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林清轩
Forest Cabin

SHANGHAI FOREST CABIN COSMETICS GROUP CO., LTD.
上海林清軒化妝品集團股份有限公司

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

(Stock Code: 2657)

GRANT OF AWARDS UNDER THE 2026 H SHARE SCHEME

References are made to the announcement of Shanghai Forest Cabin Cosmetics Group Co., Ltd. (the "**Company**") dated August 31, 2026 (the "**Announcement**") and the circular of the Company dated August 31, 2026 (the "**Circular**") in relation to, among other things, the proposed adoption of the 2026 H Share Scheme. Unless otherwise defined herein, capitalized terms used in this announcement shall have the same meanings as those defined in the Circular.

The 2026 H Share Scheme was approved at the 2026 second extraordinary shareholders' meeting (the "**EGM**") of the Company held on September 18, 2026. The board of directors (the "**Board**") of the Company is pleased to announce that on October 30, 2026, the Company granted a total of 3,732,637 H Award Shares under the 2026 H Share Scheme (the "**Grant**"), subject to acceptance by the Grantees. Details are set out below:

Grant Date: October 30, 2026

Summary of the participants and the grants made to them:

Grantees	Number of Award Shares granted	Number of Award Shares granted as a percentage of the total issued share capital of the Company (excluding the Treasury Shares)
Mr. SUN Fuchun *(executive Director)*	79,728	0.0574%
Mr. WANG Shijia *(employee representative Director)*	62,010	0.0446%
Mr. SUN Ruize (employee of the Group who is the son of Mr. SUN Fuchun and therefore an associate)	29,898	0.0215%
173 Employee Participants in core positions subject to performance-based incentives	3,439,495	2.4758%
4 Employee Participants in core positions joined in 2026	84,120	0.0606%
1 Service Provider Participant (a scientist providing consulting services on anti-skin-aging research to the Company in accordance with the service contract with the Company)	37,386	0.0269%
Total	3,732,637	2.6869%

Number of Award Shares granted:	3,732,637 Shares, satisfied by the transfer of the Treasury Shares and/or the issuance of new H Shares by the Company
Purchase Price of the Award Shares granted:	(i) HK$25 per H Share (for Mr. SUN Fuchun, Mr. WANG Shijia, Mr. SUN Ruize, Employee Participants in core positions subject to performance-based incentives and Service Provider Participant); and (ii) HK$0 per H Share (for Employee Participants in core positions joined in 2026)
Closing price of the H Shares on the Grant Date:	HK$50 per H Share
Vesting period of the Grant:	The Award Shares granted shall vest in accordance with the following schedule: (i) 30% of the Award Shares granted shall vest on the date falling 12 months from the Grant Date; (ii) 30% of the Award Shares granted shall vest on the date falling 24 months from the Grant Date; and (iii) 40% of the Award Shares granted shall vest on the date falling 36 months from the Grant Date.
Performance targets attached to the Grant:	The vesting of the Award Shares under the Grant is subject to the satisfaction of certain performance targets and other requirements specified in the respective Award Letters entered into between the participants and the Company, including the performance of the Company and the individual performance of the participants. From time to time, the Scheme Administrator will conduct an assessment to compare performance against pre-established targets in order to determine whether and to what extent such targets have been achieved.
Clawback mechanism:	In the event that: (a) a Grantee ceases to be an Eligible Participant by reason of: (i) termination of the Grantee's employment or contractual engagement with the Group for cause or without notice; (ii) termination of the Grantee's employment or contractual engagement with the Group as a result of the Grantee having been charged with, penalized for or convicted of an offense involving the Grantee's integrity or honesty;

(b) in the reasonable opinion of the Scheme Administrator, a Grantee has committed a serious breach of an internal policy or code of any member of the Group or agreement with any member of the Group, including the breach of a non-compete obligation imposed on the Grantee by the Group, and such breach is considered material;

(c) in the reasonable opinion of the Scheme Administrator, a Grantee has engaged in serious misconduct or breaches the terms of this Scheme in any material respect; or

(d) in the reasonable opinion of the Scheme Administrator, an Award to the Grantee will no longer be appropriate and aligned with the purpose of the Scheme;

then the Scheme Administrator may make a determination at its absolute discretion that: (A) any Awards granted regardless of whether such Awards have vested or not, and (B) with respect to any H Shares delivered, or cash payment made, to the Grantee pursuant to any Awards granted under this Scheme, the Grantee shall be required to transfer back to the Company or its nominee (1) the equivalent number of H Shares, (2) an amount in cash equal to the market value of such H Shares or the cash payment, or (3) a combination of (1) and (2).

Financial assistance: As of the date of this announcement, neither the Company nor any of its subsidiaries has made any arrangements to provide financial assistance to any participants to facilitate their purchase of H Shares under the 2026 H Share Scheme.

REASONS FOR AND BENEFITS OF THE GRANT

The Board believes that the Grant under the 2026 H Share Scheme to the Eligible Participants provides a flexible means for the Company to incentivize, attract and retain, and offer benefits to the Eligible Participants, thereby encouraging them to make contributions to the operating results and development of the Company.

The Service Provider Participant has continuously provided anti-skin-aging research services in the ordinary and usual course of the Group's business, which are in line with the long-term development interests of the Group. Its long-term participation in the Company's relevant basic research and technology development has made significant contributions to the technological upgrades and scientific innovation of the core products.

The Board is of the view that the Grant, which aims to recognize and reward its continuing contributions, deepen the long-term scientific research cooperation between the parties, and motivate it to continue promoting the scientific innovation and business development of the Company, is in line with the strategy of the Company to attract and retain high-end scientific research talent and strengthen its core research and development capabilities. The Grant helps align its interests with those of the Company and its Shareholders, encouraging it to contribute to the long-term growth and value enhancement of the Company, and is consistent with the purpose of the 2026 H Share Scheme. The Board (including all independent non-executive Directors) is of the view that the terms of the Grant are fair and reasonable and in the interests of the Company and Shareholders as a whole.

Based on the above considerations, the Board (including all independent non-executive Directors) is of the view that the terms of the Grant to Eligible Participants are fair and reasonable and in the interests of the Company and Shareholders as a whole. The grants to the Directors as well as their associates mentioned above have been approved by the independent non-executive Directors in accordance with Rule 17.04(1) of the Listing Rules and the provisions of the 2026 H Share Scheme.

Save as disclosed above, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, none of the participants is (i) a Director, chief executive, substantial Shareholder or an associate (as defined under the Listing Rules) of any of them with options and Awards granted and to be granted in any 12-month period up to and including the Grant Date exceeding 0.1% of the total issued Shares (excluding the Treasury Shares); (ii) a participant with options and Awards granted and to be granted exceeding the 1% individual limit under Rule 17.03D of the Listing Rules; or (iii) a related entity participant or service provider with options and Awards granted and to be granted in any 12-month period up to and including the Grant Date exceeding 0.1% of the total issued Shares (excluding the Treasury Shares). The Grant is not subject to approval by Shareholders.

NUMBER OF H SHARES AVAILABLE FOR FUTURE GRANT

The maximum number of H Shares to be granted under the 2026 H Share Scheme is 13,969,468 H Shares. After the Grant, as of the date of this announcement, a total of 10,236,831 H Shares will be available for future grant under the scheme limits, and 1,359,560 Shares will be available for future grant under the Service Provider Sublimit.

By order of the Board
SHANGHAI FOREST CABIN COSMETICS GROUP CO., LTD.
Mr. SUN Laichun
Chairman of the Board, Executive Director and President

Shanghai, the PRC, October 30, 2026

As at the date of this announcement, the Board comprises: (i) Mr. SUN Laichun and Mr. SUN Fuchun as executive Directors; (ii) Mr. WANG Shijia as employee representative Director; and (iii) Mr. ZHU Qian, Mr. LIU Yuliang and Ms. QIANG Yilan as independent non-executive Directors.