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SHENZHEN HAN'S CNC TECHNOLOGY CO., LTD.

深圳市大族数控科技股份有限公司

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

(Stock Code: 3200)

PROPOSED ADOPTION OF THE 2026 A SHARE RESTRICTED SHARE INCENTIVE SCHEME

INTRODUCTION

The Board hereby announces that, on 20 October 2026, the Board considered and approved, among other things, the proposed adoption of the 2026 A Share Restricted Share Incentive Scheme and the related matters thereto. Pursuant to Chapter 17 of the Hong Kong Listing Rules, the 2026 A Share Restricted Share Incentive Scheme constitutes a share scheme involving the issuance of new A Shares and therefore the proposed adoption of the 2026 A Share Restricted Share Incentive Scheme is subject to the approval of the Shareholders. The Company will comply with the applicable requirements under Chapter 17 of the Hong Kong Listing Rules in relation to the 2026 A Share Restricted Share Incentive Scheme in due course.

In accordance with the requirements of the PRC laws and regulations and the terms of the Scheme, the Company will, within 60 days following the approval of the 2026 A Share Restricted Share Incentive Scheme by the Shareholders, make the initial grant of the Restricted A Shares as appropriate, including the proposal to grant 3,057,500 Restricted A Shares to Mr. Yang, representing approximately 0.6252% of the Company's total share capital (excluding treasury Shares) as at the date of this announcement. Pursuant to Rule 17.04(2) of the Hong Kong Listing Rules, as the proposed participation of Mr. Yang in the Incentive Scheme would result in the total number of Shares underlying all awards granted to Mr. Yang during the 12-month period up to and including the date of such grant exceeding 0.1% of the Company's issued Shares (excluding treasury Shares), the proposal for the proposed participation of Mr. Yang in the Incentive Scheme is subject to the approval of the independent Shareholders at the EGM. For the avoidance of doubt, as of the date of this announcement Mr. Yang has not been granted any Restricted A Shares. Upon the 2026 A Share Restricted Share Incentive Scheme and the proposal for the proposed participation of Mr. Yang in the Incentive Scheme being approved by the Shareholders, the Company will, in accordance with the requirements of the PRC laws and regulations and the terms of the Scheme, separately convene a Board meeting to consider and approve the initial grant.

The Company will convene an EGM to seek Shareholders' approval for, among other things: (i) the proposed adoption of the 2026 A Share Restricted Share Incentive Scheme; (ii) the proposed adoption of the Appraisal Management Measures; (iii) the proposed authorization to the Board to handle matters pertaining to the 2026 A Share Restricted Share Incentive Scheme; and (iv) the proposal for the proposed participation of Mr. Yang in the Incentive Scheme. A circular containing, among other things, (i) further details of the 2026 A Share Restricted Share Incentive Scheme; (ii) further details of the Appraisal Management Measures; (iii) the proposed authorization to the Board to handle matters pertaining to the 2026 A Share Restricted Share Incentive Scheme; (iv) the proposal for the proposed participation of Mr. Yang in the Incentive Scheme; and (v) a notice convening the EGM will be published and despatched to Shareholders who have indicated their wish to receive printed copies in due course.

I. PROPOSED ADOPTION OF THE 2026 A SHARE RESTRICTED SHARE INCENTIVE SCHEME

The Board resolved at the Board meeting held on 20 October 2026 to propose the adoption of the 2026 A Share Restricted Share Incentive Scheme. The 2026 A Share Restricted Share Incentive Scheme remains subject to consideration and approval by the Shareholders at the EGM. The principal terms of the 2026 A Share Restricted Share Incentive Scheme are set out below:

Purposes

In order to further establish and enhance the Company's long-term incentive mechanism, attract and retain exceptional talent, strengthen the sense of responsibility and mission of the Company's core team to the Company's sustainable and rapid development, fully motivate their enthusiasm, and effectively align the interests of the Shareholders, the Company, and the individual interests of the core team, so that all parties may jointly focus on the Company's long-term development, and on the premise of fully safeguarding the interests of Shareholders and in accordance with the principle of aligning returns with contributions, the 2026 A Share Restricted Share Incentive Scheme has been formulated pursuant to the Company Law, the Securities Law, the Administrative Measures, the Guidelines for Self-Regulation, the Listing Rules and other relevant laws, regulations and normative documents, as well as the Articles of Association.

Administration

The general meeting, as the highest authority of the Company, shall be responsible for considering and approving the implementation, amendments and termination of the 2026 A Share Restricted Share Incentive Scheme. The general meeting may, within its scope of authority, delegate certain matters related to the 2026 A Share Restricted Share Incentive Scheme to the Board.

The Board shall serve as the executive and administrative body for the 2026 A Share Restricted Share Incentive Scheme and be responsible for the implementation of the 2026 A Share Restricted Share Incentive Scheme. The Remuneration and Appraisal Committee established under the Board shall be responsible for drafting and revising the 2026 A Share Restricted Share Incentive Scheme and submitting it to the Board for review. Upon review and approval of the 2026 A Share Restricted Share Incentive Scheme by the Board, it will be submitted to the general meeting for consideration. The Board will handle other matters pertaining to the 2026 A Share Restricted Share Incentive Scheme within the scope authorized by the general meeting.

The Remuneration and Appraisal Committee shall serve as the supervisory body for the Scheme, providing opinions on whether the 2026 A Share Restricted Share Incentive Scheme benefits the Company's sustainable development and whether it poses any significant risk to the interests of the Company and all Shareholders.

Scope and List of Incentive Participants

The Incentive Participants of the 2026 A Share Restricted Share Incentive Scheme are directors, senior management and core technical (business) personnel employed by the Company (including its subsidiaries). The persons falling within the scope of Incentive Participants under the Scheme shall be proposed, verified and determined by the Remuneration and Appraisal Committee.

Pursuant to the applicable PRC regulatory requirements, the Company is required to identify and internally publish the proposed Incentive Participants prior to the general meeting for the purpose of reviewing their eligibility and soliciting comments. Accordingly, the Company has identified 536 Incentive Participants for the initial grant.

The total number of Incentive Participants under the initial grant of the 2026 A Share Restricted Share Incentive Scheme is proposed to be 536, including: (a) directors and senior management serving at the Company (including its subsidiaries); and (b) core technical (business) personnel employed by the Company (including its subsidiaries).

The above Incentive Participants do not include the independent non-executive Directors of the Company, Shareholders who individually or collectively hold 5% or more of the Shares of the Company and the actual controllers of the Company, along with their spouses, parents and children, or foreign employees. All Incentive Participants of the 2026 A Share Restricted Share Incentive Scheme must have an engagement, employment or labor relationship with the Company or its subsidiaries when the Company grants the Restricted Shares and during the appraisal period as specified in the Scheme.

Source, Number of Grant and Grant Price of Target Shares

(1) Source and Type of Target Shares

The target Shares under the 2026 A Share Restricted Share Incentive Scheme are ordinary A Shares to be issued by the Company.

(2) Number of Restricted Shares to be Granted and Proportion of Total Share Capital

The number of Restricted Shares proposed to be granted to the Incentive Participants under the 2026 A Share Restricted Share Incentive Scheme is 12,230,000 A Shares, representing approximately 2.50% of the Company's total share capital (excluding treasury Shares, and the same shall apply hereinafter) of 489,007,741 Shares as at the date of this announcement. Of these, 9,784,000 A Shares will be granted under the initial grant, representing approximately 2.00% of the Company's total share capital as at the date of this announcement and 80.00% of the total number of Restricted Shares to be granted under the Scheme; 2,446,000 A Shares will be reserved for future grant, representing approximately 0.50% of the Company's total share capital at the date of this announcement and 20.00% of the total number of Restricted Shares to be granted under Scheme.

On 8 December 2023, the Company convened the 2023 second extraordinary general meeting and considered and approved the resolutions relating to the implementation of the 2023 Restricted Share Incentive Scheme. As of the date of this announcement, all restricted shares under the 2023 A Share Restricted Share Incentive Scheme have been granted, and the vesting of the restricted shares in respect of the first and second vesting periods has been completed, while the third vesting period has not yet expired. The total number of underlying Shares in respect of all share incentive schemes of the Company within their validity period does not exceed 10.00% of the total share capital of the Company. The total number of new A Shares that may be issued under the 2026 A Share Restricted Share Incentive Scheme shall not exceed 12,230,000 Shares, representing approximately 2.50% of the total share capital of the Company as at the date of this announcement.

The total number of Shares of the Company granted to any one of the Incentive Participants in respect of all share incentive schemes within their validity period has not exceeded 1.00% of the Company's total share capital as at the date of this announcement.

Following consideration and approval of the 2026 A Share Restricted Share Incentive Scheme at the EGM, the Company will, within 60 days, convene a Board meeting in accordance with the relevant requirements to consider and approve the initial grant of the Restricted Shares to the Incentive Participants and complete the announcement and other procedures. The list of Incentive Participants under the initial grant and the proposed allocation are as follows:

No.	Name	Nationality	Position	Number of Restricted Shares to be Granted (Shares)	Percentage to Total Equity Interests to be Granted under the Scheme	Percentage to Total Share Capital as at the Date of the Announcement
1	YANG Chaohui	Chinese	Chairman of the Board, executive Director and general manager	3,057,500	25.00%	0.63%
2	HUANG Linting	Chinese	Non-executive Director (Employee representative Director)	20,000	0.16%	0.00%
3	ZHOU Xiaodong	Chinese	Deputy general manager, financial director and Board secretary	135,000	1.10%	0.03%
4	ZHAI Xuetao	Chinese	Deputy general manager	180,000	1.47%	0.04%
5	LI Yongjun	Chinese	Deputy general manager	200,000	1.64%	0.04%
6	LYU Hongjie	Chinese	Deputy general manager	150,000	1.23%	0.03%
7	KOU Lian	Chinese	Deputy general manager	150,000	1.23%	0.03%
8	SHE Rong	Chinese	Deputy general manager	180,000	1.47%	0.04%
9	SONG Jiangtao	Chinese	Deputy general manager	180,000	1.47%	0.04%
10	ZHANG Jianzhong	Chinese	Deputy general manager	120,000	0.98%	0.02%
Other core technical (business) personnel (526 persons)				5,411,500	44.25%	1.11%
Subtotal for initial grant (536 persons)				9,784,000	80.00%	2.00%
Reserved portion				2,446,000	20.00%	0.50%
Total				12,230,000	100.00%	2.50%

Notes:

1. The number of the Company's Shares granted under all effective share incentive schemes to any of the aforesaid Incentive Participants does not exceed 1% of the total share capital (excluding treasury Shares). The total number of target Shares in respect of all effective incentive schemes of the Company does not exceed 10% of the total share capital (excluding treasury Shares) as at the time the Scheme is submitted to the general meeting for consideration.
2. None of the above Incentive Participants includes the independent non-executive Directors of the Company, Shareholders who individually or collectively hold 5% or more of the Shares of the Company and the actual controller of the Company, along with their spouses, parents and children, or foreign employees.

3. For the avoidance of doubt, in respect of the proposed grant to Ms. Huang, the total number of Shares underlying all awards granted and proposed to be granted to Ms. Huang during the 12-month period up to and including the date of such grant, excluding awards lapsed in accordance with the terms of the relevant share schemes, does not exceed 0.1% of the issued Shares of the Company (excluding treasury Shares).
4. If an Incentive Participant resigns or voluntarily waives the granted equity interests for personal reasons prior to the grant of the Restricted Shares, the Board shall make corresponding adjustments to the number of Shares to be granted, and shall reallocate the equity interests waived by such Incentive Participant among the other Incentive Participants or directly reduce the same, provided that the Shares of the Company granted to any of the Incentive Participants in respect of all share incentive schemes within their validity shall not exceed 1% of the total share capital of the Company (excluding treasury Shares).
5. The above percentages are rounded to two decimal places.

(3) *Grant Price and Pricing Method for the Restricted Shares under the Initial Grant*

The Grant Price of the Restricted Shares (including reserved Shares) under the 2026 A Share Restricted Share Incentive Scheme is RMB115.40 per Share, i.e., upon satisfaction of the grant conditions and Vesting Conditions, the Incentive Participants are entitled to purchase the ordinary A Shares to be issued by the Company to the Incentive Participants at a price of RMB115.40 per Share.

The Grant Price of the 2026 A Share Restricted Share Incentive Scheme (including reserved Shares) shall not be less than the nominal value of the Shares, and shall not be less than the higher of the following prices:

1. 50% of the average trading price of the Company's A Shares on the trading day immediately preceding the announcement of the Scheme draft, being RMB175.44 per Share, calculated as the total trading amount of the Shares on the preceding trading day divided by the total trading volume of the Shares on the preceding trading day, which is RMB87.72 per Share;
2. 50% of the average trading price of the Company's A Shares over the past 20 trading days immediately preceding the announcement of the Scheme draft, being RMB230.80 per Share, calculated as the total trading amount of the Shares over the preceding 20 trading days divided by the total trading volume of the Shares over the preceding 20 trading days, which is RMB115.40 per Share.

Validity Period, Grant Date, Grant Conditions of the Restricted Shares, Vesting Conditions, Vesting Arrangement and Black-out Period

(1) Validity Period of the 2026 A Share Restricted Share Incentive Scheme

The validity period of the 2026 A Share Restricted Share Incentive Scheme commences from the initial Grant Date of the Restricted Shares and ends on the date when all the Restricted Shares granted to the Incentive Participants are vested or lapsed, which shall be no more than 60 months.

(2) Grant Date of the 2026 A Share Restricted Share Incentive Scheme

The Grant Date shall be determined by the Board after the 2026 A Share Restricted Share Incentive Scheme is considered and approved by the general meeting of the Company. The Grant Date must be a trading day and shall not fall within any information-sensitive period stipulated by the CSRC, the Shenzhen Stock Exchange or the Hong Kong Stock Exchange.

The Company shall not grant Restricted Shares to the Incentive Participants during the following periods:

- (1) within 15 days prior to the publication of the Company's annual report and interim report; if the announcement date of the periodic reports is postponed for special reasons, the period shall commence from 15 days prior to the originally scheduled announcement date;
- (2) within 5 days prior to the publication of the Company's quarterly report, results forecast and preliminary results announcement;
- (3) on the date of the Company's annual results announcement and within 60 days prior thereto, or from the end of the relevant financial year to the date of publication of the results (whichever period is shorter);
- (4) on the date of the Company's quarterly and interim results announcements and within 30 days prior thereto, or from the end of the relevant quarterly or interim period to the date of publication of the results (whichever period is shorter);
- (5) from the date of occurrence of a material event that may have a significant impact on the trading price of the Company's Shares and their derivatives, or from the commencement of the relevant decision-making process, until the date on which such event is disclosed in accordance with laws;
- (6) other periods stipulated by the CSRC, the Shenzhen Stock Exchange and the Hong Kong Stock Exchange;

- (7) other circumstances in which the trading of the Company's Shares is prohibited by laws and regulations.

The above "material events" refer to transactions or other material events that the Company is required to disclose in accordance with the provisions of the Listing Rules. If relevant laws, regulations and departmental rules have other provisions on the periods during which grants are prohibited, such provisions shall prevail.

The Company shall, within 60 days after approval by the general meeting, convene a Board meeting to grant the equity interests to the Incentive Participants in accordance with the relevant provisions and complete the announcement and other procedures. If the Company fails to complete the above within 60 days, it shall promptly disclose the reasons for such failure and announce the termination of the Scheme, and the Restricted Shares not yet granted shall lapse. The participants eligible for reserved grant shall be determined and the grant of Shares shall be completed within 12 months after the 2026 A Share Restricted Share Incentive Scheme is considered and approved at the general meeting. If the Incentive Participants for the reserved grant are not determined within 12 months, the reserved equity interests shall lapse.

(3) *Grant Conditions of the Restricted Shares*

Restricted Shares may be granted to the Incentive Participants by the Company upon satisfaction of all of the following conditions. Conversely, Restricted Shares shall not be granted to the Incentive Participants if any of the following grant conditions is not satisfied.

- a. None of the following circumstances has occurred in relation to the Company:
 - (a) issuance of an auditor's report with adverse opinion or disclaimer of opinion by a certified public accountant with respect to the financial accounting report for its most recent financial year;
 - (b) issuance of an auditor's report with adverse opinion or disclaimer of opinion by a certified public accountant with respect to the internal control over financial report for its most recent financial year;
 - (c) failure to conduct profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings during the last 36 months after listing;

- (d) prohibition from implementation of share incentives by laws and regulations;
 - (e) other circumstances determined by the CSRC.
- b. None of the following circumstances has occurred in relation to the Incentive Participants:
 - (a) he or she has been determined by the Shenzhen Stock Exchange as an ineligible person in the last 12 months;
 - (b) he or she has been determined by the CSRC or its delegated agencies as an ineligible person in the last 12 months;
 - (c) he or she has been imposed by the CSRC or its delegated agencies with administrative penalties or measures prohibiting access into the market in the last 12 months due to material non-compliance with laws or regulations;
 - (d) he or she is prohibited from acting as a director or a member of the senior management of the company as required by the Company Law;
 - (e) he or she is prohibited from participating in share incentives of listed companies as required by laws and regulations;
 - (f) other circumstances determined by the CSRC.

(4) Vesting Conditions of the 2026 A Share Restricted Share Incentive Scheme

Restricted Shares granted to the Incentive Participants may be vested in tranches only if all of the following Vesting Conditions are satisfied:

- a. None of the following circumstances has occurred in relation to the Company:
 - (a) issuance of an auditor's report with adverse opinion or disclaimer of opinion by a certified public accountant with respect to the financial accounting report for its most recent financial year;
 - (b) issuance of an auditor's report with adverse opinion or disclaimer of opinion by a certified public accountant with respect to the internal control over financial report for its most recent financial year;

- (c) failure to conduct profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings during the last 36 months after listing;
- (d) prohibition from implementation of share incentives by laws and regulations;
- (e) other circumstances determined by the CSRC.

In the event that any one of the circumstances specified in the above subparagraph (a) occurs in relation to the Company, all Restricted Shares that have been granted but not yet vested to the Incentive Participants under the Incentive Scheme shall not vest and shall lapse.

- b. None of the following circumstances has occurred in relation to the Incentive Participants:
 - (a) he or she has been determined by the Shenzhen Stock Exchange as an ineligible person in the last 12 months;
 - (b) he or she has been determined by the CSRC or its delegated agencies as an ineligible person in the last 12 months;
 - (c) he or she has been imposed by the CSRC or its delegated agencies with administrative penalties or measures prohibiting access into the market in the last 12 months due to material non-compliance with laws or regulations;
 - (d) he or she is prohibited from acting as a director or a member of the senior management of the company as required by the Company Law;
 - (e) he or she is prohibited from participating in share incentives of listed companies as required by laws and regulations;
 - (f) other circumstances determined by the CSRC.

In the event that the Restricted Shares shall not be granted to an Incentive Participant as specified in the above subparagraph (b), the Restricted Shares that have been granted to such Incentive Participant but not yet vested shall not vest and shall lapse.

c. Performance appraisal requirements and calculation of the vesting amount

The actual vesting amount of an Incentive Participant for the relevant year = the planned vesting amount of the Incentive Participant for the relevant year × the vesting proportion at the Company-level (X) × the vesting proportion at the individual level (Y). Where the Restricted Shares scheduled to vest for an Incentive Participant in the relevant period cannot vest or cannot fully vest due to appraisal reasons, such Restricted Shares shall lapse and shall not be deferred to the following year.

(a) Performance appraisal requirements at the Company-level

(1) Initial Grant Portion

The performance appraisal period for the Restricted Shares granted under the initial grant of the Scheme shall cover three financial years from 2027 to 2029, with an appraisal conducted once in each financial year. The performance appraisal targets for each year are set out in the table below:

Vesting period	Net profit growth rate for each appraisal year (A)		Cumulative net profit growth rate for each appraisal year (B)	
	Trigger value (An)	Target value (Am)	Trigger value (Bn)	Target value (Bm)
First vesting period	Based on the net profit in 2026, the net profit growth rate in 2027 shall not be less than 24%	Based on the net profit in 2026, the net profit growth rate in 2027 shall not be less than 30%	Based on the net profit in 2026, the net profit growth rate in 2027 shall not be less than 24%	Based on the net profit in 2026, the net profit growth rate in 2027 shall not be less than 30%
Second vesting period	Based on the net profit in 2026, the net profit growth rate in 2028 shall not be less than 54%	Based on the net profit in 2026, the net profit growth rate in 2028 shall not be less than 70%	Based on the net profit in 2026, the cumulative net profit growth rate from 2027 to 2028 shall not be less than 78%, and the net profit in 2028 shall not be less than the net profit in 2026	Based on the net profit in 2026, the cumulative net profit growth rate from 2027 to 2028 shall not be less than 100%, and the net profit in 2028 shall not be less than the net profit in 2026
Third vesting period	Based on the net profit in 2026, the net profit growth rate in 2029 shall not be less than 90%	Based on the net profit in 2026, the net profit growth rate in 2029 shall not be less than 120%	Based on the net profit in 2026, the cumulative net profit growth rate from 2027 to 2029 shall not be less than 168%, and the net profit in 2029 shall not be less than the net profit in 2026	Based on the net profit in 2026, the cumulative net profit growth rate from 2027 to 2029 shall not be less than 220%, and the net profit in 2029 shall not be less than the net profit in 2026

Note 1: The indicator “net profit” above refers to the net profit attributable to the shareholders of the listed company after deducting non-recurring profits and losses, and shall be calculated on the basis of the data set out in the audited consolidated financial statements, and the same below.

Note 2: The cumulative net profit growth rate from 2027 to 2028 = (net profit in 2027 – net profit in 2026)/net profit in 2026*100% + (net profit in 2028 – net profit in 2026)/net profit in 2026*100%. The cumulative net profit growth rate from 2027 to 2029 = (net profit in 2027 – net profit in 2026)/net profit in 2026*100% + (net profit in 2028 – net profit in 2026)/net profit in 2026*100% + (net profit in 2029 – net profit in 2026)/net profit in 2026*100%.

(2) Reserved Portion

- ① If the reserved Restricted Shares under the Incentive Scheme are granted before the publication of the 2027 third quarterly report, the performance appraisal period for the reserved Restricted Shares shall cover three financial years from 2027 to 2029, with appraisal conducted once in each financial year. The performance appraisal targets for each year shall be consistent with those for the initial grant.
- ② If the reserved Restricted Shares under the Incentive Scheme are granted after the publication of the 2027 third quarterly report, the performance appraisal period for the reserved Restricted Shares shall cover two financial years from 2028 to 2029, with appraisal conducted once in each financial year. The performance appraisal targets for each year are set out in the table below:

Vesting period	Net profit growth rate for each appraisal year (A)		Cumulative net profit growth rate for each appraisal year (B)	
	Trigger value (An)	Target value (Am)	Trigger value (Bn)	Target value (Bm)
First vesting period	Based on the net profit in 2026, the net profit growth rate in 2028 shall not be less than 54%	Based on the net profit in 2026, the net profit growth rate in 2028 shall not be less than 70%	Based on the net profit in 2026, the net profit growth rate in 2028 shall not be less than 54%	Based on the net profit in 2026, the net profit growth rate in 2028 shall not be less than 70%
Second vesting period	Based on the net profit in 2026, the net profit growth rate in 2029 shall not be less than 90%	Based on the net profit in 2026, the net profit growth rate in 2029 shall not be less than 120%	Based on the net profit in 2026, the cumulative net profit growth rate from 2028 to 2029 shall not be less than 144%, and the net profit in 2029 shall not be less than the net profit in 2026	Based on the net profit in 2026, the cumulative net profit growth rate from 2028 to 2029 shall not be less than 190%, and the net profit in 2029 shall not be less than the net profit in 2026

Note: The cumulative net profit growth rate from 2028 to 2029 = (net profit in 2028 – net profit in 2026)/net profit in 2026*100% + (net profit in 2029 – net profit in 2026)/net profit in 2026*100%.

The determination rules for vesting proportion at the Company-level (X) are set out below:

Appraisal indicators	Performance achievement	
	level	Vesting proportion at the Company-level (X)
Net profit growth rate for the appraisal year (A)	$A \geq A_m$	$X = 100\%$
	$A_n \leq A < A_m$	$X = (A - A_n) / (A_m - A_n) * 20\% + 80\%$
	$A < A_n$	$X = 0$
Cumulative net profit growth rate for each appraisal year (B)	$B \geq B_m$	$X = 100\%$
	$B_n \leq B < B_m$	$X = (B - B_n) / (B_m - B_n) * 20\% + 80\%$
	$B < B_n$	$X = 0$
Determination rules for the vesting proportion at the Company-level (X)	When the appraisal indicators show $A \geq A_m$ or $B \geq B_m$, $X = 100\%$; when the appraisal indicators show $A < A_n$ and $B < B_n$, $X = 0$; when the appraisal indicators A and B show other distribution of combinations, $X = (A - A_n) / (A_m - A_n) * 20\% + 80\%$ or $X = (B - B_n) / (B_m - B_n) * 20\% + 80\%$. If both the net profit growth rate and the cumulative net profit growth rate reach the trigger value or above, the vesting proportion at the Company-level (X) shall be determined by reference to the higher of the two	

Within the vesting period, the Company shall handle the vesting registration of Shares for the Incentive Participants who satisfy the Vesting Conditions. Within each vesting period, the actual number of Shares eligible for Vesting shall be determined based on the achievement of the Company-level performance appraisal indicators. Restricted Shares that are not eligible for Vesting in the relevant year according to the Company-level appraisal results shall not vest or be carried forward to the next vesting period and shall lapse.

(b) Performance appraisal at the individual level

The Incentive Participants shall be appraised in accordance with the Company's Appraisal Management Measures and the actual number of Shares to be vested to an Incentive Participant in the relevant year shall be linked to his or her individual performance appraisal for the preceding year. The individual performance appraisal results are classified into four grades: Outstanding, Good, Qualified, Unqualified. Only if the Incentive Participant's performance appraisal result for the preceding year is rated Outstanding, Good or Qualified may the Restricted Shares for the relevant year vest in accordance with the individual vesting proportion. The appraisal grade shall be determined based on the total appraisal score as set out in the table below:

Total Appraisal Score	90-100	80-89	60-79	0-59
Appraisal result	Outstanding	Good	Qualified	Unqualified

During the appraisal period, if the performance of the appraisees is materially affected by factors such as material force majeure events, the Remuneration and Appraisal Committee may, in its discretion, modify the appraisal indicators and appraisal results that deviate significantly. The appraisal results shall serve as the basis for Vesting under the Incentive Scheme. The determination rules for the vesting proportion at the individual level (Y) are set out below:

- (1) Where the appraisal result is Outstanding, the vesting proportion at the individual level (Y) = 100%; where the appraisal result is Good, the vesting proportion at the individual level (Y) = 80%.
- (2) Where the appraisal result is Qualified, the Remuneration and Appraisal Committee shall discuss and propose the vesting proportion at the individual level for the Incentive Participant for the relevant year, which shall not exceed 50%, and submit the same to the Board for approval.
- (3) Where the appraisal result is Unqualified, the Incentive Participant is not eligible for Vesting in the relevant year, and all of his or her Restricted Shares for the relevant year shall lapse.

Vesting of the Restricted Shares shall only be effective following the performance appraisal at both the Company-level and the Incentive Participant-level for each appraisal year, and the vesting proportion shall be determined by reference to the achievement of the established company-level appraisal targets and the individual performance appraisal results of the Incentive Participants. The Directors are of the view that such performance appraisal requirements are consistent with the business needs and industry norms of the Group, and that making the achievement of the appraisal targets at the above two levels as Vesting Conditions can encourage the Incentive Participants to make continuous contributions and drive the Company to continuously achieve its strategic and operational targets. Accordingly, the Board is of the view that the above performance targets set out in the 2026 A Share Restricted Share Incentive Scheme are consistent with the business needs and industry norms of the Group, and are also in line with the purpose of the 2026 A Share Restricted Share Incentive Scheme and the interests of the Shareholders.

(5) *Vesting arrangement of the 2026 A Share Restricted Share Incentive Scheme*

The Restricted Shares granted under the Incentive Scheme shall vest in tranches as per the agreed proportions upon the Incentive Participants satisfying the corresponding Vesting Conditions. The Vesting Date shall be a trading day, and Vesting shall not occur during the following periods:

- (1) within 15 days prior to the publication of the Company's annual report and interim report; if the announcement date of the periodic reports is postponed for special reasons, the period shall commence from 15 days prior to the originally scheduled announcement date;
- (2) within 5 days prior to the publication of the Company's quarterly report, results forecast and preliminary results announcement;
- (3) on the date of the Company's annual results announcement and within 60 days prior thereto, or from the end of the relevant financial year to the date of publication of the results (whichever period is shorter);
- (4) on the date of the Company's quarterly and interim results announcements and within 30 days prior thereto, or from the end of the relevant quarterly or interim period to the date of publication of the results (whichever period is shorter);
- (5) from the date of occurrence of a material event that may have a significant impact on the trading price of the Company's Shares and their derivatives, or from the commencement of the relevant decision-making process, until the date on which such event is disclosed in accordance with laws;
- (6) other periods stipulated by the CSRC, the Shenzhen Stock Exchange and the Hong Kong Stock Exchange;
- (7) other circumstances in which the trading of the Company's Shares is prohibited by laws and regulations.

The above "material events" refer to transactions or other material events that the Company is required to disclose in accordance with the provisions of the Listing Rules. If relevant laws, regulations, or departmental rules have other provisions on the periods during which grants are prohibited, such provisions shall prevail.

The vesting period of the Restricted Shares under the Incentive Scheme shall not be less than 12 months.

The vesting proportion arrangements for each tranche of the Restricted Shares under the initial grant of the Incentive Scheme are set out in the table below:

Vesting arrangement	Vesting period	Vesting proportion
First vesting period	Commencing from the first trading day after 16 months from the date of the initial grant to the last trading day within 28 months from the date of the initial grant	33%
Second vesting period	Commencing from the first trading day after 28 months from the date of the initial grant to the last trading day within 40 months from the date of the initial grant	33%
Third vesting period	Commencing from the first trading day after 40 months from the date of the initial grant to the last trading day within 52 months from the date of the initial grant	34%

The Incentive Participants in respect of the reserved portion of the Restricted Shares under the Incentive Scheme shall be determined and the grant of Shares shall be completed within 12 months after the Incentive Scheme is considered and approved at the general meeting.

If the reserved Restricted Shares under the Incentive Scheme are granted before the publication of the 2027 third quarterly report, the vesting arrangements for the Restricted Shares under the reserved grant are set out in the table below:

Vesting arrangement	Vesting period	Vesting proportion
First vesting period	Commencing from the first trading day after 12 months from the date of the reserved grant to the last trading day within 24 months from the date of the reserved grant	33%
Second vesting period	Commencing from the first trading day after 24 months from the date of the reserved grant to the last trading day within 36 months from the date of the reserved grant	33%
Third vesting period	Commencing from the first trading day after 36 months from the date of the reserved grant to the last trading day within 48 months from the date of the reserved grant	34%

If the reserved Restricted Shares under the Incentive Scheme are granted after the publication of the 2027 third quarterly report, the vesting arrangements for the Restricted Shares under the reserved grant are set out in the table below:

Vesting arrangement	Vesting period	Vesting proportion
First vesting period	Commencing from the first trading day after 16 months from the date of the reserved grant to the last trading day within 28 months from the date of the reserved grant	50%
Second vesting period	Commencing from the first trading day after 28 months from the date of the reserved grant to the last trading day within 40 months from the date of the reserved grant	50%

For the Restricted Shares granted to the Incentive Participants but not yet vested, Shares obtained due to the conversion of capital reserve into share capital, bonus issue or share sub-division are also subject to the Vesting Conditions, and shall not be transferred or used to guarantee or repay debts prior to Vesting. Where the Restricted Shares are not allowed to vest at that time, Shares obtained for the aforementioned reasons shall also not vest.

Within each vesting period, the Company may handle the vesting registration for the Restricted Shares in respect of which the Vesting Conditions have been satisfied; the Restricted Shares in respect of which the Vesting Conditions have not been satisfied, or in respect of which the Incentive Participants have not applied for Vesting, shall not vest and shall lapse.

(6) *Black-out Period under the 2026 A Share Restricted Share Incentive Scheme*

The black-out period refers to the period during which the Restricted Shares granted to the Incentive Participants are restricted from being sold after Vesting. The black-out requirements under the Incentive Scheme shall be implemented in accordance with the Company Law, the Securities Law, the Provisions on the Regulation of Short-swing Trading (《關於短線交易監管的若干規定》) and other relevant laws, regulations, normative documents and the Articles of Association, and the specific provisions are as follows:

1. for the Incentive Participants who are Directors and senior management of the Company, the Shares transferred annually during their term of office as determined upon appointment shall not exceed 25% of the total number of Shares of the Company held by them. No Shares of the Company held by them may be transferred within 6 months after their termination of office.
2. for the Incentive Participants who are Directors and senior management of the Company, if they have sold the Company's Shares held by them within 6 months after purchasing such Shares, or if they have purchased the Shares again within 6 months after selling their Shares, the gains obtained therefrom shall be attributed to the Company and the Board of the Company shall forfeit the gains. If the provisions on short-swing trading in the relevant laws, regulations and normative documents change, the above circumstances shall be handled in accordance with the changed provisions.

3. during the validity period of the Incentive Scheme, if the relevant provisions in the Company Law, the Securities Law and other relevant laws, regulations, normative documents and the Articles of Association regarding the transfer of Shares held by the Directors and senior management of the Company are changed, the transfer of the Shares of the Company held by such Incentive Participants shall, at the time of transfer, comply with the amended provisions of the Company Law, the Securities Law and other relevant laws, regulations, normative documents and the Articles of Association.

Adjustment Methods and Procedures for the 2026 A Share Restricted Share Incentive Scheme

(1) Methods of Adjusting the Number of Restricted Shares

During the period from the date of this announcement to the completion of the vesting registration for the Restricted Shares by the Incentive Participants, in the event of any conversion of capital reserve into share capital, bonus issue, share sub-division, rights issue, share consolidation, etc. made by the Company, the number of the Restricted Shares granted/vested shall be adjusted accordingly. The adjustment methods are as follows:

- a. Conversion of capital reserve into share capital, bonus issue and share sub-division

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

Where: Q_0 represents the number of Restricted Shares granted/vested before adjustment; n represents the ratio of conversion of capital reserve into share capital, bonus issue or share sub-division per share (i.e. the increase in number of Shares after conversion of capital reserve into share capital, bonus issue or share sub-division per Share); Q represents the number of Restricted Shares granted/vested after adjustment.

- b. 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 granted/vested before adjustment; P_1 represents the closing price on the record date; P_2 represents the price of the rights issue; n represents the ratio of the rights issue (i.e., the ratio of the number of Shares issued under the rights issue to the Company's total share capital before the rights issue); Q represents the number of the Restricted Shares granted/vested after adjustment.

- c. Share consolidation

$$Q = Q_0 \times n$$

Where: Q_0 represents the number of the Restricted Shares granted/vested before adjustment; n represents the share consolidation ratio (i.e., one share of the Company will be consolidated into n shares); Q represents the number of the Restricted Shares granted/vested after adjustment.

- d. Issuance of new Shares

In case of issuance of new Shares, no adjustment will be made by the Company to the number of the Restricted Shares granted/vested.

(2) *Methods of Adjusting the Grant Price of the Restricted Shares*

During the period from the date of this announcement to the completion of the vesting registration for the Restricted Shares by the Incentive Participants, in the event of any conversion of capital reserve into share capital, bonus issue, share sub-division, rights issue, share consolidation or dividend distribution, etc. made by the Company, the Grant Price of the Restricted Shares shall be adjusted accordingly. The adjustment methods are as follows:

- a. Conversion of capital reserve into share capital, bonus issue and share sub-division

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

Where: P_0 represents the Grant Price before adjustment; n represents the ratio of conversion of capital reserve into share capital, bonus issue or share sub-division per share; P represents the Grant Price after adjustment.

- b. 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 before adjustment; P_1 represents the closing price on the date of share registration; P_2 represents the price of the rights issue; n represents the ratio of the rights issue (i.e., the ratio of the number of Shares issued under the rights issue to the Company's total share capital before the rights issue); P represents the Grant Price after adjustment.

c. Share consolidation

$$P = P_0 \div n$$

Where: P_0 represents the Grant Price before adjustment; n represents the share consolidation ratio; P represents the Grant Price after adjustment.

d. Dividend distribution

$$P = P_0 - V$$

Where: P_0 represents the Grant Price before adjustment; V represents the dividend per share; P represents the Grant Price after adjustment. P shall remain greater than 1 after the adjustment for dividend distribution.

e. Issuance of new Shares

In case of issuance of new Shares, no adjustment will be made by the Company to the Grant Price of the Restricted Shares.

(3) *Procedures for Adjustment of the Incentive Scheme*

Pursuant to the authorization of the general meeting, in the event of the above circumstances, the Board of the Company shall consider and approve the resolution on the adjustment of the number of Restricted Shares granted/vested and the Grant Price (if the number of Restricted Shares granted/vested and the Grant Price need to be adjusted as a result of matters other than the above circumstances, the relevant resolution shall, in addition to being considered by the Board, be submitted to the general meeting of the Company for consideration).

The Company shall engage a law firm to issue professional opinions to the Company on whether the above adjustments are in compliance with the Administrative Measures, the Articles of Association and the Incentive Scheme. After the adjustment proposal is considered and approved by the Board, the Company shall timely disclose the announcement of the resolutions of the Board and publish the legal opinion at the same time.

Respective Rights and Obligations of the Company and the Incentive Participants

(1) Rights and Obligations of the Company

- a. The Company shall have the right to construe and execute the Incentive Scheme and shall appraise the performance of Incentive Participants according to the requirements under the Incentive Scheme. If an Incentive Participant fails to fulfil the Vesting Conditions required under the Incentive Scheme, the Restricted Shares that have been granted to Incentive Participants but not yet vested shall not vest and shall lapse based on the principles provided under the Incentive Scheme.
- b. In accordance with the relevant provisions of the national tax laws and regulations, the Company shall withhold and pay the individual income tax and other taxes payable by the Incentive Participants for participation in the Incentive Scheme.
- c. The Company undertakes not to provide loans, guarantees for loans or any other form of financial assistance to the Incentive Participants for the purpose of their obtaining the relevant equity interests under the Incentive Scheme, as such provision would prejudice the interests of the Company.
- d. The Company shall make timely, true, accurate and complete disclosure of information disclosure documents related to the Incentive Scheme in accordance with relevant laws, regulations and regulatory documents, and ensure that there are no false records, misleading statements or material omissions, and timely fulfil the relevant reporting obligations in respect of the Incentive Scheme.
- e. The Company shall, in accordance with the Incentive Scheme and the relevant requirements of the CSRC, the Shenzhen Stock Exchange, the Hong Kong Stock Exchange, China Securities Depository and Clearing Corporation Limited and other relevant authorities or institutions, actively cooperate with the Incentive Participants who have satisfied the Vesting Conditions in completing the vesting procedures for the Restricted Shares in accordance with the requirements. However, where an Incentive Participant is unable to complete the Vesting and suffers any loss as a result of any reason attributable to the CSRC, the Shenzhen Stock Exchange, the Hong Kong Stock Exchange and China Securities Depository and Clearing Corporation Limited, the Company shall not be liable.

- f. The Company's determination of the Incentive Participants under the Incentive Scheme does not constitute the Company's commitment to the term of employment of employees. The Company's employment of employees is still implemented in accordance with the labor contract/service contract/employment agreement entered into between the Company and the Incentive Participants.
- g. If an Incentive Participant is unable to perform his or her duties competently, violates laws, regulations and/or the Company's rules and regulations, violates industry norms or professional ethics, discloses the Company's confidential information, commits dereliction of duty or malfeasance, falls under any of the circumstances stipulated in Article 39 of the Labor Contract Law, or commits any act that damages the Company's interests or reputation in violation of public order and good morals or otherwise, upon review by the Remuneration and Appraisal Committee and approval by the Board of the Company, the Restricted Shares that have been granted to such Incentive Participants but not yet vested shall not vest and shall lapse. In the event of serious circumstances, the Company may also recover the losses suffered by the Company in accordance with the provisions of the relevant laws.
- h. Other relevant rights and obligations as stipulated by laws, administrative regulations and regulatory documents.

(2) *Rights and Obligations of the Incentive Participants*

- a. Incentive Participants shall, based on the requirement of the position, perform their responsibilities diligently in compliance with professional ethics and strive to contribute to the development of the Company.
- b. The source of funding of the Incentive Participants shall be their legally owned or self-raised funds.
- c. The Incentive Participants shall be entitled to receive the vested Shares in accordance with the Scheme, and shall lock up and trade such Shares in accordance with the requirements.
- d. The Restricted Shares granted to the Incentive Participants shall not be transferred, pledged or used to repay debts prior to Vesting.

- e. The Restricted Shares granted to the Incentive Participants in accordance with the provisions of the Incentive Scheme are not entitled to voting rights and voting power before Vesting, and they are not entitled to the distribution of bonus Shares and dividends, i.e., they have no economic value before Vesting. After Vesting, the Restricted Shares shall be subject to all the provisions of the Articles of Association and shall rank *pari passu* in all respects on a pro rata basis in respect of voting rights, distribution rights, transfer rights, liquidation-related rights and other rights.
- f. The gains acquired by the Incentive Participants as a result of the Incentive Scheme shall be subject to individual income tax and other taxes and fees according to national tax regulations and the Scheme.
- g. The Incentive Participants undertake that, if any false statement or misleading representation in, or material omission from, the Company's information disclosure documents results in the grant of the equity interests or the arrangements for the exercise of equity interests failing to comply with the applicable requirements, the Incentive Participants shall return to the Company all benefits obtained under the Incentive Scheme, with effect from the date on which it is confirmed that the relevant information disclosure documents contain such false statement, misleading representation or material omission.
- h. If the Incentive Participant is no longer eligible to be an Incentive Participant as stipulated in Article 8 of the Administrative Measures during the implementation of the Incentive Scheme, the Restricted Shares that have been granted but not yet vested shall not vest and shall lapse.
- i. Upon consideration and approval of the Incentive Scheme at the general meeting and the passing of the resolution on the grant of equity interests to the Incentive Participants at a Board meeting, the Company shall enter into a Restricted Share Grant Agreement with the Incentive Participants to set out their respective rights and obligations under the laws, administrative regulations, normative documents and the Incentive Scheme as well as other related matters.
- j. Other relevant rights and obligations under the laws, regulations and the Incentive Scheme.

Save as otherwise provided in the Incentive Scheme, the Restricted Shares granted under the 2026 A Share Restricted Share Incentive Scheme shall, upon completion of the relevant vesting registration, rank *pari passu* in all respects with the other issued A Shares of the Company.

Amendment and Termination

(1) Amendment procedures of the Incentive Scheme

If the Company intends to amend the Incentive Scheme before it is considered at the general meeting, such amendment shall be considered and approved by the Board.

If the Company intends to amend the Incentive Scheme after it is considered and approved at the general meeting, such amendment shall be considered and decided at the general meeting, and shall not include the following circumstances:

- (a) circumstances that would result in early Vesting;
- (b) circumstances that would lower the Grant Price (except where the Grant Price is reduced as a result of capitalisation of capital reserve, bonus issue, rights issue, dividend distribution and other reasons).

The Company shall timely disclose the reasons for and content of the amendment. The Remuneration and Appraisal Committee shall express its opinion on whether the amended scheme is conducive to the Company's sustainable development and whether there are any circumstances that clearly prejudice the interests of the Company and all Shareholders. The law firm shall express its professional opinion on whether the amended scheme complies with the provisions of the Administrative Measures and relevant laws and regulations, and whether there are any circumstances that clearly harm the interests of the Company and all Shareholders.

The amended terms of the Incentive Scheme must still comply with the relevant provisions of Chapter 17 of the Hong Kong Listing Rules.

(2) Termination procedures of the Incentive Scheme

If the Company intends to terminate the Incentive Scheme before it is considered at the general meeting, such termination shall be considered and approved by the Board.

If the Company terminates the Incentive Scheme after it is considered and approved at the general meeting, such termination shall be considered and decided at the general meeting.

The legal advisers of the Company shall express their professional opinions as to whether the Company's termination of the Incentive Scheme is in compliance with the relevant provisions of the Administrative Measures and other laws and regulations and whether there are any circumstances that clearly harm the interests of the Company and all Shareholders.

If the general meeting or the Board considers and approves the termination of the Incentive Scheme, or if the general meeting does not approve the Incentive Scheme, no equity incentive scheme shall be considered again within three months from the date of announcement of the relevant resolution.

In case of termination of the Incentive Scheme, the Restricted Shares already granted to the Incentive Participants but not yet vested shall lapse, and the Restricted Shares not yet granted shall lapse.

Clawback/Lapse Mechanism

(1) In the Event of any Unusual Changes to the Company

- a. If any of the following circumstances occurs to the Company, the Incentive Scheme shall terminate and the Vesting of the Restricted Shares which have been granted but not yet vested shall be cancelled:
 - (a) issuance of an auditor's report with adverse opinion or disclaimer of opinion by a certified public accountant with respect to the financial accounting report for its most recent financial year;
 - (b) issuance of an auditor's report with adverse opinion or disclaimer of opinion by a certified public accountant with respect to the internal control over financial report for its most recent financial year;
 - (c) failure to conduct profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings during the last 36 months after listing;
 - (d) prohibition from implementation of share incentives by laws and regulations;
 - (e) other circumstances where the Incentive Scheme should be terminated as determined by the CSRC.

- b. If any of the following circumstances occurs to the Company, the Scheme shall remain unchanged:
 - (a) there is a change of control of the Company, but no material asset restructuring is triggered;
 - (b) there is a merger or division of the Company, and the Company still survives.
- c. If any of the following circumstances occurs to the Company, the general meeting of the Company shall determine whether corresponding changes or adjustments shall be made to the Scheme:
 - (a) there is a change of control of the Company and a material asset restructuring is triggered;
 - (b) there is a merger or division of the Company, and the Company no longer survives.
- d. Where false statements or misleading statements in or material omissions from the information disclosure documents of the Company result in non-compliance with the grant conditions or Vesting Conditions of the Restricted Shares, the Restricted Shares granted to Incentive Participants but not yet vested shall not vest and shall lapse; where the Restricted Shares granted to the Incentive Participants have already vested, the Incentive Participants shall return the equity interests already granted to him or her. The Board shall recover the gains obtained by the Incentive Participants in accordance with the preceding paragraph.

(2) In the Event of any Changes Occurred in the Personal Circumstances of an Incentive Participant

- a. If an Incentive Participant has undergone a change of position but he or she still works in the Company (including its subsidiaries, the same below), the Vesting of Restricted Shares granted to him or her shall be carried out in accordance with the procedures stipulated in the Incentive Scheme prior to the change of his or her position(s). However, if an Incentive Participant has undergone a change of position due to his or her incompetence to his or her position, violation of laws, regulations and/or the Company's rules and regulations, violation of industry norms or professional ethics, leakage of confidential information of the Company, dereliction of duty

or malfeasance, occurrence of the circumstances specified in Article 39 of the Labor Contract Law, violation of public order and good morals, or other acts that damage the interests or reputation of the Company, or if the Company terminates the labor or employment relationship with the Incentive Participants due to the above reasons, the Restricted Shares that have been granted to the Incentive Participants but not yet vested shall not vest and shall lapse.

- b. If an Incentive Participant resigns, including resignation for any reason (voluntary or involuntary), unilateral termination of the labor contract by the Company for any reason, expiration and non-renewal of the labor contract/employment agreement, negotiated termination of the labor contract or employment agreement by both parties, the Restricted Shares that have been granted to the Incentive Participant but not yet vested shall not vest and shall lapse from the date of resignation, unless otherwise provided in the Incentive Scheme. The Incentive Participant shall pay to the Company the individual income tax in respect of the vested Restricted Shares before resignation.

If an Incentive Participant commits any of the following acts, in addition to the Restricted Shares already granted but not yet vested being non-vestable and lapsing, the Company shall, depending on the severity of the circumstances, have the right to recover from the Incentive Participant the losses suffered as a result thereof in accordance with relevant laws:

The Incentive Participant is negligent or derelict in the performance of his or her duties, or falls under any of the circumstances stipulated in Article 39 of the Labor Contract Law; breaches the employment contract, confidentiality agreement, non-competition agreement or any other similar agreement entered into with the Company or its affiliates; breaches the Company's rules and regulations, industry norms or professional ethics; breaches the laws and regulations of the country or region of his or her residence or of the country or region of where he or she is located, including any place where he or she is temporarily located for business trips or otherwise; or accepts remuneration from any company, organization, institution or individual other than the Company without making prior disclosure to the Company and obtaining the Company's consent.

- c. If an Incentive Participant ceases employment due to retirement and no longer holds any position with the Company, the Restricted Shares granted to him or her but not yet vested shall not vest and shall lapse. The individual income tax on the vested portion of the Restricted Shares shall be paid in full before his or her departure. If, after retirement, the Company continues to re-employ the Incentive Participant and the re-employed position remains within the scope of the Incentive Scheme, the matters relating to the Restricted Shares granted to him/her but not yet vested may be dealt with in accordance with the requirements of the re-employed position and the procedures set out in the Incentive Scheme.
- d. Notwithstanding the paragraph b above, where, in the course of working for the Company, an Incentive Participant suffers from an occupational disease or suffers a work-related injury and is confirmed to have lost or partially lost his or her working capacity, and the Incentive Participant voluntarily resigns, the parties mutually agree to terminate the employment relationship, or the employment contract is terminated in accordance with law, the Restricted Shares granted to such Incentive Participant may be vested in accordance with the procedures set out in the Incentive Scheme prior to his or her departure, and the Board of the Company may, at its discretion, decide whether his or her individual performance appraisal conditions shall cease to be included as Vesting Conditions. Prior to his or her departure, the Incentive Participant shall pay to the Company in full the individual income tax in respect of the Restricted Shares that have already vested, and shall, at each subsequent Vesting, pay in advance the individual income tax in respect of the Restricted Shares to be vested in the relevant period.
- e. If an Incentive Participant ceases to hold office due to death or being declared dead or declared missing by a People's Court, the matter shall be handled in the following two circumstances:
 - (a) where, in the course of working for the Company, the Incentive Participant is determined to have died due to work-related reasons (including being deemed to have died from a work-related injury) or is declared dead or declared missing for work-related reasons and ceases to hold office, the Restricted Shares granted to him or her shall be inherited by his or her designated successor or legal successor, and the Restricted Shares already granted but not yet vested shall be dealt with in accordance with the procedures stipulated in the Incentive Scheme prior to his or her death. His or her personal performance appraisal results shall cease to be included in the Vesting Conditions. The successor shall pay to the Company the individual income tax in respect of the Restricted Shares that have already vested before the inheritance, and shall, at each Vesting, pay the individual income tax in advance in respect of the Restricted Shares to be vested in that period.

- (b) where an Incentive Participant ceases to hold office due to illness or death not arising from work, or is declared dead or declared missing due to such non-work-related causes, the Restricted Shares already granted to the Incentive Participant but not yet vested shall not vest and shall lapse.
- f. For matters stipulated in the Incentive Scheme to be determined, decided and/or handled by the Board, the determinations and decisions made by the Board shall be legally binding on the Company and the Incentive Participants. Other circumstances not provided for in the Incentive Scheme shall be determined by the Board, which shall also decide the manner of handling. The Incentive Scheme, together with the Restricted Share Grant Agreements entered into between the Company and the Incentive Participants and any amendments and supplements thereto, shall constitute the entire commercial agreement between the Company and the Incentive Participants concerned in respect of the restricted share incentive matters. Such commercial agreements shall be governed by the civil and commercial laws of the PRC.
- g. Prior to his or her departure, the Incentive Participant shall pay to the Company the individual income tax in respect of the Restricted Shares that have already vested. If the Incentive Participant fails to pay in full the individual income tax in respect of the Restricted Shares that have already vested prior to his or her departure, the Company (including its subsidiaries) shall have the right to deduct the corresponding amount from any payments to be made to the Incentive Participant (including but not limited to wages payable, year-end bonuses, long-term incentives, termination compensation, reimbursements, etc.) to pay the individual income tax payable by the Incentive Participant. The Incentive Participant shall solely bear the legal liability arising from his or her failure to pay the individual income tax in a timely and full amount.

Pursuant to the 2026 A Share Restricted Share Incentive Scheme, if circumstances specified in the Scheme occur at the level of the Company or at the level of the Incentive Participants, the Restricted Shares granted but not yet vested shall not vest and shall lapse. The Board considers that such clawback mechanism enables the Company to withhold equity incentives from the Incentive Participants responsible for specific misconduct, thereby ensuring that the Restricted Shares vest only in persons acting in the best interests of the Company and safeguarding the interests of the Shareholders. Accordingly, the Directors consider that the clawback mechanism is consistent with the purposes of the 2026 A Share Restricted Share Incentive Scheme and facilitates the achievement of such purposes.

The above resolution has been considered and approved by the Board. Mr. Yang and Ms. Huang, Directors of the Company, have abstained from voting on the above resolution due to their proposed participation in the 2026 A Share Restricted Share Incentive Scheme. The above resolution is still subject to consideration at the general meeting.

II. PROPOSED ADOPTION OF THE APPRAISAL MANAGEMENT MEASURES OF THE 2026 A SHARE RESTRICTED SHARE INCENTIVE SCHEME

In order to ensure the smooth implementation of the 2026 A Share Restricted Share Incentive Scheme of the Company, and to ensure the realization of the development strategy and operating objectives of the Company, the Appraisal Management Measures are hereby formulated in accordance with the relevant laws and regulations, the provisions of the 2026 A Share Restricted Share Incentive Scheme (Draft) of Shenzhen Han's CNC Technology Co., Ltd. (《深圳市大族數控科技股份有限公司2026年A股限制性股票激勵計劃(草案)》), and the actual situation of the Company.

The above resolution has been considered and approved by the Board. Mr. Yang and Ms. Huang, Directors of the Company, have abstained from voting on the above resolution due to their proposed participation in the 2026 A Share Restricted Share Incentive Scheme. The above resolution is still subject to consideration at the general meeting. The full text of the Appraisal Management Measures will be set out in the circular to be published in due course.

III. PROPOSED AUTHORIZATION TO THE BOARD TO HANDLE MATTERS PERTAINING TO THE 2026 A SHARE RESTRICTED SHARE INCENTIVE SCHEME

In order to implement the 2026 A Share Restricted Share Incentive Scheme of the Company, the Board of the Company proposes that the general meeting authorize the Board to handle matters pertaining to the 2026 A Share Restricted Share Incentive Scheme of the Company:

1. to propose that the general meeting of the Company authorize the Board to handle the following matters in respect of the Incentive Scheme:
 - (1) to determine the Grant Date of the 2026 A Share Restricted Share Incentive Scheme;
 - (2) to make corresponding adjustments to the grant/vesting price of the Restricted Shares in accordance with the methods stipulated in the Incentive Scheme in the event of the Company's conversion of capital reserve into share capital, bonus issue, share split or share consolidation, rights issue, dividend distribution or other similar events;
 - (3) to make corresponding adjustments to the number of the Restricted Shares to be granted/vested in accordance with the methods stipulated in the Incentive Scheme in the event of the Company's conversion of capital reserve into share capital, bonus issue, share split or share consolidation, rights issue or other similar events;

- (4) to allocate among the Incentive Participants the Restricted Shares that the Incentive Participants have waived subscribing for, directly reduce such shares, or adjust to the reserved portion prior to the grant of the Restricted Shares;
- (5) to grant the Restricted Shares to the Incentive Participants when they satisfy the grant conditions, and to handle all necessary matters in connection with the grant of the Restricted Shares, including but not limited to entering into a Restricted Share Grant Agreement with the Incentive Participants;
- (6) to determine whether the Restricted Shares granted to the Incentive Participants may vest, to review and confirm the vesting qualifications, Vesting Conditions, vesting number and other matters in respect of the Incentive Participants, and to delegate such right by the Board to the Remuneration and Appraisal Committee for exercise;
- (7) to handle all necessary matters in connection with the Vesting of the Restricted Shares by the Incentive Participants, including but not limited to submitting an application to the Shenzhen Stock Exchange in respect of the Vesting, applying to a securities registration and clearing company for the relevant registration and clearing services, amending the Articles of Association, and applying to register the change in the registered capital of the Company;
- (8) to handle matters relating to amendments, termination and other relevant matters in accordance with the Incentive Scheme, including but not limited to cancelling the vesting eligibility of Incentive Participants, cancelling the Restricted Shares that have not yet vested and causing them to lapse, and handling matters relating to the inheritance of the Restricted Shares of deceased Incentive Participants that have not yet vested;
- (9) to manage and adjust the Incentive Scheme, and from time to time formulate or amend the management and implementation rules of the Incentive Scheme, subject to compliance with the terms of the Incentive Scheme. However, if such amendments are subject to approval at the general meeting or/and by relevant regulatory authorities under the requirements of laws, regulations or relevant regulatory authorities, such amendments by the Board shall be subject to such approvals;
- (10) to implement other necessary matters in connection with the Restricted Share Incentive Scheme, except for such rights as are expressly provided in the relevant documents to be exercised by a general meeting.

2. to propose that the general meeting of the Company authorize the Board to complete the relevant procedures with the competent government authorities and other relevant authorities in relation to the Incentive Scheme, including approval, registration, filing, verification, consent and other procedures; to sign, execute, amend and complete documents to be submitted to the relevant government authorities, authorities, organizations and individuals; to amend the Articles of Association and handle the registration of the change in the registered capital of the Company; and to carry out all actions deemed to be necessary, appropriate or expedient in relation to the Incentive Scheme.
3. to authorize the Board to engage intermediaries, such as receiving bank, accounting firms, law firms and securities companies.
4. to propose that the general meeting of the Company to agree that the authorization period shall be consistent with the validity period of the Incentive Scheme.

In respect of the authorizations above, except for matters expressly stipulated by laws, administrative regulations, rules of the CSRC, normative documents, the equity incentive scheme, or the Articles of Association as requiring approval by the resolution of the Board, other matters may be handled directly by the chairman of the Board or an appropriate person authorized by him or her on behalf of the Board.

The above resolution has been considered and approved by the Board. Mr. Yang and Ms. Huang, Directors of the Company, have abstained from voting on the above resolution due to their proposed participation in the 2026 A Share Restricted Share Incentive Scheme. The above resolution is still subject to consideration at the general meeting.

IV. PROPOSAL FOR THE PROPOSED PARTICIPATION OF MR. YANG, AN INCENTIVE PARTICIPANT, IN THE 2026 A SHARE RESTRICTED SHARE INCENTIVE SCHEME

In accordance with the requirements of the PRC laws and regulations and the terms of the Scheme, the Company will, within 60 days following the approval of the 2026 A Share Restricted Share Incentive Scheme by the Shareholders, make the initial grant of the Restricted A Shares as appropriate, including the proposal to grant 3,057,500 Restricted A Shares to Mr. Yang, representing approximately 0.6252% of the Company's total share capital (excluding treasury Shares) as at the date of this announcement. The Company has not granted any share options or awards to Mr. Yang under any share incentive scheme during the 12 months prior to the date of this announcement. For the avoidance of doubt, as of the date of this announcement, Mr.

Yang has not been granted any Restricted A Shares. Upon the 2026 A Share Restricted Share Incentive Scheme and the proposal for the proposed participation of Mr. Yang in the Incentive Scheme being approved by the Shareholders, the Company will, in accordance with the PRC laws and regulations and the terms of the Scheme, separately convene a Board meeting to consider and approve the initial grant.

The proposal for the proposed participation of Mr. Yang in the Incentive Scheme (including the grant price, grant conditions, Vesting Conditions, vesting arrangements, Black-out Period, clawback/lapse mechanism, etc.) will comply with the terms of the 2026 A Share Restricted Share Incentive Scheme. For details, please refer to “I. Proposed Adoption of the 2026 A Share Restricted Share Incentive Scheme” in this announcement.

After the general meeting considers and approves the following three resolutions: (i) the proposed adoption of the 2026 A Share Restricted Share Incentive Scheme; (ii) the proposed adoption of the Appraisal Management Measures; and (iii) the proposal for the proposed participation of Mr. Yang in the Incentive Scheme, the Company will make the grant to Mr. Yang at an appropriate time within the time limit required under the 2026 A Share Restricted Share Incentive Scheme.

Reasons for and Benefits of the Proposed Participation of Mr. Yang in the Incentive Scheme

As the chairman of the Board, executive Director and general manager of the Company, Mr. Yang adheres to a long-term approach and has led the Company in continuing to deepen its presence in the PCB industry and further strengthening the brand value of “Han’s CNC”. He is a leader in the Company’s core team. Since joining Han’s CNC, Mr. Yang has led it in achieving domestic substitution of core equipment in the PCB industry, promoted the rapid development of the domestic PCB industry, and firmly seized the opportunities of the new round of PCB industry upgrading, thereby elevating the Company’s operating scale and profitability to a higher level and enhancing the global industry influence of the Han’s brand.

The rapid iteration of PCB technology has led to a structural reshaping of value across the industry. By including Mr. Yang in the scope of the Share Incentive Scheme and making equity arrangements for him, the Company expects to further unlock Mr. Yang’s value contribution and strong exemplary effect, promote the stability and enthusiasm of the Company’s core personnel, and empower the Company to become one of the most respected and trusted equipment service providers in the PCB industry globally. The number of Restricted Shares proposed to be granted to Mr. Yang is commensurate with the importance of his duties and position within the Company.

Pursuant to Rule 17.04(2) of the Hong Kong Listing Rules, as the proposed participation of Mr. Yang in the Incentive Scheme would result in the total number of Shares underlying all awards granted to Mr. Yang during the 12-month period up to and including the date of such grant exceeding 0.1% of the Company's issued Shares (excluding treasury Shares), the proposal for the proposed participation of Mr. Yang in the Incentive Scheme is subject to the approval of the independent Shareholders at the EGM.

The above proposal has been considered and approved by the Board. The Directors (including all independent non-executive Directors, but excluding Mr. Yang, who has abstained from voting on the resolution relating to the proposal for the proposed participation of Mr. Yang in the Incentive Scheme) are of the view that the terms of the proposal for the proposed participation of Mr. Yang in the Incentive Scheme are fair and reasonable and in the interests of the Company and its Shareholders as a whole. This proposal is still subject to consideration at the general meeting.

V. PURPOSE OF, REASONS FOR AND BENEFITS OF THE ADOPTION OF THE 2026 A SHARE RESTRICTED SHARE INCENTIVE SCHEME

The adoption of the 2026 A Share Restricted Share Incentive Scheme is intended to further establish and enhance the Company's long-term incentive mechanism, attract and retain exceptional talent, strengthen the sense of responsibility and mission of the Company's core team to the Company's sustainable and rapid development, fully motivate their enthusiasm, effectively align the interests of the Shareholders and the Company with the personal interests of the core team, and enable all parties to jointly focus on the Company's long-term development.

The Company is of the view that the adoption and implementation of the 2026 A Share Restricted Share Incentive Scheme will benefit the Company and its Shareholders as a whole, and that the terms and conditions of the 2026 A Share Restricted Share Incentive Scheme are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The implementation of the 2026 A Share Restricted Share Incentive Scheme will further enhance the Company's long-term incentive mechanism, improve the distribution mechanism that integrates incentives with constraints, align the interests of employees with those of the Shareholders, and promote the sustainable development of the Company.

VI. IMPLICATIONS UNDER THE HONG KONG LISTING RULES

Pursuant to Chapter 17 of the Hong Kong Listing Rules, the 2026 A Share Restricted Share Incentive Scheme constitutes a share scheme involving the issuance of new A Shares and therefore the proposed adoption of the 2026 A Share Restricted Share Incentive Scheme is subject to the approval of the Shareholders. The Company will comply with the applicable requirements under Chapter 17 of the Hong Kong Listing Rules in relation to the 2026 A Share Restricted Share Incentive Scheme in due course.

Rule 17.03(13) of the Hong Kong Listing Rules requires that the scheme document must include a provision for adjustment of the exercise or purchase price and/or the number of shares subject to options or awards granted under the scheme in the event of a capitalization issue, rights issue, sub-division or consolidation of shares or reduction of capital. Note to Rule 17.03(13) of the Hong Kong Listing Rules states that any adjustments required under Rule 17.03(13) must give a participant the same proportion of the equity capital, rounded to the nearest whole share, as that to which that person was previously entitled. The Company will apply for a waiver from strict compliance with the requirements under Rule 17.03(13) of the Hong Kong Listing Rules so as to enable the Grant Price of the Restricted Shares granted under the 2026 A Share Restricted Share Incentive Scheme to be adjusted in the event of dividend distribution on the basis that, among other things:

1. the Company is a PRC issuer with its A Shares listed on the Shenzhen Stock Exchange, and the 2026 A Share Restricted Share Incentive Scheme involves issue of new A Shares rather than H Shares. Therefore, the 2026 A Share Restricted Share Incentive Scheme must comply with the PRC laws. Article 48 of the Administrative Measures issued by CSRC provides that, where the price or number of equity interests of a listed company needs to be adjusted due to share dividends, share splits or other reasons, the board of directors of the listed company shall make such adjustment in accordance with the principles, methods and procedures specified in the share incentive scheme. As advised by the Company's PRC legal advisers for the 2026 A Share Restricted Share Incentive Scheme, the adjustments to the Grant Price of Restricted Shares granted under the 2026 A Share Restricted Share Incentive Scheme in the event of dividend distribution are required by Article 48 of the Administrative Measures. As such, the Grant Price of the Restricted Shares granted under the 2026 A Share Restricted Share Incentive Scheme shall be adjusted in the event of any dividend distribution of the Company, in order to fully comply with the abovementioned rule;
2. the proposed adoption of the 2026 A Share Restricted Share Incentive Scheme is subject to the approval of the Shareholders at the EGM, whereby the H Shareholders will have the opportunity to fully consider and evaluate the terms of the 2026 A Share Restricted Share Incentive Scheme at the EGM based on its merits, and the interests of the H Shareholders will not be prejudiced;

3. the maximum number of A Shares proposed to be granted under the 2026 A Share Restricted Share Incentive Scheme is 12,230,000 A Shares, representing only approximately 2.50% of the total share capital of the Company (excluding treasury Shares, if any) as at the date of this announcement, and the dilution effect, if any, of the 2026 A Share Restricted Share Incentive Scheme is limited;
4. the adjustment to the Grant Price of the Restricted Shares in the event of dividend distribution under the 2026 A Share Restricted Share Incentive Scheme is in line with the market practice in the PRC; and
5. the Company believes that the adjustment to the Grant Price of the Restricted Shares in the event of dividend distribution will not adversely affect the interests of the Shareholders.

Any grant of Restricted Shares to a Director, chief executive or substantial Shareholder of the Company, or any of their respective associates (as defined under the Hong Kong Listing Rules), shall first be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed grantee).

If (i) any grant of Restricted Shares to the Incentive Participants would result in the A Shares issued and to be issued in respect of all options (if any) and awards (excluding any options and awards lapsed in accordance with the terms of the relevant scheme) granted to the Incentive Participants in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the issued Shares of the relevant class of the Company (excluding treasury Shares); (ii) any grant of Restricted Shares to a Director (other than an independent non-executive Director) or chief executive of the Company, or any of their associates, would result in the A Shares issued and to be issued in respect of all awards granted (excluding any awards lapsed in accordance with the terms of the relevant scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the issued Shares of the relevant class of the Company (excluding treasury Shares); (iii) any grant of Restricted Shares to an independent non-executive Director or a substantial Shareholder of the Company, or any of their associates, would result in the A Shares issued and to be issued in respect of all options (if any) and awards granted (excluding those that have lapsed in accordance with the terms of the relevant scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the issued Shares of the relevant class of the Company (excluding treasury Shares), the Company will comply with the relevant provisions of Chapter 17 of the Hong Kong Listing Rules and obtain Shareholders' approval. At the relevant general meeting, the grantee, his or her associates and all core connected persons of the Company must abstain from voting in favour.

Pursuant to Rule 17.04(2) of the Hong Kong Listing Rules, as the proposed participation of Mr. Yang in the Incentive Scheme would result in the total number of Shares underlying all awards granted to Mr. Yang during the 12-month period up to and including the date of such grant, exceeding 0.1% of the issued Shares of the Company (excluding treasury Shares), the proposal for the proposed participation of Mr. Yang in the Incentive Scheme is subject to the approval of the independent Shareholders at the EGM, and Mr. Yang, his associates and all other core connected persons of the Company must abstain from voting in favour of the relevant resolution on the proposal for the proposed grant of Restricted Shares to Mr. Yang at the EGM in accordance with the Hong Kong Listing Rules.

For the avoidance of doubt, in respect of the proposed grant to Ms. Huang, the total number of Shares underlying all awards granted and proposed to be granted to Ms. Huang during the 12-month period up to and including the date of such grant, excluding awards lapsed in accordance with the terms of the relevant share schemes, does not exceed 0.1% of the issued Shares of the Company (excluding treasury Shares).

Save as disclosed above, to the best of the Directors' knowledge, as of the date of this announcement, none of the Incentive Participants under the initial grant of the 2026 A Share Restricted Share Incentive Scheme is (i) a Director, chief executive or substantial Shareholder of the Company or any of their associates; or (ii) a participant who has been granted and will be granted options and awards exceeding the 1% individual limit under Rule 17.03D(1) of the Hong Kong Listing Rules.

In accordance with Chapter 14A of the Hong Kong Listing Rules, directors and chief executives of the Company's subsidiaries are connected persons of the Company. Therefore, the participation of such persons in the 2026 A Share Restricted Share Incentive Scheme may constitute a connected transaction. Pursuant to Rule 14A.92(3)(a) of the Hong Kong Listing Rules, the grant of Restricted Shares to connected persons under the 2026 A Share Restricted Share Incentive Scheme, being a share scheme approved by the Shareholders in accordance with Chapter 17 of the Hong Kong Listing Rules, is fully exempt from the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Hong Kong Listing Rules.

VII. EGM

The Company will convene an EGM to seek Shareholders' approval for, among other things: (i) the proposed adoption of the 2026 A Share Restricted Share Incentive Scheme; (ii) the proposed adoption of the Appraisal Management Measures; (iii) the proposed authorization to the Board to handle matters pertaining to the 2026 A Share Restricted Share Incentive Scheme; and (iv) the proposal for the proposed participation of Mr. Yang in the Incentive Scheme. A circular containing, among other things, (i) further details of the 2026 A Share Restricted Share Incentive Scheme; (ii) further details of the Appraisal Management Measures; (iii) the proposed authorization to the Board to handle matters pertaining to the 2026 A Share Restricted Share Incentive Scheme; (iv) the proposal for the proposed participation of Mr. Yang in the Incentive Scheme; and (v) a notice convening the EGM will be published and despatched to Shareholders who have indicated their wish to receive printed copies in due course.

VIII. DEFINITIONS

In this announcement, the following expressions shall have the meanings set out below unless the context requires otherwise:

“2023 A Share Restricted Share Incentive Scheme”	the 2023 A Share Restricted Share Incentive Scheme of the Company
“2026 A Share Restricted Share Incentive Scheme”, “Incentive Scheme” or “Scheme”	the 2026 A Share Restricted Share Incentive Scheme of the Company
“A Share(s)”	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are traded in Renminbi and listed on the Shenzhen Stock Exchange
“Administrative Measures”	the Measures for the Administration of Equity Incentives of Listed Companies (《上市公司股權激勵管理辦法》)
“Appraisal Management Measures”	the Management Measures for Appraisal for the Implementation of the 2026 A Share Restricted Share Incentive Scheme
“Articles of Association”	the articles of association of the Company (as amended from time to time)
“Black-out Period”	the period during which the Restricted Shares granted to the Incentive Participants are restricted from being sold after the Vesting
“Board”	the board of directors of the Company
“China” or “PRC”	the People’s Republic of China, which, for the purpose of this announcement only, excludes the Hong Kong Special Administrative Region, Macau Special Administrative Region and the Taiwan region
“Company”	Shenzhen Han’s CNC Technology Co., Ltd. (深圳市大族數控科技股份有限公司)

“Company Law”	the Company Law of the PRC (《中華人民共和國公司法》)
“CSRC”	China Securities Regulatory Commission
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company
“Grant Date”	the date on which the Company grants the Restricted Shares to the Incentive Participants, which must be a trading day
“Grant Price”	the price of each Restricted Share to be granted to the Incentive Participants
“Group”	the Company and its subsidiaries from time to time
“Guidelines for Self-Regulation”	the Self-Regulatory Guidelines No. 1 for Listed Companies in the ChiNext Market on Shenzhen Stock Exchange — Business Handling (《深圳證券交易所創業板上市公司自律監管指南第1號 — 業務辦理》)
“H Share(s)”	the ordinary Shares with a nominal value of RMB1.00 each in the share capital of the Company (or of such other nominal amount as shall result from a subdivision, consolidation, reclassification, reduction or reconstruction of the share capital of the Company from time to time), which are listed on the Main Board of the Hong Kong Stock Exchange
“H Shareholder(s)”	the holders of H Shares
“Hong Kong Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Incentive Participant(s)”	the directors, senior management and core technical (business) personnel of the Company (including its subsidiaries) who obtain the Restricted Shares in accordance with the 2026 A Share Restricted Share Incentive Scheme

“Labor Contract Law”	the Labor Contract Law of the People’s Republic of China (《中華人民共和國勞動合同法》)
“Listing Rules”	Hong Kong Listing Rules and the Rules Governing the Listing of Stocks on the ChiNext Market of Shenzhen Stock Exchange (《深圳證券交易所創業板股票上市規則》)
“Mr. Yang”	Yang Chaohui, chairman of the Board, executive Director and general manager of the Company
“Ms. Huang”	Huang Linting, a non-executive Director (employee representative Director) of the Company
“Remuneration and Appraisal Committee”	the remuneration and appraisal committee of the Board
“Restricted Share(s)” or “Restricted A Share(s)”	the Shares of the Company to be acquired and registered in batches by the Incentive Participants who meet the grant conditions under the 2026 A Share Restricted Share Incentive Scheme after satisfying the corresponding Vesting Conditions
“RMB”	Renminbi, the lawful currency of the PRC
“Securities Law”	the Securities Law of the PRC (《中華人民共和國證券法》)
“Share(s)”	shares with a nominal value of RMB1.00 each in the share capital of the Company, consisting of A Shares and H Shares
“Shareholder(s)”	the holder(s) of Shares
“treasury share(s)”	has the meaning ascribed to it under the Hong Kong Listing Rules
“Vesting”	the act of the Company registering the Shares into the accounts of the Incentive Participants after the Incentive Participants have satisfied the Vesting Conditions

“Vesting Conditions”	the conditions established under the Scheme that must be satisfied by the Incentive Participants to obtain the Restricted Shares
“Vesting Date”	the date on which the registration of the granted Shares is completed after the Incentive Participants have satisfied the Vesting Conditions for the Restricted Shares, which date must be a trading day
“%”	per cent

By order of the Board
Shenzhen Han’s CNC Technology Co., Ltd.
Yang Chaohui
Chairman of the Board and Executive Director

Shenzhen, China
20 October 2026

As at the date of this announcement, the Board comprises Mr. Yang Chaohui as an executive director, Mr. Zhang Jianqun, Mr. Zhou Huiqiang, Mr. Du Yonggang and Ms. Huang Linting as non-executive directors, and Mr. Qiu Yunliang, Ms. Li Weiwei, Dr. Xin Guosheng and Ms. Xia Liya as independent non-executive directors.