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Suzhou Dongshan Precision Manufacturing Co., Ltd.
蘇州東山精密製造股份有限公司
(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2384)

PROPOSED CANCELLATION OF REPURCHASED SHARES AND REDUCTION OF THE REGISTERED CAPITAL OF THE COMPANY

Suzhou Dongshan Precision Manufacturing Co., Ltd. (the "**Company**") convened the seventh meeting of the seventh board (the "**Board**") of directors (the "**Directors**") on 6 November 2026, considered and approved the Proposal on the Cancellation of Part of the Repurchased A Shares and the Reduction of Registered Capital. The proposal is subject to consideration at the extraordinary general meeting of the Company (the "**EGM**"). The details are announced as follows:

PROPOSED CANCELLATION OF REPURCHASED SHARES AND REDUCTION OF THE REGISTERED CAPITAL OF THE COMPANY

Details of the Repurchased Shares

On 28 December 2023, the Company convened the sixth meeting of the sixth Board, considered and approved the Proposal on the Scheme for the Repurchase of the Company's Shares. The Company agreed to repurchase its issued Renminbi-denominated ordinary A Shares (the "**Repurchased Shares**") through the centralised price bidding system of the Shenzhen Stock Exchange (the "**Repurchase Plan**"). The Repurchased Shares are intended for the subsequent implementation of an employee share ownership scheme or equity incentive scheme, with a repurchase price not exceeding RMB27.40 per share and the total repurchase amount not less than RMB20 million (inclusive) and not exceeding RMB30 million (inclusive). The funds for the repurchase shall be sourced entirely from the Company's own funds and the implementation period shall be within 12 months from the date on which the Board approved the Repurchase Plan. As of 15 January 2024, the Company's share buyback had been fully implemented. Through a dedicated securities account for the buyback, the Company repurchased a total of 1,588,800 shares by means of centralised price bidding, representing 0.093% of the Company's then total issued share capital at the time of the buyback. The highest transaction price was RMB15.89 per share and the lowest price was RMB15.59 per share, with a total transaction value of RMB24.997 million (excluding transaction fees).

Reasons for the Cancellation of Part of the Repurchased Shares

In accordance with the provisions of the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Rules on Share Repurchases by Listed Companies and the Shenzhen Stock Exchange Self-Regulatory Guidance No. 9 for Listed Companies — Share Repurchases, amongst other laws and regulations, the repurchased shares shall be cancelled in whole or in part if they are not utilized to implement the Company's equity incentive scheme or employee share ownership scheme within three years of the completion of the share repurchase (the "**Three-year Retention Period**").

Given that the Three-year Retention Period for the Repurchased Shares under the Repurchase Plan is about to expire, the Company proposes to cancel 1,588,800 A Shares under the Repurchase Plan and to reduce the Company's registered capital accordingly.

Changes in the Company's Share Capital Following the Cancellation of Part of the Shares

Upon completion of the cancellation of the part of the Repurchased Shares, the Company's total issued share capital will be reduced from 1,945,390,732 shares to 1,943,801,932 shares (assuming the H Shares over allotment option has not been exercised).

The table below sets out the changes in the shareholding structure of the Company before and after the proposed cancellation of Repurchased Shares:

	Before Cancellation		Number of Shares	After cancellation	
	Quantity	Percentage	Cancelled	Quantity	Percentage
Class of Shares	*(shares)*	*(%)*	*(shares)*	*(shares)*	*(%)*
A Shares	1,831,607,532	94.15	1,588,800	1,830,018,732	94.15
Shares subject to lock-up conditions	445,285,809	22.89	0	445,285,809	22.91
Shares with no lock-up restrictions	1,386,321,723	71.26	1,588,800	1,384,732,923	71.24
Of which: Securities accounts designated for share buy-backs	6,046,200	0.31	1,588,800	4,457,400	0.23
H shares (assuming the H share over allotment option is not exercised)	113,783,200	5.85	0	113,783,200	5.85
Total share	1,945,390,732	100.00	1,588,800	1,943,801,932	100.00

Note: Changes to the A share capital are subject to the registration date processed by the Shenzhen Branch of China Securities Depository and Clearing Corporation Limited and changes to the H share capital are subject to the date on which the exercise of the H share over allotment option concludes.

Impact of the Cancellation of Certain Repurchased Shares on the Company

The Board considers that cancellation of part of the Repurchased Shares is carried out in accordance with the provisions of relevant laws, regulations and normative documents and in light of the Company's actual circumstances. This measure is conducive to enhancing earnings per share and improving the return on investment for the Company's shareholders. It will not have a material impact on the Company's finances, operations or ability to meet its debt obligations, will not result in a change of control of the Company, nor will it alter the Company's status as a listed company. There is no situation that would prejudice the interests of shareholders, particularly those of small and medium-sized shareholders.

GENERAL

A circular containing, among other things, (i) proposed cancellation of repurchased shares and reduction of the registered capital of the Company, and (ii) details of the notice of the EGM, will be published on the websites of the Stock Exchange (**www.hkexnews.hk**) and the Company (**www.dsbj.com**), and will be dispatched to shareholders who have indicated a wish to receive printed copies in due course.

By order of the Board
Suzhou Dongshan Precision Manufacturing Co., Ltd.
Mr. Yuan Yonggang
Chairman of the Board and non-executive Director

Suzhou, the People's Republic of China, 6 November 2026

As of the date of this announcement, the Board comprises: (i) Mr. Yuan Yongfeng, Mr. Shan Jianbin, Mr. Wang Xu, Ms. Mao Xiaoyan and Mr. Ma Liqiang as executive directors; (ii) Mr. Yuan Yonggang and Mr. Zhao Xiutian as non-executive directors; and (iii) Dr. Wang Leigang, Mr. Poon Wing Shing Anthony, Mr. Cai Weihua and Dr. Xu Weidong as independent non-executive directors.