
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 Launch Tech Company Limited (the “Company”), you should at once hand this circular together with the enclosed 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 transferee.

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LAUNCH

深圳市元征科技股份有限公司

LAUNCH TECH COMPANY LIMITED*

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

(Stock Code: 2488)

(1) H SHARE AWARD AND TRUST SCHEME
(2) PROPOSED AUTHORIZATION TO THE BOARD AND/OR
THE DELEGATEE(S) TO HANDLE MATTERS PERTAINING TO
THE H SHARE AWARD AND TRUST SCHEME
AND
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING

A letter from the Board is set out on pages 3 to 7 of this circular.

The notice dated 11 December 2025 convening the EGM, i.e. the extraordinary general meeting of the Company, to be held at 10/F R&D Block, Launch Industrial Park, No. 4012 North of Wuhe Road, Bantian Street, Longgang District, Shenzhen, the PRC on Monday, 29 December 2025 at 10:00 a.m., are set out on pages 8 to 9 of this circular.

Whether or not you intend to attend such meetings, you are reminded to complete the proxy form enclosed with this circular, in accordance with the instructions printed thereon and return the same to the Company's H Share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for the holders of the H Shares only) or the Company's principal place of business at 10/F R&D Block, Launch Industrial Park, No. 4012 North of Wuhe Road, Bantian Street, Longgang District, Shenzhen, the PRC (for the holders of the Domestic Shares only) as soon as possible but in any event at least 24 hours before the respective time designated for holding such meetings or at any adjournment thereof. Completion and delivery of the said proxy form will not prevent you from attending and voting in person at the meetings or at any adjourned meetings if you so wish.

* For identification purpose only

11 December 2025

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DEFINITIONS

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

“Articles” or “Articles of Association”	the articles of association of the Company, as amended, supplemented or otherwise modified from time to time
“Board”	the board of directors of the Company
“Company”	深圳市元征科技股份有限公司 (Launch Tech Company Limited*), a joint stock limited company incorporated in the PRC with limited liability
“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	domestic share(s) of RMB1.00 in the share capital of the Company which are subscribed for in RMB
“Domestic Shareholder(s)”	Holder(s) of the Domestic Share(s)
“EGM”	the extraordinary general meeting of the Company to be convened and held on Monday, 29 December 2025 at 10:00 a.m.
“EGM Notice”	the notice convening the EGM as set out on pages 8 to 9 of this circular
“H Share(s)”	the overseas listed foreign invested share(s) of RMB1.00 each in the share capital of the Company which are listed on the Main Board of the Stock Exchange and subscribed for and traded in HK\$
“H Share Award and Trust Scheme”	the H Share award and trust scheme of the Company
“H Shareholder(s)”	holder(s) of the H Share(s)
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“PRC” or “China”	the People’s Republic of China
“RMB”	the lawful currency of the PRC
“Share(s)”	share(s) of the Company

DEFINITIONS

“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

* *For identification purpose only*

LETTER FROM THE BOARD

LAUNCH

深圳市元征科技股份有限公司

LAUNCH TECH COMPANY LIMITED*

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

(Stock Code: 2488)

Executive Directors

Mr. Liu Xin (*Chairman*)

Ms. Huang Zhao Huan

Mr. Jiang Shiwen

Mr. Liu Guozhu

Registered office

Launch Industrial Park

No. 4012 North of Wuhe Road

Bantian Street

Longgang District

Shenzhen, the PRC

Non-executive Director

Mr. Peng Jian

Principal place of business

Launch Industrial Park

No. 4012 North of Wuhe Road

Bantian Street

Longgang District

Shenzhen, the PRC

Independent non-executive Directors

Ms. Zhang Yanxiao

Mr. Bin Zhichao

Ms. He Xujin

Principal place of business in Hong Kong

Unit 1104, Crawford House

70 Queen's Road Central

Hong Kong

11 December 2025

To the Shareholders

Dear Sir or Madam,

(1) H SHARE AWARD AND TRUST SCHEME
(2) PROPOSED AUTHORIZATION TO THE BOARD AND/OR
THE DELEGATEE(S) TO HANDLE MATTERS PERTAINING TO
THE H SHARE AWARD AND TRUST SCHEME
AND
(3) NOTICE OF EXTRAORDINARY GENERAL MEETING

* For identification purpose only

LETTER FROM THE BOARD

I. INTRODUCTION

The purpose of this circular is to provide you with further information in relation to the following resolutions to be proposed at the EGM:

1. To consider and approve the H Share Award and Trust Scheme;
2. To consider and approve proposed authorization to the Board and/or the Delegatee(s) to handle matters pertaining to the H Share Award and Trust Scheme.

Resolutions 1 to 2 above shall be submitted as special resolutions to the EGM for Shareholders' consideration.

II. H SHARE AWARD AND TRUST SCHEME

To attract and motivate extensively skilled and experienced qualified employees such as core backbones, Directors, senior management and key management of the Group to continuously strive for the continuing operation and development of the Company in the future, in accordance with the relevant requirements of the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China and other applicable laws, regulations, regulatory documents and the Articles of Association, the Company has formulated the H Share Award and Trust Scheme. For details of the H Share Award and Trust Scheme, please refer to Appendix I to this circular. The H Share Award and Trust Scheme was prepared in Chinese language. In the event of any discrepancy between the English translation and the Chinese version of the H Share Award and Trust Scheme, the Chinese version shall prevail.

The H Share Award and Trust Scheme constitutes a share scheme under Chapter 17 of the Listing Rules, and is subject to the applicable disclosure requirements under Rule 17.12 of the Listing Rules. However, the H Share Award and Trust Scheme does not constitute a scheme involving the issuance of new shares as set out under Chapter 17 of the Listing Rules as the planning and adoption of the H Share Award and Trust Scheme is funded by the existing Shares only. If any award is proposed to be granted to a connected person of the Company (such as a Director), and such grant constitutes a connected transaction under Chapter 14A of the Listing Rules, the Company shall comply with the applicable provisions under Chapter 14A of the Listing Rules.

A special resolution will be proposed at the EGM to consider and approve the above H Share Award and Trust Scheme.

LETTER FROM THE BOARD

III. PROPOSED AUTHORIZATION TO THE BOARD AND/OR THE DELEGATEE(S) TO HANDLE MATTERS PERTAINING TO THE H SHARE AWARD AND TRUST SCHEME

In order to ensure the successful implementation of the H Share Award and Trust Scheme, the Board proposes to the EGM to authorize the Board and/or the Delegatee(s) and the Remuneration Committee to handle matters pertaining to implementation of the H Share Award and Trust Scheme.

I. To propose to the EGM to authorize the Board and/or the Delegatee(s) to handle matters pertaining to the H Share Award and Trust Scheme with full authority, including but not limited to:

1. to authorize the Board and/or the Delegatee(s) to enter into the Trust Deed on behalf of the Company with the scheme trustee (the “**Trustee**”), pursuant to which the Trustee will provide trust services for the H Share Award and Trust Scheme;
2. to authorize the Board to consider and approve the management agreement in respect of the H Share Award and Trust Scheme, and to authorize any member of the Board and/or the Delegatee(s) to enter into the management agreement in respect of the H Share Award and Trust Scheme with the Trustee on behalf of the Company, pursuant to which the Trustee will provide management services in respect of the H Share Award and Trust Scheme to the Company;
3. to authorize any member of the Board and/or the Delegatee(s) to set up a cash securities account on behalf of the Company so as to facilitate the provision of trading services and trading platform for the Selected Participants of the H Share Award and Trust Scheme by the Trustee;
4. to authorize any member of the Board and/or the Delegatee(s), on behalf of the Company, to execute all documents in relation to the operations of and other matters of the H Share Award and Trust Scheme, or providing instructions to the Trustee in relation to its operations, signing the relevant documents in relation to the setting up of the accounts, operations of the accounts and the setting up and operations of the cash securities account under the name of the Company, the release of Award Shares for the purpose of the vesting of the Awards, or selling Award Shares on-market at the prevailing market price and pay the proceeds arising from such sale to Selected Participants, or directing and procuring the Trustee to release the Award Shares to the Selected Participants by transferring the Award Shares to the Selected Participants as determined by them from time to time, and confirming, allowing and approving all matters precedent arising from or in relation to the Trust Deed and the management agreement in respect of the H Share Award and Trust Scheme;

LETTER FROM THE BOARD

5. to authorize the Board and/or the Delegatee(s) to handle matters pertaining to the H Share Award and Trust Scheme with full authority during the validity period of the H Share Award and Trust Scheme, including but not limited:
 - 1) to determine the numbers, terms and conditions of the grant of Awards, approve the form of the Award Letter, select eligible participants to become Selected Participants, and grant Awards to Selected Participants from time to time;
 - 2) to determine the grant date and Vesting Date of Award Shares;
 - 3) without affecting the Scheme Limit of the H Share Award and Trust Scheme, to manage, amend and adjust the H Share Award and Trust Scheme, including but not limited to making or varying such arrangements, guidelines, procedures and/or regulations for the administration, interpretation, implementation and operation of the Scheme; adjusting the number of outstanding Award Shares or accelerate the Vesting Dates of any Awards, provided that if such amendments require the approval of the general meeting and/or relevant regulatory authorities pursuant to the relevant laws, regulations or requirements of the relevant regulatory authorities, the Board and/or the Delegatee(s) shall obtain the corresponding authorization for such amendments;
 - 4) to determine the selection, engagement and change of bank(s), accountant(s), lawyer(s), consultant(s) and other professional parties;
 - 5) to sign, execute, and terminate all agreements and other relevant documents in connection with the H Share Award and Trust Scheme, fulfill all relevant procedures in relation to the H Share Award and Trust Scheme, and adopt other methods to implement the terms of the H Share Award and Trust Scheme;
 - 6) to establish, assess and administer performance targets in respect of the Scheme; to determine and adjust the standards and conditions of the vesting of the Awards as well as the vesting periods, and to determine whether Awards granted to the Selected Participants can be vested;
 - 7) to determine the execution, amendment and termination of the H Share Award and Trust Scheme, including the forfeiture of Awards and continued vesting of Award Shares upon the changes in circumstances pertaining to the Selected Participants;
 - 8) to decide on the extension of term of the H Share Award and Trust Scheme;

LETTER FROM THE BOARD

- 9) to construe and interpret the H Share Award and Trust Scheme Rules and to resolve any issues and disputes arising from or in connection with the H Share Award and Trust Scheme;
- 10) to exercise any other authorizations in relation to matters necessary for the implementation of the H Share Award and Trust Scheme granted by the general meeting from time to time; and
- 11) on behalf of the Company, to approve, execute, refine, deliver, negotiate, agree on and agree to all such agreements, contracts, documents, regulations, matters and things (as the case may be) as it deems reasonable, necessary, desirable, appropriate or expedient, in order to implement and/or implement all transactions conducted accordingly, and to make any reasonable alterations, amendments, changes, modifications and/or supplements as it deems necessary, desirable, appropriate or expedient. If there is a requirement to affix a company seal on any such agreement, contract or document, it has the right to sign the agreement, contract or document and affix the company seal in accordance with the Articles of Association in that case.

II. To propose to the EGM to approve on the consistency of the validity period of the authorization granted to the Board and/or the Delegatee(s) with the validity period of the H Share Award and Trust Scheme.

The abovementioned authorizations can be directly exercised by the Remuneration Committee and/or the Delegatee(s) on behalf of the Board other than those subject to resolutions by the Board as expressly stipulated in laws, administrative regulations, normative documents, the H Share Award and Trust Scheme or the Articles of Association.

A special resolution will be proposed at the EGM to consider and approve the above proposed authorization to the Board and/or the Delegatee(s) to handle matters pertaining to the H Share Award and Trust Scheme.

Yours faithfully,
for and on behalf of
Launch Tech Company Limited
Liu Xin
Chairman

NOTICE OF EXTRAORDINARY GENERAL MEETING

LAUNCH

深圳市元征科技股份有限公司

LAUNCH TECH COMPANY LIMITED*

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

(Stock Code: 2488)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Launch Tech Company Limited (the “**Company**”) will be held at the 10/F R&D Block, Launch Industrial Park, No. 4012 North of Wuhe Road, Bantian Street, Longgang District, Shenzhen, the PRC on Monday, 29 December 2025 at 10:00 a.m. for the following purposes:

SPECIAL RESOLUTIONS

To consider and, if thought fit, approve the followings as special resolutions:

S1. “**THAT:**

To consider and approve the H Share Award and Trust Scheme.”

S2. “**THAT:**

To consider and approve proposed authorization to the Board and/or the Delegatee(s) to handle matters pertaining to the H Share Award and Trust Scheme.”

Yours faithfully,

By order of the Board

Launch Tech Company Limited*

Liu Xin

Chairman

Shenzhen, the PRC

11 December 2025

* For identification purpose only

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

- (A) Shareholders of the Company shall note that pursuant to the Articles, the share register of the Company will be closed during the period from Monday, 22 December 2025 to Monday, 29 December 2025, both days inclusive, during which period no transfer of shares will be registered. In order to qualify to attend and vote at the EGM, all transfer documents, together with the relevant share certificates, should be lodged to the Company's H share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F., Hopewell Center, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H Shares), or to the Company's principal place of business in the PRC (for holders of Domestic Shares), no later than 4:30 p.m. on Friday, 19 December 2025. Shareholders whose names appear on the register of shareholders of the Company on the Record Date shall be entitled to attend the EGM and to vote thereat.
- (B) Any Shareholders entitled to attend and to vote at the EGM shall be entitled to appoint a proxy who needs not be a Shareholder, to attend and to vote on his/her behalf. A member who is the holder of two or more Shares may appoint more than one proxy.
- (C) To be valid, the proxy forms for the use by Shareholders and, if such proxy is signed by a person on behalf of the appointer pursuant to a power of attorney or other authority, a notarised copy of that power of attorney or other authority must be delivered to the Company not less than 24 hours before the time designated for holding the EGM or its adjourned meetings.
- (D) Completion and return of the proxy form will not affect the right of the Shareholders of the Company to attend and to vote at the EGM in person. In such event, the form of proxy will be deemed to have been revoked.
- (E) Holders of Domestic Shares shall deliver the proxy form and, if such proxy is signed by a person on behalf of his/her appointer pursuant to a power of attorney or other authority, a notarially certified copy of the power of attorney or other authority to the Company's principal place of business in the PRC.
- (F) Holders of H Shares shall deliver the proxy form and, if such proxy is signed by a person on behalf of him/her pursuant to a power of attorney or other authority, together with a notarially certified copy of the power of attorney or other authority, to the Company's H share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong.
- (G) The EGM is expected to last for half an hour. Shareholders and their proxies attending the EGM shall be responsible for the transportation and accommodation expenses on their own.

Launch Tech Company Limited

H Share Award and Trust Scheme

(Draft)

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1. DEFINITIONS AND INTERPRETATION

1.1. In the Scheme, unless the context otherwise requires, each of the following words and expressions shall have the meaning respectively shown opposite to it:

“Actual Selling Price”	the actual price at which the Award Shares are sold (net of brokerage, stock exchange trading fee, SFC transaction levy and any other applicable costs) on vesting of such Award Shares pursuant to the Scheme, or in the case of a vesting when there is an event of change in control or privatisation of the Company pursuant to Rule 14.1 of this Scheme, the consideration receivable under the related scheme or offer;
“Adoption Date”	the date on which the general meeting approved this Scheme;
“Articles”	the articles of association of the Company as amended from time to time;
“Award”	an award granted by the Board and/or the Delegatee(s) to a Selected Participant pursuant to the Scheme, which may vest in the form of Award Shares or the Actual Selling Price of the Award Shares paid in cash in accordance with the terms of the Scheme;
“Award Letter”	shall have the meaning as set out in Rule 7.2 of the Scheme;
“Award Period”	the period commencing on the Adoption Date, and ending on the Trading Day immediately prior to the 10th anniversary of the Adoption Date;
“Award Shares”	the H Shares granted to a Selected Participant in an Award;
“Board”	the board of directors of the Company;
“Company” or “our Company” or “Group”	Launch Tech Company Limited together with its subsidiaries;

“connected person”	has the meaning ascribed thereto under the Listing Rules;
“connected transaction(s)”	has the meaning ascribed thereto under the Listing Rules;
“Delegatee(s)”	the person(s) or board committee(s) to which the Board has delegated its authority;
“Director(s)”	the director(s) of the Company, from time to time;
“H Shares”	overseas listed foreign shares which are listed on the Stock Exchange, with a nominal value of RMB1.00 each;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time;
“on-market transaction(s)”	the acquisition of H Shares of the Company through one or more transactions through the transaction mechanisms of the Stock Exchange in accordance with the Listing Rules and any other applicable laws and regulations;
“PRC”	the People’s Republic of China;
“Remuneration Committee”	the Remuneration Committee of the Board of the Company;
“Returned Shares”	the Award Shares yet to be vested and/or cancelled under the terms of the Scheme, or the H Shares to be deemed as the Returned Shares pursuant to the Scheme Rules;
“Scheme”	the H Share Award and Trust Scheme adopted by the Company in accordance with these Scheme Rules on the Adoption Date;

“Scheme Rules”	the rules set out herein relating to the Scheme as amended from time to time;
“Selected Participant(s)”	any eligible employee who, in accordance with Rule 6 of the Scheme, is approved for participation in the Scheme and has been granted any corresponding Award under the Scheme;
“SFC”	the Securities and Futures Commission of Hong Kong;
“SFO”	the Securities and Futures Ordinance of Hong Kong, as amended, supplemented or otherwise modified from time to time;
“Shareholder(s)”	the shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Trading Day”	any day on which the Stock Exchange is open for the business of dealing in securities;
“Trust”	the trust constituted by the Trust Deed to serve the Scheme;
“Trust Deed”	the trust deed to be entered into between the Company and the Trustee (as may be restated, supplemented and amended from time to time);
“Trustee”	the trustee appointed by the Company for the purpose of the Trust;
“Vesting Date”	the date or dates, as determined by the Board and/or the Delegatee(s) on which the Award (or part thereof) is to vest in the relevant Selected Participant pursuant to Rule 9 of the Scheme.

1.2. In these Scheme Rules, except where the context otherwise requires:

- a) references to rules are to rules of the Scheme Rules;
- b) references to times of the day are to Hong Kong time;
- c) references to any statutory body shall include the successor thereof and any body established to replace or assume the functions of the same;
- d) if a period of time is specified as from a given day, or from the day of an act or event, it shall be calculated exclusive of that day;
- e) a reference to “include”, “includes” and “including” shall be deemed to be followed by the words “without limitation”;
- f) a reference, express or implied, to statutes, statutory provisions or the Listing Rules shall be construed as references to those statutes, provisions or rules as respectively amended or re-enacted or as their application is modified from time to time by other provisions (whether before or after the date hereof) and shall include any statutes, provisions or rules of which are re-enacted (whether with or without modification) and shall include any orders, regulations, instruments, subsidiary legislation, other subordinate legislation or practice notes under the relevant statute, provision or rule;
- g) words denoting the singular include the plural and vice versa, words importing a gender shall include every gender; and
- h) unless otherwise indicated, the Board can make determinations in its sole and absolute discretion and if the Board delegates its authority to administer the Scheme to the Delegatee(s), such Delegatee(s) shall enjoy the same sole and absolute discretion.

2. GENERAL INTRODUCTION AND PURPOSE OF THE SCHEME

- 2.1. The H Share Award and Trust Scheme of Launch Tech Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is a H Shares award and trust scheme established by the Group to award eligible employees, who could be core backbone members, Directors, senior management and key management personnel of the Group.
- 2.2. A Trust Deed will be entered into between the Company and the Trustee. Pursuant to the Trust Deed, the Trust will be constituted to serve the Scheme whereby the Trustee shall assist with the administration of the Scheme and shall, subject to the relevant provisions of the Trust Deed and upon the instruction of the Company, acquire H Shares through on-market transactions in accordance with Rule 8 of the Scheme and such Shares shall be acquired by the Trust through the funds transferred by the Company and shall be retained and disposed of by the Trustee at the Company’s instructions. Such H Shares under the Scheme shall not exceed 2.4381% (being 10,000,000 Shares) of the total share capital of the Company following the date on which the mandate of the Scheme is approved or at the date on which the approval of updating the limit is obtained. The Awards granted to the Selected Participants shall be held by the Trustee on trust for the benefit of the Selected Participants, and the Trustee shall, for the purposes of vesting of the Award and upon the instruction of the Board and/or the Delegate(s), release from the Trust the Award Shares to the Selected Participants or sell the number of Award Shares so vested through on-market transactions at the prevailing market price and pay the Selected Participants the proceeds arising from such sale in accordance with Rule 9 of the Scheme and relevant provisions under the Trust Deed.
- 2.3. The purposes of the Scheme are:
- a) to attract and motivate extensively skilled and experienced core backbone members of the technicians and management to continuously strive for the continuing operation and development of the Company in the future;
 - b) to deepen the reform on the Company’s remuneration system, and to develop and constantly improve the interests balance mechanism among the Shareholders, the operational and executive management; and
 - c) to recognize the contributions of the management and long-term employees of the Company including the Directors; to encourage, motivate and retain the management and long-term employees of the Company whose contributions are beneficial to the continual operation, development and long-term growth of the Company; and to provide additional incentive for the management and long-term employees of the Company by aligning the interests of employees, management, Shareholders to that of the Company as a whole.

3. CONDITIONS

- 3.1. The Scheme is conditional upon the passing of a resolution by the Shareholders to approve the adoption of the Scheme and to authorise the Board and/or its Delegatee(s) and the Remuneration Committee to grant Awards under the Scheme and to procure the transfer of and otherwise deal with the Award Shares in connection with the Scheme.

4. EFFECTIVENESS AND DURATION OF THE AWARD

- 4.1. Unless the Board may decide to terminate the Scheme earlier according to these Scheme Rules, the Scheme will be effective from the Adoption Date with the period of validity for ten years, and no Award will be granted after the expiry of the period, provided that the terms and conditions of the Scheme shall be in full force and effect and binding on all respects and that Share Awards granted during the period of validity of the Scheme shall continue to be exercised under the terms and conditions of the grant.
- 4.2. Subject to Rules 9.8 and 20 of the Scheme, the Scheme shall be valid and effective for the Award Period (after which no further Award will be granted), provided that any Award Shares granted prior to the expiration of the Scheme but not yet vested shall continue to be governed by the Scheme until the vesting of such Award Shares becomes effective.

5. ADMINISTRATION

- 5.1. The Scheme shall be subject to the administration of the Board and/or the Delegatee(s) according to the rules under the Scheme and the Trust Deed. The Trustee shall hold the Trust fund according to the rules under the Scheme and the terms of the Trust Deed.
- 5.2. The Scheme shall be subject to the administration of the following administrative bodies according to rules under the Scheme and the Trust Deed (if applicable):
- a) the general meeting, as the institution vested with the supreme authority of the Company, is responsible for the consideration and approval of the adoption of the Scheme. The general meeting may authorize the Board and/or the Delegatee(s) to deal with all matters related to the Scheme to the extent of its authority;

- b) the Board is the institution in charge of the administration of the Scheme in accordance with the Scheme Rules and the Trust Deed. A decision of the Board and/or the Delegatee(s) shall be final and binding on all persons concerned. The Remuneration Committee shall be responsible for drafting and revising the Scheme and submitting the same to the Board for consideration. Upon consideration and approval of the Scheme, the Board will submit the Scheme to the general meeting for consideration. The Board and/or Delegatee(s) may handle all matters related to the Scheme within the authorization by the general meeting;
 - c) The Remuneration Committee supervises whether the implementation of the Scheme complies with relevant laws, regulations, regulatory documents and the Listing Rules, and are responsible for reviewing the list of the Selected Participants; for any grant of an Award to any Directors, senior management officer or substantial Shareholder of the Company or its subsidiaries, or any of their respective associates (as defined in the Listing Rules) in addition to the Remuneration Committee reviewing the list of Selected Participants, such grant shall be subject to the prior approval of the independent non-executive Directors; and
 - d) the Trust will be constituted to serve the Scheme whereby the Trustee shall, subject to the relevant provisions of the Trust Deed and upon the instruction of the Company, acquire not more than 10,000,000 H Shares through on-market transactions with funds to be transferred by the Company.
- 5.3. The authority to administer the Scheme may be delegated by the Board to the Delegatee(s) as deemed appropriate in the sole and absolute discretion of the Board, provided that nothing in Rule 5.2 of the Scheme shall prejudice the Board's power to revoke such delegation at any time or derogate from the discretion rested with the Board as contemplated in Rule 5.2(b) of the Scheme.
- 5.4. Without prejudice to the Board's general power of administration, the Board and/or the Delegatee(s) may from time to time appoint one or more administrators, who may be independent third party(ies), to assist in the administration of the Scheme, to whom they may delegate such functions relating to the administration of the Scheme as they may think fit. The duration of office, terms of reference and remuneration (if any) of such administrator(s) shall be determined by the Board in its sole and absolute discretion from time to time.
- 5.5. Without prejudice to the Board's general power of administration, to the extent not prohibited by applicable laws and regulations, the Board or its Delegatee(s) may also from time to time appoint one or more Trustees in respect of granting, administration or vesting of any Award Shares.

5.6. Subject to the Scheme Rules, the Listing Rules and any applicable laws and regulations, the Board or the Delegatee(s) shall have the power from time to time to:

- a) construe and interpret the Scheme Rules and the terms of the Awards granted under the Scheme;
- b) make or vary such arrangements, guidelines, procedures and/or regulations for the administration, interpretation, implementation and operation of the Scheme, provided that they are not inconsistent with the Scheme Rules;
- c) decide how the vesting of the Award Shares will be settled pursuant to Rule 9 of the Scheme;
- d) determine the basis of eligibility of any eligible employee for the grant of Awards from time to time on the basis of their contribution to the development and growth of the Group or such other factors deemed appropriate;
- e) grant Awards to those eligible employees whom it shall select from time to time;
- f) determine the terms and conditions of the Awards to be granted;
- g) establish, assess and administer performance targets in respect of the Scheme;
- h) approve the form and content of an Award Letter;
- i) adjust the number of outstanding Award Shares or accelerate the Vesting Dates of any Awards pursuant to Rule 14 of the Scheme;
- j) exercise any authority as may be granted by the general meeting from time to time;
- k) engage bank(s), accountant(s), lawyer(s), consultant(s) and other professional parties for the purpose of the Scheme; and
- l) sign, execute, amend and terminate all documents relating to the Scheme, undertake all procedures relevant to the Scheme and take such other steps or actions to give effect to the terms of the Scheme.

5.7. None of the Directors or any Delegatee(s) shall be personally liable by reason of any contract or other instrument executed by him/her, or on his/her behalf or for any mistake of judgment made in good faith, for the purposes of the Scheme, and the Company shall indemnify and hold harmless each member of the Board and any Delegatee(s) in relation to the administration or interpretation of the Scheme, against any cost or expense (including legal fees) or liability (including any sum paid in settlement of a claim with the approval of the Board) arising out of any act or omission to act in connection with the Scheme unless arising out of such person's own wilful default, fraud or bad faith.

- 5.8. In respect of the administration of the Scheme, the Company shall comply with all applicable disclosure regulations including those imposed by the Listing Rules and all applicable PRC laws, regulations and rules.

6. BASIS AND SCOPE OF ELIGIBILITY OF SELECTED PARTICIPANTS

- 6.1. The Board and/or its Delegatee(s) may, in its absolute discretion, from time to time, determine the eligibility of Selected Participants for the Awards by taking into account the Selected Participants' contribution to the development of the Company and, subject to Rule 6.3 of the Scheme, grant an Award to such Selected Participant during the Award Period conditional upon fulfilment of terms and conditions of the Awards as the Board and/or its Delegatee(s) determines from time to time.
- 6.2. The Selected Participants are determined in accordance with the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China and other applicable laws, regulations, regulatory documents and the relevant provisions of the Articles, together with the Company's actual circumstances and matters including the present and expected contribution of the relevant Selected Participant to the Group.

No one should be considered as a Selected Participant of the Scheme if he/she:

- a) has been deemed as an inappropriate candidate for equity incentive plans or similar plans of a listed company by any securities regulatory bodies with authority in the most recent 12 months;
 - b) has been imposed with penalties or is banned from trading securities by securities regulatory bodies due to material non-compliance with laws or regulations in the most recent 12 months;
 - c) is prohibited from acting as a director or member of the senior management of a company due to occurrence of circumstances as stipulated in the Company Law of the People's Republic of China; or
 - d) is explicitly prohibited from participating in any corporate equity incentive by laws, administrative rules and regulations in the PRC.
- 6.3. Notwithstanding the provisions in Rule 6.1 and Rule 6.2, no grant of any Award Shares to any Selected Participant may be made and no directions or recommendations shall be given to the Trustee with respect to a grant of an Award under the circumstances below, and any such grant so made or any such direction or recommendation so given shall be null and void to the extent (and only to the extent) that it falls within the circumstances below:
- a) in any circumstances where the requisite approval from any regulatory authorities or general meeting has not been granted;

- b) in any circumstances that any member of the Group will be required under applicable securities laws, rules or regulations to issue a prospectus or other offer documents in respect of such Award or the Scheme, unless the Board determines otherwise;
 - c) where such grant of Award would result in a breach by any member of the Group or its directors of any applicable securities laws, rules or regulations in any jurisdiction;
 - d) where such grant of Award would result in a breach of the Scheme Limit;
 - e) after the expiry of the Award Period or after the earlier termination of the Scheme in accordance with Rule 21 of the Scheme;
 - f) where any Director is in possession of unpublished inside information (as defined under the SFO) in relation to the Company or where any Director reasonably believes there is inside information which must be disclosed pursuant to Rule 13.09(2)(a) of the Listing Rules and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the SFO or where dealings by Directors are prohibited under any code or requirement of the Listing Rules or any applicable laws, rules or regulations;
 - g) during the period of 60 days immediately preceding the publication date of the annual results of the Group or, if shorter, the period from the end of the relevant financial year up to the publication date of such results; and
 - h) during the period of 30 days immediately preceding the publication date of the quarterly or half-year results of the Group or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of such results.
- 6.4. In assessing whether to grant an Award to any eligible participant (the “**Selected Participant**”), the Board and/or the Delegatee(s) will consider a number of factors, including but not limited to the nature and extent of the contributions made by the Selected Participant to the Company, the special skills or technical knowledge possessed by them which are beneficial to the continuous development of the Company, the positive influence brought by the Selected Participant to the business and development of the Company. In assessing eligibility of the Selected Participants in respect of the Award, the Board will consider the factors conducive to the growth of the Company, including, among others:
- a) his/her skills, knowledge, experience, expertise and other relevant personal qualities;
 - b) his/her performance, time commitment, responsibilities or employment conditions and the prevailing market practice and industry standard;

- c) his/her contribution made or expected to be made to the growth of the Company; and
- d) his/her educational and professional qualifications, and knowledge in the industry.

6.5. The coverage of Selected Participant:

- a) Eligible staff working in the Company and/or its subsidiary;
- b) Directors (other than independent non-executive Directors);
- c) Senior management.

7. AWARD LETTER AND NOTIFICATION OF GRANT OF AWARDS

- 7.1. Subject to the relevant terms and conditions of the Scheme, the number of H Shares to be awarded may be determined by the Board and/or its Delegatee(s) at its absolute discretion.
- 7.2. The Company shall issue a letter to each Selected Participant in such form as the Board and/or the Delegatee(s) may from time to time determine, specifying the grant date, the manner of acceptance of the Award, the value of the Award and/or number of Award Shares underlying the Award (with the basis on which the number of Award Shares underlying the Award is arrived at), the reason of the Award, the vesting criteria and conditions, and the Vesting Date and such other details, terms and conditions as they may consider necessary and in compliance with the Scheme (the name is an “Award Letter”).
- 7.3. As soon as practicable after the grant of any Award to a Selected Participant, the Company shall provide a fully executed copy of the Award Letter to the Trustee.

8. ACQUISITION OF H SHARES BY THE TRUSTEE

- 8.1. Subject to Rules 8.4 and 15.1, the Company shall as soon as reasonably practicable, transfer to the Trust the necessary funds and the Delegatee(s) of the Company shall instruct the Trustee to acquire H Shares through on-market transactions at the prevailing market price. Subject to Rule 14 of the Scheme, the Delegatee(s) of the Company shall instruct the Trustee whether or not to apply any Returned Shares to satisfy any grant of Awards made, and if the Returned Shares, as specified by the Company, are not sufficient to satisfy the Awards granted, the Company shall, subject to Rule 8.3 of the Scheme as soon as reasonably practicable, for purposes of satisfying the Awards granted, transfer to the Trust the necessary funds and the Delegatee(s) of the Company shall instruct the Trustee to acquire further H Shares through on-market transactions at the prevailing market price.

- 8.2. Where the Trustee has received instructions from the Delegatee(s) of the Company to acquire H Shares through on-market transactions, the Trustee shall acquire such number of H Shares as instructed by the Delegatee(s) of the Company through on-market transactions at the prevailing market price as soon as reasonably practicable after receiving the necessary funds from the Company.
- 8.3. The Trustee shall only be obliged to transfer Award Shares to Selected Participants under the Scheme on vesting to the extent that Award Shares are comprised in the Trust.
- 8.4. The Delegatee(s) of the Company shall not instruct the Trustee to acquire H Shares through on-market transactions at the prevailing market price, where (i) such action (if applicable) is prohibited under the Listing Rules, the SFO, or other applicable PRC laws, regulations and rules; or (ii) during such periods as stated in Rules 6.3(g) and (h) of the Scheme. Where such a prohibition causes the prescribed timing imposed by the Scheme Rules or the Trust Deed to be missed, such prescribed timing shall be treated as extended until as soon as reasonably practicable after the first business day on which the prohibition no longer prevents the relevant action.
- 8.5. All the funds for the implementation of the Scheme come from the Company's own funds.

9. VESTING OF AWARD

- 9.1. The Board and/or the Delegatee(s) may from time to time while the Scheme is in force and subject to all applicable laws, rules and regulations, determine such vesting criteria and conditions and the vesting period.
- 9.2. The vesting schedule and vesting criteria (if any) of any Award granted may be determined by the Board and/or its Delegatee(s) at its discretion and may be adjusted and re-determined by the Board and/or its Delegatee(s) from time to time. Unless otherwise specified in the Award Letter approved by the Board and/or the Delegatee(s) and subject to the vesting conditions as specified in Rule 9.3 to Rule 9.6 of the Scheme, the specific commencement and duration of each vesting period for the share award of H Shares granted under the Scheme and the Award that may be vested to a Selected Participant for the respective vesting period shall be specified in the Award Letter approved by the Board and/or its Delegatee(s).
- 9.3. Vesting of the Award granted under the Scheme shall meet with the corresponding conditions and any other vesting conditions as stated in the Award Letter.
- 9.4. If the Selected Participant fails to fulfil the corresponding vesting conditions of the Awards granted under the Scheme, all the Award Shares which may otherwise be vested during the respective vesting periods shall not be vested and shall be held by the Trustee as Returned Shares.
- 9.5. If the Vesting Date is not a business day, the Vesting Date shall, subject to any trading halt or suspension in the H Shares, be the business day immediately thereafter.

- 9.6. For the avoidance of doubt, the vesting periods of the Awards granted under any subsequent grant of the Scheme or the Awards to be satisfied by the application of any Returned Shares shall be determined by the Board and/or the Delegatee(s) in its sole and absolute discretion, and shall in any event not extend beyond the then remaining term of the Award Period at the time of grant.
- 9.7. For the purposes of vesting of the Award, the Board and/or the Delegatee(s) may either:
- a) direct and procure the Trustee to release from the Trust the Award Shares to the Selected Participants by transferring the number of Award Shares to the Selected Participants in such manner as determined by them from time to time; or
 - b) to the extent that, at the determination of the Board and/or the Delegatee(s), it is not practicable for the Selected Participant to receive the Award in H Shares solely due to legal or regulatory restrictions with respect to the Selected Participant's ability to receive the Award in H Shares or the Trustee's ability to give effect to any such transfer to the Selected Participant, the Board and/or the Delegatee(s) will direct and procure the Trustee to sell, through on-market transactions at the prevailing market price, the number of Award Shares so vested in respect of the Selected Participant and pay the Selected Participant the proceeds in cash arising from such sale based on the Actual Selling Price of such Award Shares as set out in the Vesting Notice.
- 9.8. Except in the circumstances as set out in Rule 9.12, within a reasonable time period as agreed between the Trustee and the Board from time to time prior to any Vesting Date, the Board and/or the Delegatee(s) shall send to the relevant Selected Participant a vesting notice (the "**Vesting Notice**"). The Board and/or the Delegatee(s) shall forward a copy of the Vesting Notice to the Trustee and instruct the Trustee the extent to which the Award Shares held in the Trust shall be transferred and released from the Trust to the Selected Participant in the manner as determined by the Board and/or the Delegatee(s), or be sold as soon as practicable from the Vesting Date.
- 9.9. Except in the circumstances as set out in Rule 9.12 of the Scheme, subject to the receipt of the Vesting Notice and the instructions from the Board or the Delegatee(s), the Trustee shall transfer the relevant Award Shares to the relevant Selected Participant in the manner as determined by the Board or the Delegatee(s) or sell the relevant Award Shares within any time stipulated in Rule 9.8 above and pay the Actual Selling Price to the Selected Participant within a reasonable time period in satisfaction of the Award.
- 9.10. Any stamp duty arising on vesting and transfer of the Award Shares to or for the benefit of the Selected Participants or expenses arising on the management of the trust scheme shall be borne by the Company. Any duty or other direct costs and expenses arising on the sale of the Award Shares due to the vesting shall be borne by the Selected Participant.

- 9.11. All costs and expenses in relation to all dealings with the Award Shares after vesting and transfer of the Award Shares to the Selected Participant (as the case may be) shall be borne by the Selected Participant and neither the Company nor the Trustee shall be liable for any such costs and expenses thereafter.
- 9.12. Other than the stamp duty to be borne by the Company in accordance with Rule 9.10, all other taxes (including personal income taxes, professional taxes, salary taxes and similar taxes, if applicable), duties, social security contributions, impositions, charges and other levies arising out of or in connection with the Selected Participant's participation in the Scheme or in relation to the Award Shares or cash amount of equivalent value of the Award Shares (the "**Taxes**") shall be borne by the Selected Participant and neither the Company nor the Trustee shall be liable for any Taxes. The Selected Participant will indemnify the Trustee and all members of the Group against any liability each of them may have to pay or account for such Taxes, including any withholding liability in connection with any Taxes. To give effect to this, the Trustee or any member of the Group may, notwithstanding anything else in these Scheme Rules (but subject to applicable law):
- a) reduce or withhold the number of the Selected Participant's Award Shares underlying the Award (the number of Award Shares underlying the Award that may be reduced or withheld shall be limited to the number of Award Shares that have a fair market value on the date of withholding that, in the reasonable opinion of the Company is sufficient to cover any such liability);
 - b) sell, on the Selected Participant's behalf, such number of H Shares to which the Selected Participant becomes entitled under the Scheme and retain the proceeds and/or pay them to the relevant authorities or government agency;
 - c) deduct or withhold, without notice to the Selected Participant, the amount of any such liability from any payment to the Selected Participant made under the Scheme or from any payments due from a member of the Group to the Selected Participant, including from the salary payable to the Selected Participant by any member of the Group; and/or
 - d) require the Selected Participant to remit to any subsidiary, in the form of cash or a certified or bank cashier's check, an amount sufficient to satisfy any Taxes or other amounts required by any governmental authority to be withheld and paid over to such authority by any subsidiary on account of the Selected Participant or to otherwise make alternative arrangements satisfactory to the Company for the payment of such amounts.

The Trustee shall not be obliged to transfer any Award Shares (or pay the Actual Selling Price of such Award Shares in cash) to a Selected Participant unless and until the Selected Participant satisfies the Trustee and the Company that such Selected Participant's obligations under this Rule under the Scheme have been met.

10. CHANGES OF CIRCUMSTANCES PERTAINING TO THE SELECTED PARTICIPANTS

10.1. If a Selected Participant ceases to be an eligible Selected Participant due to changes his/her job position in the Group or the employment by the Company through signing a re-employment agreement after retirement, the outstanding Award Shares not yet vested may continue to vest in accordance with the Vesting Dates set out in the Award Letter, unless the Board and/or the Delegatee(s) determines otherwise in its sole and absolute discretion. However, if a Selected Participant has a change in job position due to any of the following reasons:

- a) violates laws, violates professional ethics, reveals confidential information of the Company;
- b) causing damages to the interest or reputation of the Company due to the failure to discharge his/her duties, committing wilful misconduct or other behaviours; or
- c) the Company terminates his/her employment contract for any of the above reasons.

the Selected Participant shall return all benefits obtained from the vesting of the Award Shares. In case of serious violations or damages, the Company reserves the right to claim compensation from the Selected Participant for losses caused by the above reasons and any outstanding Award Shares not yet vested shall be immediately forfeited, unless the Board and/or the Delegatee(s) determines otherwise in its sole and absolute discretion.

10.2. If a Selected Participant ceases to be an eligible employee by reason of disqualification from participating in the Scheme due to any of the reasons set forth in Rule 6.2 of the Scheme under which no one should be considered as a Selected Participant, any outstanding Award Shares not yet vested shall be immediately forfeited, unless the Board or the Delegatee(s) determines otherwise in its sole and absolute discretion.

10.3. If a Selected Participant ceases to be an eligible employee by reason of leaving the Company and its subsidiaries due to resignation, expiration or termination of labour contract, employment or contractual relationship by the Company due to redundancy, any outstanding Award Shares not yet vested shall be immediately forfeited, unless the Board and/or the Delegatee(s) determines otherwise in its sole and absolute discretion.

10.4. If a Selected Participant ceases to be an eligible employee by reason of retirement based on national regulations and the rules of the Company and subject to the above Rule 10.1, any outstanding Award Shares not yet vested shall be immediately forfeited, unless the Board and/or the Delegatee(s) determines otherwise in its sole and absolute discretion.

- 10.5. If a Selected Participant ceases to be an eligible employee by reason of termination of labour contract, employment or contractual engagement with the Group or resignation due to incapacity resulting from work injury, any outstanding Award Shares not yet vested shall continue to vest in accordance with the Vesting Dates set out in the Award Letter or other vesting procedures determined by the Board and/or the Delegatee(s), unless the Board or the Delegatee(s) determines otherwise in its sole and absolute discretion.
- 10.6. If a Selected Participant ceases to be an eligible employee by reason of termination of labour contract, employment or contractual engagement with the Company and its subsidiaries or resignation due to incapacity resulting from non-work injury, any outstanding Award Shares not yet vested shall be immediately forfeited, unless the Board and/or the Delegatee(s) determines otherwise in its sole and absolute discretion.
- 10.7. If a Selected Participant ceases to be an eligible employee by reason of death of the Selected Participant due to work injury, any outstanding Award Shares not yet vested shall continue to vest in accordance with the Vesting Dates set out in the Award Letter or other vesting procedures determined by the Board and/or the Delegatee(s), unless the Board and/or the Delegatee(s) determines otherwise in its sole and absolute discretion. The individual performance appraisal results of such Selected Participant will no longer be included as vesting conditions.
- 10.8. If a Selected Participant ceases to be an eligible employee by reason of death of the Selected Participant not due to work injury, on the date of the occurrence of such event, any outstanding Award Shares not yet vested shall be immediately forfeited, unless the Board and/or the Delegatee(s) determines otherwise in its sole and absolute discretion.
- 10.9. If a Selected Participant ceases to be an eligible employee for reasons other than those set out in Rules 10.1 to 10.8, any outstanding Award Shares not yet vested shall be immediately forfeited, unless the Board and/or the Delegatee(s) determines otherwise in its sole absolute discretion.
- 10.10. In the event that an Award or any part thereof to a Selected Participant vests by reason of the death of such Selected Participant, the Trustee shall hold such number of Award Shares as are equal to the vested Award Shares or the Actual Selling Price (hereinafter referred to as “**Benefits**”) on trust and to transfer the same to the personal representative of the Selected Participant within one year of the death of the Selected Participant (or such longer period as the Trustee and the Company shall agree from time to time) or, if the Benefits would otherwise become bona vacantia, the Benefits shall be forfeited and cease to be transferable and such Benefits shall be held by the Trustee as Returned Shares or funds of the Trust for the purposes of the Scheme. Notwithstanding the foregoing, the Benefits held upon the trusts hereof shall until transfer is made in accordance herewith be retained and may be invested and otherwise dealt with by the Trustee in every way as if they had remained part of the Trust.

- 10.11. A Selected Participant shall be deemed retired on the following dates: reaching the retirement age under laws, his/her service agreement or any retirement policies of the Company applicable to him/her from time to time. In case of no such retirement clauses applicable to the Selected Participant, it shall be approved by the Board.
- 10.12. The Company shall, from time to time, inform the Trustee in writing, the date in which such Selected Participant ceases to be an eligible employee and any amendments to the terms and conditions of the Award granted to such Selected Participant (including the number of Award Shares granted).
- 10.13. If a Selected Participant's employment relationship with the Group is terminated by any reason, (i) all Award Shares so vested shall be sold, through on-market transactions at the prevailing market price, within 12 months of such termination of employment relationship with the Group; and (ii) after the expiry of the 12-month period as set out in Rule 10.13(i), the Company reserves the right to direct and procure the Trustee to sell, on-market and at the prevailing market price, all Award Shares so vested but not sold by the Selected Participant pursuant to Rules 9 and 10.13(i) of the Scheme.

11. TRANSFERABILITY AND OTHER RIGHTS TO AWARD SHARES

Transferability

- 11.1. Any Award granted hereunder but not yet vested shall be personal to the Selected Participant to whom it is made and shall not be assignable or transferable and no Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to any Award Shares, or enter into any agreement to do so.
- 11.2. Any actual or purported breach of Rule 11.1 shall entitle the Company to cancel any outstanding Award or part thereof granted to such Selected Participant. For this purpose, a determination from the Board and/or the Delegatee(s) of the Company to the effect that the Selected Participant has or has not breached any of the foregoing shall be final and conclusive as to such Selected Participant.

Voting right

- 11.3. A Selected Participant has no right to vote at general meetings of the Company. No Selected Participant shall enjoy any of the rights of a shareholder by virtue of the grant of Awards pursuant to the Scheme, unless and until such Award Shares related to the Selected Participant are actually transferred to the Selected Participant upon vesting. A Selected Participant shall have no right to any cash or non-cash income, dividend or distribution and/or proceeds of non-cash and non-scrip distributions related to the Award or the Selected Participant, unless the Board and/or the Delegatee(s) determines in its sole absolute discretion and specifies in the Award Agreement.

- 11.4. The Trustee holding unvested shares, whether directly or indirectly, shall abstain from voting on matters that require Shareholders' approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given.

12. INTEREST IN THE ASSETS OF THE TRUST

12.1. For the avoidance of doubt:

- a) a Selected Participant shall have only a contingent interest in the Award subject to the vesting of such Award in accordance with Rules 9 and 14 of the Scheme;
- b) no instructions may be given by a Selected Participant to the Trustee in respect of the Award or any other property of the Trust and the Trustee shall not follow instructions given by a Selected Participant to the Trustee in respect of the Award or any other property of the Trust;
- c) neither the Selected Participant nor the Trustee may exercise any voting rights attached to any H Shares held by the Trustee under the Trust (including any Award Shares that have not yet vested);
- d) a Selected Participant shall have no right to any dividend underlying the non-vested Award Shares or any of the Returned Shares or any dividend, right to any cash or non-cash income, distribution, sale proceeds of non-cash and non-scrip distributions underlying the Returned Shares, all of which shall be retained by the Trustee for the benefit of the Scheme, including but not limited to the payment of costs in connection with the operations of the Scheme such as the fees of professional parties engaged by the Company for the purpose of the Scheme from time to time;
- e) a Selected Participant shall have no rights in the balance of the fractional shares arising out of consolidation of H Shares (if any) and such H Shares shall be deemed as Returned Shares for the purposes of the Scheme;
- f) in the case of the death of a Selected Participant, the Benefits shall be forfeited if no transfer of the Benefits to the personal representatives of the Selected Participant is made within the period prescribed in Rule 10.10 and the personal representatives of the Selected Participant shall have no claims against the Company or the Trustee; and
- g) in the event a Selected Participant ceases to be an eligible employee on or prior to the relevant Vesting Date and the Award in respect of the relevant Vesting Date shall lapse or be forfeited pursuant to the Scheme, such Award shall not vest on the relevant Vesting Date and the Selected Participant shall have no claims against the Company or the Trustee, unless the Board or the Delegatee(s) determines otherwise in its sole and absolute discretion.

13. RESTRICTIVE COVENANTS

- 13.1. By accepting any Award granted pursuant to the Scheme, a Selected Participant shall be deemed to have made the restrictive covenants set forth in Rule 13 of the Scheme to and for the benefit of the Group.
- 13.2. The Selected Participant hereby undertakes to the Group that he/she will not at any time whilst an employee, Director, Shareholder or otherwise interested in the Group (save in so far as is reasonably necessary to fulfil his/her duties to the Group) or at any time thereafter, directly or indirectly use or disclose or communicate to any person any information concerning the affairs, business methods, processes, systems, inventions, plans or research and development of the Group or those of its customers, clients or suppliers and which may be reasonably regarded as being confidential to the Group or to such persons (other than information which he/she is required to be disclosed by law or which is for the relevant time being in the public domain other than by reason of wrongful disclosure of the same by him/her) and will use his/her best endeavours to prevent the publication or disclosure of any such information by any third party.
- 13.3. The Selected Participant undertakes to the Group that he/she will not, except with the prior written approval of the Company, be directly or indirectly concerned with or engaged or interested in any other business which is in any respect in competition with or similar to the business of the Group during his/her employment with the Group.
- 13.4. The Selected Participant undertakes to the Group that so long as he/she is employed by the Company or any other member within the Group, he/she will devote his/her full time and attention to the business of the Group, will use his/her best endeavours to develop the business and interests of the Group and will not be concerned with any other (competitive or other) business.
- 13.5. The Selected Participant undertakes to the Group that he/she will strictly abide by the post-employment obligations under the employment contract and the proprietary information and invention agreement entered into with the Company.

14. RIGHTS ISSUE, MERGER, DIVISION AND SHARE DIVIDEND SCHEME**Change in control**

- 14.1. If there is an event of change in control of the Company by way of a merger, a privatisation of the Company by way of a debt restructuring plan or by way of an offer, change of actual control of the Company involving reorganization of major assets, the Company no longer exists after merger with another company, or division of the Company, the Board and/or the Delegatee(s) shall in its sole and absolute discretion determine whether the Vesting Dates of any Awards will be accelerated or the Scheme will be terminated.

For the purpose of Rule 14.1, “control” shall have the meaning as specified in the Codes on Takeovers and Mergers and Share Buy-backs issued and amended by the SFC from time to time.

Open offer and rights issue

- 14.2. In the event the Company undertakes an open offer of new securities, the Trustee shall not subscribe for any new H Shares. In the event of a rights issue, the Trustee shall seek instructions from the Company on the steps or actions to be taken in relation to the nil-paid rights allotted to it and the net proceeds of sale of such rights shall be held as part of the funds in the Trust.

Bonus warrants

- 14.3. In the event the Company issues bonus warrants in respect of any H Shares which are held by the Trustee, the Trustee shall not, unless otherwise instructed by the Company, subscribe for any new H Shares by exercising any of the subscription rights attached to the bonus warrants, and shall sell the bonus warrants created and granted to it, and the net proceeds of sale of such bonus warrants shall be held as funds of the Trust.

Scrip dividend

- 14.4. In the event that the Company undertakes a scrip dividend scheme, the Trustee shall elect to receive the scrip H Shares and such H Shares will be held as part of the funds in the Trust. In the event that the Company undertakes a cash or scrip dividend, the Trustee shall elect to receive cash at any time and it shall be deemed as the cash income of an H Share held upon the Trust.

Consolidation, sub-division, bonus issue and other distribution plans

- 14.5. In the event that the Company undertakes a sub-division or consolidation of the H Shares, corresponding changes will be made to the number of outstanding Award Shares that have been granted provided that the adjustments shall be made in such manner as the Board determines to be fair and reasonable in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Scheme for the Selected Participants. The Board or the Delegatee(s) shall as soon as practicable after such sub-division or consolidation has taken effected, notify each of such Selected Participants of the number of Award Shares that he/she has become entitled to on vesting after such subdivision or consolidation (as the case may be).
- 14.6. In the event of any non-cash distribution or other events not referred to above by reason of which the Board considers an adjustment to an outstanding Award to be fair and reasonable, an adjustment shall be made to the number of outstanding Award Shares of each Selected Participant as the Board shall consider to be fair and reasonable in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Scheme for the Selected Participant. The Company shall provide such funds, or such directions on application of the Returned Shares or other funds in the Trust, as may be required to enable the Trustee to purchase H Shares at the prevailing market price to satisfy the additional Award.

- 14.7. In the event of other non-cash and non-scrip distributions made by the Company not otherwise referred to in the Scheme Rules in respect of the H Shares held upon Trust, the Trustee shall sell such distribution and the net sale proceeds thereof shall be deemed as cash income of an H Share held upon the Trust.

Voluntary winding-up

- 14.8. If notice is duly given by the Company to its Shareholders to convene a general meeting for the purpose of considering a resolution for the voluntary winding-up of the Company (other than for the purposes of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company are passed to a successor company) or an order of winding up of the Company is made, the Board or the Delegatee(s) shall determine at its discretion whether such Award Shares shall vest in the Selected Participants and the time at which such Award Shares shall vest. If the Board determines that any Award Shares shall vest, it shall promptly notify the Selected Participant and shall use its reasonable endeavours to procure the Trustee to take such action as may be necessary to transfer the legal and beneficial ownership of the H Shares underlying the Award Shares which are to become vested in such Selected Participant or pay the sum they would have received in respect of the Awards upon exercise to such Selected Participant according to the procedures provided in Rule 9.8 if applicable.

Compromise or arrangement

- 14.9. If a compromise or arrangement between the Company and its Shareholders or creditors is proposed in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies and a notice is given by the Company to its Shareholders to convene a general meeting to consider and if thought fit approve such compromise or arrangement and such Shareholders' approval is obtained, the Board or the Delegatee(s) shall in its sole and absolute discretion determine whether the Vesting Dates of any Awards will be accelerated.

15. SCHEME LIMIT

- 15.1. The maximum limit under the Scheme shall be the highest numbers of H Shares acquired by the Trustee through on-market transactions at the prevailing market price in accordance with Rule 8.1 from time to time, and in any event not more than 10,000,000 H Shares (the "**Scheme Limit**"). The Company shall not make any further grant of the Award which would otherwise cause the total numbers of such H Shares (excluding the lapsed Award Shares under the Scheme) in respect of which all the grants are to be made under the Scheme exceeds the Scheme Limit on the premise of no approvals are obtained from the Shareholders.

16. VESTING AND PERFORMANCE APPRAISAL REQUIREMENTS

- 16.1. Unless otherwise notified in writing by the Board and/or its Delegatee(s), each vesting shall be conducted in accordance with, among other things, the performance target and clawback mechanism, if any, as set forth in the Grant instrument and/or the provisions of the H Share Award and Trust Scheme.

Vesting period: The vesting period for the Award Shares is one year commencing from the first trading day after expiry of 12-month from the grant date, and the Award Shares will be vested 100%. The vesting period of the Award Shares may be adjusted by the Board and/or its Delegatee(s) as it deems appropriate in its sole discretion, subject to compliance with all applicable laws, rules and regulations.

Vesting conditions: The vesting of the Award Shares is conditional on the implementation after achievement of the performance appraisal indicators at the Company's level and the performance appraisal indicators at the individual's level.

Performance appraisal indicators at the Company's level:

Vesting conditions for the Award Shares in 2026: the net profit growth rate in 2026 will not be less than 15% based on 2025 net profit;

Vesting conditions for the Award Shares in 2027: the net profit growth rate in 2027 will not be less than 30% based on 2025 net profit;

Vesting conditions for the Award Shares in 2028: the net profit growth rate in 2028 will not be less than 45% based on 2025 net profit.

The "net profit" above refers to the audited net profit of the listed company, but the value excluding the impact of share-based payment expenses of this Scheme and other such plans is used as the calculation basis.

Performance appraisal indicators at the individual's level: Reaching the level of C (basically qualified) and above.

17. RETURNED SHARES

- 17.1. The Trustee shall hold the Returned Shares to be applied towards future Awards in accordance with the provisions hereof for the purpose of the Scheme. When H Shares have been deemed to be Returned Shares under the Scheme Rules, the Trustee shall notify the Company accordingly.

18. INTERPRETATION

- 18.1. Any decision to be made under the Scheme, including matters of interpretation with respect to the Scheme Rules, shall be made by the Board and/or the Delegatee(s). The Board shall determine any question of interpretation and settle any dispute arising under or in connection with this Scheme. The decision by the Board and/or the Delegatee(s) shall be final and binding.

19. ALTERATION OF THE SCHEME

- 19.1. Subject to the Scheme Limit, the Scheme may be altered or supplemented in any respect by a resolution of the Board provided that no such amendment shall operate to affect materially and adversely any subsisting rights of any Selected Participant hereunder. The altered Scheme shall comply with the applicable provisions of the Listing Rules.
- 19.2. Where the Board alters the Scheme, the independent non-executive Directors shall express independent opinion on whether the altered Scheme facilitates the sustainable development of the Company and whether the altered Scheme impairs the interests of the Company and the Shareholders as a whole.
- 19.3. Subject to the Listing Rules and if the initial grant of the Awards has been approved by the Board, the Remuneration Committee, independent non-executive Directors and/or Shareholders of the Company (as the case may be), any alternations to the terms of the Awards granted to the grantee shall be approved by the Board, the Remuneration Committee, independent non-executive Directors and/or Shareholders of the Company (as the case may be). This Rule shall not apply to the alternation to the automatic effectiveness under the existing terms of the Scheme. The altered Scheme shall comply with the applicable provisions of the Listing Rules.

20. CANCELLATION OR FORFEITURE OF AWARDS

- 20.1. The Board and/or the Delegatee(s) may in its sole and absolute discretion cancel any Award that has not vested or been forfeited, provided that it shall not affect the subsisting rights of any Selected Participant.
- 20.2. Unless otherwise waived by the Board, in the event that the vesting conditions (if any) specified in an Award Letter are not fully satisfied prior to or on the relevant Vesting Date, the award of the Award Shares shall lapse, such Award Shares shall not vest on the relevant Vesting Date and the Selected Participant shall have no claims against the Company, any other member of the Group, the Board, the Delegatee(s), the Trust or the Trustee; and in the event that the Selected Participant ceases to be an eligible person on or prior to the relevant Vesting Date in accordance with Rule 10 of the Scheme and the Award in respect of the relevant Vesting Date shall lapse or be forfeited pursuant to the Scheme, such Award shall not vest on the relevant Vesting Date and the Selected Participant shall have no claims against the Company, any other member of the Group, the Board, the Delegatee(s), the Trust or the Trustee, unless the Board or the Delegatee(s) determines otherwise at its sole and absolute discretion.

21. TERMINATION OF THE SCHEME

- 21.1. Subject to Rule 4, the Scheme shall be terminated on the earlier of:
- a) the end of the Award Period except in respect of any non-vested Award Shares granted hereunder prior to the expiration of the Scheme, for the purpose of giving effect to the vesting of such Award Shares or otherwise as may be required in accordance with the provisions of the Scheme; or

- b) such date of early termination as determined by the Board. For the avoidance of doubt, the change in the subsisting rights of a Selected Participant in this Rule refers solely to any change in the rights in respect of the Award Shares already granted to a Selected Participant. On the last trading day following the settlement, lapse, forfeiture or cancellation (as the case may be) under the Scheme, the Trustee shall (i) sell outstanding Awards remaining in the Trust within a reasonable time period as agreed between the Trustee and the Company upon receiving notice of the settlement, lapse, forfeiture or cancellation (as the case may be) (or such longer period as the Company may otherwise determine), and remit all cash and net proceeds of such sale referred to in this Rule and other funds remaining in the Trust (after making appropriate deductions in respect of all disposal costs in accordance with the Trust Deed) to the Company; or (ii) return the outstanding balance of the H Shares remaining in the Trust to the Group in the manner as instructed by the Board or the Delegatee(s), subject to the compliance with the Listing Rules or any applicable rules and regulations.

22. MISCELLANEOUS

- 22.1. The Scheme shall not form part of any contract of employment between the Company or any subsidiary and any eligible employee, and the rights and obligations of any eligible employee under the terms of his/her office or employment shall not be affected by his/her participation in the Scheme or any right which he/she may have to participate in it and the Scheme shall afford such eligible employee no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.
- 22.2. The Company shall bear the costs of establishing and administering the Scheme, including, for the avoidance of doubt, costs arising from communication as referred to in Rule 22.3, expenses incurred in the purchase of H Shares by the Trustee and stamp duty and normal registration fee (i.e. not being fee chargeable by the share registrar of any express service of registration) in respect of the transfer of H Shares to Selected Participants on the relevant Vesting Date. For the avoidance of doubt, the Company shall not be liable for any Tax or expenses of such other nature payable on the part of any eligible employee in respect of any sale, purchase, vesting or transfer of H Shares (or cash amount of equivalent value being paid), other than for any withholding tax liability of the Company or any member of the Group under applicable laws.
- 22.3. Any notice or other communication between the Company and any eligible employee may be given by sending the same by prepaid post or by personal delivery to, in the case of the Company, its registered office in the PRC or such other address as notified to the eligible employee from time to time and in the case of an eligible employee, his/her address as notified to the Company from time to time or by hand delivery. In addition, any notice (including the vesting notice) or other communication from the Company to any eligible employee or Selected Participant may be given by any electronic means through the Trustee, as the Board considers appropriate.

- 22.4. Any notice or other communication served by post shall be deemed to have been served 24 hours after the same was put in the post. Any notice or other communication served by electronic means shall be deemed to have been received on the day following that on which it was sent.
- 22.5. The Company shall not be responsible for any failure by any eligible employee to obtain any consent or approval required for such eligible employee to participate in the Scheme as a Selected Participant or for any Tax, expenses, fees or any other liability to which an eligible employee may become subject as a result of participation in the Scheme.
- 22.6. Each and every provision hereof shall be treated as a separate provision and shall be severally enforceable as such in the event of any provision or provisions being or becoming unenforceable in whole or in part. To the extent that any provision or provisions are unenforceable, they shall be deemed to be deleted from these Scheme Rules, and any such deletion shall not affect the enforceability of other terms of the Scheme Rules.
- 22.7. For the avoidance of doubt, the Scheme does not constitute a share scheme involving the issuance of new shares under Chapter 17 of the Listing Rules.
- 22.8. Save as specifically provided herein, the Scheme shall not confer on any person any legal or equitable rights (other than those constituting and attaching to the Award Shares themselves) against the Group directly or indirectly or give rise to any cause of action at law or in equity against the Group. No person shall, under any circumstances, hold the Board or the Delegatee(s) and/or the Company liable for any costs, losses, expenses and/or damages whatsoever arising from or in connection with the Scheme or the administration thereof.
- 22.9. In the event that an Award lapses in accordance with the Scheme Rules, no Selected Participants shall be entitled to any compensation for any loss or any right or benefit or prospective right or benefit under the Scheme which he/she might otherwise have enjoyed.
- 22.10. The Scheme shall operate subject to the Articles and to any restrictions under any applicable laws, rules and regulations.
- 22.11. By participating in the Scheme, the Selected Participant agrees to hold, process, store and use personal data and information concerning him/her by any member of the Group, the Trustee or other third-party service provider, in Hong Kong or elsewhere, for the purpose of the administration and implementation of the Scheme. Such consent includes, but is not limited to, the following:
- a) the administration and maintenance of records of the Selected Participant;
 - b) the provision of data or information to members of the Group, the Trustee, registrars, brokers or third-party administrators or managers of the Scheme, in Hong Kong or elsewhere;

- c) the provision of data or information to future purchasers or merger partners of the Company, the Selected Participant's employing company, or the business in which the Selected Participant works;
- d) the transfer of data or information about the Selected Participant to a country or territory outside the Selected Participant's home country which may not provide the same statutory protection for the information as his/her home country; and
- e) in the case where an announcement is required to be made or a circular is required to be despatched pursuant to the Listing Rules or other applicable laws, rules and regulations for the purposes of granting an Award, the disclosure of the identity of such Selected Participant, the number of Award Shares and the terms of the Award granted and/or to be granted and all other information as required under the Listing Rules or other applicable laws, rules and regulations.

The Selected Participant is entitled, on payment of a reasonable fee, to a copy of the personal data held about him/her, and if such personal data is inaccurate, the Selected Participant has the right to have it corrected.

23. DISPUTE RESOLUTION

- 23.1. The Board shall determine any question of interpretation and settle any dispute arising under or in connection with this Scheme. In such matters, the Board's decision shall be final and conclusive.

24. GOVERNING LAW

- 24.1. The Scheme shall be governed by and construed in accordance with the laws of Hong Kong Special Administrative Region of the People's Republic of China.