Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

HAN'S CNC
大族数控

SHENZHEN HAN'S CNC TECHNOLOGY CO., LTD.
深圳市大族數控科技股份有限公司

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

(Stock Code: 3200)

PROPOSED CHANGE IN USE OF PROCEEDS FROM THE H SHARE GLOBAL OFFERING

Reference is made to (i) the prospectus of Shenzhen Han's CNC Technology Co., Ltd. (the "**Company**", together with its subsidiaries, the "**Group**") dated 29 January 2026 (the "**Prospectus**") in relation to the listing of the Company's H shares (the "**H Shares**") on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") and the global offering (the "**Global Offering**"); (ii) the Company's announcement dated 5 February 2026 in relation to the final offer price and allotment results; and (iii) the Company's announcement dated 5 March 2026 in relation to full exercise of the over-allotment option, stabilizing actions and end of stabilization period.

BASIC INFORMATION ON THE PROCEEDS FROM THE H SHARE GLOBAL OFFERING

The Company's H Shares were listed on the Main Board of the Stock Exchange on 6 February 2026. After deducting underwriting commissions and related costs and expenses, the net proceeds from the Global Offering (including the full exercise of the over-allotment option) amounted to approximately HK$5,392 million (equivalent to approximately RMB4,796.42 million). The original intended use of the proceeds from the Global Offering was disclosed in the section headed "Future Plans and Use of Proceeds" of the Prospectus.

As of 31 October 2026, the Company had utilized approximately RMB1,555.28 million of the net proceeds from the Global Offering, representing approximately 32.43% of the net proceeds from the Global Offering.

PROPOSED CHANGE IN USE OF PROCEEDS FROM THE H SHARE GLOBAL OFFERING

After prudent consideration and thorough assessment of the Group's latest operational and business needs, the board of directors of the Company (the "**Board**") proposes to adjust the original intended use of the proceeds from the H Share Global Offering, and to reallocate RMB1,438.93 million from the unused proceeds under the "Enhancing the R&D and operational capabilities" to "Improving the production capacity for specialized PCB equipment" (the "**Proposed Change**"). Details of the Proposed Change in use of proceeds from the H Share Global Offering are set out below:

Original intended use	Original allocation percentage set out in the Prospectus	Original allocation amount calculated based on the allocation percentage set out in the Prospectus *(HK$ million)*	Original allocation amount calculated based on the allocation percentage set out in the Prospectus *(RMB million)*	Unutilized amount as of 31 October 2026 *(RMB million)*	Proposed adjustment amount *(RMB million)*	Allocation amount after the Proposed Change *(RMB million)*	Allocation percentage after the Proposed Change	Unutilized amount after the Proposed Change *(RMB million)*	Expected timeline for utilization of the remaining unutilized amount after the Proposed Change
Enhancing the R&D and operational capabilities	**50%**	**2,696.00**	**2,398.21**	**2,283.84**	**-1,438.93**	**959.28**	**20.0%**	**844.91**	**By the end of 2030**
(i) Increasing investment in R&D	40%	2,156.80	1,918.57	1,809.67	-1,007.25	911.32	**19.0%**	802.42	By the end of 2030
(ii) Expanding overseas product sales and marketing capabilities	5%	269.60	239.82	238.55	-215.84	23.98	**0.5%**	22.71	By the end of 2030
(iii) Establishing after-sales service teams dedicated to technical and spare parts support	5%	269.60	239.82	235.62	-215.84	23.98	**0.5%**	19.78	By the end of 2030
Improving the production capacity for specialized PCB equipment	**40%**	**2,156.80**	**1,918.57**	**956.95**	**1,438.93**	**3,357.50**	**70.0%**	**2,395.88**	**By the end of 2027**
(i) Procurement of raw materials and consumables and additional production equipment and devices	20%	1,078.40	959.29	1.04	2,350.25	3,309.54	**69.0%**	2,351.29	By the end of 2027
(ii) Recruitment of production personnel and other support staff	15%	808.80	719.46	716.09	-671.5	47.96	**1.0%**	44.59	By the end of 2027
(iii) Comprehensive enhancement of global supply chain and operational capabilities	5%	269.60	239.82	239.82	-239.82	0.00	**0.0%**	0.00	—
Working capital and general corporate uses to support daily operations and future business development	**10%**	**539.20**	**479.64**	**0.35**	**0.00**	**479.64**	**10.0%**	**0.35**	**By the end of 2030**
Total	**100.0%**	**5,392.00**	**4,796.42**	**3,241.14**	**—**	**4,796.42**	**100.0%**	**3,241.14**	**—**

The expected timeline for utilization of the remaining unutilized amount represents the Group's best estimates based on the anticipated market conditions, which may be subject to change in response to current and future market developments. Save for the Proposed Change above, there is no other change to the original intended use of the proceeds from the H Share Global Offering.

REASONS FOR AND BENEFITS OF THE PROPOSED CHANGE

Since the Company's listing, the development of global AI computing infrastructure has accelerated, while downstream AI PCB manufacturers serving data centres have continued to increase their capital investments in high-end production capacity for high-multilayer boards, high-end HDI, mSAP-like substrates and others, with a significant acceleration in the pace of capacity expansion. The pace and scale of growth in the relevant market demand have exceeded the Company's original expectations at the time of its listing. For the nine months ended 30 September 2026, the Group's revenue increased by 100.90% year on year, while net profit attributable to shareholders of the parent company increased by 214.03% year on year, accompanied by a substantial increase in deliveries across its full range of products, including drilling equipment, formation equipment and testing equipment. Against this backdrop, although the production capacity of the Group's two major production bases in Shenzhen and Xinfeng has significantly increased compared to the end of 2025, given the bulk delivery demand arising from the current concentrated capacity expansion of downstream customers, the progress of the Group's production capacity expansion and its ability to ensure timely delivery have become key factors in capturing market growth opportunities and consolidating and enhancing its market share.

The investments under the "Enhancing the R&D and operational capabilities" are characterised by gradual implementation and phased deployment. The Group's core technological achievements in areas such as high aspect ratio through-holes, high-precision back-drilling, ultra-fast laser drilling, high-precision formation and high-precision testing have been successively implemented and validated by downstream customers. The focus of R&D has rapidly shifted from "prototype development" to "collaboration with downstream customers on process enhancement", resulting in a corresponding decrease in the demand for R&D equipment procurement and raw material expenditure. Coupled with the global shortage of key materials, such as high-frequency high-speed CCL, used in the process R&D of the AI PCB industry, the Group currently plans to correspondingly reduce the allocation of funds under the "Enhancing the R&D and operational capabilities". Details are as follows:

(i) The allocation amount under the "Increasing investment in R&D" after the Proposed Change is approximately RMB911.32 million, primarily attributable to the Group's significant reduction in the purchase expenses for R&D equipment and raw materials in respect of "strengthening technology platform for PCB equipment and diversifying the product portfolio" and "investment in product R&D to further enrich the product portfolio". The Company expects continuous growth in future R&D investment, with a rapid expansion of highly skilled professionals in its R&D team who will work on-site at downstream customers' facilities to support process optimisation and mass production. The personnel costs are expected to remain on an upward trend; R&D expenses will be incurred in phases in accordance with the annual R&D plan, and R&D funds will be allocated in accordance with different industry developments. Regarding the funding requirements arising from the continuous growth of future R&D, the Company intends to use the unutilised portion of the proceeds from the Global Offering and other self-funded resources. The Proposed Change will not have a material adverse effect on the implementation of the Company's R&D plans.

(ii) The Proposed Change in proceeds under the "Expanding overseas product sales and marketing capabilities" and "Establishing after-sales service teams dedicated to technical and spare parts support" is primarily based on the fact that global investment in high-end AI PCB production capacity is concentrated among domestic downstream customers, and the current demand for capacity expansion primarily comes from domestic downstream customers. According to data from Prismark, a globally renowned industry analysis institution, the output value of high-multilayer boards with 18 or more layers and HDI boards in Chinese Mainland is expected to account for approximately 68% of the global total output value by 2030, with their respective CAGRs from 2025 to 2030 expected to be 33.5% and 16.2%, demonstrating a relatively large market scale and strong growth potential. Capital investment in the overseas sales and marketing network, as well as the after-sales technical and spare parts support system, also need to be made in phases in line with the pace of customer expansion and the growth of the installed equipment base in overseas markets.

The above funds would be utilized over a relatively longer period under the original allocation, whereas the funds allocated to "Improving the production capacity for specialized PCB equipment" have a clear investment focus and a direct path to generating returns, which needs to be closely aligned with the pace of capacity expansion and capital expenditure by downstream PCB manufacturers to ensure that increased equipment delivery capacity can translate into revenue and profit growth for the Company.

The Company plans to concentrate the funds originally allocated to "Recruitment of production personnel and other support staff" and "Comprehensive enhancement of global supply chain and operational capabilities" under "Improving the production capacity for specialized PCB equipment" into "Procurement of raw materials and consumables and additional production equipment and devices", so as to prioritise meeting the current pressing demand for equipment deliveries. Specifically, the Group will procure core raw materials and key consumables necessary for the initial stage of production, including spindles, control systems, lasers, galvanometers, worktables, sheet metal parts and machined parts. The timely stocking of such core raw materials and key consumables is essential to maintaining consistent product performance, ensuring stable production operations and facilitating rapid capacity expansion. Once the above investments are in place, they are expected to drive a significant increase in the annual output value of specialized PCB equipment, which will be sufficient to meet the current urgent delivery demand and the cyclical growth in delivery demand.

The allocation amount under the "Recruitment of production personnel and other support staff" will be reduced to approximately RMB47.96 million after the Proposed Change, which is based on the cost structure of the Group's products. As materials account for a relatively high proportion of the production costs of the Group's specialized PCB equipment, the benefits of capacity expansion are more dependent on the timely supply of core raw materials and key consumables. The demand for production and support staff associated with the Group's current capacity expansion will still increase accordingly, and the Group intends to fund the relevant personnel-related expenditure through other self-financing resources.

The change in the allocation amount under "Comprehensive enhancement of global supply chain and operational capabilities" is primarily attributable to the fact that the Company has entered into framework agreements with suppliers of core components and key raw materials and established a long-term collaborative mechanism to secure production capacity, resulting in a significant improvement in supply assurance capability compared to the original plan. Meanwhile, the Group has completed the initial establishment of its supply chain system, resulting in a temporary reduction in the need for further investment in the relevant systems. Accordingly, additional investments in the relevant systems based on the original plan are no longer required. Regarding the potential funding requirements for future global supply chain construction, the Company intends to use other self-funded resources. The Proposed Change will enable the Group to focus its funds on key areas of production capacity expansion, translate related capital expenditure into benefits and ensure its supply capabilities.

After prudent assessment by the Group, the Proposed Change is in line with the Group's current operational reality and strategic priorities, and is conducive to: (i) channelling funds towards production capacity expansion with clear prospects of returns and short turnover cycles, accelerating the supply of materials for and bulk delivery of orders on hand, facilitating the commercialisation of the Group's existing technological achievements on a larger scale, and translating its technological advantages into revenue and profit; (ii) keeping pace with the capacity expansion of downstream PCB enterprises and consolidating and increasing the Group's market share during a window of opportunity where delivery capability itself represents a competitive advantage; and (iii) shorten the period during which the proceeds remain unutilised, enhance the efficiency of the use of proceeds, and avoid a mismatch between the timing of fund utilisation and peak capital expenditure periods in downstream industries.

IMPACT OF THE PROPOSED CHANGE ON THE COMPANY

The intended use of the proceeds from the H Share Global Offering as disclosed in the Prospectus was determined based on the Group's best estimates of the then prevailing and future market conditions as at the latest practicable date of the Prospectus. The Board assesses, from time to time, the industry development trends, market demand, project construction progress and the Group's business development plans, so as to determine the most effective use of the net proceeds.

The Board believes that the Proposed Change is fair and reasonable, will enable the Company to utilise its financial resources more effectively, efficiently meet the funding needs of its business and generate returns for its shareholders, and is in the overall interests of the Company and its shareholders. The Board confirms that the nature of the Group's business (as mentioned in the Prospectus) remains unchanged, and considers that the Proposed Change will not have any material adverse impact on the operations or financial position of the Group. The Board will continue to assess the utilization plan for the unutilized proceeds from the H Share Global Offering and will revise such plan as necessary to respond to the evolving market environment and enhance the business performance of the Group.

The Company will disclose updates in relation to the use of proceeds from the H Share Global Offering in its subsequent periodic reports and relevant announcements (if applicable) in accordance with the Listing Rules of the Stock Exchange and applicable laws and regulations.

GENERAL MATTERS

Pursuant to the Articles of Association of Shenzhen Han's CNC Technology Co., Ltd. and the requirements of relevant laws and regulations, the Proposed Change is subject to approval by the shareholders of the Company by way of an ordinary resolution at the 2026 fourth extraordinary general meeting of the Company.

A circular containing, among other things, details relating to the Proposed Change will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.hanscnc.com) in due course and dispatched to H shareholders of the Company who have indicated their wish to receive the printed version of the Company's corporate communications.

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

Shenzhen, China
6 November 2026

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