an overview of the terms of the H Share Incentive Scheme and does not constitute the full terms of the H Share Incentive Scheme. For the full terms of the H Share Incentive Scheme, please refer to the Scheme Rules.

Explanation of how the relevant terms align with the purpose of the H Share Incentive Scheme

The principal objectives of the H Share Incentive Scheme are: (i) to establish and refine the Company's long-term incentive mechanism, so as to attract and retain outstanding international talent; (ii) to fully incentivize the employees of the Company, attract more high-caliber international talent, and effectively align the long-term interests of the Shareholders, the Company and the employees of the Group; and (iii) to accelerate the Company's international expansion and promote its long-term development.

Source of the Incentive Shares

The source of the Incentive Shares shall be: (i) new H Shares to be issued by the Company; (ii) Treasury Shares; and/or (iii) existing H Shares purchased or acquired on-market or off-market by the Trustee of the Trust. Where new H Shares to be issued by the Company or Treasury Shares are used as the source, the issue or transfer of the relevant H Shares shall be subject to the approval and consent of the Hong Kong Stock Exchange (if applicable). As of the date of this announcement, the Company does not have any Treasury Shares and has no specific plan to use Treasury Shares as Incentive Shares. If the Company intends to use Treasury Shares as Incentive Shares in the future, the Company and/or the Board will use the Treasury Shares arising from share repurchases conducted pursuant to the repurchase mandate approved by the annual general meeting.

Selected Participants of the H Share Incentive Scheme and basis for determination

The H Share Incentive Scheme is conditional upon the passing of a resolution by the general meeting approving the H Share Incentive Scheme.

In accordance with the provisions of the Scheme Rules, the Board may from time to time, in its absolute discretion, select any Eligible Participant to be a Selected Participant of the H Share Incentive Scheme, and grant Incentive Shares to any Selected Participant at such consideration and on such terms and conditions as the Board may in its absolute discretion determine. A Selected Participant must be an Employee Participant of the Group.

The Eligible Participants of the H Share Incentive Scheme shall be directors (excluding independent non-executive directors) and employees (whether on a full-time or part-time basis) of any member of the Group, including persons to whom an Award is granted under this Scheme to facilitate the conclusion of an employment contract with the Group (“**Employee Participants**”). Based on the Company’s current plan, the Eligible Participants will include Mr. Xiao Hongxing, Ms. Zeng Hong and Mr. Peng Jinghui, being executive Directors.

The eligibility of any Eligible Participant to receive Award(s) shall be determined by the Board based on such Eligible Participant’s contributions to the development and growth of the Group. Without limiting the generality of the foregoing, in assessing the eligibility of an Employee Participant, the Board shall take into account factors including the Employee Participant’s educational background, professional experience, qualifications, skills, knowledge, length of service, job position, job responsibilities, contributions to the Group, and performance evaluation results.

Having considered the above factors, the Directors (including the independent non-executive Directors) are of the view that the above scope of Selected Participants and the basis for determination are consistent with the purpose of the H Share Incentive Scheme and the long-term interests of the Company and its Shareholders.

Scheme Mandate Limit

Subject to the Scheme Rules and any waiver or ruling granted by the Hong Kong Stock Exchange, the total number of Shares which may be issued in respect of all options and awards to be granted under the H Share Incentive Scheme shall not exceed 4,600,000.00 Shares, representing approximately 0.97% of the total number of issued Shares (excluding Treasury Shares) as at the date of approval of the H Share Incentive Scheme (the “**Scheme Mandate Limit**”). In addition, the total number of Shares which may be issued in respect of all options and awards to be granted under the H Share Incentive Scheme and any other share schemes of the Company shall not exceed 10% of the total number of issued Shares of the relevant class (excluding Treasury Shares) as at the Adoption Date. The Scheme Mandate Limit may be adjusted or refreshed from time to time in accordance with the Scheme Rules, subject to compliance with applicable laws, regulations, and rules. The Company may refresh the Scheme Mandate Limit after three years from the Adoption Date, and any refresh within any three-year period shall be approved by the Shareholders at a general meeting (the controlling Shareholder and its associates, or where there is no controlling Shareholder, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the relevant resolution), and shall comply with any additional requirements set out in Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules.

Options and Awards which have lapsed in accordance with the terms of the Relevant Schemes shall not be regarded as having been utilized for the purpose of calculating the Scheme Mandate Limit and shall be restored to the Scheme Mandate Limit for future grants. For the avoidance of doubt, Awards cancelled in accordance with the Scheme Rules (or the terms of any other share scheme of the Company) shall be treated as utilized for the purpose of calculating the Scheme Mandate Limit.

Individual limit

Where the grant of Incentive Shares to any Employee Participant who is not a Director, the chief executive of the Company, a substantial shareholder or any of their respective associates would result in the total number of issued and to be issued Shares in respect of all Awards granted to such proposed selected participant (excluding any Awards which have lapsed in accordance with the terms of the Relevant Schemes) during the 12-month period up to and including the date of such grant exceeding 1% of the total number of issued Shares of the relevant class of the Company (excluding Treasury Shares), such further grant of Incentive

Shares shall be subject to approval by the Shareholders of the Company at a general meeting (at which such participant and his/her close associates or, if such participant is a connected person, his/her associates shall abstain from voting), and shall comply with the relevant provisions of Chapter 17 of the Listing Rules. The number and terms of the Awards to be granted to such participant shall be determined before they are submitted to the Shareholders for approval.

The grant of Incentive Shares to a Director, the chief executive or any substantial shareholder of the Company or any of their respective associates shall only take effect upon approval by the independent non-executive Directors of the Company.

Where the grant of Incentive Shares to an Employee Participant who is a Director (other than an independent non-executive Director), the chief executive of the Company or any of their respective associates would result in the total number of issued and to be issued Shares in respect of all Awards granted to such proposed selected participant (excluding any Awards which have lapsed in accordance with the terms of the Relevant Schemes) during the 12-month period up to and including the date of such grant exceeding 0.1% (or such other higher percentage as may be stipulated by the Hong Kong Stock Exchange from time to time) of the total number of issued Shares of the relevant class of the Company (excluding Treasury Shares), such further grant of Incentive Shares shall not take effect unless the relevant provisions of Chapter 17 of the Listing Rules have been complied with.

Where the grant of Incentive Shares to an Employee Participant who is an independent non-executive Director or a substantial shareholder of the Company or any of their respective associates would result in the total number of issued and to be issued Shares in respect of all options and awards granted to such proposed selected participant (excluding any options or Awards which have lapsed in accordance with the terms of the Relevant Schemes) during the 12-month period up to and including the date of such grant exceeding 0.1% of the total number of issued Shares of the relevant class of the Company (excluding Treasury Shares), such further grant of Incentive Shares shall be subject to approval by the Shareholders of the Company at a general meeting in the manner and subject to the requirements stipulated in the Listing Rules, and such selected participant, his/her associates and all core connected persons of the Company shall abstain from voting in favour of the relevant resolution at such general meeting.

Vesting Period

The Vesting Period of Incentive Shares satisfied by newly issued Shares by the Company or Treasury Shares shall not be less than twelve (12) months from the Grant Date, provided that, in the case of Employee Participants, the Vesting Period may be less than twelve (12) months from the Grant Date in the specific limited circumstances set out in the Scheme Rules, including:

- (i) where a “compensatory” Award is granted to a new Employee Participant to replace an award forfeited upon leaving his or her former employer;
- (ii) where an Award is granted to an Employee Participant whose employment has terminated due to death or disability or the occurrence of any event beyond his or her control;
- (iii) where the Award is granted subject to performance-based vesting conditions (rather than time-based vesting criteria);
- (iv) where the Award is granted in tranches within one year for administrative and compliance reasons. In such circumstances, the Vesting Period may be shortened to reflect the time at which the Award should have been granted;
- (v) where the Award is granted with a mixed or accelerated vesting schedule, for example, where the relevant Award may vest evenly and progressively over twelve (12) months; and
- (vi) where the aggregate vesting and holding period of the Award exceeds twelve (12) months.

The Directors are of the view that, save for the specific limited circumstances set out above, a Vesting Period of not less than twelve months will assist the Group in promoting the long-term commitment and stability of Eligible Participants, which is consistent with the purpose of the H Share Incentive Scheme. At the same time, to ensure that it is practicable to fully achieve the objectives of the H Share Incentive Scheme, the Board considers that: (i) in certain circumstances, strict compliance with the 12-month vesting requirement may not be practicable or may be unfair to the Incentive Participants; (ii) the Company needs to retain the flexibility to reward outstanding performers by way of accelerated vesting or in exceptional circumstances (where reasonable); (iii) the Company should have the right to formulate its own talent recruitment and retention strategies at its discretion in response to changing market conditions and industry competition;

and (iv) the Company should have the flexibility to impose vesting conditions (such as performance-based conditions) in place of time-based vesting criteria, depending on the circumstances of individual cases. Accordingly, the Board considers that the shorter Vesting Periods described above are appropriate and consistent with the objectives of the H Share Incentive Scheme. The specific vesting arrangements will be determined by the Board at the time of grant and set out in the relevant grant documents.

Performance targets

Pursuant to the provisions of the Scheme Rules, the Board may, from time to time and at its absolute discretion, select any Eligible Participant as a Selected Participant to participate in the H Share Incentive Scheme, and grant Incentive Shares to any Selected Participant at such consideration and subject to such terms and conditions as the Board may in its absolute discretion determine. The Board is entitled, in its absolute discretion, to impose upon the Selected Participants any conditions it deems appropriate in respect of the vesting of the Incentive Shares, including but not limited to vesting conditions based on the results of the performance assessment of the Selected Participant's company and the Selected Participant's individual performance assessment. The Incentive Shares shall vest only upon the Selected Participant meeting the performance targets (if any) determined from time to time by the Board or its authorized persons. Such performance targets include, but are not limited to, the Company's business, financial or operational performance, or any performance assessment criteria determined by the Board and/or its authorized persons, in their absolute discretion, to be reasonable and applicable to Eligible Participants based on, amongst other things, the following considerations:

- (i) in the case of the Company's Directors and members of senior management: business or financial milestones, transaction milestones, performance assessments reaching satisfactory levels within a specified period, or the Selected Participant's anticipated future contribution to the Group (including their experience, expertise, insight, participation in specific projects or the achievement of specific work objectives, etc.); and
- (ii) in the case of other Employee Participants (other than Directors or members of the senior management of the Company): performance assessments reaching satisfactory levels within a specified period, or the Selected Participant's anticipated future contribution to the Group (including their experience, expertise, insight, participation in specific projects or the achievement of specific work objectives, etc.).

For the avoidance of doubt, the H Share Incentive Scheme does not pre-set specific performance targets for any Selected Participant, and the specific performance targets will be set out in the relevant grant documents. Pursuant to Rule 12.3 of the Scheme Rules, such performance targets may combine qualitative and quantitative requirements, including the performance of the Group (such as operating revenue, net profit, operating cash flow, research and development investment, dividend payout ratio or other indicators determined by the Board and appropriate to the Group's business), the performance of the organization to which the Selected Participant belongs, the individual performance of the Selected Participant or their overall performance. The Board or the Scheme Administrator and the Remuneration and Appraisal Committee of the Board may, in their absolute discretion, waive or amend any relevant performance targets, or implement performance targets different from those set out in the grant documents, only where they consider that the original performance targets have become inappropriate, impracticable, unfair, unduly onerous or no longer consistent with the purposes of the H Share Incentive Scheme, provided that such waiver or amendment complies with applicable laws, regulations and rules, and is consistent with the purposes of the H Share Incentive Scheme and the interests of the Company and its Shareholders as a whole. If the Board or the Scheme Administrator determines that any prescribed performance target has not been achieved, the Incentive Shares that have not yet vested during the relevant Vesting Period shall automatically lapse. The Directors consider that it is not practicable to expressly set out generic performance targets in the rules of the H Share Incentive Scheme, as the roles and manner of contribution of each Selected Participant within the Group vary.

Acceptance and Purchase Price of Incentive Shares

No consideration is required to be paid by the Selected Participants to the Company for the acceptance of the Incentive Shares under the H Share Incentive Scheme.

In addition, the Board may, at its absolute discretion, determine whether to require Selected Participants to pay any Purchase Price for the acquisition of Incentive Shares; if such payment is required, the amount of the Purchase Price shall be determined after taking into account (i) the practices of comparable companies; (ii) other terms of grant or vesting (such as the number of Shares involved and the remuneration package of the Selected Participants); and (iii) the effectiveness of the H Share Incentive Scheme in attracting talent and incentivizing Selected Participants to contribute to the Group's long-term development. For the avoidance of doubt, the Board may determine the Purchase Price at nil

consideration. The Purchase Price may be determined at different levels, including zero, par value, the then prevailing market price or at a discount to the then prevailing market price, having regard to the purposes of the H Share Incentive Scheme, the intention of the relevant grant (including as a supplement to remuneration) and the characteristics of the relevant Selected Participant. In addition, no consideration is required to be paid by the Selected Participants to the Company for the acceptance of the Incentive Shares under the H Share Incentive Scheme.

Having regard to the contributions that Eligible Participants have made or will make to the Group, the Board considers that the basis for determining the Purchase Price should be consistent with the purposes of the H Share Incentive Scheme, namely, to encourage and reward Eligible Participants for their contributions to the Group through the grant of Incentive Shares.

Clawback mechanism

Under certain circumstances set out in the rules of the H Share Incentive Scheme (for example, where the employment or engagement of a Selected Participant with any member of the Group is terminated for cause or without notice; where a Selected Participant commits fraud, dishonesty, or gross misconduct; where a Selected Participant commits a material breach of any applicable laws, regulations, and rules or the internal policies, standards, or agreements of any member of the Group (including any non-compete obligations imposed on the Selected Participant by the Group); where the Board reasonably considers that the grant made to the Selected Participant is no longer appropriate and inconsistent with the purpose of the H Share Incentive Scheme; or where the Company is required to exercise clawback under applicable laws, regulations, and rules and/or at the request of any regulatory authority (including the Hong Kong Stock Exchange)), the Board or the Scheme Administrator may, at its absolute discretion: (A) cause any Incentive Shares granted but not yet vested to lapse immediately; and (B) require the Selected Participant to claw back to the Company or its nominee in respect of H Shares delivered to or cash paid to the Selected Participant under the H Share Incentive Scheme, the same number of H Shares or cash equal to the market value of such H Shares or the amount of such cash payment, or a combination of both.

Overall, the Directors consider that the terms of the H Share Incentive Scheme are consistent with the purpose of the H Share Incentive Scheme.

Documents on display

Copies of the scheme document of the H Share Incentive Scheme will be published on the website of the Hong Kong Stock Exchange and the website of the Company for display for a period of not less than fourteen (14) days before the date of the general meeting, and the scheme document of the H Share Incentive Scheme will be available for inspection at the general meeting.

II. PROPOSED AUTHORIZATION TO THE BOARD AND/OR ITS AUTHORIZED PERSONS TO HANDLE MATTERS IN RELATION TO THE A SHARE INCENTIVE SCHEME AND THE H SHARE INCENTIVE SCHEME

(i) Proposed Board Authorization for the A Share Incentive Scheme

To ensure the smooth implementation of the A Share Incentive Scheme, it is proposed at the general meeting that the Board be authorized to handle the following matters in relation to the A Share Incentive Scheme:

- I. To propose at the general meeting that the Board be authorized to be responsible for the following matters in relation to the implementation of the A Share Incentive Scheme:
 1. Authorize the Board to confirm the qualifications and conditions for the Incentive Participants to participate in the A Share Incentive Scheme, and determine the Grant Date of the Share Options and of the Restricted Shares;
 2. Authorize the Board to adjust the number of Share Options and Restricted Shares in accordance with the methods specified in the A Share Incentive Scheme when the Company carries out any capitalization of capital reserves, bonus issue, share subdivision, share consolidation, rights issue or other similar events;
 3. Authorize the Board to adjust the Exercise Price of the Share Options and the Grant Price and repurchase price of the Restricted Shares accordingly in accordance with the methods specified in the A Share Incentive Scheme when the Company carries out any capitalization of capital reserves, bonus issue, share subdivision, share consolidation, rights issue, dividend distribution or other similar events;

4. Authorize the Board, prior to the first grant of the Share Options, to adjust the Share Options abandoned for subscription by the Incentive Participants to the reserved portion, or to allocate and adjust such Share Options among the Incentive Participants, or to directly reduce such portion;
5. Authorize the Board, prior to the grant of the Restricted Shares, to adjust the Restricted Shares abandoned for subscription by the Incentive Participants to the reserved portion, or to allocate and adjust such Restricted Shares among the Incentive Participants, or to directly reduce such portion;
6. Authorize the Board, when the Incentive Participants satisfy the conditions, to grant Share Options and Restricted Shares to the Incentive Participants and to handle all matters necessary for the grant of Share Options and Restricted Shares, including but not limited to submitting grant applications to the stock exchange, applying to the securities depository and clearing company for relevant registration and settlement, amending the Articles of Association, and completing the registration of changes in the Company's registered capital, etc.;
7. Authorize the Board to review and confirm the qualification of the Incentive Participants for exercise/unlocking and the conditions for exercise/unlocking, and agree that the Board may delegate such right to the Remuneration and Appraisal Committee for exercise;
8. Authorize the Board to determine whether the Incentive Participants may exercise their options/unlock their Restricted Shares;
9. Authorize the Board to handle all matters necessary for the exercise/unlocking by the Incentive Participants, including but not limited to submitting exercise/unlocking applications to the stock exchange, applying to the securities depository and clearing company for relevant registration and settlement, amending the Articles of Association, and completing the registration of changes in the Company's registered capital;
10. Authorize the Board to handle the cancellation/repurchase and cancellation of Share Options/Restricted Shares that fail to satisfy the exercise/unlocking conditions;
11. Authorize the Board to determine all matters relating to the reserved Share Options under this Incentive Scheme, including the Incentive Participants, the number of Share Options to be granted, the Exercise Price and the Grant Date;

12. Authorize the Board to determine the amendment and termination of this Incentive Scheme, including but not limited to cancelling the qualification of the Incentive Participants for exercise and unlocking, cancelling the Share Options granted to the Incentive Participants that have not yet been exercised, repurchasing and cancelling the Restricted Shares granted to the Incentive Participants that have not yet been unlocked, handling the cancellation of Share Options not yet exercised or the repurchase and cancellation of Restricted Shares not yet unlocked in respect of deceased Incentive Participants and the related compensation and inheritance matters, and terminating this Incentive Scheme, etc.;
 13. Authorize the Board to sign, execute, amend and terminate any agreements relating to this Incentive Scheme and other relevant agreements;
 14. To authorize the Board to manage and adjust the A Share Incentive Scheme, and to formulate or amend the management and implementation rules of the Scheme from time to time on the premise of being consistent with the terms of the A Share Incentive Scheme. However, if the laws, regulations or relevant regulatory authorities require such amendments to be approved by the general meeting and/or the relevant regulatory authorities, such amendments by the Board must obtain the corresponding approval;
 15. To authorize the Board to carry out other necessary matters for the implementation of the A Share Incentive Scheme, except for the rights that are expressly required to be exercised by the general meeting under the relevant documents.
- II. To propose to the general meeting of the Company to authorize the Board to go through formalities such as approval, registration, filing, verification and consent with respect to this Incentive Scheme with the relevant government authorities and institutions; to sign, execute, amend and complete documents to be submitted to relevant government authorities, institutions, organisations and individuals; to amend the Articles of Association and complete registration for change in the Company's registered capital (including capital increase, capital reduction, etc.); and to take all acts which it deems necessary, proper or appropriate in connection with this Incentive Scheme.
- III. To propose to the general meeting to authorize the Board, for the implementation of this Incentive Scheme, to appoint intermediary institutions such as receiving banks, accountants, lawyers and securities companies.

- IV. To propose to the general meeting of the Company to agree that the period of authorization to the Board shall be consistent with the Validity Period of this Incentive Scheme.

With respect to the above authorized matters, except for the matters that are expressly required to be resolved and approved by the Board under the laws, administrative regulations, rules and normative documents of the CSRC, this Incentive Scheme or the Articles of Association, other matters may be directly exercised by the chairman or an appropriate person authorized by him on behalf of the Board.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, none of the Directors has an interest in the resolution to be authorised by the Board in relation to the proposed A Share Incentive Scheme. The above resolution has been considered and approved by the Board. This resolution shall be further submitted to the general meeting for consideration and approval before taking effect.

(ii) Proposed Board Authorization for the H Share Incentive Scheme

To ensure the smooth implementation of the H Share Incentive Scheme and to enhance decision-making efficiency, and in accordance with the relevant provisions of the Company Law of the PRC, the Securities Law, the Listing Rules, and the Articles of Association, and taking into account the actual circumstances of the Company, it is proposed that the Board and/or its Authorized Persons be authorized to deal with all matters relating to the H Share Incentive Scheme at its absolute discretion.

The specific matters proposed to be authorized include but are not limited to:

1. Formulating and implementing the detailed operational rules of the H Share Incentive Scheme in accordance with the H Share Incentive Scheme as approved by the general meeting of the Company;
2. Granting Incentive Shares to Eligible Participants under the H Share Incentive Scheme, and determining the terms and conditions of the grant, including but not limited to the Grant Date, the list of Selected Participants, the number of Shares to be granted, and the Purchase Price;

3. Handling relevant procedures relating to the grant, registration, vesting, and settlement of the Incentive Shares for the Selected Participants;
4. Reviewing the eligibility of the Selected Participants, adjusting the list of Selected Participants and the number of Shares to be granted according to actual circumstances, and handling matters relating to the disposal, lapse, forfeiture, clawback, and cancellation of Incentive Shares in the event of resignation, failure to meet performance assessment criteria, or other circumstances of the Selected Participants;
5. Making necessary adjustments and amendments to the H Share Incentive Scheme (if required) in accordance with applicable laws and regulations, regulatory requirements, and the provisions of the H Share Incentive Scheme, provided that such adjustments and amendments shall not violate the provisions of applicable laws and regulations and the resolutions of the general meeting, and shall comply with the requirements of Chapter 17 of the Listing Rules;
6. Handling information disclosure relating to the H Share Incentive Scheme, applying to The Stock Exchange of Hong Kong Limited for the listing of, and permission to deal in, any Shares that may be allotted and issued pursuant to the grant of Incentive Shares under the H Share Incentive Scheme, and filing with the relevant securities registration authorities;
7. Upon completion of the allotment and issuance of new shares under the H Share Incentive Scheme, increasing the registered capital of the Company and making appropriate and necessary amendments to the Articles of Association of the Company based on the method, type, and number of new shares allotted and issued, as well as the shareholding structure of the Company upon completion thereof;
8. Signing, executing, and amending all agreements and documents relating to the H Share Incentive Scheme;
9. Determining the alteration and termination of the H Share Incentive Scheme, including but not limited to cancelling the vesting eligibility of Selected Participants, cancelling or forfeiting the unvested Incentive Shares of Selected Participants, handling the cancellation or repurchase of unvested Incentive Shares of deceased Selected Participants and related compensation and inheritance matters, and terminating the H Share Incentive Scheme; and

10. Handling all other necessary matters relating to the H Share Incentive Scheme.

The Validity Period of the above authorization shall commence from the date on which the relevant resolution in respect of the H Share Incentive Scheme is approved by the shareholders of the Company at a general meeting, and shall expire upon the completion of the implementation of the H Share Incentive Scheme.

According to the Company's current plan, the Eligible Participants will include Mr. Xiao Hongxing, Ms. Zeng Hong and Mr. Peng Jinghui, all being executive Directors, and Ms. Liu Jinchan, a non-executive Director, is the spouse of Mr. Xiao Hongxing. Mr. Xiao Hongxing, Ms. Zeng Hong, Mr. Peng Jinghui and Ms. Liu Jinchan were therefore required to and have abstained from voting on the relevant resolution considered at the Board meeting. Save for the above, none of the other Directors had or was deemed to have a material interest in the above resolution and shall abstain from or was required to abstain from voting on any other resolution considered at the Board meeting.

The above resolution has been reviewed and approved by the Board and is subject to the approval by the general meeting before it can take effect.

III. REASONS FOR AND BENEFITS OF THE ADOPTION OF THE A SHARE INCENTIVE SCHEME AND THE H SHARE INCENTIVE SCHEME

Save as described in the sections headed (i) “Summary of the A Share Incentive Scheme — Purpose of the Incentive Scheme” and (ii) “Summary of the H Share Incentive Scheme — Explanation of how the relevant terms align with the purpose of the H Share Incentive Scheme” of this announcement, the Company proposes to adopt the A Share Incentive Scheme and the H Share Incentive Scheme based on the following reasons and benefits:

- (i) By providing employees with the opportunity to enjoy equity incentives in the Company, the Company aims to enhance its modern corporate governance framework by establishing and improving a “risk-sharing and benefit-sharing” mechanism among core employees, the Company, and Shareholders. This will help attract, motivate, and retain outstanding talent, while promoting the sustainable development of both the Company and its employees. By consolidating the core talent team as a new starting point, the Company will strive for the future growth and success of the Group.

- (ii) To enhance the Company's remuneration strategy by establishing a remuneration incentive system that takes performance achievement as the fundamental requirement, long-term development as the core objective, and equity payment for part of the remuneration as the primary method. This system will strike a balance between incentives and constraints, better aligning with Shareholders' interests and continuously improving the mechanism that balances the interests of the Company, Shareholders and core teams.
- (iii) To recognize and reward the core teams for their services and contributions to the Company and to encourage them to continue to contribute to the Company, providing them with the opportunity to acquire equity interests in the Company.

The Directors are of the view that the terms of the A Share Incentive Scheme and the H Share Incentive Scheme are on normal business terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

IV. GENERAL MEETING

Pursuant to Chapter 17 of the Listing Rules, the A Share Incentive Scheme constitutes a share scheme involving the issue of new shares by the Company. Accordingly, the adoption of the A Share Incentive Scheme is conditional upon approval by the Shareholders. The terms of the A Share Incentive Scheme comply with the relevant requirements of Chapter 17 of the Listing Rules. Pursuant to Chapter 17 of the Listing Rules, the H Share Incentive Scheme constitutes a share scheme involving the issue of new shares by the Company. Accordingly, the adoption of the H Share Incentive Scheme is conditional upon approval by the Shareholders. The terms of the H Share Incentive Scheme comply with the relevant requirements of Chapter 17 of the Listing Rules.

The Company will convene a general meeting to seek the Shareholders' approval for, among other things, the adoption of the A Share Incentive Scheme and the H Share Incentive Scheme and the relevant matters. A circular containing, among other things, the notice of the general meeting and details of the proposed adoption of the A Share Incentive Scheme and the H Share Incentive Scheme and the relevant matters will be published as and when appropriate.

V. DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions 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 traded in Renminbi and listed on the Shenzhen Stock Exchange (Stock code: 001389)
“A Share Incentive Scheme”	A share option and restricted share incentive scheme to be adopted by the Company as proposed by the resolution of the Board dated September 29, 2026
“A Share Incentive Scheme Measures”	the Administrative Measures for the Implementation and Appraisal of A Share Incentive Scheme of the Company formulated to ensure the smooth implementation of the A Share Incentive Scheme, which specify the details regarding assessment principles, scope, appraisal body, and standards, among other aspects
“Administrative Measures”	the Administrative Measures on Equity Incentives of Listed Companies
“Articles of Association”	the articles of association of the Company, as amended and/or restated from time to time
“Board of Directors” or “Board”	the board of Directors of the Company
“Business Day”	the days, excluding Saturdays, Sundays or public holidays, on which the Hong Kong Stock Exchange is open for trading and banks in Hong Kong are open for business
“Company”	Delton Technology (Guangzhou) Inc. (廣州廣合科技股份有限公司), a joint stock company with limited liability incorporated in PRC, whose H Shares have been listed on the Hong Kong Stock Exchange (stock code: 1989), and A Shares have been listed on the Shenzhen Stock Exchange (stock code: 001389)

“CSRC”	China Securities Regulatory Commission
“Director(s)”	director(s) of the Company
“Eligible Participant”	in respect of the H Share Incentive Scheme, an Employee Participant who is eligible to participate in the Scheme as determined at the sole discretion of the Board and/or its authorised person(s)
“Employee Participant”	in respect of the H Share Incentive Scheme, (a) any Director (excluding independent non-executive Directors) and employee (whether full-time or part-time) of a member of the Group; and (b) any Director (excluding independent non-executive Directors) and employee (whether full-time or part-time) of a member of the Group
“Exercisable Date”	the date on which the Incentive Participants are entitled to exercise the Share Options, which must be an A Share trading day
“Exercise Price”	the price determined by the Company at the time of granting Share Options to the Incentive Participants, at which the Incentive Participants may purchase the Shares
“general meeting(s)”	the Company’s general meeting(s)
“Grant Date”	in respect of the A Share Incentive Scheme, the date on which the Company grants the Share Options and/or the Restricted Shares to the Incentive Participants, which must be a trading day; in respect of the H Share Incentive Scheme, the date on which the Company grants the Incentive Shares to the Eligible Participants, which must be a Business Day
“Grant Price”	in respect of the A Share Incentive Scheme, the price determined by the Company when granting each Restricted Share to the Incentive Participants, at which each Restricted Share of the Company is granted to the Incentive Participants

“Group”	the Company and its subsidiaries
“H Share(s)”	ordinary share(s) of the Company with a nominal value of RMB1.00 each, listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 1989)
“H Share Incentive Scheme”	H share incentive scheme to be adopted by the Company as proposed by the resolution of the Board dated September 29, 2026
“H Share Incentive Scheme Rules” or “Scheme Rules”	the rules governing the H Share Incentive Scheme
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Incentive Participants”	in respect of the A Share Incentive Scheme, key personnel of the Company (including its subsidiaries) who have obtained the Share Options and/or the Restricted Shares in accordance with the requirements of the A Share Incentive Scheme, including core management personnel and core technical (business) personnel
“Incentive Share(s)”	in respect of a Selected Participant under the H Share Incentive Scheme, the number of H Shares granted to such Selected Participant by the Board
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange, as amended from time to time
“Lock-up Period”	in respect of the A Share Incentive Scheme, the period during which the Unlocking Conditions on the Incentive Participants under A Share Incentive Scheme have not yet been met, and the Restricted Shares cannot be transferred, used as guarantee or for repayment of debts, starting from the date of the completion of the grant registration of the Restricted Shares to the Incentive Participants

“PRC”	the People’s Republic of China
“PRC Company Law”	the Company Law of the People’s Republic of China
“Purchase Price”	in respect of the H Share Incentive Scheme, the consideration payable by a Selected Participant to the Company for accepting the Incentive Shares, as determined by the Board in its sole discretion
“Relevant Schemes”	the H Share Incentive Scheme together with any other share schemes involving the issue of new Shares adopted/to be adopted by the Company from time to time (including but not limited to the A Share Incentive Scheme)
“Remuneration and Appraisal Committee”	the remuneration and appraisal committee of the Board of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“Selected Participant”	in respect of the H Share Incentive Scheme, an Eligible Participant (or his/her legal representative or lawful successor, as the case may be) selected by the Board to participate in the H Share Incentive Scheme in accordance with the Scheme Rules
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Share(s)”	ordinary share(s) of the Company with a nominal value of RMB1.00 each, comprising A Shares and H Shares
“Shareholder(s)”	holder(s) of our Share(s)
“Securities Law”	the Securities Law of the People’s Republic of China
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)

“Share Option(s)”	the right granted by the Company to the Incentive Participants to purchase a certain number of ordinary A Shares of the Company at predetermined conditions within a certain period of time in the future
“Shenzhen Stock Exchange”	the Shenzhen Stock Exchange
“Treasury Share(s)”	has the meaning ascribed to it under the Listing Rules
“Unlocking Conditions”	in respect of the A Share Incentive Scheme, the conditions required to be satisfied for the unlocking of the Restricted Shares granted to the Incentive Participants under the A Share Incentive Scheme
“Unlocking Period”	in respect of the A Share Incentive Scheme, the period during which the Restricted Shares held by the Incentive Participants are unlocked and become tradable on the market upon the fulfilment of the Unlocking Conditions under the A Share Incentive Scheme
“Validity Period”	in respect of the A Share Incentive Scheme, the period commencing from the Grant Date of the Share Options and Restricted Shares to the date when all Share Options granted to Incentive Participants are exercised or cancelled, and all the Restricted Shares are unlocked or repurchased and cancelled

By order of the Board
Delton Technology (Guangzhou) Inc.
Mr. Xiao Hongxing
Chairman

Guangzhou, the PRC
September 29, 2026

As at the date of this announcement, the Board comprises Mr. Xiao Hongxing, Ms. Zeng Hong and Mr. Peng Jinghui as executive Directors; Ms. Liu Jinchuan as non-executive Director; and Ms. Chen Limei, Dr. Shi Ling and Ms. Zhang Jin as independent non-executive Directors.