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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in ESTUN AUTOMATION CO., LTD, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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ESTUN AUTOMATION

ESTUN AUTOMATION CO., LTD
南京埃斯頓自動化股份有限公司

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

(Stock Code: 2715)

(1) PROPOSED ADOPTION OF THE 2026 A SHARE RESTRICTED SHARE INCENTIVE SCHEME AND THE PROPOSED ISSUE OF RESTRICTED SHARES UNDER THE 2026 A SHARE RESTRICTED SHARE INCENTIVE SCHEME;
(2) PROPOSED ADOPTION OF THE 2026 A SHARE RESTRICTED SHARE INCENTIVE SCHEME ADMINISTRATIVE MEASURES;
(3) PROPOSED AUTHORIZATION TO THE BOARD TO HANDLE MATTERS RELATING TO THE 2026 A SHARE RESTRICTED SHARE INCENTIVE SCHEME;
AND
(4) NOTICE OF EXTRAORDINARY GENERAL MEETING

A letter from the Board is set out on pages 5 to 44 of this circular.

A notice convening the EGM to be held at No. 1888, Jiyin Avenue, Jiangning, Nanjing, Jiangsu Province, PRC on Thursday, November 26, 2026 at 2:00 p.m. is set out on pages EGM-1 to EGM-3 of this circular and published and available on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.estun.com).

Whether or not you are able to attend the EGM, you are reminded to complete the accompanying form of proxy in accordance with the instructions stated thereon and return it to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible but in any event not less than 24 hours before the time appointed for holding the EGM (i.e. not later than 2:00 p.m. on Wednesday, November 25, 2026) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM (or any adjournment thereof) if you so wish and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

November 5, 2026

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NOTICE OF THE EXTRAORDINARY GENERAL MEETING EGM-1

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

"2026 A Share Restricted Share Incentive Scheme" or "Incentive Scheme"	the 2026 A Share Restricted Share Incentive Scheme proposed to be adopted by the Company, which shall become effective when relevant special resolutions have been considered and approved at the third extraordinary general meeting of 2026
"2026 A Share Restricted Share Incentive Scheme Administrative Measures"	the Administrative Measures for the Implementation and Appraisal of the 2026 A Share Restricted Share Incentive Scheme
"A Share(s)"	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for or credited as fully paid in RMB and listed for trading on the Shenzhen Stock Exchange (stock code: 002747)
"Articles of Association"	the articles of association of the Company, as amended, modified or otherwise supplemented from time to time
"associate(s)"	has the meaning ascribed thereto under the Listing Rules
"Board"	the board of Directors
"Business Day"	the statutory working days in the PRC, i.e. weekdays excluding weekends and public holidays
"Company"	ESTUN AUTOMATION CO., LTD (南京埃斯頓自動化股份有限公司) (formerly known as Nanjing Estun Digital Technology Co., Ltd. (南京埃斯頓數字技術有限公司)), a limited liability company incorporated in the PRC on February 26, 2002 and was converted into a joint stock company with limited liability on July 5, 2011, the A Shares of which are listed on the Shenzhen Stock Exchange (stock code: 002747. SZ) and the H Shares of which are listed on the Stock Exchange (stock code: 2715.HK)
"Company Law"	the Company Law of the People's Republic of China (《中華人民共和國公司法》)

"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"CSRC"	China Securities Regulatory Commission (中國證券監督管理委員會)
"Director(s)"	the director(s) of the Company
"EGM"	the 2026 third extraordinary general meeting of the Company to be held at No. 1888, Jiyin Avenue, Jiangning, Nanjing, Jiangsu Province, PRC on Thursday, November 26, 2026 at 2:00 p.m., or any adjournment thereof
"Grant Date(s)"	the date(s) on which the Company grants the Restricted Shares under the 2026 A Share Restricted Share Incentive Scheme
"Grant Price"	the price at which each Restricted Share is granted to the Participants under the 2026 A Share Restricted Share Incentive Scheme
"Group"	the Company and its subsidiaries
"Guidelines for Self-Discipline"	the Guidelines for Self-Discipline of Companies Listed on the Shenzhen Stock Exchange No. 1 – Business Handling (《深圳證券交易所上市公司自律監管指南第1號－業務辦理》)
"HKD" or "HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"H Share(s)"	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are listed on the Stock Exchange (stock code: 2715)
"Hong Kong" or "HK"	the Hong Kong Special Administrative Region of the PRC
"Latest Practicable Date"	November 5, 2026, which is the latest practicable date prior to the publication of this circular for ascertaining certain information herein
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time

"Lock-up Period"	the period during which the unlocking conditions on the Participants under the 2026 A Share Restricted Share Incentive Scheme have not yet been met, and the Restricted Shares cannot be transferred, used as guarantee, or applied towards the repayment of debts, which shall commence from the date of completion of registration of the Restricted Shares granted to the Participants
"Management Measures"	the Management Measures for Equity Incentives of Listed Companies (《上市公司股權激勵管理辦法》)
"Participant(s)"	the persons considered by the Board of Directors to be required to be incentivized by the Company, who shall be granted the Restricted Shares pursuant to the 2026 A Share Restricted Share Incentive Scheme
"Share Schemes"	the share option scheme(s) and/or share award scheme(s) involving the issue of new Shares under Chapter 17 of the Listing Rules adopted and to be adopted by the Company from time to time, including share option schemes and restricted share award schemes (new shares)
"percentage ratio(s)"	has the meaning ascribed thereto under the Listing Rules
"PRC"	the People's Republic of China
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of the Board
"Restricted Share(s)"	Type I Restricted Share(s) to be granted to the Participants by the Company at the Grant Price stipulated under the 2026 A Share Restricted Share Incentive Scheme
"RMB" or "Renminbi"	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》), as amended from time to time
"Share(s)"	A Share(s) and H Share(s)

"Shareholder(s)"	holder(s) of the Share(s)
"Shenzhen Stock Exchange"	the Shenzhen Stock Exchange of the PRC
"Listing Rules of the Shenzhen Stock Exchange"	the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange (《深圳證券交易所股票上市規則》) (as amended from time to time)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"subsidiary" or "subsidiaries"	has the meaning ascribed thereto under the Listing Rules
"treasury shares"	has the meaning ascribed thereto under the Listing Rules
"validity period"	the period commencing from the date of completion of registration of the grant of the Restricted Shares and ending on the date on which all the Restricted Shares granted to the Participants are unlocked or repurchased and cancelled, which shall not exceed 48 months
"%"	per cent

ESTUN AUTOMATION CO., LTD
南京埃斯頓自動化股份有限公司

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

(Stock Code: 2715)

Executive Directors:
Mr. Wu Bo *(Chairman of the Board)*
Mr. Wu Kan
Mr. Zhu Chunhua
Mr. Zhou Ailin
Mr. Zhu Zhangxing

Non-executive Director:
Ms. Chen Yinlan

Independent Non-executive Directors:
Dr. Han Xiaofang
Mr. Lin Jinjun
Mr. Xu Guojin

Registered office and headquarters in the PRC:
No. 1888 Jiyin Avenue
Jiangning, Nanjing
Jiangsu Province
PRC

Principal Place of Business in Hong Kong:
4/F, Jardine House
1 Connaught Place
Central
Hong Kong

November 5, 2026

To the Shareholders

Dear Sir/Madam,

(1) PROPOSED ADOPTION OF THE 2026 A SHARE RESTRICTED SHARE INCENTIVE SCHEME AND THE PROPOSED ISSUE OF RESTRICTED SHARES UNDER THE 2026 A SHARE RESTRICTED SHARE INCENTIVE SCHEME; (2) PROPOSED ADOPTION OF THE 2026 A SHARE RESTRICTED SHARE INCENTIVE SCHEME ADMINISTRATIVE MEASURES; (3) PROPOSED AUTHORIZATION TO THE BOARD TO HANDLE MATTERS RELATING TO THE 2026 A SHARE RESTRICTED SHARE INCENTIVE SCHEME; AND (4) NOTICE OF EXTRAORDINARY GENERAL MEETING

INTRODUCTION

The purpose of this circular is to provide the Shareholders with the notice of the EGM to be held on Thursday, November 26, 2026 and the details of the resolutions to be proposed for consideration and approval at the EGM and provide all the information reasonably required to enable you to make an informed decision on whether to vote for or against or abstain from voting on the resolutions.

Reference is made to the announcement of the Company dated September 29, 2026 in relation to the proposed adoption of the 2026 A Share Restricted Share Incentive Scheme. The 2026 A Share Restricted Share Incentive Scheme involves the grant of share awards and the source of the underlying Shares is the ordinary A Shares to be specifically issued by the Company to the Participants. Currently, the Company does not have any Share Schemes other than the 2026 A Share Restricted Share Incentive Scheme.

The following special resolutions will be proposed at the EGM for the Shareholders to consider, and if thought fit, to approve:

(1) proposed adoption of the 2026 A Share Restricted Share Incentive Scheme and the proposed issue of Restricted Shares under the 2026 A Share Restricted Share Incentive Scheme;

(2) proposed adoption of the 2026 A Share Restricted Share Incentive Scheme Administrative Measures; and

(3) proposed authorization to the Board to handle matters relating to the 2026 A Share Restricted Share Incentive Scheme.

I. PROPOSED ADOPTION OF THE 2026 A SHARE RESTRICTED SHARE INCENTIVE SCHEME AND THE PROPOSED ISSUE OF RESTRICTED SHARES UNDER THE 2026 A SHARE RESTRICTED SHARE INCENTIVE SCHEME

The principal terms of the 2026 A Share Restricted Share Incentive Scheme are set out below:

(I) Purpose of the Incentive Scheme

On the premise of fully protecting the interests of the Shareholders and in accordance with the principle of equivalence between incentives and constraints, the Company has formulated the Incentive Scheme pursuant to the Company Law, the Securities Law, the Management Measures, the Listing Rules of the Shenzhen Stock Exchange, the Guidelines for Self-Discipline and other relevant laws, administrative regulations and normative documents, as well as the Articles of Association. The Incentive Scheme aims to (1) further improve the Company's long-term incentive mechanism, attract and retain outstanding talent, fully mobilize the enthusiasm and creativity of the Company's core personnel, and deliver sustained returns to Shareholders; and (2) adopt an approach to performance incentives guided by value creation, closely align the interests of the core personnel with the Company's long-term development, enable them to share in its risks and rewards, align the interests of the Company, Shareholders and the core personnel, and ensure the realization of the Company's development strategies and operational objectives.

(II) Administrative Bodies of the Incentive Scheme

The general meeting of Shareholders, as the highest authority of the Company, is responsible for considering and approving the implementation, alteration and termination of the Incentive Scheme. The general meeting of Shareholders may, within its scope of authority, authorize the Board to handle certain matters relating to the Incentive Scheme.

The Board is the executive and administrative body of the Incentive Scheme, responsible for the implementation of the Incentive Scheme. The Remuneration and Appraisal Committee under the Board is responsible for formulating and amending the Incentive Scheme and submitting it to the Board for consideration. Upon consideration and approval by the Board, the Incentive Scheme shall be submitted to the general meeting of Shareholders for approval, and the Board shall handle relevant matters relating to the Incentive Scheme within the scope of authorization as delegated by the general meeting of Shareholders.

The Remuneration and Appraisal Committee is the supervisory body of the Incentive Scheme, and shall express an opinion on whether the Incentive Scheme is conducive to the sustainable development of the Company, and whether there are any circumstances that obviously prejudice the interests of the Company and all Shareholders. The Remuneration and Appraisal Committee shall supervise whether the implementation of the Incentive Scheme is in compliance with relevant laws, administrative regulations, normative documents and the operational rules of the stock exchanges, and is responsible for verifying the list of participants.

(III) Basis for Determining Participants and Scope of Participants

1. Legal Basis for Determining Participants

The Participants under the Incentive Scheme are determined in accordance with the relevant provisions of the Company Law, the Securities Law, the Management Measures, the Listing Rules of the Shenzhen Stock Exchange, the Guidelines for Self-Discipline and other relevant laws, administrative regulations and normative documents, as well as the Articles of Association, and in light of the actual situation of the Company.

2. Positional Basis for Determining Participants

The Participants of the Incentive Scheme include the middle-level management, core technical (business) backbones and other employees deemed by the Board to be eligible for incentives who are employed by the Company (including its branches and holding subsidiaries). For personnel falling within the scope of the Participants of the Incentive Scheme, the Remuneration and Appraisal Committee shall formulate a list, verify and determine their eligibility.

The basis for determining the Participants is consistent with the purpose of implementing the Incentive Scheme, and is in compliance with the requirements of relevant laws and regulations and relevant rules of the Shenzhen Stock Exchange.

3. Scope of Participants

The Incentive Scheme involves a total of 209 Participants, accounting for 6.63% of the total number of employees of the Group as of June 30, 2026 (3,152 employees), including middle-level management, core technical (business) backbones and other employees deemed by the Board to be eligible for incentives who are employed by the Company (including its branches and holding subsidiaries).

The above Participants do not include independent non-executive Directors of the Company, Shareholders or actual controllers individually or collectively holding more than 5% of the Shares of the Company, and their spouses, parents and children. All Participants must enter into a labor contract or employment contract with the Company, its branches or holding subsidiaries during the appraisal period of the Incentive Scheme.

The 209 Participants were selected based on their positions and contributions. In line with the strategic development needs of the Company, the Incentive Scheme focuses on management, technical and business positions. The selection of Participants is mainly based on the importance of their positions within the Company, their contributions to the performance and long-term development of the Company, their personal performance and their future growth potential. The final list of Participants will be reviewed and determined by the Remuneration and Appraisal Committee. The Board considers that the basis for determining the eligibility of the Participants under the Incentive Scheme is in line with the business needs of the Group and industry practice, and also conforms to the purpose of the Incentive Scheme and the interests of the Shareholders.

4. Verification of Participants

Upon consideration and approval of the Incentive Scheme by the Board, the Company will publish the names and positions of the Participants internally via the Company's website or other channels for a period of not less than 10 days.

The Remuneration and Appraisal Committee will review the list of Participants and fully consider the opinions received during the publication period. The Company will disclose a statement regarding the Remuneration and Appraisal Committee's review of the list of Participants and the publication status five days prior to the consideration of the Incentive Scheme at the general meeting of Shareholders. Any list of Participants adjusted by the Board shall also be verified by the Remuneration and Appraisal Committee.

(IV) Details of the Incentive Scheme

1. Source of Shares of the Incentive Scheme

The source of the underlying Shares involved in the Incentive Scheme shall be the ordinary RMB-denominated A Shares of the Company to be specifically issued by the Company to the Participants, excluding treasury shares.

2. Number of Underlying Shares of the Incentive Scheme

The number of Restricted Shares proposed to be granted to the Participants under the Incentive Scheme is 2,990,000 Shares, representing approximately 0.34% of the total A Share capital of the Company of 871,886,053 Shares and approximately 0.31% of the total A Share and H Share capital of the Company of 968,666,053 Shares as at the Latest Practicable Date and the date of approval by the Shareholders (assuming no change in the total share capital of the Company between the Latest Practicable Date and the date of approval by the Shareholders). This grant will be a one-off grant with no reserved interests. The options and awards (including Restricted Shares) to be granted under the Incentive Scheme and any other Share Schemes of the Company during the validity period of all the schemes shall not, in aggregate, exceed 10.00% of the relevant class of Shares of the Company in issue (excluding treasury shares) as at the Latest Practicable Date and the date of approval by the Shareholders. The total number of Shares granted to any Participant under all Share Schemes of the Company shall not exceed 1.00% of the total share capital of the Company.

3. List of Participants and Allocation of Restricted Shares Proposed to be Granted

	Number of Type I Restricted Shares granted *(in ten thousand)*	**Percentage to the total interests proposed to be granted under the Incentive Scheme**	**Percentage to the total share capital as at the Latest Practicable Date**
Middle-level management, core technical (business) backbones and other employees deemed by the Board to be eligible for incentives (209 persons)	299	100%	0.31%
Total	**299**	**100%**	**0.31%**

Notes:

(1) The number of Shares granted to any of the Participants above through all effective equity incentive schemes of the Company does not, in aggregate, exceed 1% of the total share capital of the Company. The total number of underlying Shares involved in all effective equity incentive schemes of the Company does not, in aggregate, exceed 10% of the total share capital of the Company.

(2) Where a Participant voluntarily waives the granted Restricted Shares due to personal reasons, the Board shall make corresponding adjustments to the number of Shares granted, and may directly reduce the portion of the Restricted Shares waived by the Participant or reallocate the same among the Participants, provided that, following the adjustment, the total number of Shares granted to any single Participant through all effective equity incentive schemes of the Company shall not exceed 1% of the total share capital of the Company. When subscribing for the Restricted Shares, a Participant may reduce the number of Restricted Shares to be subscribed for due to fund insufficiency.

4. Validity Period, Grant Date, Lock-up Period, Unlocking Arrangements and Sale Restriction Period under the Incentive Scheme

(1) Validity Period

The validity period of the Incentive Scheme shall commence from the date of completion of registration of the grant of the Restricted Shares and end on the date on which all the Restricted Shares granted to the Participants are unlocked or repurchased and cancelled, but in any case, it shall not exceed 48 months.

(2) Grant Date

Upon consideration and approval of the Incentive Scheme at the general meeting of Shareholders, the Company shall, within 60 days (where there are conditions for the grant of interests, such period shall commence from the fulfillment of such conditions), convene a meeting of the Board in accordance with relevant regulations to grant interests to the Participants and complete announcement, registration and other relevant procedures. In the event that the Company fails to complete the aforesaid matters within 60 days, it shall promptly disclose the reasons for such failure and announce the termination of the implementation of the Incentive Scheme. The period during which the Company is prohibited from granting interests pursuant to the Management Measures and the Guidelines for Self-Discipline shall not be counted towards the 60-day period.

The Grant Date must be an A Share trading day. If the date determined in accordance with the above principles is not an A Share trading day, the Grant Date shall be postponed to and determined as the first A Share trading day thereafter. Furthermore, no Restricted Shares shall be granted to the Participants during the following periods:

(1) 15 days prior to the publication of the annual report or interim report of a listed company, in the event that the publication date of the periodic report is postponed due to special reasons, the period shall be calculated from the 15th day prior to the originally scheduled publication date up to the date immediately preceding the publication;

(2) five days prior to the publication of the quarterly report, results forecast or preliminary results announcement of a listed company;

(3) the date of publication of the annual results of the Company and 60 days immediately preceding that date, or the period from the end of the relevant financial year up to the publication date of the results (whichever is shorter);

(4) the date of publication of the quarterly results and interim results of the Company and 30 days immediately preceding that date, or the period from the end of the relevant quarterly or interim period up to the publication date of the results (whichever is shorter);

(5) from the date of occurrence of a major event that may have a material impact on the trading prices of the Shares of the Company and their derivatives, or the date on which such event enters the decision-making process, up to the date of disclosure of the same in accordance with laws; and

(6) other periods as prescribed by the CSRC, the Shenzhen Stock Exchange and the Stock Exchange.

During the validity period of the Incentive Scheme, if there are any changes to the provisions under the Company Law, the Securities Law and other relevant laws, administrative regulations and normative documents and the Articles of Association regarding the aforesaid periods, the grant of Restricted Shares by the Company to the Participants shall be in compliance with the amended provisions under the Company Law, the Securities Law and other relevant laws, regulations and normative documents and the Articles of Association.

(3) Lock-up Period and Unlocking Arrangements

The Restricted Shares granted to the Participants shall be subject to different lock-up periods, all of which shall commence from the date of completion of registration of the Restricted Shares granted to the Participants. The interval between the Grant Date and the first unlocking date shall not be less than 12 months.

During the Lock-up Period, the Restricted Shares granted to the Participants under the Incentive Scheme shall not be transferred, used as guarantee, or applied towards the repayment of debts. Upon registration by the securities registration and clearing company, the Restricted Shares granted to the Participants shall carry the rights attached to such Shares, including but not limited to the dividend rights, allotment rights and voting rights of such Shares (including rights arising from the liquidation of the Company). During the Lock-up Period, any Shares acquired by the Participants by virtue of the granted Restricted Shares as a result of the capitalization issue, bonus issue, rights issue and Shares placed to existing shareholders in an additional Share issuance shall be subject to lock-up simultaneously, and shall not be sold in the secondary market or otherwise transferred. The expiry date of the Lock-up Period for such Shares shall be the same as that of the Restricted Shares.

When the Company distributes cash dividends, the Participants shall be entitled to the cash dividends derived from the granted Restricted Shares after the withholding and payment of individual income tax, and such dividends shall be distributed to the individual Participants during the distribution of interests. If the Restricted Shares fail to be unlocked, the cash dividends shall be recovered by the Company, and corresponding accounting treatments shall be conducted.

The unlocking periods for the Restricted Shares granted under the Incentive Scheme and the timing arrangements for each unlocking period are set out in the table below:

Unlocking Period	**Unlocking Schedule**	**Unlocking Proportion**
First Unlocking Period	From the first trading day of A Shares after the expiry of 12 months from the date of completion of registration of the grant of Restricted Shares to the last trading day of A Shares within 24 months from the date of completion of registration of the grant of Restricted Shares	30%

Unlocking Period	Unlocking Schedule	Unlocking Proportion
Second Unlocking Period	From the first trading day of A Shares after the expiry of 24 months from the date of completion of registration of the grant of Restricted Shares to the last trading day of A Shares within 36 months from the date of completion of registration of the grant of Restricted Shares	30%
Third Unlocking Period	From the first trading day of A Shares after the expiry of 36 months from the date of completion of registration of the grant of Restricted Shares to the last trading day of A Shares within 48 months from the date of completion of registration of the grant of Restricted Shares	40%

Restricted Shares for which the unlocking conditions are not fulfilled during the aforementioned agreed periods shall not be unlocked or deferred to the subsequent period for unlocking, and shall be repurchased and cancelled by the Company in accordance with the principles stipulated in the Incentive Scheme.

Upon fulfillment of the unlocking conditions for the Restricted Shares, the Company will uniformly handle the unlocking matters for the Restricted Shares that satisfy the unlocking conditions.

The Board considers that the above restriction periods and unlocking arrangements are in line with market practice, and are consistent with the purpose of the Incentive Scheme.

(4) Sale Restriction Period

The sale restriction period refers to the period during which restrictions are imposed on the sale of the Shares acquired by the Participants upon the unlocking. The sale restriction provisions applicable to the Shares of the Company granted to the Participants under the Incentive Scheme shall be implemented in accordance with the Company Law, the Securities Law and other relevant laws, administrative regulations and normative documents and the Articles of Association, the details of which are as follows:

(1) For the Participants who are Directors and senior management of the Company, the Shares transferred annually during their term of office as determined upon appointment and within six months after the expiry of their term of office shall not exceed 25% of the total Shares held by them in the Company. No Shares of the Company held by them may be transferred within six months after their termination of office;

(2) For the Participants who are Directors and senior management of the Company and their spouses, parents and children, 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 within 6 months after selling their Shares, the gains obtained therefrom shall be attributed to the Company and the Board shall forfeit the gains;

(3) During the validity period of the Incentive Scheme, if the relevant requirements under the Company Law and other relevant laws, regulations and normative documents and the Articles of Association regarding the transfer of the Shares of the Company held by the Directors and senior management of the Company are changed, the transfer of the Shares of the Company held by the relevant Participants shall comply with the requirements as amended at the time of transfer.

(5) Grant Price of Restricted Shares and the Method for Determining the Grant Price

(i) Grant Price

The Grant Price of the Restricted Shares is RMB14.92 per Share, meaning that upon satisfaction of the granting conditions, the Participants may purchase the Restricted Shares newly issued by the Company to the Participants at the price of RMB14.92 per Share. Within seven A Share trading days from the date on which the Company issues the notice of grant of Restricted Shares to the Participants (specific payment time shall be subject to the grant agreement to be entered into between the Company and the Participants at the relevant time), the Participants shall pay the subscription funds for the Restricted Shares into the account designated by the Company in accordance with the requirements of the Company, which

shall be verified and confirmed by a certified public accountant. Failure to pay the subscription amount within the prescribed time limit shall be deemed to constitute a withdrawal by the Participant from subscription for the granted Restricted Shares.

(ii) Method for determining the Grant Price

In compliance with the provisions of Article 23 of the Management Measures, the Grant Price of the Restricted Shares shall not be lower than the nominal value of the Shares and shall not be lower than the higher of the following prices:

(a) 50% of the average trading price of the Company's Shares on the A Share trading day preceding the announcement of the Incentive Scheme (i.e. the total trading value of the Shares on the preceding A Share trading day/the total trading volume of the Shares on the preceding A Share trading day), being RMB14.12 per Share;

(b) 50% of the average trading price of the Company's Shares for the 20 A Share trading days preceding the announcement of the Incentive Scheme (i.e. the total trading value of the Shares for the preceding 20 A Share trading days/the total trading volume of the Shares for the preceding 20 A Share trading days), being RMB14.92 per Share.

Based on the above pricing principles, the Grant Price of the Restricted Shares proposed to be granted under the Incentive Scheme is RMB14.92 per Share. The above Grant Price and the method for determining the Grant Price have been determined with the fundamental objectives of promoting the Company's long-term development and safeguarding Shareholders' interests, based on confidence in the Company's future growth prospects and recognition of its intrinsic value, and in accordance with the principle of balancing incentives and accountability.

The Company operates in a highly competitive industry, and attracting and retaining key personnel is essential to its sustainable development. The Grant Price and pricing method under the Incentive Scheme have been determined after comprehensively considering various factors, including the effectiveness of the Incentive Scheme, the Company's share-based payment expenses and the performance appraisal requirements to be fulfilled by the Participants. Such pricing method also complies with Article 23 of the Management Measures and other applicable laws, regulations and normative documents. The pricing principles and pricing method are reasonable and feasible, and are conducive to the smooth implementation of the Incentive Scheme, the motivation of the Company's existing core team, the retention and recruitment of outstanding talent, the alignment of employees' interests with those of Shareholders, and the achievement of the Company's development strategies and business objectives, thereby delivering enhanced and sustainable returns to Shareholders. Accordingly, the Board considers that the above pricing principles and the Grant Price are consistent with the purpose of the Incentive Scheme, and are in the interests of the Company and the Shareholders as a whole.

(6) Granting and Unlocking Conditions for the Restricted Shares

(i) Granting conditions

The Company shall grant the Restricted Shares to the Participants only when all of the following conditions are satisfied; or conversely, if the granting conditions are not fulfilled, no Restricted Shares shall be granted to the Participants.

A. None of the following has occurred on the part of the Company:

(a) issue of an auditor's report with an adverse opinion or which indicates an inability to express an opinion by a certified public accountant with respect to the financial and accounting report of the Company for its most recent financial year;

(b) issue of an auditor's report with an adverse opinion or which indicates an inability to express an opinion by a certified public accountant with respect to the internal control over financial reporting of the Company for its most recent financial year;

(c) failure to distribute profits in accordance with laws and regulations, the Articles of Association and public undertakings during the most recent 36 months after listing;

(d) prohibition from implementation of share incentives by laws and regulations;

(e) other circumstances as determined by the CSRC.

B. None of the following has occurred on the part of the Participants:

(a) being determined as an ineligible person by relevant stock exchange within the most recent 12 months;

(b) being determined as an ineligible person by the CSRC and its delegated institutions within the most recent 12 months;

(c) being subject to administrative penalties or market ban measures by the CSRC and its delegated institutions due to material non-compliance with laws or regulations in the most recent 12 months;

(d) being prohibited from acting as a director or a member of the senior management of a company under the Company Law;

(e) being prohibited from participation in share incentives of listed companies by laws and regulations;

(f) other circumstances as determined by the CSRC.

(ii) Unlocking conditions

During the unlocking period, the Restricted Shares granted to the Participants may only be unlocked when all of the following conditions are satisfied:

A. None of the following has occurred on the part of the Company:

(a) issue of an auditor's report with an adverse opinion or which indicates an inability to express an opinion by a certified public accountant with respect to the financial and accounting report of the Company for its most recent financial year;

(b) issue of an auditor's report with an adverse opinion or which indicates an inability to express an opinion by a certified public accountant with respect to the internal control over financial reporting of the Company for its most recent financial year;

(c) failure to distribute profits in accordance with laws and regulations, the Articles of Association and public undertakings during the most recent 36 months after listing;

(d) prohibition from implementation of share incentives by laws and regulations;

(e) other circumstances as determined by the CSRC.

B. None of the following has occurred on the part of the Participants:

(a) being determined as an ineligible person by relevant stock exchange within the most recent 12 months;

(b) being determined as an ineligible person by the CSRC and its delegated institutions within the most recent 12 months;

(c) being subject to administrative penalties or market ban measures by the CSRC and its delegated institutions due to material non-compliance with laws or regulations in the most recent 12 months;

(d) being prohibited from acting as a director or a member of the senior management of a company under the Company Law;

(e) being prohibited from participation in share incentives of listed companies by laws and regulations;

(f) other circumstances as determined by the CSRC.

In the event that any of the circumstances stipulated in A above occurs to the Company, all Restricted Shares granted to the Participants under the Incentive Scheme but not yet unlocked shall be repurchased and cancelled by the Company at the Grant Price. In the event that any of the circumstances stipulated in B above occurs to an Participant, the Company shall revoke his/her eligibility to participate in the Incentive Scheme, and the Restricted Shares granted to such Participant under the Incentive Scheme but not yet unlocked shall be repurchased and cancelled by the Company at the Grant Price.

C. Performance appraisal requirements at the Company level

Under the Incentive Scheme, the performance indicators of the Company will be assessed on an annual basis during the financial years of 2026 to 2028, and the achievement of the performance appraisal targets will serve as one of the conditions for unlocking the Restricted Shares for the Participants in the corresponding year. The performance appraisal targets at the Company level for the Restricted Shares granted under the Incentive Scheme are set out in the table below:

Unlocking period	**Appraisal year**	**Performance appraisal target (RMB100 million) Cumulative target value of net profit after deducting non-recurring gains and losses for the appraisal year (Am)**
First Unlocking Period	2026	2.0
Second Unlocking Period	2026-2027	5.2
Third Unlocking Period	2026-2028	11.0

Note: The "net profit" mentioned above refers to the audited net profit attributable to the Shareholders of the listed Company after deducting non-recurring gains and losses, which is calculated based on the figure excluding the impact of the share-based payment expenses arising from this and other employee incentive schemes.

Based on the above performance appraisal target values, the unlocking proportion at the Company level (K1) depends on the actual performance achievement rate at the Company level (R). The actual performance achievement rate at the Company level (R) = the cumulative net profit after deducting non-recurring gains and losses of the Company for the appraisal year (A)/the cumulative target value of net profit after deducting non-recurring gains and losses of the Company for the appraisal year (Am). The corresponding unlocking coefficients at the Company level are as follows:

Performance achievement rate at the Company level (R)	**R≥100%**	**100%>R≥90%**	**R<90%**
Unlocking proportion at the Company level (K1)	1	R	0

During the unlocking period, the Company shall handle the matters relating to the unlocking for the Participants who satisfy the conditions for the unlocking. If, during any unlocking period, the Company's performance level for the current period fails to meet the performance appraisal requirements for the unlocking, the Restricted Shares of all Participants scheduled for the unlocking in the corresponding appraisal year shall not be unlocked, and shall be repurchased and cancelled by the Company at the Grant Price.

D. Performance appraisal requirements at the individual level of the Participants

The performance appraisal at the individual level of the Participants shall be implemented in accordance with the relevant internal performance appraisal system of the Company. The individual appraisal results of the Participants are classified into three grades: "A", "B" and "C", and the corresponding unlocking proportions at the individual level are set out as follows:

Appraisal grade	**A**	**B**	**C**
Unlocking proportion at the individual level (K2)	100%	70%	0%

Actual number of Restricted Shares unlocked for the Participants in the current year = Number of Restricted Shares which are planned to be unlocked for the Participants in the current year × Unlocking proportion at the Company level (K1) × Unlocking proportion at the individual level (K2). Any Restricted Shares which cannot be unlocked in the appraisal year due to the performance appraisal reasons at the individual level of the Participants shall be repurchased and cancelled by the Company at the Grant Price.

The specific appraisal indicators of the Incentive Scheme shall be implemented in accordance with the 2026 A Share Restricted Share Incentive Scheme Administrative Measures.

E. Explanation on the scientificity and reasonableness of the performance appraisal indicators

The setting of the appraisal indicators for the Incentive Scheme is in compliance with the basic requirements of laws and regulations and the Articles of Association. The appraisal indicators are divided into two levels, namely, the performance appraisal at the Company level and the performance appraisal at the individual level.

At the Company level, the audited net profit attributable to Shareholders of the Company after deducting non-recurring gains and losses, but excluding the impact of share-based payment expenses of this and other employee incentive schemes, is adopted as the performance appraisal indicator. This indicator can directly reflect the profitability of the Company. The setting of this performance indicator was formulated upon comprehensive consideration of factors such as the current status of the Company, its future strategic planning and industry development. The appraisal indicator set is challenging to a certain extent, but will facilitate continuously enhancing the profitability of the Company and mobilizing the enthusiasm of the employees, thereby ensuring the realization of the Company's future development strategy and operating goals, and bringing more efficient and lasting returns to the Shareholders.

At the individual level, the Company has established a stringent performance appraisal system for individuals, which is capable of making a relatively comprehensive and accurate overall evaluation of the work performance of the Participants. The Company will determine whether an individual Participant meets the conditions for unlocking based on the performance appraisal results of the Participant for the preceding year. The Participants can only have the Restricted Shares unlocked when both indicators are achieved.

In summary, the appraisal system of the Incentive Scheme is comprehensive, well-rounded and practicable. The appraisal indicators are set with sound scientificity and reasonableness, which exerts a certain restraining effect on the Participants and may help to achieve the appraisal objectives of the Incentive Scheme. The Board considers that the performance targets set out in the Incentive Scheme above are in line with the Group's business needs and industry practice, and also align with the purpose of the Incentive Scheme and the interests of the Shareholders.

(7) Adjustment Method and Procedures of the Incentive Scheme

(i) Adjustment method of the number of Restricted Shares

In the event that the Company carries out any capitalization issue, bonus issue, sub-division of Shares, rights issue, Share consolidation or additional issue of new Shares during the period from the date of the announcement of the 2026 A Share Restricted Share Incentive Scheme to the completion of registration of the Restricted Shares by the Participants, corresponding adjustments shall be made to the number of the Restricted Shares. The adjustment method is as follows:

(a) Capitalization issue, bonus issue and sub-division of Shares

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

Where: Q_0 represents the number of Restricted Shares before the adjustment; n represents the per Share ratio of the capitalization issue, bonus issue or sub-division of Shares (i.e., the number of Shares increased per Share upon capitalization issue, bonus issue or sub-division); Q represents the adjusted number of Restricted Shares.

(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 Restricted Shares before the adjustment; P_1 represents the closing price as at 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 to be issued under the rights issue to the total share capital of the Company before the rights issue); Q represents the adjusted number of Restricted Shares.

(c) Share consolidation

$$Q = Q_0 \times n$$

Where: Q_0 represents the number of Restricted Shares before the adjustment; n represents the ratio of consolidation of Shares (i.e., one Share of the Company shall be consolidated into n Shares); Q represents the adjusted number of Restricted Shares.

(d) Additional issue of new Shares

In the event of an additional issue of new Shares by the Company, no adjustment will be made to the number of Restricted Shares.

(ii) Adjustment method of the Grant Price of the Restricted Shares

In the event that the Company carries out any capitalization issue, bonus issue, sub-division of Shares, rights issue, Share consolidation, dividend distribution or additional issue of new Shares during the period from the date of the announcement of the Incentive Scheme to the completion of registration of the Restricted Shares by the Participants, corresponding adjustments shall be made to the Grant Price of the Restricted Shares. The adjustment method is as follows:

(a) Capitalization issue, bonus issue and sub-division of Shares

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

Where: P_0 represents the Grant Price before the adjustment; n represents the per Share ratio of the capitalization issue, bonus issue or sub-division of Shares; P represents the adjusted Grant Price.

(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 the adjustment; P_1 represents the closing price as at 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 to be issued under the rights issue to the total share capital of the Company before the rights issue); P represents the adjusted Grant Price.

(c) Share consolidation

$$P = P_0 \div n$$

Where: P_0 represents the Grant Price before the adjustment; n represents the ratio of consolidation of Shares; P represents the adjusted Grant Price.

(d) Dividend distribution

$$P = P_0 - V$$

Where: P_0 represents the Grant Price before the adjustment; V represents the declared dividend per Share; P represents the adjusted Grant Price. P shall remain a positive number after the adjustment for dividend distribution.

(e) Additional issue of new Shares

In the event of an additional issue of new Shares by the Company, no adjustment will be made to the Grant Price of Restricted Shares.

(iii) Adjustment procedures of the Incentive Scheme

The Shareholders' general meeting of the Company authorizes the Board to adjust the number of Restricted Shares to be granted and the Grant Price based on the reasons set out in the Incentive Scheme. Upon adjusting the number of Restricted Shares to be granted and the Grant Price pursuant to the above provisions, the Board shall publish an announcement and notify the Participants in a timely manner. The Company shall engage a law firm to issue a professional opinion on whether the above adjustments are in compliance with the provisions of the Management Measures, the Articles of Association and the Incentive Scheme.

(8) Repurchase and Cancellation of Restricted Shares

(i) Principles for repurchase and cancellation

Upon completion of registration of the Restricted Shares granted to the Participants, if the Company carries out any capitalization issue, bonus issue, sub-division of Shares, rights issue, Share consolidation, dividend distribution or additional issue of new Shares, the Company shall repurchase the Restricted Shares granted to the Participants that have not been unlocked, as well as the Shares of the Company derived from such Restricted Shares, at the adjusted number and price. Where adjustments to the repurchase price and the number of Shares to be repurchased are required pursuant to the Incentive Scheme, corresponding adjustments shall be made by the following methods.

(ii) Adjustment method of the repurchase quantity

(a) Capitalization issue, bonus issue and sub-division of Shares

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

Where: Q_0 represents the number of Restricted Shares before the adjustment; n represents the per Share ratio of the capitalization issue, bonus issue or sub-division of Shares (i.e., the number of Shares increased per Share upon capitalization issue, bonus issue or sub-division); Q represents the adjusted number of Restricted Shares.

(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 Restricted Shares before the adjustment; P_1 represents the closing price of the Shares of the Company as at 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 to be issued under the rights issue to the total share capital of the Company before the rights issue); Q represents the adjusted number of Restricted Shares.

(c) Share consolidation

$Q=Q_0\times n$

Where: Q_0 represents the number of Restricted Shares before the adjustment; n represents the ratio of consolidation of Shares (i.e., one Share of the Company shall be consolidated into n Shares); Q represents the adjusted number of Restricted Shares.

(d) Additional issue of new Shares

In the event of an additional issue of new Shares by the Company, no adjustment will be made to the number of Restricted Shares.

(iii) Adjustment method of the repurchase price

(a) Capitalization issue, bonus issue and sub-division of Shares

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

Where: P_0 represents the Grant Price before the adjustment; n represents the per Share ratio of the capitalization issue, bonus issue or sub-division of Shares (i.e., the number of Shares increased per Share upon capitalization issue, bonus issue or sub-division); P represents the adjusted repurchase price.

(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 the adjustment; P_1 represents the closing price of the Shares of the Company as at 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 to be issued under the rights issue to the total share capital of the Company before the rights issue); P represents the adjusted repurchase price.

(c) Share consolidation

$P=P_0 \div n$

Where: P_0 represents the Grant Price before the adjustment; n represents the ratio of consolidation of Shares (i.e., one Share of the Company shall be consolidated into n Shares); P represents the adjusted repurchase price.

(d) Dividend distribution

$P=P_0-V$

Where: P_0 represents the Grant Price before the adjustment; V represents the declared dividend per Share; P represents the adjusted repurchase price. P shall remain greater than 1 after the adjustment for dividend distribution.

(e) Additional issue of new shares

In the event of an additional issue of new shares by the Company, no adjustment will be made to the repurchase price of Restricted Shares.

(iv) Adjustment procedures for the repurchase quantity or repurchase price

The Board shall, pursuant to the authorization from the general meeting of the Shareholders of the Company, convene a Board meeting in a timely manner to formulate a repurchase adjustment plan based on the reasons specified above. Following the adjustment of the repurchase quantity or repurchase price by the Board in accordance with the aforementioned provisions, an announcement shall be made in a timely manner. Where an adjustment to the repurchase quantity or repurchase price of the Restricted Shares is otherwise required, such adjustment shall be resolved by the Board and subject to the consideration and approval by the Shareholders' general meeting.

(v) Procedures for repurchase and cancellation

When making a repurchase in accordance with the provisions of the Incentive Scheme, the Company shall apply to the Shenzhen Stock Exchange for the repurchase of such Restricted Shares. Upon confirmation by the Shenzhen Stock Exchange, the depository and clearing company shall handle the relevant registration and clearing matters. The Company shall pay the repurchase amount to the Participants and complete the transfer procedures for the corresponding Shares at the depository and clearing company. Within a reasonable period of time following the completion of the transfer, the Company shall cancel such Shares.

5. Procedures for Amendments to, and Termination of, the Incentive Scheme

(1) Procedures for Amendments to the Incentive Scheme

If the Company intends to amend the Incentive Scheme before it is considered by the Shareholders' general meeting, such amendment shall be subject to consideration and approval by the Board.

If the Company intends to amend the Incentive Scheme after it has been considered and approved by the Shareholders' general meeting, such amendment shall be considered and decided by the Shareholders' general meeting and shall not result in the following:

(1) an early unlocking;

(2) a reduction of the Grant Price (except where the Grant Price is reduced due to capitalization issue, bonus issue, sub-division of Shares, rights issue, Share consolidation, dividend distribution, etc.).

Subject to compliance with Chapter 17 of the Listing Rules (including but not limited to Rule 17.03(18)), the amendments to the specific terms of the Incentive Scheme that may be made by the Board without approval from the Shareholders are as follows:

(1) corresponding amendments to any terms of the Incentive Scheme in the event that such terms are inconsistent with applicable laws, regulations or regulatory policies, with an aim to comply with the latest regulatory requirements;

(2) textual amendments or clarifications to the definitions or expressions used in the Incentive Scheme, provided that the substantive contents of any terms shall not be altered;

(3) amendments to the procedural or disclosure-related terms of the Incentive Scheme (such as implementation procedures and information disclosure requirements), provided that the material terms of the Incentive Scheme (including but not limited to those set out in Rule 17.03 of the Listing Rules, such as the scope of participants, grant quantity, Grant Price, validity period, performance targets, etc.) shall not be altered;

(4) corresponding adjustments to the number of Restricted Shares and/or the Grant Price in accordance with the adjustment methods set out in the Incentive Scheme in the event of capitalization issue, bonus issue, sub-division of Shares, rights issue, Share consolidation, dividend distribution or other similar circumstances affecting the share capital of the Company;

(5) other amendments that do not involve alterations to the material terms of the Incentive Scheme and do not prejudice the interests of the Company or the Shareholders as a whole. Any other amendments to the Incentive Scheme (including but not limited to altering the scope of participants, increasing the grant quantity, extending the validity period or adjusting the performance targets) shall not take effect without the approval at a general meeting of the Shareholders.

The Remuneration and Appraisal Committee shall express its opinions on whether the amended scheme is beneficial to the sustainable development of the Company, and whether there is any circumstance that manifestly prejudices the interests of the Company and the Shareholders as a whole. The law firm shall issue professional opinions on whether the amended scheme complies with the provisions of the Management Measures and relevant laws and regulations, and whether there is any circumstance that manifestly prejudices the interests of the Company and the Shareholders as a whole.

(2) Procedures for Termination of the Incentive Scheme

Where the Company proposes to terminate the Incentive Scheme before it is considered at the general meeting of Shareholders, such termination shall be considered and approved by the Board and disclosed. Where the Company terminates the implementation of the Incentive Scheme after it has been considered and approved by the general meeting of Shareholders, such termination shall be submitted to the Board and the general meeting of Shareholders for consideration and disclosed.

The Company shall disclose the announcement on the resolutions of the general meeting of Shareholders or the announcement on the resolutions of the Board in a timely manner. The law firm shall issue professional opinions on whether the termination of the implementation of the Incentive Scheme by the Company complies with the provisions of the Management Measures and relevant laws and regulations, and whether there is any circumstance that manifestly prejudices the interests of the Company and the Shareholders as a whole.

In the event of the termination of the implementation of the Incentive Scheme, the Company shall, after performing corresponding consideration procedures, apply to the depository and clearing company in a timely manner to handle the repurchase and cancellation procedures for the granted Restricted Shares.

6. Handling of the Incentive Scheme in the Event of Unusual Changes to the Company/ the Participants

(1) Handling Changes to the Company

Where any of the following circumstances occurs on the part of the Company, the Incentive Scheme shall be terminated and the Restricted Shares granted to the Participants under the Incentive Scheme but not yet unlocked shall be repurchased and cancelled by the Company at the Grant Price:

(1) issue of an auditor's report with an adverse opinion or which indicates an inability to express an opinion by a certified public accountant with respect to the financial and accounting report of the Company for its most recent financial year;

(2) issue of an auditor's report with an adverse opinion or which indicates an inability to express an opinion by a certified public accountant with respect to the internal control over financial reporting of the Company for its most recent financial year;

(3) failure to distribute profits in accordance with laws and regulations, the Articles of Association and public undertakings during the most recent 36 months after listing;

(4) prohibition from implementation of share incentives by laws and regulations;

(5) other circumstances requiring the termination of the Incentive Scheme as determined by the CSRC.

Where any of the following circumstances occurs on the part of the Company, the Incentive Scheme shall be implemented normally:

(1) a change of control of the Company;

(2) a merger or division of the Company.

Where any false records, misleading statements or material omissions in the information disclosure documents of the Company result in failure to meet the conditions for the grant of Restricted Shares or the unlocking arrangements, the Restricted Shares granted to the Participants but not yet unlocked shall be repurchased and cancelled by the Company at the Grant Price.

Where the Restricted Shares granted to the Participants have already been unlocked, all Participants shall return their interests gained. Participants who are not responsible for the abovementioned matters and suffer losses arising from the return of such interests may seek compensation from the Company or responsible parties in accordance with relevant arrangements of the Incentive Scheme. The Board shall recover the gains obtained by the Participants in accordance with the provisions of the preceding paragraph and relevant arrangements of the Incentive Scheme.

(2) Handling Changes in Personal Particulars of the Participants

(i) If a Participant loses the eligibility to participate in the Incentive Scheme due to the occurrence of any of the following circumstances, the Board may determine that, with effect from the date of occurrence of such circumstance, the Restricted Shares granted to the Participant but not yet unlocked shall be repurchased and cancelled by the Company at the Grant Price:

(a) being determined as an ineligible person by relevant stock exchange within the most recent 12 months;

(b) being determined as an ineligible person by the CSRC and its delegated institutions within the most recent 12 months;

(c) being subject to administrative penalties or market ban measures by the CSRC and its delegated institutions due to material non-compliance with laws or regulations in the most recent 12 months;

(d) being prohibited from acting as a director or a member of the senior management of a company under the Company Law;

(e) being prohibited from participation in share incentives of listed companies by laws and regulations;

(f) other circumstances as determined by the CSRC.

(ii) Change in position of the Participants

In the event of a change in the position of a Participant who remains employed by the Company or any of its subsidiaries, the interests granted to such Participant shall continue to be dealt with in accordance with the procedures stipulated in the Incentive Scheme.

In the event of a demotion or removal from office, the Restricted Shares that have been unlocked shall remain unaffected. The Board shall have the right to determine that the Restricted Shares which have been granted but not yet unlocked be adjusted based on the corresponding entitlement after such demotion or removal from office. The difference between the original number of Restricted Shares granted and the adjusted number shall not be unlocked and shall be repurchased and cancelled by the Company at the Grant Price.

Where a Participant assumes the position of an independent non-executive Director of the Company or any other position precluding the holding of the Company's Restricted Shares due to organizational redeployment, his/her Restricted Shares that have been unlocked shall remain unaffected, and the Restricted Shares that have been granted to him/her but not yet unlocked shall not be unlocked, and shall be repurchased and cancelled by the Company at the Grant Price.

Where a change in the position of a Participant is caused by his/her violation of laws, breach of professional ethics, leakage of the Company's confidential information, violation of the Company's rules and regulations (such as receiving a disciplinary penalty of a recorded demerit or above), or acts such as dereliction of duty or malfeasance that prejudice the interests or reputation of the Company, or where the Company terminates the employment or engagement relationship with the Participant for the aforementioned reasons, his/her Restricted Shares that have been unlocked shall remain unaffected, and the Restricted Shares that have been granted to him/her but not yet unlocked shall not be unlocked, and shall be repurchased and cancelled by the Company at the Grant Price. In severe circumstances, the Company may also seek recovery of the losses suffered by the Company as a result thereof in accordance with the provisions of relevant laws and regulations.

(iii) Departure of the Participants

Where the employment contract of a Participant expires and is not renewed, or where a Participant voluntarily resigns, or involuntarily departs due to reasons such as redundancy by the Company and the Participant has not committed any acts of substandard performance, fault, violation of laws or breach of discipline, his/her Restricted Shares that have been unlocked shall remain unaffected, and the Restricted Shares that have been granted to him/her but not yet unlocked shall not be unlocked, and shall be repurchased and cancelled by the Company at the Grant Price.

(iv) Retirement of the Participants

Where a Participant is re-employed upon retirement, the interests granted to the Participant shall be processed entirely in accordance with the procedures stipulated in the Incentive Scheme prior to the retirement. If the Company proposes continued employment but the Participant refuses, or if the Participant ceases employment due to retirement, his/her Restricted Shares that have been unlocked shall remain unaffected, and the Restricted Shares that have been granted to him/her but not yet unlocked shall not be unlocked, and shall be repurchased and cancelled by the Company at the Grant Price.

(v) Incapacity of the Participants

Where a Participant ceases employment due to his/her incapacity caused by a work-related injury, the interests granted to him/her shall be processed entirely in accordance with the procedures stipulated in the Incentive Scheme prior to the occurrence of such event, and his/her individual performance appraisal results shall no longer be included as a condition for unlocking.

Where a Participant ceases employment due to his/her incapacity not caused by a work-related injury, his/her Restricted Shares that have been unlocked shall remain unaffected, and the Restricted Shares that have been granted to him/her but not yet unlocked shall not be unlocked, and shall be repurchased and cancelled by the Company at the Grant Price.

(vi) Death of the Participants

If a Participant dies during the performance of his/her duties, the interests granted to him/her shall be enjoyed by his/her designated property heir(s) or statutory heir(s), and shall be processed in accordance with the procedures stipulated in the Incentive Scheme prior to his/her death, and his/her individual performance appraisal results shall no longer be included as a condition for the unlocking.

If a Participant dies for any other reasons, his/her Restricted Shares that have been unlocked shall remain unaffected, and the Restricted Shares that have been granted to him/her but not yet unlocked shall not be unlocked, and shall be repurchased and cancelled by the Company at the Grant Price, and the repurchase funds shall be received by his/her designated property heir(s) or statutory heir(s).

(vii) Change in control of the subsidiary where a Participant is employed

Where a Participant is employed by a holding subsidiary of the Company, if the Company loses control over such subsidiary and the Participant continues to serve in such subsidiary, his/her Restricted Shares that have been unlocked shall remain unaffected, and the Restricted Shares that have been granted to him/her but not yet unlocked shall not be unlocked, and shall be repurchased and cancelled by the Company at the Grant Price.

(viii) Other circumstances not specified herein shall be determined by the Remuneration and Appraisal Committee, which shall also determine the corresponding handling methods.

The Board is of the view that the above arrangements provide the Board with the option to make appropriate adjustments to the relevant incentives in the event of changes in the circumstances of the Company or the personal circumstances of the Participants, thereby facilitating the achievement of the objective of providing meaningful incentives to promote the long-term development of the Group, which is in line with the purpose of the Incentive Scheme and in the overall interests of the Company and the Shareholders as a whole.

7. Settlement Mechanism for Disputes or Controversies between the Company and the Participants

Any dispute arising between the Company and the Participants shall be settled in accordance with the provisions of the Incentive Scheme and the Restricted Share grant agreement. Where the provisions are unclear, both parties shall negotiate to settle the dispute in accordance with national laws and the principles of fairness and reasonableness. If the negotiation fails, such dispute shall be submitted to the people's court with competent jurisdiction at the domicile of the Company for resolution by litigation.

The resolution on the proposed adoption of the 2026 A Share Restricted Share Incentive Scheme was considered and approved at the meeting of the Board held on September 29, 2026. On the same date, the Board also resolved to propose to the Shareholders to approve the 2026 A Share Restricted Share Incentive Scheme at the EGM. A special resolution will be proposed at the EGM to consider and, if thought fit, approve the proposed adoption of the 2026 A Share Restricted Share Incentive Scheme.

Purposes and Reasons for and Benefits of the Adoption of the 2026 A Share Restricted Share Incentive Scheme

The 2026 A Share Restricted Share Incentive Scheme aims to further improve the long-term incentive mechanism of the Company, fully mobilize the initiative and creativity of the core talents of the Company, closely align the interests of the core talents with the long-term development of the Company, and ensure the realization of the development strategies and business objectives of the Company. The 2026 A Share Restricted Share Incentive Scheme is formulated in accordance with relevant laws and regulations and the Articles of Association.

The Company is of the view that the adoption and implementation of the 2026 A Share Restricted Share Incentive Scheme is beneficial to the Company and its Shareholders as a whole, and 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. Given the nature of the business of the Company and the highly competitive industry in which it operates, it is extremely important for the Company to recruit and retain talents, and the Company's long-term development plan will highly depend on the loyalty and contribution of the Participants. The 2026 A Share Restricted Share Incentive Scheme is considered a critical component of the Company's employee appraisal system and effectively aligns the employee's achievements at the individual level with the Company's overall performance. The Company is of the view that the adoption of the 2026 A Share Restricted Share Incentive Scheme will aid in achieving the aforesaid goals. The terms of the 2026 A Share Restricted Share Incentive Scheme are consistent with the Group's actual conditions and the industry norm, which aligns with the purpose of the 2026 A Share Restricted Share Incentive Scheme.

Implications under the Listing Rules

Pursuant to Chapter 17 of the Listing Rules, the 2026 A Share Restricted Share Incentive Scheme constitutes a Share Scheme of the Company involving the issue of new Shares. Accordingly, the proposed adoption of the 2026 A Share Restricted Share Incentive Scheme is subject to approval by the Shareholders. The terms of the 2026 A Share Restricted Share Incentive Scheme comply with the relevant requirements under Chapter 17 of the Listing Rules. The Company will comply with the applicable provisions under Chapter 17 of the Listing Rules with respect to the operation of the 2026 A Share Restricted Share Incentive Scheme.

Pursuant to Rule 17.03(13) of the Listing Rules, the scheme document shall 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 capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of capital. Note to Rule 17.03(13) of the Listing Rules stipulates 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, but no such adjustments may be made to the extent that a share would be issued at less than its nominal value (if any).

In addition to the events where adjustment to the Grant Price is required under Rule 17.03(13) of the Listing Rules, the 2026 A Share Restricted Share Incentive Scheme also provides for an adjustment to the Grant Price in the event of distribution of dividends (the "**Proposed Adjustment**").

The Company has applied for and has been granted by the Stock Exchange a waiver from strict compliance with Rule 17.03(13) of the Listing Rules in relation to the Proposed Adjustment due to the following factors:

(1) as a PRC issuer, the Company has its A Shares listed on the Shenzhen Stock Exchange, and the 2026 A Share Restricted Share Incentive Scheme only entitles the Participants to acquire the A Shares, rather than the H Shares, of the Company. Therefore, the proposed terms of the 2026 A Share Restricted Share Incentive Scheme are prepared in compliance with the related regulations of the PRC laws and the requirements of the relevant regulatory authorities of the PRC (including but not limited to the CSRC and the Shenzhen Stock Exchange). In particular, Article 46 of the Management

Measures promulgated by the CSRC stipulates that, where the price or number of equity interests needs to be adjusted due to dividend distribution, share subdivision or other reasons, the board of directors of a listed company shall make adjustments in accordance with the principles, methods and procedures specified in the share incentive scheme. As advised by Grandway Law Offices, the PRC legal adviser to the Company as to the 2026 A Share Restricted Share Incentive Scheme, the Proposed Adjustment is in compliance with the provisions of Article 46 of the Management Measures, and the Board shall make the Proposed Adjustment in accordance with requirements of the Management Measures;

(2) the adjustment to the Grant Price of the Restricted Shares due to the dividend distribution is in line with market practice in the PRC;

(3) the proposed terms of the 2026 A Share Restricted Share Incentive Scheme (including the Proposed Adjustments) have been reviewed by Grandway Law Offices and approved by the Board;

(4) the adjusted Grant Price equals the Grant Price less the dividends to be paid by the Company. For reference only, the dividends paid by the Company for the past three financial years ranged from RMB0.00 per share to RMB0.03 per share. The Company expects that the dividend adjustment will not have any material adverse impact on the interests of the Shareholders;

(5) the terms of the 2026 A Share Restricted Share Incentive Scheme will not only be subject to strict scrutiny by the PRC regulatory authorities, but also be subject to approval by the Shareholders at the EGM. The Shareholders will have the opportunity to make an informed decision on the adoption of the 2026 A Share Restricted Share Incentive Scheme at the EGM; and

(6) the number of A Shares proposed to be issued and granted under the 2026 A Share Restricted Share Incentive Scheme is 2,990,000 Shares, representing only 0.31% of the total number of 968,666,053 Shares of the Company in issue as at the Latest Practicable Date. Therefore, the dilutive effect (if any) arising from the Proposed Adjustment under the 2026 A Share Restricted Share Incentive Scheme is minimal.

Proposed Issue of Restricted Shares under the 2026 A Share Restricted Share Incentive Scheme

The Company proposes to issue 2,990,000 Restricted Shares to the Participants under the 2026 A Share Restricted Share Incentive Scheme, representing approximately 0.31% of the total issued share capital of the Company as at the Latest Practicable Date, which is subject to, among other things, approval at the EGM.

Upon approval at the EGM, the Board will grant 2,990,000 A Shares at the Grant Price of RMB14.92 per A Share under the 2026 A Share Restricted Share Incentive Scheme. Accordingly, the total amount proposed to be paid by the Participants for the purchase of the 2,990,000 A Shares will be RMB44,610,800.

In addition to the principal terms of the 2026 A Share Restricted Share Incentive Scheme set out above, further information regarding the issue and allotment of the Restricted Shares under the 2026 A Share Restricted Share Incentive Scheme is set out below.

Total funds to be raised and the proposed use of proceeds

No more than RMB44,610,800 will be paid by the Participants to subscribe for 2,990,000 Restricted Shares under the 2026 A Share Restricted Share Incentive Scheme. The proceeds from the subscription of the Restricted Shares to be issued under the 2026 A Share Restricted Share Incentive Scheme are intended to supplement working capital of the Group.

Dilution effect

As at the Latest Practicable Date, the number of A Shares of the Company is 871,886,053 and the number of H Shares of the Company is 96,780,000. Upon full grant of the Restricted Shares proposed to be granted under the 2026 A Share Restricted Share Incentive Scheme to the Participants, the total share capital of the Company will be 971,656,053 Shares, comprising 874,876,053 A Shares and 96,780,000 H Shares.

Grant Price

The Grant Price under the 2026 A Share Restricted Share Incentive Scheme is RMB14.92 per A Share, which was determined with reference to the section headed "Grant Price of Restricted Shares and the Method for Determining the Grant Price" above.

Public float

Based on publicly available information and to the best knowledge of the Directors, as at the Latest Practicable Date, the public float of the Company complies with the requirement under Rule 19A.13A of the Listing Rules. The Company expects that, upon full issuance of the Restricted Shares involved under the 2026 A Share Restricted Share Incentive Scheme, the Company will continue to be in compliance with the minimum public float requirement under Rule 19A.13A of the Listing Rules.

Total nominal value

The nominal value of the A Shares is RMB1.00 per A Share. The total nominal value of the Restricted Shares proposed to be granted under the 2026 A Share Restricted Share Incentive Scheme is RMB2,990,000.

Further announcement

The Company will publish an announcement in accordance with the requirements set out in Rules 17.06A, 17.06B and 17.06C of the Listing Rules for the grant under the 2026 A Share Restricted Share Incentive Scheme.

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

In order to ensure the smooth advancement and orderly implementation of the 2026 A Share Restricted Share Incentive Scheme, and to guarantee the realization of the development strategies and operating objectives of the Company, the 2026 A Share Restricted Share Incentive Scheme Administrative Measures are hereby formulated in accordance with relevant provisions of the Company Law, the Securities Law, the Management Measures, the Listing Rules of the Shenzhen Stock Exchange, the Guidelines for Self-Discipline and other relevant laws, administrative regulations and normative documents, as well as the Articles of Association, and in light of the actual situation of the Company.

The full text of the 2026 A Share Restricted Share Incentive Scheme Administrative Measures is set out in Appendix II to this circular. The 2026 A Share Restricted Share Incentive Scheme Administrative Measures is prepared in Chinese. In the event of any inconsistency between the English translation and the Chinese version of the 2026 A Share Restricted Share Incentive Scheme Administrative Measures, the Chinese version shall prevail.

The above resolution has been approved by the Board, and a special resolution will be proposed at the EGM to consider and, if thought fit, approve the proposed adoption of the 2026 A Share Restricted Share Incentive Scheme Administrative Measures.

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

For the purpose of implementing the 2026 A Share Restricted Share Incentive Scheme, the Board proposes that the Shareholders authorize the Board to handle the following matters relating to the 2026 A Share Restricted Share Incentive Scheme:

1. To propose that the Shareholders authorize the Board to be responsible for the following matters in connection with the implementation of the 2026 A Share Restricted Share Incentive Scheme:

   (1) to authorize the Board to determine the eligibility and conditions of the Participants for participation in the Incentive Scheme, and to determine the Grant Date of the Restricted Shares;

   (2) to authorize the Board to make corresponding adjustments to the number of Restricted Shares and the number of underlying Shares involved in accordance with the methods stipulated in the Incentive Scheme in the event of capitalization issue, bonus issue, sub-division of Shares, Share consolidation or rights issue and other similar matters of the Company;

   (3) to authorize the Board to make corresponding adjustments to the Grant Price of the Restricted Shares in accordance with the methods stipulated in the Incentive Scheme in the event of capitalization issue, bonus issue, sub-division of Shares, Share consolidation, rights issue, dividend distribution and other similar matters of the Company;

   (4) to authorize the Board to directly reduce the portion of interests waived by employees or to allocate and adjust such portion among the Participants prior to the grant of the Restricted Shares;

   (5) to authorize the Board to grant the Restricted Shares to the Participants upon their fulfillment of the relevant conditions and to handle all matters necessary in connection with the grant of the Restricted Shares, including but not limited to submitting applications for the grant to the Shenzhen Stock Exchange, applying to the securities registration and clearing company for relevant registration and clearing services, amending the Articles of Association and handling the registration of changes in the registered capital of the Company;

(6) to authorize the Board to review and confirm the eligibility of the Participants for the unlocking and the conditions for the unlocking, and to agree to the Board delegating such authority to the Remuneration and Appraisal Committee;

(7) to authorize the Board to determine whether the Participants may have the Restricted Shares unlocked;

(8) to authorize the Board to handle all matters necessary in connection with the unlocking on the Restricted Shares held by the Participants, including but not limited to submitting applications for the unlocking to the Shenzhen Stock Exchange, applying to the securities registration and clearing company for relevant registration and clearing services, amending the Articles of Association and handling the registration of changes in the registered capital of the Company;

(9) to authorize the Board to handle matters relating to the lock-up of the Restricted Shares that have not yet been unlocked;

(10) to authorize the Board to execute, implement, amend and terminate any agreements relating to the Incentive Scheme and other relevant agreements;

(11) to authorize the Board 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 and/or by relevant regulatory authorities under the requirements of laws, regulations or relevant regulatory authorities, such amendments by the Board shall be subject to the corresponding approvals;

(12) to authorize the Board to handle all other necessary matters in connection with the implementation of the Incentive Scheme, except for such rights as expressly required under the relevant documents to be exercised at the general meeting of Shareholders.

2. To propose that the Shareholders authorize the Board to complete procedures with relevant governments and authorities in relation to the Incentive Scheme, including examination and approval, registration, filing, approval and consent; to sign, execute, amend and complete documents submitted to relevant governments, authorities, organizations and individuals; to amend the Articles of Association and handle the registration of changes in the registered capital of the Company; and to carry out all actions deemed by the Board to be necessary, appropriate or expedient in relation to the Incentive Scheme.

3. To propose that the Shareholders authorize the Board to engage intermediaries, including receiving banks, accountants, lawyers and securities companies, for the implementation of the Incentive Scheme.

4. To propose that the Shareholders approve the period of authorization given to the Board to be consistent with the validity period of the Incentive Scheme.

The aforementioned authorizations, except for matters expressly stipulated by laws, administrative regulations, rules and normative documents of the CSRC, the Incentive Scheme or the Articles of Association as requiring approval by resolution of the Board, may be directly exercised by the chairman of the Board or an appropriate person authorized by the chairman of the Board on behalf of the Board.

The above resolution has been approved by the Board, and a special resolution will be proposed at the EGM to consider and, if thought fit, approve the proposed authorization to the Board to handle matters relating to the 2026 A Share Restricted Share Incentive Scheme.

IV. DOCUMENT ON DISPLAY

A copy of the scheme document of the 2026 A Share Restricted Share Incentive Scheme will be published on the websites of the Stock Exchange and the Company for inspection by the Shareholders for a period of not less than 14 days before the date of the EGM. The scheme document of the 2026 A Share Restricted Share Incentive Scheme will also be made available for inspection at the EGM.

V. NOTICE OF EGM

The EGM will be held at No. 1888, Jiyin Avenue, Jiangning, Nanjing, Jiangsu Province, PRC on Thursday, November 26, 2026 at 2:00 p.m.. The notice convening the EGM is set out on pages EGM-1 to EGM-3 of this circular and published and available on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.estun.com).

VI. FORM OF PROXY

A form of proxy is enclosed for use at the EGM. Such form of proxy is also published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.estun.com). Whether or not you are able to attend the EGM, you are reminded to complete the accompanying form of proxy in accordance with the instructions stated thereon and return it to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible but in any event not less than 24 hours before the time appointed for holding the EGM (i.e. not later than 2:00 p.m. on Wednesday, November 25, 2026) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM (or any adjournment thereof) if you so wish and, in such event, the instrument appointing a proxy shall be deemed to be revoked.

VII. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, the resolutions set out in the notice convening the EGM will be taken by poll. The poll results will be announced by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules. When the general meeting of the Company considers the equity incentive scheme, any Shareholder who is a Participant or who has a related-party relationship with a Participant shall abstain from voting.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, none of the Shareholders has a material interest in the relevant resolutions to be proposed at the EGM and is required to abstain from voting on such resolutions at the EGM.

VIII. CLOSURE OF REGISTER OF MEMBERS

For determining the Shareholders' entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Monday, November 23, 2026 to Thursday, November 26, 2026, both days inclusive, during which period no transfer of Shares will be registered. The record date for determining the eligibility of holders of H Shares to attend and vote at the EGM will be Thursday, November 26, 2026.

In order to be entitled to attend and vote at the EGM, holders of H Shares whose transfers of Shares have not been registered shall lodge the transfer instruments together with the relevant share certificates with the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Friday, November 20, 2026.

IX. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make this circular or any statement contained herein misleading.

X. RECOMMENDATION

The Board (including the independent non-executive Directors) considers that the resolutions to be proposed at the EGM are fair and reasonable and in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM.

Yours faithfully,
By Order of the Board
Mr. WU Bo
Chairman of the Board and Executive Director

2026 A Share Restricted Share Incentive Scheme

SPECIAL NOTICE

1. The 2026 A Share Restricted Share Incentive Scheme (Draft) of ESTUN AUTOMATION CO., LTD has been formulated by ESTUN AUTOMATION CO., LTD (hereinafter referred to as "**Estun**", the "**Company**" or "our **Company**") in accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Management Measures for Equity Incentives of Listed Companies, the Guidelines for Self-Discipline of Companies Listed on the Shenzhen Stock Exchange No. 1 – Business Handling, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other relevant laws, administrative regulations and normative documents, as well as the relevant provisions of the Articles of Association.

2. The incentive instrument under the 2026 A Share Restricted Share Incentive Scheme of ESTUN AUTOMATION CO., LTD (the "**Incentive Scheme**") is Type I Restricted Shares. The source of Shares shall be the ordinary RMB-denominated A Shares of the Company to be specifically issued by the Company to the Participants.

3. The number of Restricted Shares proposed to be granted to the Participants under the Incentive Scheme is 2,990,000 Shares, representing approximately 0.34% of the total A Share capital of the Company of 871,886,053 Shares and approximately 0.31% of the total A Share and H Share capital of the Company of 968,666,053 Shares as at the date of announcement of the draft Incentive Scheme. This grant will be a one-off grant with no reserved interests.

   As of the date of announcement of the draft Incentive Scheme, the total number of underlying Shares involved in all effective equity incentive schemes of the Company did not, in aggregate, exceed 10% of the total share capital of the Company. The cumulative number of Shares of the Company granted to any single Participant through all effective equity incentive schemes did not exceed 1% of the total share capital of the Company. During the period from the date of announcement of the draft Incentive Scheme to the completion of registration of the Restricted Shares granted to the Participants, corresponding adjustments shall be made to the number of Restricted Shares in accordance with the Incentive Scheme in the event of capitalization issue, bonus issue, sub-division of Shares, Share consolidation, rights issue or other similar matters involving the Company.

4. The Incentive Scheme involves a total of 209 Participants, including middle-level management, core technical (business) backbones and other employees deemed by the Board to be eligible for incentives who are employed by the Company (including its branches and holding subsidiaries), excluding the independent Directors of Estun, Shareholders or actual controllers individually or collectively holding 5% or more of the Shares of the Company, and their spouses, parents and children.

5. The Grant Price of the Restricted Shares under the Incentive Scheme is RMB14.92 per Share. During the period from the date of announcement of the draft Incentive Scheme to the completion of registration of the Restricted Shares granted to the Participants, corresponding adjustments shall be made to the Grant Price of the Restricted Shares in accordance with the Incentive Scheme in the event of capitalization issue, bonus issue, sub-division of Shares, Share consolidation, rights issue or other similar matters involving the Company.

6. The validity period of the Incentive Scheme shall commence from the date of completion of registration of the grant of the Restricted Shares and end on the date on which all the Restricted Shares granted to the Participants are unlocked or repurchased and cancelled, but in any case, it shall not exceed 48 months.

7. The Restricted Shares granted under the Incentive Scheme shall be unlocked in three tranches over the periods ending 24 months, 36 months and 48 months, respectively, from the date of completion of registration of the grant, with the respective unlocking proportions being 30%, 30% and 40%.

The performance appraisal targets at the Company level for the Restricted Shares granted under the Incentive Scheme are set out in the table below:

Unlocking period	**Appraisal year**	**Performance Appraisal Target (RMB100 million) Cumulative target value of net profit after deducting non-recurring gains and losses for the appraisal year (Am)**
First Unlocking Period	2026	2.0
Second Unlocking Period	2026-2027	5.2
Third Unlocking Period	2026-2028	11.0

Note: The "net profit" mentioned above refers to the audited net profit attributable to the Shareholders of the listed Company after deducting non-recurring gains and losses, which is calculated based on the figure excluding the impact of the share-based payment expenses arising from this and other employee incentive schemes.

Based on the above performance appraisal target values, the unlocking proportion at the Company level (K1) depends on the actual performance achievement rate at the Company level (R). The actual performance achievement rate at the Company level (R) = the cumulative net profit after deducting non-recurring gains and losses of the Company for the appraisal year (A)/the cumulative target value of net profit after deducting non-recurring gains and losses of the Company for the appraisal year (Am). The corresponding unlocking coefficients at the Company level are as follows:

Performance achievement rate at the Company level (R)	**R≥100%**	**100%>R≥90%**	**R<90%**
Unlocking proportion at the Company level (K1)	1	R	0

8. None of the following circumstances under the Management Measures that prohibit the implementation of equity incentives has occurred on the part of the Company:

   (1) issue of an auditor's report with an adverse opinion or which indicates an inability to express an opinion by a certified public accountant with respect to the financial and accounting report of the Company for its most recent financial year;

   (2) issue of an auditor's report with an adverse opinion or which indicates an inability to express an opinion by a certified public accountant with respect to the internal control over financial reporting of the Company for its most recent financial year;

   (3) failure to distribute profits in accordance with laws and regulations, the Articles of Association and public undertakings during the most recent 36 months after listing;

   (4) prohibition from implementation of share incentives by laws and regulations;

   (5) other circumstances as determined by the CSRC.

9. None of the following circumstances under the Management Measures that disqualify a person from becoming a Participant has occurred on the part of the Participants under the Incentive Scheme:

   (1) being determined as an ineligible person by relevant stock exchange within the most recent 12 months;

   (2) being determined as an ineligible person by the CSRC and its delegated institutions within the most recent 12 months;

(3) being subject to administrative penalties or market ban measures by the CSRC and its delegated institutions due to material non-compliance with laws or regulations in the most recent 12 months;

(4) being prohibited from acting as a director or a member of the senior management of a company under the Company Law;

(5) being prohibited from participation in share incentives of listed companies by laws and regulations;

(6) other circumstances as determined by the CSRC.

10. Estun undertakes that, to avoid prejudicing the interests of the Company, the Company shall not provide loans, guarantees for loans or any other form of financial assistance to the Participants for the purpose of obtaining relevant interests under the Incentive Scheme.

11. Estun undertakes that there are no false records, misleading statements or material omissions in the information disclosure documents relating to the Incentive Scheme.

12. The Participants under the Incentive Scheme undertake that, in the event that any false records, misleading statements or material omissions in the information disclosure documents of the Company result in failure to satisfy the arrangements for the grant or exercise of interests, the Participants shall return to the Company all benefits obtained under the Incentive Scheme after the relevant information disclosure documents have been confirmed to contain such false records, misleading statements or material omissions.

13. The Incentive Scheme may only be implemented after it has been considered and approved at the general meeting of Shareholders of the Company.

14. Upon consideration and approval of the Incentive Scheme at the general meeting of Shareholders, the Company shall, within 60 days (where there are conditions for the grant of interests, such period shall commence from the fulfillment of such conditions), convene a meeting of the Board in accordance with relevant regulations to grant interests to the Participants and complete announcement, registration and other relevant procedures. In the event that the Company fails to complete the aforesaid matters within 60 days, it shall promptly disclose the reasons for such failure and announce the termination of the implementation of the Incentive Scheme. The period during which the Company is prohibited from granting interests pursuant to the Management Measures for Equity Incentives of Listed Companies and the Guidelines for Self-Discipline of Companies Listed on the Shenzhen Stock Exchange No. 1 – Business Handling shall not be counted towards the 60-day period.

15. The implementation of the Incentive Scheme will not result in the shareholding structure of the Company failing to meet the listing requirements.

CHAPTER I DEFINITIONS

Unless otherwise specified, the following terms shall have the following meanings in this document:

Term	Definition
"our Company", "Company" or "Estun"	ESTUN AUTOMATION CO., LTD
"Incentive Scheme"	the 2026 A Share Restricted Share Incentive Scheme of ESTUN AUTOMATION CO., LTD
"Restricted Share(s)"	the Shares of the Company granted to the Participants in accordance with the conditions stipulated in the Incentive Scheme, certain rights attached to which, including the right of transfer, are subject to restrictions
"Participant(s)"	middle-level management, core technical (business) backbones and other employees deemed by the Board to be eligible for incentives who are employed by the Company (including its branches and holding subsidiaries) and are granted Restricted Shares pursuant to the Incentive Scheme
"Grant Date"	the date on which the Company grants the Restricted Shares to the Participants, which must be an A Share trading day
"Grant Price"	the price determined by the Company at the time of granting the Restricted Shares to the Participants at which the Participants acquire Shares of the Company
"validity period"	the period commencing from the date of completion of registration of the grant of the Restricted Shares and ending on the date on which all the Restricted Shares granted to the Participants are unlocked or repurchased and cancelled

"Lock-up Period"	the period during which the Restricted Shares may not be transferred, used as guarantee or applied towards the repayment of debts because the conditions stipulated in the Incentive Scheme for the Participants to exercise their interests have not yet been fulfilled, commencing from the date of completion of registration of the Restricted Shares granted to the Participants
"Unlocking Period"	the period during which the Restricted Shares held by the Participants may be unlocked and become tradable following the fulfillment of the unlocking conditions stipulated in the Incentive Scheme
"Unlocking Conditions"	the conditions that must be satisfied for the unlocking of the Restricted Shares granted to the Participants pursuant to the Incentive Scheme
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of the Board of the Company
"CSRC"	the China Securities Regulatory Commission
"Shenzhen Stock Exchange"	the Shenzhen Stock Exchange
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"securities registration and clearing company"	Shenzhen Branch of China Securities Depository and Clearing Corporation Limited
"Company Law"	the Company Law of the People's Republic of China
"Securities Law"	the Securities Law of the People's Republic of China
"Management Measures"	the Management Measures for Equity Incentives of Listed Companies
"Listing Rules of the Shenzhen Stock Exchange"	the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange
"Hong Kong Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

"Guidelines for Self-Discipline"	the Guidelines for Self-Discipline of Companies Listed on the Shenzhen Stock Exchange No. 1 – Business Handling
"Articles of Association"	the Articles of Association of ESTUN AUTOMATION CO., LTD
"Company Appraisal Management Measures"	the Administrative Measures for the Implementation and Appraisal of the 2026 A Share Restricted Share Incentive Scheme of ESTUN AUTOMATION CO., LTD
"RMB", "RMB10,000" or "RMB100 million"	Renminbi yuan, ten thousand Renminbi yuan or one hundred million Renminbi yuan, respectively, being the units of the lawful currency of the People's Republic of China

CHAPTER II PURPOSE OF THE INCENTIVE SCHEME

On the premise of fully protecting the interests of the Shareholders and in accordance with the principle of equivalence between incentives and constraints, the Company has formulated the Incentive Scheme pursuant to the Company Law, the Securities Law, the Management Measures, the Listing Rules of the Shenzhen Stock Exchange, the Guidelines for Self-Discipline and other relevant laws, administrative regulations and normative documents, as well as the Articles of Association. The Incentive Scheme aims to:

(1) further improve the long-term incentive mechanism of the Company, attract and retain outstanding talents, fully mobilize the enthusiasm and creativity of the Company's core personnel, and deliver sustained returns to Shareholders;

(2) adopt an approach to performance incentives guided by value creation, closely align the interests of the core personnel with the Company's long-term development, enable them to share in its risks and rewards, align the interests of the Company, Shareholders and the core personnel, and ensure the realization of the Company's development strategies and operational objectives.

CHAPTER III ADMINISTRATIVE BODIES OF THE INCENTIVE SCHEME

1. The general meeting of Shareholders, as the highest authority of the Company, is responsible for considering and approving the implementation, alteration and termination of the Incentive Scheme. The general meeting of Shareholders may, within its scope of authority, authorize the Board to handle certain matters relating to the Incentive Scheme.

2. The Board is the executive and administrative body of the Incentive Scheme, responsible for the implementation of the Incentive Scheme. The Remuneration and Appraisal Committee under the Board is responsible for formulating and amending the Incentive Scheme and submitting it to the Board for consideration. Upon consideration and approval by the Board, the Incentive Scheme shall be submitted to the general meeting of Shareholders of the Company for approval, and the Board shall handle relevant matters relating to the Incentive Scheme within the scope of authorization as delegated by the general meeting of Shareholders.

3. The Remuneration and Appraisal Committee is the supervisory body of the Incentive Scheme, and shall express an opinion on whether the Incentive Scheme is conducive to the sustainable development of the Company, and whether there are any circumstances that obviously prejudice the interests of the Company and all Shareholders. The Remuneration and Appraisal Committee shall supervise whether the implementation of the Incentive Scheme is in compliance with relevant laws, administrative regulations, normative documents and the operational rules of the Shenzhen Stock Exchange, and is responsible for verifying the list of Participants.

4. Where the Company amends the Incentive Scheme before or after it has been considered and approved at the general meeting of Shareholders, the Remuneration and Appraisal Committee shall express an opinion on whether the amended scheme is conducive to the sustainable development of the Company and whether there are any circumstances that obviously prejudice the interests of the Company and all Shareholders.

5. Before the Company grants interests to the Participants, the Remuneration and Appraisal Committee shall express a clear opinion on whether the conditions for the grant of interests to the Participants stipulated in the equity incentive scheme have been fulfilled. Where the grant of interests by the Company to the Participants differs from the arrangements under the Incentive Scheme, the Remuneration and Appraisal Committee shall express a clear opinion in the event of any change in the Participants.

6. Before the Restricted Shares granted to the Participants are unlocked, the Remuneration and Appraisal Committee under the Board shall express a clear opinion on whether the conditions for unlocking stipulated in the equity incentive scheme have been fulfilled.

CHAPTER IV BASIS FOR DETERMINING PARTICIPANTS AND SCOPE OF PARTICIPANTS

I. Basis for Determining Participants

(1) Legal Basis for Determining Participants

The Participants under the Incentive Scheme are determined in accordance with the relevant provisions of the Company Law, the Securities Law, the Management Measures, the Listing Rules of the Shenzhen Stock Exchange, the Guidelines for Self-Discipline and other relevant laws, administrative regulations and normative documents, as well as the Articles of Association, and in light of the actual situation of the Company.

(2) Positional Basis for Determining Participants

The Participants of the Incentive Scheme include the middle-level management, core technical (business) backbones and other employees deemed by the Board to be eligible for incentives who are employed by the Company (including its branches and holding subsidiaries). For personnel falling within the scope of the Participants of the Incentive Scheme, the Remuneration and Appraisal Committee shall formulate a list, verify and determine their eligibility.

The basis for determining the Participants is consistent with the purpose of implementing the Incentive Scheme, and is in compliance with the requirements of relevant laws and regulations and relevant rules of the stock exchanges.

II. Scope of Participants

The Incentive Scheme involves a total of 209 Participants, including middle-level management, core technical (business) backbones and other employees deemed by the Board to be eligible for incentives who are employed by the Company (including its branches and holding subsidiaries).

The above Participants do not include the independent directors of the Company, Shareholders or actual controllers individually or collectively holding 5% or more of the Shares of the Company, and their spouses, parents and children. All Participants must enter into a labor contract or employment contract with the Company, its branches or holding subsidiaries during the appraisal period of the Incentive Scheme.

III. Circumstances Disqualifying a Person from Becoming a Participant under the Incentive Scheme

(1) being determined as an ineligible person by relevant stock exchange within the most recent 12 months;

(2) being determined as an ineligible person by the CSRC and its delegated institutions within the most recent 12 months;

(3) being subject to administrative penalties or market ban measures by the CSRC and its delegated institutions due to material non-compliance with laws or regulations in the most recent 12 months;

(4) being prohibited from acting as a director or a member of the senior management of a company under the Company Law;

(5) being prohibited from participation in share incentives of listed companies by laws and regulations;

(6) other circumstances as determined by the CSRC.

Where any of the above circumstances occurs to a Participant during the implementation of the Incentive Scheme, the Company shall terminate his/her right to participate in the Incentive Scheme and repurchase and cancel the Restricted Shares granted to such Participant but not yet unlocked at the Grant Price.

IV. Verification of Participants

(1) Upon consideration and approval of the Incentive Scheme by the Board, the Company will publish the names and positions of the Participants internally via the Company's website or other channels for a period of not less than 10 days.

(2) The Remuneration and Appraisal Committee will review the list of Participants and fully consider the opinions received during the publication period. The Company will disclose a statement regarding the Remuneration and Appraisal Committee's review of the list of Participants and the publication status five days prior to the consideration of the Incentive Scheme at the general meeting of Shareholders. Any list of Participants adjusted by the Board shall also be verified by the Remuneration and Appraisal Committee.

CHAPTER V DETAILS OF THE INCENTIVE SCHEME

The Incentive Scheme is a restricted share incentive scheme, adopting Type I Restricted Shares as the incentive instrument.

I. Source of Shares of the Incentive Scheme

The source of the underlying Shares involved in the Incentive Scheme shall be the ordinary RMB-denominated A Shares of the Company to be specifically issued by the Company to the Participants.

II. Number of Underlying Shares of the Incentive Scheme

The number of Restricted Shares proposed to be granted to the Participants under the Incentive Scheme is 2,990,000 Shares, representing approximately 0.34% of the total A Share capital of the Company of 871,886,053 Shares and approximately 0.31% of the total A Share and H Share capital of the Company of 968,666,053 Shares as at the date of announcement of the draft Incentive Scheme. This grant will be a one-off grant with no reserved interests. The options and awards (including Restricted Shares) to be granted under the Incentive Scheme and any other Share Schemes of the Company during the validity period of all the schemes shall not, in aggregate, exceed 10.00% of the relevant class of Shares of the Company in issue (excluding treasury Shares) as at the date of announcement and the date of approval by the Shareholders of the draft Incentive Scheme.

III. List of Participants and Allocation of Restricted Shares Proposed to be Granted

Name	Position	Number of Type I Restricted Shares granted (in ten thousands)	Percentage of total interests proposed to be granted under the Incentive Scheme	Percentage of total share capital as at the date of announcement of the Incentive Scheme
Middle-level management, core technical (business) backbones and other employees deemed by the Board to be eligible for incentives (209 persons)		299	100%	0.31%
Total		**299**	**100%**	**0.31%**

Notes:

1. The number of Shares granted to any of the Participants above through all effective equity incentive schemes of the Company does not, in aggregate, exceed 1% of the total share capital of the Company. The total number of underlying Shares involved in all effective equity incentive schemes of the Company does not, in aggregate, exceed 10% of the total share capital of the Company.

2. Where a Participant voluntarily waives the granted Restricted Shares due to personal reasons, the Board shall make corresponding adjustments to the number of Shares granted, and may directly reduce the portion of the Restricted Shares waived by the Participant or reallocate the same among the Participants, provided that, following the adjustment, the total number of Shares granted to any single Participant through all effective equity incentive schemes of the Company shall not exceed 1% of the total share capital of the Company. When subscribing for the Restricted Shares, a Participant may reduce the number of Restricted Shares to be subscribed for due to fund insufficiency.

3. Any discrepancies in the last digit between certain totals in the above table and the sum of the individual figures are due to rounding of the above percentage figures.

IV. Validity Period, Grant Date, Lock-up Period, Unlocking Arrangements and Sale Restriction Period under the Restricted Share Incentive Scheme

(1) Validity Period

The validity period of the Restricted Share Incentive Scheme shall commence from the date of completion of registration of the grant of the Restricted Shares and end on the date on which all the Restricted Shares granted to the Participants are unlocked or repurchased and cancelled, but in any case, it shall not exceed 48 months.

(2) Grant Date

Upon consideration and approval of the Incentive Scheme at the general meeting of Shareholders, the Company shall, within 60 days (where there are conditions for the grant of interests, such period shall commence from the fulfillment of such conditions), convene a meeting of the Board in accordance with relevant regulations to grant interests to the Participants and complete announcement, registration and other relevant procedures. In the event that the Company fails to complete the aforesaid matters within 60 days, it shall promptly disclose the reasons for such failure and announce the termination of the implementation of the Incentive Scheme. The period during which the Company is prohibited from granting interests pursuant to the Management Measures and the Guidelines for Self-Discipline shall not be counted towards the 60-day period.

The Grant Date must be an A Share trading day. If the date determined in accordance with the above principles is not an A Share trading day, the Grant Date shall be postponed to and determined as the first A Share trading day thereafter. Furthermore, no Restricted Shares shall be granted to the Participants during the following periods:

1. 15 days prior to the publication of the annual report or interim report of a listed company, in the event that the publication date of the periodic report is postponed due to special reasons, the period shall be calculated from the 15th day prior to the originally scheduled publication date up to the date immediately preceding the publication;

2. five days prior to the publication of the quarterly report, results forecast or preliminary results announcement of a listed company;

3. the date of publication of the annual results of the Company and 60 days immediately preceding that date, or the period from the end of the relevant financial year up to the publication date of the results (whichever is shorter);

4. the date of publication of the quarterly results and interim results of the Company and 30 days immediately preceding that date, or the period from the end of the relevant quarterly or interim period up to the publication date of the results (whichever is shorter);

5. from the date of occurrence of a major event that may have a material impact on the trading prices of the Shares of the Company and their derivatives, or the date on which such event enters the decision-making process, up to the date of disclosure of the same in accordance with laws; and

6. other periods as prescribed by the CSRC, the Shenzhen Stock Exchange and the Stock Exchange.

During the validity period of the Incentive Scheme, if there are any changes to the provisions under the Company Law, the Securities Law and other relevant laws, administrative regulations and normative documents and the Articles of Association regarding the aforesaid periods, the grant of Restricted Shares by the Company to the Participants shall be in compliance with the amended provisions under the Company Law, the Securities Law and other relevant laws, regulations and normative documents and the Articles of Association.

(3) Lock-up Period and Unlocking Arrangements

The Restricted Shares granted to the Participants shall be subject to different Lock-up Period, all of which shall commence from the date of completion of registration of the Restricted Shares granted to the Participants. The interval between the Grant Date and the first unlocking date shall not be less than 12 months.

During the Lock-up Period, the Restricted Shares granted to the Participants under the Incentive Scheme shall not be transferred, used as guarantee, or applied towards the repayment of debts. Upon registration by the securities registration and clearing company, the Restricted Shares granted to the Participants shall carry the rights attached to such Shares, including but not limited to the dividend rights, allotment rights and voting rights of such Shares (including rights arising from the liquidation of the Company). During the Lock-up Period, any Shares acquired by the Participants by virtue of the granted Restricted Shares as a result of the capitalization issue, bonus issue, rights issue and additional Share issuance shall be subject to lock-up simultaneously, and shall not be sold in the secondary market or otherwise transferred. The expiry date of the Lock-up Period for such Shares shall be the same as that of the Restricted Shares.

When the Company distributes cash dividends, the Participants shall be entitled to the cash dividends derived from the granted Restricted Shares after the withholding and payment of individual income tax, and such dividends shall be distributed to the individual Participants during the distribution of interests. If the Restricted Shares fail to be unlocked, the cash dividends shall be recovered by the Company, and corresponding accounting treatments shall be conducted.

The unlocking periods for the Restricted Shares granted under the Incentive Scheme and the timing arrangements for each unlocking period are set out in the table below:

Unlocking Period	Unlocking Schedule	Unlocking Proportion
First Unlocking Period	From the first A Share trading day after the expiry of 12 months from the date of completion of registration of the grant of Restricted Shares to the last A Share trading day within 24 months from the date of completion of registration of the grant of Restricted Shares	30%

Unlocking Period	Unlocking Schedule	Unlocking Proportion
Second Unlocking Period	From the first A Share trading day after the expiry of 24 months from the date of completion of registration of the grant of Restricted Shares to the last A Share trading day within 36 months from the date of completion of registration of the grant of Restricted Shares	30%
Third Unlocking Period	From the first A Share trading day after the expiry of 36 months from the date of completion of registration of the grant of Restricted Shares to the last A Share trading day within 48 months from the date of completion of registration of the grant of Restricted Shares	40%

Restricted Shares for which the unlocking conditions are not fulfilled during the aforementioned agreed periods shall not be unlocked or deferred to the subsequent period for unlocking, and shall be repurchased and cancelled by the Company in accordance with the principles stipulated in the Incentive Scheme.

Upon fulfillment of the unlocking conditions for the Restricted Shares, the Company will uniformly handle the unlocking matters for the Restricted Shares that satisfy the unlocking conditions.

(4) Sale Restriction Period

The sale restriction period refers to the period during which restrictions are imposed on the sale of the Shares acquired by the Participants upon the unlocking. The sale restriction provisions applicable to the Shares of the Company granted to the Participants under the Incentive Scheme shall be implemented in accordance with the Company Law, the Securities Law and other relevant laws, administrative regulations and normative documents and the Articles of Association, the details of which are as follows:

1. For the Participants who are Directors and senior management of the Company, the Shares transferred annually during their term of office as determined upon appointment and within six months after the expiry of their term of office shall not exceed 25% of the total Shares held by them in the Company. No Shares of the Company held by them may be transferred within six months after their termination of office.

2. For the Participants who are Directors and senior management of the Company and their spouses, parents and children, 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 within 6 months after selling their Shares, the gains obtained therefrom shall be attributed to the Company and the Board shall forfeit the gains.

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

V. Grant Price of Restricted Shares and the Method for Determining the Grant Price

(1) Grant Price

The Grant Price of the Restricted Shares is RMB14.92 per Share, meaning that upon satisfaction of the granting conditions, the Participants may purchase the Restricted Shares newly issued by the Company to the Participants at the price of RMB14.92 per Share.

(2) Method for Determining the Grant Price

The Grant Price of the Restricted Shares shall not be lower than the nominal value of the Shares and shall not be lower than the higher of the following prices:

1. 50% of the average trading price of the Company's Shares on the A Share trading day preceding the announcement of the Incentive Scheme (i.e. the total trading value of the Shares on the preceding A Share trading day/the total trading volume of the Shares on the preceding A Share trading day), being RMB14.12 per Share;

2. 50% of the average trading price of the Company's Shares for the 20 A Share trading days preceding the announcement of the Incentive Scheme (i.e. the total trading value of the Shares for the preceding 20 A Share trading days/the total trading volume of the Shares for the preceding 20 A Share trading days), being RMB14.92 per Share.

Based on the above pricing principles, the Grant Price of the Restricted Shares proposed to be granted under the Incentive Scheme is RMB14.92 per Share.

VI. Granting and Unlocking Conditions for the Restricted Shares

(1) Granting Conditions

The Company shall grant the Restricted Shares to the Participants only when all of the following conditions are satisfied; or conversely, if the granting conditions are not fulfilled, no Restricted Shares shall be granted to the Participants.

1. None of the following has occurred on the part of the Company:

   (1) issue of an auditor's report with an adverse opinion or which indicates an inability to express an opinion by a certified public accountant with respect to the financial and accounting report of the Company for its most recent financial year;

   (2) issue of an auditor's report with an adverse opinion or which indicates an inability to express an opinion by a certified public accountant with respect to the internal control over financial reporting of the Company for its most recent financial year;

   (3) failure to distribute profits in accordance with laws and regulations, the Articles of Association and public undertakings during the most recent 36 months after listing;

   (4) prohibition from implementation of share incentives by laws and regulations;

   (5) other circumstances as determined by the CSRC.

2. None of the following has occurred on the part of the Participants:

   (1) being determined as an ineligible person by relevant stock exchange within the most recent 12 months;

   (2) being determined as an ineligible person by the CSRC and its delegated institutions within the most recent 12 months;

   (3) being subject to administrative penalties or market ban measures by the CSRC and its delegated institutions due to material non-compliance with laws or regulations in the most recent 12 months;

   (4) being prohibited from acting as a director or a member of the senior management of a company under the Company Law;

(5) being prohibited from participation in share incentives of listed companies by laws and regulations;

(6) other circumstances as determined by the CSRC.

(2) Unlocking Conditions

During the unlocking period, the Restricted Shares granted to the Participants may only be unlocked when all of the following conditions are satisfied:

1. None of the following has occurred on the part of the Company:

   (1) issue of an auditor's report with an adverse opinion or which indicates an inability to express an opinion by a certified public accountant with respect to the financial and accounting report of the Company for its most recent financial year;

   (2) issue of an auditor's report with an adverse opinion or which indicates an inability to express an opinion by a certified public accountant with respect to the internal control over financial reporting of the Company for its most recent financial year;

   (3) failure to distribute profits in accordance with laws and regulations, the Articles of Association and public undertakings during the most recent 36 months after listing;

   (4) prohibition from implementation of share incentives by laws and regulations;

   (5) other circumstances as determined by the CSRC.

2. None of the following has occurred on the part of the Participants:

   (1) being determined as an ineligible person by relevant stock exchange within the most recent 12 months;

   (2) being determined as an ineligible person by the CSRC and its delegated institutions within the most recent 12 months;

   (3) being subject to administrative penalties or market ban measures by the CSRC and its delegated institutions due to material non-compliance with laws or regulations in the most recent 12 months;

   (4) being prohibited from acting as a director or a member of the senior management of a company under the Company Law;

(5) being prohibited from participation in share incentives of listed companies by laws and regulations;

(6) other circumstances as determined by the CSRC.

In the event that any of the circumstances stipulated in paragraph 1 above occurs to the Company, all Restricted Shares granted to the Participants under the Incentive Scheme but not yet unlocked shall be repurchased and cancelled by the Company at the Grant Price. In the event that any of the circumstances stipulated in paragraph 2 above occurs to a Participant, the Company shall revoke his/her eligibility to participate in the Incentive Scheme, and the Restricted Shares granted to such Participant under the Incentive Scheme but not yet unlocked shall be repurchased and cancelled by the Company at the Grant Price.

3. Performance appraisal requirements at the Company level

Under the Incentive Scheme, the performance indicators of the Company will be assessed on an annual basis during the financial years of 2026 to 2028, and the achievement of the performance appraisal targets will serve as one of the conditions for unlocking the Restricted Shares for the Participants in the corresponding year. The performance appraisal targets at the Company level for the Restricted Shares granted under the Incentive Scheme are set out in the table below:

Unlocking period	**Appraisal year**	**Performance Appraisal Target (RMB100 million) Cumulative target value of net profit after deducting non-recurring gains and losses for the appraisal year (Am)**
First Unlocking Period	2026	2.0
Second Unlocking Period	2026-2027	5.2
Third Unlocking Period	2026-2028	11.0

Note: The "net profit" mentioned above refers to the audited net profit attributable to the Shareholders of the listed Company after deducting non-recurring gains and losses, which is calculated based on the figure excluding the impact of the share-based payment expenses arising from this and other employee incentive schemes.

Based on the above performance appraisal target values, the unlocking proportion at the Company level (K1) depends on the actual performance achievement rate at the Company level (R). The actual performance achievement rate at the Company level (R) = the cumulative net profit after deducting non-recurring gains and losses of the Company for the appraisal year (A)/the cumulative target value of net profit after deducting non-recurring gains and losses of the Company for the appraisal year (Am). The corresponding unlocking coefficients at the Company level are as follows:

Performance achievement rate at the Company level (R)	**R≥100%**	**100%>R≥90%**	**R<90%**
Unlocking proportion at the Company level (K1)	1	R	0

During the unlocking period, the Company shall handle the matters relating to the unlocking for the Participants who satisfy the conditions for the unlocking. If, during any unlocking period, the Company's performance level for the current period fails to meet the performance appraisal requirements for the unlocking, the Restricted Shares of all Participants scheduled for the unlocking in the corresponding appraisal year shall not be unlocked, and shall be repurchased and cancelled by the Company at the Grant Price.

4. Performance appraisal requirements at the individual level of the Participants

The performance appraisal at the individual level of the Participants shall be implemented in accordance with the relevant internal performance appraisal system of the Company. The individual appraisal results of the Participants are classified into three grades: "A", "B" and "C", and the corresponding unlocking proportions at the individual level are set out as follows:

Appraisal grade	**A**	**B**	**C**
Unlocking proportion at the individual level (K2)	100%	70%	0%

Actual number of Restricted Shares unlocked for the Participants in the current year = Number of Restricted Shares which are planned to be unlocked for the Participants in the current year × Unlocking proportion at the Company level (K1) × Unlocking proportion at the individual level (K2).

Any Restricted Shares which cannot be unlocked in the appraisal year due to the performance appraisal reasons at the individual level of the Participants shall be repurchased and cancelled by the Company at the Grant Price.

The specific appraisal indicators of the Incentive Scheme shall be implemented in accordance with the Company Appraisal Management Measures.

5. Explanation on the scientificity and reasonableness of the performance appraisal indicators

The setting of the appraisal indicators for the Incentive Scheme is in compliance with the basic requirements of laws and regulations and the Articles of Association. The appraisal indicators are divided into two levels, namely, the performance appraisal at the Company level and the performance appraisal at the individual level.

At the Company level, the audited net profit attributable to Shareholders of the Company after deducting non-recurring gains and losses, but excluding the impact of share-based payment expenses of this and other employee incentive schemes, is adopted as the performance appraisal indicator. This indicator can directly reflect the profitability of the Company. The setting of this performance indicator was formulated upon comprehensive consideration of factors such as the current status of the Company, its future strategic planning and industry development. The appraisal indicator set is challenging to a certain extent, but will facilitate continuously enhancing the profitability of the Company and mobilizing the enthusiasm of the employees, thereby ensuring the realization of the Company's future development strategy and operating goals, and bringing more efficient and lasting returns to the Shareholders.

At the individual level, the Company has established a stringent performance appraisal system for individuals, which is capable of making a relatively comprehensive and accurate overall evaluation of the work performance of the Participants. The Company will determine whether an individual Participant meets the conditions for unlocking based on the performance appraisal results of the Participant for the preceding year. The Participants can only have the Restricted Shares unlocked when both indicators are achieved.

In summary, the appraisal system of the Incentive Scheme is comprehensive, well-rounded and practicable. The appraisal indicators are set with sound scientificity and reasonableness, exert a certain restraining effect on the Participants and are capable of achieving the appraisal objectives of the Incentive Scheme.

VII. Adjustment Methods and Procedures of the Restricted Share Incentive Scheme

(1) Adjustment Method of the Number of Restricted Shares

In the event that the Company carries out any capitalization issue, bonus issue, sub-division of Shares, rights issue, Share consolidation or additional issue of new Shares during the period from the date of the announcement of the Restricted Share Incentive Scheme to the completion of registration of the Restricted Shares by the Participants, corresponding adjustments shall be made to the number of the Restricted Shares. The adjustment method is as follows:

1. Capitalization issue, bonus issue and sub-division of Shares

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

Where: Q_0 represents the number of Restricted Shares before the adjustment; n represents the per Share ratio of the capitalization issue, bonus issue or sub-division of Shares (i.e., the number of Shares increased per Share upon capitalization issue, bonus issue or sub-division); Q represents the adjusted number of Restricted Shares.

2. Rights issue

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

Where: Q_0 represents the number of Restricted Shares before the adjustment; P_1 represents the closing price as at 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 to be issued under the rights issue to the total share capital of the Company before the rights issue); Q represents the adjusted number of Restricted Shares.

3. Share consolidation

$$Q = Q_0 \times n$$

Where: Q_0 represents the number of Restricted Shares before the adjustment; n represents the ratio of consolidation of Shares (i.e., one Share of the Company shall be consolidated into n Shares); Q represents the adjusted number of Restricted Shares.

4. Additional issue of new Shares

In the event of an additional issue of new Shares by the Company, no adjustment will be made to the number of Restricted Shares.

(2) Adjustment Method of the Grant Price of the Restricted Shares

In the event that the Company carries out any capitalization issue, bonus issue, sub-division of Shares, rights issue, Share consolidation, dividend distribution or additional issue of new Shares during the period from the date of the announcement of the Incentive Scheme to the completion of registration of the Restricted Shares by the Participants, corresponding adjustments shall be made to the Grant Price of the Restricted Shares. The adjustment method is as follows:

1. Capitalization issue, bonus issue and sub-division of Shares

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

Where: P_0 represents the Grant Price before the adjustment; n represents the per Share ratio of the capitalization issue, bonus issue or sub-division of Shares; P represents the adjusted Grant Price.

2. Rights issue

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

Where: P_0 represents the Grant Price before the adjustment; P_1 represents the closing price as at 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 to be issued under the rights issue to the total share capital of the Company before the rights issue); P represents the adjusted Grant Price.

3. Share consolidation

$P = P_0 \div n$

Where: P_0 represents the Grant Price before the adjustment; n represents the ratio of consolidation of Shares; P represents the adjusted Grant Price.

4. Dividend distribution

$P = P_0 - V$

Where: P_0 represents the Grant Price before the adjustment; V represents the declared dividend per Share; P represents the adjusted Grant Price. P shall remain a positive number after the adjustment for dividend distribution.

5. Additional issue of new Shares

In the event of an additional issue of new Shares by the Company, no adjustment will be made to the Grant Price of Restricted Shares.

(3) Adjustment Procedures of the Restricted Share Incentive Scheme

The Shareholders' general meeting of the Company authorizes the Board to adjust the number of Restricted Shares to be granted and the Grant Price based on the reasons set out in the Incentive Scheme. Upon adjusting the number of Restricted Shares to be granted and the Grant Price pursuant to the above provisions, the Board shall publish an announcement and notify the Participants in a timely manner. The Company shall engage a law firm to issue a professional opinion on whether the above adjustments are in compliance with the provisions of the Management Measures, the Articles of Association and the Incentive Scheme.

VIII. Repurchase and Cancellation of Restricted Shares

(1) Principles for Repurchase and Cancellation

Upon completion of registration of the Restricted Shares granted to the Participants, if the Company carries out any capitalization issue, bonus issue, sub-division of Shares, rights issue, Share consolidation, dividend distribution or additional issue of new Shares, the Company shall repurchase the Restricted Shares granted to the Participants that have not been unlocked, as well as the Shares of the Company derived from such Restricted Shares, at the adjusted number and price. Where adjustments to the repurchase price and the number of Shares to be repurchased are required pursuant to the Incentive Scheme, corresponding adjustments shall be made by the following methods.

(2) Adjustment Method of the Repurchase Quantity

1. Capitalization issue, bonus issue and sub-division of Shares

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

Where: Q_0 represents the number of Restricted Shares before the adjustment; n represents the per Share ratio of the capitalization issue, bonus issue or sub-division of Shares (i.e., the number of Shares increased per Share upon capitalization issue, bonus issue or sub-division); Q represents the adjusted number of Restricted Shares.

2. Rights issue

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

Where: Q_0 represents the number of Restricted Shares before the adjustment; P_1 represents the closing price of the Shares of the Company as at 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 to be issued under the rights issue to the total share capital of the Company before the rights issue); Q represents the adjusted number of Restricted Shares.

3. Share consolidation

$Q=Q_0\times n$

Where: Q_0 represents the number of Restricted Shares before the adjustment; n represents the ratio of consolidation of Shares (i.e., one Share of the Company shall be consolidated into n Shares); Q represents the adjusted number of Restricted Shares.

4. Additional issue of new Shares

In the event of an additional issue of new Shares by the Company, no adjustment will be made to the number of Restricted Shares.

(3) Adjustment Method of the Repurchase Price

1. Capitalization issue, bonus issue and sub-division of Shares

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

Where: P_0 represents the Grant Price before the adjustment; n represents the per Share ratio of the capitalization issue, bonus issue or sub-division of Shares (i.e., the number of Shares increased per Share upon capitalization issue, bonus issue or sub-division); P represents the adjusted repurchase price.

2. Rights issue

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

Where: P_0 represents the Grant Price before the adjustment; P_1 represents the closing price of the Shares of the Company as at 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 to be issued under the rights issue to the total share capital of the Company before the rights issue); P represents the adjusted repurchase price.

3. Share consolidation

$P=P_0\div n$

Where: P_0 represents the Grant Price before the adjustment; n represents the ratio of consolidation of Shares (i.e., one Share of the Company shall be consolidated into n Shares); P represents the adjusted repurchase price.

4. Dividend distribution

$P=P_0-V$

Where: P_0 represents the Grant Price before the adjustment; V represents the declared dividend per Share; P represents the adjusted repurchase price. P shall remain greater than 1 after the adjustment for dividend distribution.

5. Additional issue of new Shares

In the event of an additional issue of new Shares by the Company, no adjustment will be made to the repurchase price of Restricted Shares.

(4) Adjustment Procedures for the Repurchase Quantity or Repurchase Price

The Board shall, pursuant to the authorization from the general meeting of the Shareholders of the Company, convene a Board meeting in a timely manner to formulate a repurchase adjustment plan based on the reasons specified above. Following the adjustment of the repurchase quantity or repurchase price by the Board in accordance with the aforementioned provisions, an announcement shall be made in a timely manner. Where an adjustment to the repurchase quantity or repurchase price of the Restricted Shares is otherwise required, such adjustment shall be resolved by the Board and subject to the consideration and approval by the Shareholders' general meeting.

(5) Procedures for Repurchase and Cancellation

When making a repurchase in accordance with the provisions of the Incentive Scheme, the Company shall apply to the Shenzhen Stock Exchange for the repurchase of such Restricted Shares. Upon confirmation by the Shenzhen Stock Exchange, the securities registration and clearing company shall handle the relevant registration and clearing matters. The Company shall pay the repurchase amount to the Participants and complete the transfer procedures for the corresponding Shares at the securities registration and clearing company. Within a reasonable period of time following the completion of the transfer, the Company shall cancel such Shares.

IX. Accounting Treatment of Restricted Shares

In accordance with the relevant provisions of Accounting Standard for Business Enterprises No. 11 – Share-based Payment and Accounting Standard for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments issued by the Ministry of Finance, the Company shall, on each balance sheet date during the Lock-up Period, revise the estimated number of Restricted Shares eligible for unlocking based on subsequent information such as the latest changes in the number of eligible Participants and the achievement of performance indicators, and recognize the services received during the current period in the relevant costs or expenses and capital reserve based on the fair value of the Restricted Shares on the Grant Date.

(1) Grant Date

The Company shall recognize "share capital" and "capital reserve – share premium" based on the issuance of Shares by the Company to the Participants on a targeted basis.

(2) Each Balance Sheet Date during the Lock-up Period

In accordance with the accounting standards, on each balance sheet date during the lock-up period, based on the best estimate of the number of equity instruments expected to become exercisable, the Company shall recognize the services received from employees in costs and expenses based on the fair value of the equity instruments on the Grant Date and the unlocking proportions of the Restricted Shares for each tranche, and shall simultaneously recognize "capital reserve – other capital reserve" under owners' equity, without recognizing subsequent changes in fair value.

(3) Unlocking Date

On the unlocking date, if the unlocking conditions are satisfied, the Restricted Shares may be unlocked, and the "capital reserve – other capital reserve" recognized on each balance sheet date prior to the unlocking date shall be transferred accordingly. If all or part of the Restricted Shares are not unlocked and lapse or become invalid, the Company shall repurchase and cancel such Restricted Shares and account for them in accordance with the accounting standards and relevant regulations, having regard to the specific circumstances.

(4) Fair Value of Restricted Shares and Method of Determination

In accordance with the relevant provisions of Accounting Standard for Business Enterprises No. 11 – Share-based Payment and Accounting Standard for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments, the unit cost of Restricted Shares = fair value of Restricted Shares – Grant Price, where the fair value of Restricted Shares is the closing price on the Grant Date.

(5) Estimated Impact of the Implementation of Restricted Shares on Operating Results for Each Period

The Company proposes to grant 2,990,000 Restricted Shares to the Participants. Based on a preliminary calculation of the fair value of the Restricted Shares using the closing price data on the A Share trading day immediately preceding the announcement of the draft Incentive Scheme, the estimated aggregate expense relating to the interests to be granted is RMB39.5876 million. Such aggregate expense, as the incentive cost of the Company under the Incentive Scheme, will be recognized in stages according to the unlocking proportions during the implementation of the Incentive Scheme and charged to operating profit or loss. In accordance with the accounting standards, the specific amount shall be based on the fair value of the Shares calculated on the actual Grant Date. Assuming that the grant takes place in November 2026 and all Participants granted Restricted Shares satisfy the Unlocking Conditions stipulated in the Incentive Scheme and have all the Restricted Shares unlocked during the respective Unlocking Periods, the amortisation of the cost of Restricted Shares from 2026 to 2029 will be as follows:

Unit: RMB'0,000

Amortisation cost of Restricted Shares	2026	2027	2028	2029
3,958.76	384.88	2,111.34	1,022.68	439.86

Notes:

1. The above expenses represent estimated costs. The actual costs are related to the Grant Price, Grant Date, closing price on the Grant Date, number of Restricted Shares granted and the best estimate of the number of equity instruments eligible for unlocking;

2. The Shareholders are reminded of the potential dilutive impact arising from the above share-based payment expenses;

3. The ultimate impact of the above estimated amortisation expenses on the operating results of the Company shall be subject to the audit report issued by the auditors;

4. Any discrepancies in the last digit between the total in the above table and the sum of the individual figures are due to rounding.

The cost of the Incentive Scheme will be charged to costs and expenses. Based on the information currently available, the Company preliminarily estimates that, without taking into account the positive effects of the Incentive Scheme on the performance of the Company, the amortisation of the expenses relating to the Restricted Shares will have an impact on the net profit of the Company for each year during the validity period. Taking into account the positive effects of the Incentive Scheme on the development of the Company, including motivating the management team and key operational staff, improving operating efficiency and reducing agency costs, the Incentive Scheme will have a positive effect on enhancing the performance of the Company.

CHAPTER VI PROCEDURES FOR IMPLEMENTATION, GRANT, UNLOCKING, AMENDMENTS AND TERMINATION OF THE INCENTIVE SCHEME

I. Procedures for Implementation of the Incentive Scheme

(1) The Remuneration and Appraisal Committee shall be responsible for formulating the draft of the Incentive Scheme and the Company Appraisal Management Measures.

(2) The Board shall pass a resolution on the Incentive Scheme in accordance with laws. Upon consideration of the Incentive Scheme by the Board, Directors who are Participants or have a related-party relationship with a Participant shall abstain from voting. After considering and approving the Incentive Scheme and fulfilling the publication and announcement procedures, the Board shall submit the Incentive Scheme to the general meeting of Shareholders for consideration; concurrently, it shall propose to the general meeting of Shareholders to authorize the Board to handle the grant, unlocking, repurchase and cancellation of the Restricted Shares, as well as the relevant registration matters.

(3) The Remuneration and Appraisal Committee shall express explicit opinions on whether the Incentive Scheme is beneficial to the sustainable development of the Company, and whether there is any circumstance that manifestly prejudices the interests of the Company and the Shareholders as a whole. The Company shall engage a law firm to issue a legal opinion on the Incentive Scheme.

(4) Within 2 A Share trading days after the draft of the Incentive Scheme is considered and approved by the Board, the Company shall publish an announcement on the resolutions of the Board, the draft of the Incentive Scheme and its summary, and the opinions of the Remuneration and Appraisal Committee.

(5) The Company shall conduct a self-examination on the trading of the Company's Shares by persons in possession of inside information and the Participants within the 6 months prior to the announcement of the draft of the Incentive Scheme.

(6) The Incentive Scheme may only be implemented after it has been considered and approved at the general meeting of Shareholders of the Company. Prior to convening the general meeting of Shareholders, the Company shall publish the names and positions of the Participants internally via the Company's website or other channels (the publication period shall not be less than 10 days). The Remuneration and Appraisal Committee shall review the list of equity incentive participants and fully consider the opinions received during the publication period. The Company shall disclose a statement regarding the Remuneration and Appraisal Committee's review opinion of the list of Participants and the publication status 5 days prior to the consideration of the Incentive Scheme at the general meeting of Shareholders.

(7) When the general meeting of the Company considers the Incentive Scheme, any Shareholder who is a Participant or who has a related-party relationship with a Participant shall abstain from voting.

(8) The Company shall disclose an announcement on the resolutions of the general meeting of Shareholders, the equity incentive scheme considered and approved by the general meeting of Shareholders, the self-examination report on the trading of the Company's Shares by persons in possession of inside information and the Participants, and the legal opinion on the general meeting of Shareholders.

(9) Upon consideration and approval of the Incentive Scheme at the general meeting of Shareholders, the Board shall, pursuant to the authorization from the Shareholders' general meeting, grant interests and complete announcement, registration and other relevant procedures within 60 days from the date on which the Incentive Scheme is considered and approved by the Shareholders' general meeting (where there are conditions for the grant of interests, such period shall commence from the fulfillment of such conditions). The Board shall handle specific matters including the unlocking, the repurchase and the cancellation of the Restricted Shares pursuant to the authorization of the Shareholders' general meeting.

II. Procedures for Grant of the Restricted Shares

(1) Within 60 days from the date of the consideration and approval of the Incentive Scheme by the general meeting of Shareholders of the Company, the Company shall convene a Board meeting to make a grant to the Participants.

(2) Prior to the grant of interests by the Company to the Participants, the Board shall consider and announce whether the conditions for granting interests to the Participants under the Incentive Scheme have been fulfilled. The Remuneration and Appraisal Committee shall express explicit opinions thereon. The law firm shall issue a legal opinion on whether the conditions for granting interests to the Participants have been fulfilled. The Remuneration and Appraisal Committee shall verify the list of Participants as at the Grant Date of the Restricted Shares and express its opinions.

Where there is any discrepancy between the interests granted by the Company to the Participants and the arrangements under the equity incentive scheme, the Remuneration and Appraisal Committee (in case of any changes in the Participants) and the law firm shall concurrently express explicit opinions thereon.

(3) The Company and the Participants shall enter into a Restricted Share Grant Agreement to stipulate the rights and obligations of both parties.

(4) Within the period prescribed by the Company, the Participants shall pay the funds for subscribing for the Restricted Shares into the designated account of the Company in accordance with the Company's requirements, which shall be verified and confirmed by a certified public accountant. Failure to pay the funds within the prescribed time limit shall be deemed as a waiver by the Participant to subscribe for the granted Restricted Shares.

(5) Upon consideration and approval of the Incentive Scheme at the general meeting of Shareholders, the Company shall grant the interests and complete the announcement and registration procedures within 60 days (where there are conditions for the grant of interests, such period shall commence from the fulfillment of such conditions). In the event that the Company fails to complete the aforesaid matters within 60 days, it shall promptly disclose the reasons for such failure and announce the termination of the implementation of the Incentive Scheme, and shall not consider any further equity incentive scheme within 3 months from the date of the announcement (the period during which the Company is prohibited from granting interests pursuant to the Management Measures shall not be counted towards the 60-day period).

III. Procedures for Unlocking of the Restricted Shares

(1) Prior to the unlocking, the Company shall confirm whether the Participants satisfy the conditions for unlocking. The Board shall deliberate on whether the conditions for unlocking set out in the Incentive Scheme have been fulfilled, and the Remuneration and Appraisal Committee shall express a clear opinion thereon. A law firm shall issue a legal opinion on whether the conditions for unlocking the Restricted Shares granted to the Participants have been fulfilled.

(2) For the Participants who have satisfied the conditions for unlocking, the Company shall collectively submit an application to the Shenzhen Stock Exchange for the unlocking. Upon confirmation by the Shenzhen Stock Exchange, the Company shall apply to the securities registration and clearing company to handle the registration and clearing matters. For the Participants who fail to satisfy the conditions for unlocking, the Company shall repurchase and cancel the Restricted Shares held by them corresponding to that respective unlocking. The Company shall disclose an announcement regarding the relevant implementation status in a timely manner.

(3) The Participants may transfer the Restricted Shares that have been unlocked, provided that the transfer of Shares held by the Directors and senior management of the Company shall comply with the provisions of relevant laws, administrative regulations, and normative documents.

IV. Procedures for Amendments to the Incentive Scheme

(1) If the Company intends to amend the Incentive Scheme before it is considered by the Shareholders' general meeting, such amendment shall be subject to consideration and approval by the Board.

(2) If the Company intends to amend the Incentive Scheme after it has been considered and approved by the Shareholders' general meeting, such amendment shall be considered and decided by the Shareholders' general meeting and shall not result in the following:

1. an early unlocking;

2. a reduction of the Grant Price (except where the Grant Price is reduced due to capitalization issue, bonus issue, sub-division of Shares, rights issue, Share consolidation, dividend distribution, etc.).

(3) The Remuneration and Appraisal Committee shall express its opinions on whether the amended scheme is beneficial to the sustainable development of the Company, and whether there is any circumstance that manifestly prejudices the interests of the Company and the Shareholders as a whole. The law firm shall issue professional opinions on whether the amended scheme complies with the provisions of the Management Measures and relevant laws and regulations, and whether there is any circumstance that manifestly prejudices the interests of the Company and the Shareholders as a whole.

V. Procedures for Termination of the Incentive Scheme

(1) Where the Company proposes to terminate the Incentive Scheme before it is considered at the general meeting of Shareholders, such termination shall be considered and approved by the Board and disclosed. Where the Company terminates the implementation of the Incentive Scheme after it has been considered and approved by the general meeting of Shareholders, such termination shall be submitted to the Board and the general meeting of Shareholders for consideration and disclosed.

(2) The Company shall disclose the announcement on the resolutions of the general meeting of Shareholders or the announcement on the resolutions of the Board in a timely manner. The law firm shall issue professional opinions on whether the termination of the implementation of the Incentive Scheme by the Company complies with the provisions of the Management Measures and relevant laws and regulations, and whether there is any circumstance that manifestly prejudices the interests of the Company and the Shareholders as a whole.

(3) In the event of the termination of the implementation of the Incentive Scheme, the Company shall, after performing corresponding consideration procedures, apply to the securities registration and clearing company in a timely manner to handle the repurchase and cancellation procedures for the granted Restricted Shares.

CHAPTER VII RIGHTS AND OBLIGATIONS OF THE COMPANY AND THE PARTICIPANTS

I. Rights and Obligations of the Company

(1) The Company shall have the right to interpret and execute the Incentive Scheme, conduct performance appraisals on the Participants, and supervise and verify whether the Participants are qualified for the unlocking. Where a Participant fails to satisfy the conditions for unlocking stipulated under the Incentive Scheme, subject to approval by the Board of the Company, the Restricted Shares granted to the Participant but not yet unlocked shall not be unlocked, and shall be repurchased and cancelled by the Company.

(2) The Company shall have the right to require the Participants to work for the Company according to the requirements of their respective positions. Where a Participant is incompetent for his/her position or fails the performance appraisal, or violates laws, breaches professional ethics, leaks confidential information of the Company or violates rules and regulations of the Company (such as receiving a disciplinary penalty of a recorded demerit or above), or engages in acts such as dereliction of duty or malfeasance that seriously prejudice the interests or reputation of the Company, subject to approval by the Board of the Company, the Restricted Shares that have been granted to him/her but not yet unlocked shall not be unlocked, and shall be repurchased and cancelled by the Company.

(3) The Company undertakes that it will not provide loans or any other form of financial assistance, including guarantees for loans, to the Participants for the purpose of acquiring the Restricted Shares under the Incentive Scheme.

(4) The Company shall, in accordance with relevant provisions of the national tax laws, withhold and pay the individual income tax and other taxes and fees payable by the Participants for their participation in the Incentive Scheme.

(5) The Company shall, in accordance with the provisions of relevant laws, regulations and normative documents, disclose the information disclosure documents relating to the Incentive Scheme in a timely, truthful, accurate and complete manner, guarantee that there are no false records, misleading statements or material omissions, and perform the relevant reporting obligations under the Incentive Scheme in a timely manner.

(6) The Company shall handle the matters concerning the unlocking of Shares for the Participants who have satisfied the conditions for unlocking, in accordance with the provisions of the Incentive Scheme and the relevant regulations of the CSRC, the Shenzhen Stock Exchange and the securities registration and clearing company. However, if a Participant fails to complete the matters concerning the unlocking of the Restricted Shares due to reasons attributable to the CSRC, the Shenzhen Stock Exchange or the securities registration and clearing company, which results in losses to the Participant, the Company shall not be held liable.

(7) Other relevant rights and obligations as prescribed by laws, regulations, normative documents and the Incentive Scheme.

II. Rights and Obligations of the Participants

(1) The Participants shall perform their duties diligently, observe professional ethics and make due contributions to the development of the Company in accordance with the requirements of the positions for which they are employed by the Company.

(2) The Participants shall be entitled and required to have the Restricted Shares unlocked in accordance with the provisions of the Incentive Scheme.

(3) The funds required by the Participants shall be raised by the Participants themselves.

(4) The Restricted Shares granted to the Participants shall not be transferred, used as guarantee or applied towards the repayment of debts before unlocking.

(5) Upon completion of the registration and transfer of the Restricted Shares granted to the Participants pursuant to the Incentive Scheme by the securities registration and clearing company, the Participants shall enjoy the rights attached to such Shares, including but not limited to dividend rights and rights to subscribe for additional Shares. However, during the Lock-up Period, any bonus Shares, Shares arising from the capitalization issue, Shares acquired pursuant to rights issues and Shares placed to existing Shareholders in an additional Share issuance obtained by the Participants by virtue of the granted Restricted Shares shall be subject to lock-up simultaneously, and shall not be sold in the secondary market or otherwise transferred. The expiry date of the Lock-up Period for such Shares shall be the same as that of the Restricted Shares.

(6) When the Company distributes cash dividends, the Participants shall be entitled to the cash dividends derived from the granted Restricted Shares after the withholding and payment of individual income tax, and such dividends shall be distributed to the individual Participants during the distribution of interests. If the Restricted Shares fail to be unlocked, the cash dividends shall be recovered by the Company, and corresponding accounting treatments shall be conducted.

(7) The Participants shall pay individual income tax and other taxes and fees in accordance with national tax laws and regulations in respect of the gains obtained under the Incentive Scheme.

(8) The Participants undertake that, where any false records, misleading statements or material omissions in the information disclosure documents of the Company result in non-compliance with the arrangements for the grant or exercise of interests, the Participants shall, in accordance with their undertakings, return to the Company all benefits obtained under the equity incentive scheme after the relevant information disclosure documents have been confirmed to contain such false records, misleading statements or material omissions.

(9) Where any circumstances stipulated in the Management Measures that disqualify a person from becoming a Participant occur to a Participant during the implementation of the Incentive Scheme, the Restricted Shares of such Participant that have already been unlocked shall remain unaffected, while the Restricted Shares granted but not yet unlocked shall not be unlocked and shall be repurchased and cancelled by the Company.

(10) Other relevant rights and obligations stipulated under laws, administrative regulations, normative documents and the Incentive Scheme.

III. Other Explanations

Upon consideration and approval of the Incentive Scheme at the general meeting of Shareholders of the Company, the Company shall enter into a Restricted Share Grant Agreement with each Participant to expressly specify the respective rights and obligations of the parties under the Incentive Scheme and other relevant matters. Any dispute arising between the Company and the Participants shall be settled in accordance with the provisions of the Incentive Scheme and the Restricted Share Grant Agreement. Where the provisions are unclear, both parties shall negotiate to settle the dispute in accordance with national laws and the principles of fairness and reasonableness; if the negotiation fails, such dispute shall be submitted to the people's court with competent jurisdiction at the domicile of the Company for resolution by litigation. The determination of the Participants under the Incentive Scheme by the Company shall not constitute any commitment regarding the duration of their employment. The employment or engagement relationship between the Company and the Participants shall continue to be governed by the labor contracts or employment contracts entered into between them.

CHAPTER VIII HANDLING OF THE INCENTIVE SCHEME IN THE EVENT OF UNUSUAL CHANGES TO THE COMPANY/THE PARTICIPANTS

I. Handling Changes in Circumstances of the Company

(1) Where any of the following circumstances occurs on the part of the Company, the implementation of the Incentive Scheme shall be terminated, and the Restricted Shares granted to the Participants under the Incentive Scheme but not yet unlocked shall be repurchased and cancelled by the Company at the Grant Price.

1. issue of an auditor's report with an adverse opinion or which indicates an inability to express an opinion by a certified public accountant with respect to the financial and accounting report of the Company for its most recent financial year;

2. issue of an auditor's report with an adverse opinion or which indicates an inability to express an opinion by a certified public accountant with respect to the internal control over financial reporting of the Company for its most recent financial year;

3. failure to distribute profits in accordance with laws and regulations, the Articles of Association and public undertakings during the most recent 36 months after listing;

4. prohibition from implementation of share incentives by laws and regulations;

5. other circumstances requiring the termination of the Incentive Scheme as determined by the CSRC.

(2) Where any of the following circumstances occurs on the part of the Company, the Incentive Scheme shall be implemented normally:

1. a change of control of the Company;

2. a merger or division of the Company.

(3) Where any false records, misleading statements or material omissions in the information disclosure documents of the Company result in failure to meet the conditions for the grant of Restricted Shares or the unlocking arrangements, the Restricted Shares granted to the Participants but not yet unlocked shall be repurchased and cancelled by the Company at the Grant Price.

Where the Restricted Shares granted to the Participants have already been unlocked, all Participants shall return their interests gained. Participants who are not responsible for the abovementioned matters and suffer losses arising from the return of such interests may seek recovery of such losses from the Company or responsible parties in accordance with relevant arrangements of the Incentive Scheme. The Board shall recover the gains obtained by the Participants in accordance with the provisions of the preceding paragraph and relevant arrangements of the Incentive Scheme.

II. Handling Changes in Personal Circumstances of the Participants

(1) Where a Participant loses the eligibility to participate in the Incentive Scheme due to the occurrence of any of the following circumstances, the Board may determine that, with effect from the date of occurrence of such circumstance, the Restricted Shares granted to the Participant but not yet unlocked shall be repurchased and cancelled by the Company at the Grant Price:

1. being determined as an ineligible person by relevant stock exchange within the most recent 12 months;

2. being determined as an ineligible person by the CSRC and its delegated institutions within the most recent 12 months;

3. being subject to administrative penalties or market ban measures by the CSRC and its delegated institutions due to material non-compliance with laws or regulations in the most recent 12 months;

4. being prohibited from acting as a director or a member of the senior management of a company under the Company Law;

5. being prohibited from participation in share incentives of listed companies by laws and regulations;

6. other circumstances as determined by the CSRC.

(2) Change in position of the Participants

1. In the event of a change in the position of a Participant who remains employed by the Company or any of its subsidiaries, the interests granted to such Participant shall continue to be dealt with in accordance with the procedures stipulated in the Incentive Scheme.

   In the event of a demotion or removal from office, the Restricted Shares that have been unlocked shall remain unaffected. The Board shall have the right to determine that the Restricted Shares which have been granted but not yet unlocked be adjusted based on the corresponding entitlement after such demotion or removal from office. The difference between the original number of Restricted Shares granted and the adjusted number shall not be unlocked and shall be repurchased and cancelled by the Company at the Grant Price.

2. Where a Participant assumes the position of an independent Director of the Company or any other position precluding the holding of the Company's Restricted Shares due to organizational redeployment, his/her Restricted Shares that have been unlocked shall remain unaffected, and the Restricted Shares that have been granted to him/her but not yet unlocked shall not be unlocked, and shall be repurchased and cancelled by the Company at the Grant Price.

3. Where a change in the position of a Participant is caused by his/her violation of laws, breach of professional ethics, leakage of the Company's confidential information, violation of the Company's rules and regulations (such as receiving a disciplinary penalty of a recorded demerit or above), or acts such as dereliction of duty or malfeasance that prejudice the interests or reputation of the Company, or where the Company terminates the employment or engagement relationship with the Participant for the aforementioned reasons, his/her Restricted Shares that have been unlocked shall remain unaffected, and the Restricted Shares that have been granted to him/her but not yet unlocked shall not be unlocked, and shall be repurchased and cancelled by the Company at the Grant Price. In severe circumstances, the Company may also seek recovery of the losses suffered by the Company as a result thereof in accordance with the provisions of relevant laws and regulations.

(3) Departure of the Participants

Where the employment contract of a Participant expires and is not renewed, or where a Participant voluntarily resigns, or involuntarily departs due to reasons such as redundancy by the Company and the Participant has not committed any acts involving unsatisfactory performance, fault, violations of laws or disciplinary breaches, his/her Restricted Shares that have been unlocked shall remain unaffected, and the Restricted Shares that have been granted to him/her but not yet unlocked shall not be unlocked, and shall be repurchased and cancelled by the Company at the Grant Price.

(4) Retirement of the Participants

Where a Participant is re-employed upon retirement, the interests granted to the Participant shall be processed entirely in accordance with the procedures stipulated in the Incentive Scheme prior to the retirement. If the Company proposes continued employment but the Participant refuses, or if the Participant ceases employment due to retirement, his/her Restricted Shares that have been unlocked shall remain unaffected, and the Restricted Shares that have been granted to him/her but not yet unlocked shall not be unlocked, and shall be repurchased and cancelled by the Company at the Grant Price.

(5) Incapacity of the Participants

1. Where a Participant ceases employment due to his/her incapacity caused by a work-related injury, the interests granted to him/her shall be processed entirely in accordance with the procedures stipulated in the Incentive Scheme prior to the occurrence of such event, and his/her individual performance appraisal results shall no longer be included as a condition for unlocking.

2. Where a Participant ceases employment due to his/her loss of working capacity resulting from a non-work-related injury, his/her Restricted Shares that have been unlocked shall remain unaffected, and the Restricted Shares that have been granted to him/her but not yet unlocked shall not be unlocked, and shall be repurchased and cancelled by the Company at the Grant Price.

(6) Death of the Participants

1. If a Participant dies during the performance of his/her duties, the interests granted to him/her shall be enjoyed by his/her designated property heir(s) or statutory heir(s), and shall be processed in accordance with the procedures stipulated in the Incentive Scheme prior to his/her death, and his/her individual performance appraisal results shall no longer be included as a condition for the unlocking.

2. If a Participant dies for any other reasons, his/her Restricted Shares that have been unlocked shall remain unaffected, and the Restricted Shares that have been granted to him/her but not yet unlocked shall not be unlocked, and shall be repurchased and cancelled by the Company at the Grant Price, and the repurchase funds shall be received by his/her designated property heir(s) or statutory heir(s).

(7) Change in control of the subsidiary where a participant is employed

Where a Participant is employed by a holding subsidiary of the Company, if the Company loses control over such subsidiary and the Participant continues to serve in such subsidiary, his/her Restricted Shares that have been unlocked shall remain unaffected, and the Restricted Shares that have been granted to him/her but not yet unlocked shall not be unlocked, and shall be repurchased and cancelled by the Company at the Grant Price.

(8) Other circumstances not specified herein shall be determined by the Remuneration and Appraisal Committee, which shall also determine the corresponding handling methods.

CHAPTER IX SUPPLEMENTARY PROVISIONS

1. The Incentive Scheme shall become effective upon consideration and approval at the general meeting of Shareholders of the Company.

2. The Incentive Scheme shall be formulated and amended by the Remuneration and Appraisal Committee and interpreted by the Board of the Company.

3. In the event of any change in the administrative bodies referred to in the Incentive Scheme in the future, the administrative bodies assuming the corresponding functions of such administrative bodies shall continue to perform the relevant obligations, without the need to amend the wording of the Incentive Scheme.

4. In the event of any inconsistency between the Incentive Scheme and the latest laws and regulations promulgated by regulatory authorities, the latest laws and regulations shall prevail.

Board of Directors of ESTUN AUTOMATION CO., LTD

September 30, 2026

THE ADMINISTRATIVE MEASURES FOR THE IMPLEMENTATION AND APPRAISAL OF THE 2026 A SHARE RESTRICTED SHARE INCENTIVE SCHEME

In order to further improve the corporate governance structure of ESTUN AUTOMATION CO., LTD (the "**Company**" or "**Estun**"), establish and enhance its long-term incentive and constraint mechanism, attract and retain outstanding talents, fully mobilize their initiative and creativity, effectively enhance the cohesion of the core team and the core competitiveness of the Company, effectively align the interests of the Shareholders, the Company and the core team so that all parties focus on the long-term development of the Company, and ensure the realization of the development strategies and business objectives of the Company, the Company has formulated the 2026 A Share Restricted Share Incentive Scheme (Draft) of Estun in accordance with the principle of equivalence between incentives and constraints and on the premise of fully protecting the interests of the Shareholders.

In order to ensure the smooth advancement and orderly implementation of the 2026 A Share Restricted Share Incentive Scheme of the Company (the "**Incentive Scheme**"), these Administrative Measures are hereby formulated in accordance with the relevant provisions of the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Management Measures for Equity Incentives of Listed Companies, the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange, the Guidelines for Self-Discipline of Companies Listed on the Shenzhen Stock Exchange No. 1 – Business Handling and other relevant laws, administrative regulations and normative documents, as well as the Articles of Association, and in light of the actual situation of the Company.

Article 1 Purpose of Appraisal

These Administrative Measures are formulated for the purpose of strengthening the planning of the implementation of the Incentive Scheme, quantifying the specific objectives established under the Incentive Scheme, promoting the scientific, standardized and institutionalized management of the appraisal of the Participants, and ensuring the achievement of the performance indicators under the Incentive Scheme. They also aim to guide the Participants to improve their work performance and capabilities, objectively and fairly evaluate the performance and contributions of employees, and provide an objective and comprehensive basis for evaluating the implementation of the Incentive Scheme.

Article 2 Appraisal Principles

(1) Adhering to the principles of fairness, impartiality and openness, and conducting appraisals and evaluations of the Participants strictly in accordance with these Administrative Measures;

(2) Aligning the appraisal indicators with the medium – to long-term development strategies and annual operating objectives of the Company, and with the work performance, work capabilities and work attitudes of the Participants.

Article 3 Scope of Appraisal

These Administrative Measures shall apply to all Participants determined under the Incentive Scheme. The Participants under the Incentive Scheme include middle-level management, core technical (business) backbones and other employees deemed by the Board to be eligible for incentives who are employed by the Company (including its branches and holding subsidiaries), excluding the independent Directors of Estun, Shareholders or actual controllers individually or collectively holding 5% or more of the Shares of the Company, and their spouses, parents and children.

Article 4 Appraisal and Implementing Bodies

(1) The Remuneration and Appraisal Committee under the Board of the Company (the "Remuneration Committee") shall be responsible for leading and reviewing the appraisal of the Participants;

(2) An appraisal team comprising the Human Resources Department, Finance Department and other relevant departments of the Company shall be responsible for carrying out the specific appraisal work, collecting and providing the relevant appraisal data, ensuring the authenticity and reliability of such data, and reporting to the Remuneration Committee;

(3) The Board of the Company shall be responsible for reviewing the appraisal results.

Article 5 Performance Appraisal Indicators and Standards

Whether the Restricted Shares granted to the Participants may be unlocked shall be determined based on the combined results of the appraisals at both the Company level and the individual level of the Participants.

(1) Performance Appraisal Requirements at the Company Level

Under the Incentive Scheme, the performance indicators of the Company will be assessed on an annual basis during the financial years of 2026 to 2028, and the achievement of the performance appraisal targets will serve as one of the conditions for unlocking the Restricted Shares for the Participants in the corresponding year. The performance appraisal targets at the Company level for the Restricted Shares granted under the Incentive Scheme are set out in the table below:

Unlocking period	**Appraisal year**	**Performance Appraisal Target (RMB100 million) Cumulative target value of net profit after deducting non-recurring gains and losses for the appraisal year (Am)**
First Unlocking Period	2026	2.0
Second Unlocking Period	2026-2027	5.2
Third Unlocking Period	2026-2028	11.0

Note: The "net profit" mentioned above refers to the audited net profit attributable to the Shareholders of the listed Company after deducting non-recurring gains and losses, which is calculated based on the figure excluding the impact of the share-based payment expenses arising from this and other employee incentive schemes.

Based on the above performance appraisal target values, the unlocking proportion at the Company level (K1) depends on the actual performance achievement rate at the Company level (R). The actual performance achievement rate at the Company level (R) = the cumulative net profit after deducting non-recurring gains and losses of the Company for the appraisal year (A)/the cumulative target value of net profit after deducting non-recurring gains and losses of the Company for the appraisal year (Am). The corresponding unlocking coefficients at the Company level are as follows:

Performance achievement rate at the Company level (R)	**R≥100%**	**100%>R≥90%**	**R<90%**
Unlocking proportion at the Company level (K1)	1	R	0

During the unlocking period, the Company shall handle the matters relating to the unlocking for the Participants who satisfy the conditions for the unlocking. If, during any unlocking period, the Company's performance level for the current period fails to meet the performance appraisal requirements for the unlocking, the Restricted Shares of all Participants scheduled for the unlocking in the corresponding appraisal year shall not be unlocked, and shall be repurchased and cancelled by the Company at the Grant Price.

(2) Performance Appraisal Requirements at the Individual Level of the Participants

The performance appraisal at the individual level of the Participants shall be implemented in accordance with the relevant internal performance appraisal system of the Company. The individual appraisal results of the Participants are classified into three grades: "A", "B" and "C", and the corresponding unlocking proportions at the individual level are set out as follows:

Appraisal grade	**A**	**B**	**C**
Unlocking proportion at the individual level (K2)	100%	70%	0%

Actual number of Restricted Shares unlocked for the Participants in the current year = Number of Restricted Shares which are planned to be unlocked for the Participants in the current year × Unlocking proportion at the Company level (K1) × Unlocking proportion at the individual level (K2).

Any Restricted Shares which cannot be unlocked in the appraisal year due to the performance appraisal reasons at the individual level of the Participants shall be repurchased and cancelled by the Company at the Grant Price.

Article 6 Appraisal Period and Frequency

The appraisal years for the Restricted Shares under the Incentive Scheme are the three financial years from 2026 to 2028. The performance appraisal at the Company level and the performance appraisal at the individual level shall each be conducted once a year.

Article 7 Appraisal Procedures

Under the guidance of the Remuneration Committee, the Human Resources Department, Finance Department and other relevant departments of the Company shall be responsible for carrying out the specific appraisal work, retaining the appraisal results and preparing performance appraisal reports based on such results for submission to the Remuneration Committee. The Board of the Company shall be responsible for reviewing the appraisal results.

Article 8 Management of Appraisal Results

(1) Feedback and Application of Appraisal Results

1. The persons subject to appraisal shall have the right to be informed of their appraisal results. The immediate supervisor of an employee or the Human Resources Department of the Company shall notify the person subject to appraisal of his/her appraisal results within five working days after completion of the appraisal.

2. If a person subject to appraisal disagrees with his/her appraisal results, he/she may communicate with the Human Resources Department to resolve the disagreement within five working days after receipt of the appraisal results. If the disagreement cannot be resolved through communication, the person subject to appraisal may lodge an appeal with the Remuneration Committee. The Remuneration Committee shall conduct a review and determine the final appraisal results within 10 working days.

3. The appraisal results shall serve as the basis for the unlocking of the Restricted Shares.

(2) Filing of Appraisal Records

1. Upon completion of the appraisal, the Human Resources Department, Finance Department and other relevant departments shall retain all records and files relating to the performance appraisal. The appraisal results shall be filed and retained as confidential information.

2. To ensure the validity of the performance records, no alterations shall be made to such records. Where any amendment or re-recording is required, the relevant person shall sign to confirm the same.

3. Performance appraisal records shall be retained for five years. Documents and records exceeding the retention period shall be uniformly destroyed by the Remuneration Committee.

Article 9 Supplementary Provisions

(1) These Administrative Measures shall be formulated and amended by the Remuneration Committee and interpreted by the Board of the Company.

(2) Where any provisions of these Administrative Measures conflict with the relevant national laws, administrative regulations, normative documents or the Incentive Scheme, the provisions of the relevant national laws, administrative regulations, normative documents or the Incentive Scheme shall prevail. Matters not expressly stipulated in these Administrative Measures shall be handled in accordance with the relevant national laws, administrative regulations, normative documents and the Incentive Scheme. Where these Administrative Measures conflict with laws, administrative regulations or departmental rules promulgated and implemented subsequently, the provisions of such subsequently promulgated and implemented laws, administrative regulations or departmental rules shall prevail.

(3) These Administrative Measures shall be implemented upon their approval at the general meeting of Shareholders and after the Incentive Scheme has become effective.

Board of Directors of ESTUN AUTOMATION CO., LTD

September 30, 2026

ESTUN AUTOMATION CO., LTD
南京埃斯頓自動化股份有限公司

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

(Stock Code: 2715)

NOTICE OF THE EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the third extraordinary general meeting of 2026 (the "**EGM**") of ESTUN AUTOMATION CO., LTD (the "**Company**") will be held at Meeting Room, No. 1888, Jiyin Avenue, Jiangning, Nanjing, Jiangsu Province, PRC on Thursday, November 26, 2026 at 2:00 p.m. for the following purposes. Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the circular of the Company dated November 5, 2026.

Special Resolutions

1. To consider and approve the proposed adoption of the 2026 A Share Restricted Share Incentive Scheme and the proposed issue of Restricted Shares under the 2026 A Share Restricted Share Incentive Scheme;

2. To consider and approve the proposed adoption of the Administrative Measures for the Implementation and Appraisal of the 2026 A Share Restricted Share Incentive Scheme; and

3. To consider and approve the proposed authorization to the Board to handle matters relating to the 2026 A Share Restricted Share Incentive Scheme.

In the event that any one of the special resolutions numbered 1, 2 or 3 is not passed, the proposed 2026 A Share Restricted Share Incentive Scheme shall not become effective in its entirety.

By Order of the Board
ESTUN AUTOMATION CO., LTD
Mr. WU Bo
Chairman of the Board and executive Director

Nanjing, the PRC, November 5, 2026

Registered Office in Mainland China and Headquarters:
No. 1888 Jiyin Avenue
Jiangning, Nanjing
Jiangsu Province
PRC

Principal Place of Business in Hong Kong:
4/F, Jardine House
1 Connaught Place
Central
Hong Kong

Notes:

(1) For details of the resolutions to be considered at the EGM, please refer to the circular of the Company dated November 5, 2026.

(2) A Shareholder of the Company entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. The proxy does not need to be a Shareholder of the Company. For the avoidance of doubt, holders of treasury Shares of the Company (if any) are not entitled to vote at the EGM.

(3) Where there are joint registered holders of any Shares, any one of such persons may vote at the above meeting (or at any adjournment of it), either personally or by proxy, in respect of such Shares as if he/she were solely entitled thereto but the vote of the senior holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.

(4) In order to be valid, the completed form of proxy must be deposited at the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority (such certification to be made by either a notary public or a solicitor qualified to practice in Hong Kong), at least 24 hours before the time appointed for holding the above meeting (i.e. not later than 2:00 p.m. on Wednesday, November 25, 2026) or any adjournment thereof (as the case may be). The completion and return of the form of proxy shall not preclude shareholders of the Company from attending and voting in person at the above meeting (or any adjourned meeting thereof) if they so wish.

(5) The register of members of the Company will be closed from Monday, November 23, 2026 to Thursday, November 26, 2026, both days inclusive, in order to determine the eligibility of Shareholders to attend the above meeting, during which period no share transfers will be registered. The record date for determining the eligibility of holders of H Shares to attend and vote at the EGM will be Thursday, November 26, 2026. To be eligible to attend the above meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not later than 4:30 p.m. on Friday, November 20, 2026.

(6) Pursuant to Rule 13.39(4) of the Listing Rules, voting for the resolutions set out in this notice will be taken by poll at the above meeting.

As of the date of this notice, the Board comprises: (i) Mr. Wu Bo, Mr. Wu Kan, Mr. Zhu Chunhua, Mr. Zhou Ailin and Mr. Zhu Zhangxing as executive Directors; (ii) Ms. Chen Yinlan as non-executive Director; and (iii) Dr. Han Xiaofang, Mr. Lin Jinjun and Mr. Xu Guojin as independent non-executive Directors.