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Zhejiang Laifual Drive Co., Ltd.
浙江來福諧波傳動股份有限公司
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 03952)

(1) PROPOSED ADOPTION OF THE 2026 H SHARE AWARD SCHEME; (2) PROPOSED AUTHORIZATION TO THE BOARD AND/OR THE SCHEME ADMINISTRATOR TO HANDLE MATTERS RELATING TO THE 2026 H SHARE AWARD SCHEME; AND (3) PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

PROPOSED ADOPTION OF THE 2026 H SHARE AWARD SCHEME

The board (the "**Board**") of directors (the "**Directors**") of Zhejiang Laifual Drive Co., Ltd. (the "**Company**") is pleased to announce that on 4 November 2026, the Board has resolved to propose the adoption of the 2026 H share award scheme (the "**2026 H Share Award Scheme**" or "**Scheme**") of the Company, subject to approval by the shareholders of the Company (the "**Shareholders**") at the extraordinary general meeting of the Company to be held on 24 November 2026 (the "**EGM**").

Purpose of the 2026 H Share Award Scheme

The purposes of the 2026 H Share Award Scheme are to provide a flexible means of attracting, remunerating, incentivising, retaining, rewarding, compensating and providing benefits to eligible participants ("**Eligible Participants**"); to align interests of Eligible Participants with those of the Company and Shareholders by giving Eligible Participants the opportunity to acquire proprietary interests in the Company; and to encourage Eligible Participants to make contribution to the Company's long-term growth, performance, profits and value.

Scheme Mandate Limit

The shares under the 2026 H Share Award Scheme shall be satisfied by (i) new H shares (the "**H Share(s)**") to be allotted and issued by the Company; (ii) the transfer of treasury shares (as defined in the Listing Rules); and/or (iii) existing H Shares purchased or acquired on-market or off-market by the trustee(s) under the trust.

The total number of H Shares (including the transfer of treasury shares) of the Company which may be issued and allotted under the 2026 H Share Award Scheme shall not exceed 10,413,518 H Shares (the "**Scheme Mandate Limit**"), representing approximately 10% of the total number of H Shares in issue (excluding treasury shares) on the date on which the 2026 H Share Award Scheme is adopted by the Shareholders (the "**Adoption Date**"). In any event, the aggregate number of new H Shares that may be issued, together with treasury shares that may be transferred, in respect of all options and awards to be granted under the Scheme and any other share schemes of the Company must not exceed 10% of the relevant class of shares in issue (excluding treasury shares) on the Adoption Date.

PROPOSED AUTHORIZATION TO THE BOARD AND/OR THE SCHEME ADMINISTRATOR TO HANDLE MATTERS RELATING TO THE 2026 H SHARE AWARD SCHEME

In order to ensure the smooth implementation of the 2026 H Share Award Scheme, the Board has proposed that, subject to the approval of the Scheme by the Shareholders at the EGM, to submit to the EGM for authorization to the Board and/or the scheme administrator to handle matters relating to the Scheme.

LISTING RULES IMPLICATIONS

Pursuant to Chapter 17 of the Rules Governing the Listing of Securities (the "**Listing Rules**") on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), the 2026 H Share Award Scheme will constitute a share scheme involving the issue of new H Shares and therefore the adoption of the 2026 H Share Award Scheme is subject to the approval of the Shareholders. The terms of the 2026 H Share Award Scheme are in compliance with the relevant requirements under Chapter 17 of the Listing Rules.

The adoption of the 2026 H Share Award Scheme is subject to, (i) the passing of special resolutions at the EGM by the Shareholders to approve the adoption of the 2026 H Share Award Scheme, and (ii) the listing committee of the Stock Exchange (the "**Listing Committee**") granting approval of the listing of, and permission to deal in, the H Shares on the Stock Exchange to be issued and allotted pursuant to the awards to be granted under the 2026 H Share Award Scheme.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Board proposes to make certain housekeeping amendments to the existing articles of association (the "**Articles of Association**") of the Company (the "**Proposed Amendments to the Articles of Association**") to refine the drafting of certain provisions, update relevant cross-references and enhance clarity and internal consistency.

Details of the Proposed Amendments to the Articles of Association are as follows:

Current Articles	Amended Articles
Article 3 The Company made an initial offering of 15,458,100 overseas listed foreign shares to the public (including 2,016,200 H Shares issued upon the exercise of the over-allotment option) upon completion of the filing procedures with the China Securities Regulatory Commission (the "**CSRC**") on May 19, 2026 and upon approval by The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") for listing on the Main Board of the Hong Kong Stock Exchange on June 30, 2026.	**Article 3** The Company has been approved to makde an initial offering of 15,458,100 overseas listed foreign shares to the public (including 2,016,200 H Shares issued upon the exercise of the over-allotment option) upon completion of the filing procedures with the China Securities Regulatory Commission (the "**CSRC**") on May 19, 2026 and upon approval by The Stock Exchange of Hong Kong Limited (the "**Hong Kong Stock Exchange**") for listing on the Main Board of the Hong Kong Stock Exchange on June 30, 2026.
Article 6 The registered capital of the Company is RMB105,414,987.	**Article 6** The registered capital of the Company is RMB~~105,414,987~~104,135,187.

Article 20 The total number of shares of the Company is 103,398,787 shares, and the share structure of the Company is as follows: the total number of issued ordinary shares is 103,398,787 shares, of which 13,441,900 ordinary shares are overseas listed shares, accounting for 13% of the Company's total ordinary shares in issue, and 89,956,887 ordinary shares are domestic shares, accounting for 87% of the Company's total ordinary shares in issue.	**Article 20** The total number of shares of the Company is ~~103,398,787~~ 104,135,187 shares, and the share structure of the Company comprises ~~as follows: the total number of issued ordinary shares is 103,398,787~~104,135,187 shares, ~~of which 13,441,900 ordinary shares are overseas listed shares, accounting for 13% of the Company's total ordinary shares in issue, and 89,956,887 ordinary shares are domestic shares, accounting for 87% of the Company's total ordinary shares in issue~~ all of which were H Shares.
Article 115 The Company shall have a Board of Directors, which is accountable to the shareholders' meeting. The Board of Directors is composed of eleven directors, of which four are independent non-executive directors. The Board of Directors shall have one chairman, who shall be elected by a majority of all directors.	**Article 115** The Company shall have a Board of Directors, which is accountable to the shareholders' meeting. The Board of Directors is composed of ~~eleven~~ ten directors, ~~of which four~~ at least one-third of whom are independent non-executive directors. The Board of Directors shall have one chairman, who shall be elected by a majority of all directors.
Article 218 The Articles of Association shall, as approved by the shareholders' meeting, take effect from the date of the Company's initial public offering of shares and listing and trading of such shares on the Main Board of the Hong Kong Stock Exchange, and shall be interpreted by the Board of Directors of the Company.	**Article 218** The Articles of Association and any subsequent amendments thereto shall~~, as approved by the shareholders' meeting,~~ take effect ~~from the date of the Company's initial public offering of shares and listing and trading of such shares on the Main Board of the Hong Kong Stock Exchange, and shall be interpreted by the Board of Directors of the Company~~ on the date on which they are approved by resolution at the shareholders' general meeting.

The English version of the Articles of Association is an informal translation of the Chinese version. In case there is any inconsistency between the English version and the Chinese version, the Chinese version shall prevail.

Save for the Proposed Amendments to the Articles of Association as set out above, other provisions of the Articles of Association shall remain unchanged.

The Proposed Amendments to the Articles of Association are subject to the approval by the Shareholders by way of a special resolution at the EGM.

EGM

A circular containing, among other things, (i) further details of the 2026 H Share Award Scheme; (ii) further details of the proposed authorization to the Board and/or the scheme administrator to handle matters relating to the 2026 H Share Award Scheme; (iii) Proposed Amendments to the Articles of Association and (iv) a notice convening the EGM and a form of proxy will be despatched to the Shareholders (if requested) and published on the websites of the Stock Exchange (**www.hkexnews.hk**) and the Company (**www.laifual.com**) as soon as practicable.

The 2026 H Share Award Scheme is subject to the approval of the Shareholders at the EGM and the Listing Committee granting approval of the listing of, and permission to deal in, the H Shares to be allotted and issued pursuant to awards to be granted under the 2026 H Share Award Scheme. Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the H Shares of the Company.

By Order of the Board
Zhejiang Laifual Drive Co., Ltd.
Mr. Zhang Jie
Chairman of the Board and Executive Director

Hong Kong, 4 November 2026

As of the date of this announcement, the Board comprises: (i) Mr. Zhang Jie, Mr. Wu Di, Ms. Wang Haiying and Mr. Zhang Han as executive Directors; (ii) Mr. Cui Zhiyuan and Mr. Li Chengsheng as non-executive Directors; and (iii) Mr. Feng Yun, Dr. Li Jun, Mr. Lou Yu and Ms. Tian Chunshan as independent non-executive Directors.