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**CIG SHANGHAI CO., LTD.**

**上海劍橋科技股份有限公司**

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

**(Stock Code: 6166)**

**PROPOSED ADOPTION OF THE A SHARE INCENTIVE SCHEME  
AND THE H SHARE INCENTIVE SCHEME**

The Board has resolved to propose the adoption of the A Share Incentive Scheme and the H Share Incentive Scheme by the Company at the Board meeting held on 30 March 2026 in order to reward Eligible Participants and Incentive Participants for their contributions and attract suitable personnel for the further development of the Group. The source of the underlying Shares for the A Share Incentive Scheme is the Company's ordinary A Shares issued to the Incentive Participants through a private placement, not including Treasury Shares. The source of the underlying Shares for the H Share Incentive Scheme is the ordinary H Shares issued by the Company and Treasury Shares (if any).

Pursuant to Chapter 17 of the Listing Rules, the A Share Incentive Scheme will constitute a share scheme of the Company involving the issue of new Shares and therefore the adoption of the A Share Incentive Scheme is subject to the approval of the Shareholders. The terms of the A Share Incentive Scheme are in accordance with the relevant requirements under Chapter 17 of the Listing Rules. Pursuant to Chapter 17 of the Listing Rules, the H Share Incentive Scheme will constitute a share scheme of the Company involving the issue of new Shares and therefore the adoption of the H Share Incentive Scheme is subject to the approval of the Shareholders. The terms of the H Share Incentive Scheme are in accordance with the relevant requirements under Chapter 17 of the Listing Rules.

The Company will convene a Shareholders' meeting to seek Shareholders' approval for, among other things, the adoption of the A Share Incentive Scheme, the H Share Incentive Scheme and related matters. A circular containing, among other things, a notice of the Shareholders' meeting and details of the proposed adoption of the A Share Incentive Scheme, the H Share Incentive Scheme and related matters, will be published in due course.

## **I. PROPOSED ADOPTION OF THE A SHARE INCENTIVE SCHEME AND H SHARE INCENTIVE SCHEME**

The Board has resolved to propose the adoption of the A Share Incentive Scheme, the H Share Incentive Scheme by the Company at the Board meeting held on 30 March 2026 in order to reward Eligible Participants and Incentive Participants for their contributions and attract suitable personnel for the further development of the Group. The source of the underlying Shares for the A Share Incentive Scheme is the Company's ordinary A Shares issued to the Incentive Participants through a private placement, not including Treasury Shares. The source of the underlying Shares for the H Share Incentive Scheme is the ordinary H Shares issued by the Company and Treasury Shares (if any).

### **(i) Summary of the A Share Incentive Scheme**

The A Share Incentive Scheme of the Company consists of two parts: the Share Option Incentive Scheme and the Restricted Share Incentive Scheme.

The total equity to be granted to Incentive Participants under the A Share Incentive Scheme is 15.5713 million units, accounting for approximately 4.42% of the Company's total share capital of 352,650,373 Shares as of the date of this announcement. Among this, the initial batch will grant 14.5713 million units, accounting for approximately 4.13% of the Company's total share capital of 352,650,373 Shares as of the Latest Practicable Date, and 93.58% of the total equity to be granted under the A Share Incentive Scheme; the Reserved Equity is 1.00 million units, accounting for approximately 0.28% of the Company's total share capital of 352,650,373 Shares as of the Latest Practicable Date, and 6.42% of the total equity to be granted under the A Share Incentive Scheme.

The principal terms of the A Share Incentive Scheme are as follows:

#### ***Purpose of the Incentive Scheme***

To refine the corporate governance structure of the Company, establish and optimise the Company's long-term incentive and restraint mechanism, attract, stabilize and motivate outstanding talents of the Company, fully mobilize their enthusiasm and creativity, stimulate the innovative vitality and professional sense of mission of the core team, enhance core team cohesion and core corporate competitiveness, integrate the interests of Shareholders, the Company and the core team, bind the long-term interests of the three parties through the equity nexus, promote the formation of a business community that shares risks, benefits and development, enable all parties to focus on the Company's long-term development, guide the core team to concentrate on the core objectives of technological innovation, market expansion and operating efficiency improvement, and ensure the realization of the Company's development strategy and operation goals.

### *Administrative Body of Incentive Scheme*

The Shareholders' meeting, as the ultimate authoritative organization of the Company, shall be responsible for considering and approving the implementation, modification and termination of the A Share Incentive Scheme. The Shareholders' meeting may, within its powers and authority, authorise the Board to handle certain matters relating to the A Share Incentive Scheme.

The Board shall act as the executive and administrative body for the A Share Incentive Scheme and be responsible for the implementation of the A Share Incentive Scheme. The Remuneration and Evaluation Committee under the Board shall be responsible for drafting and revising the A Share Incentive Scheme, and submitting the A Share Incentive Scheme to the Board of the Company for consideration. Upon consideration and approval by the Board, the A Share Incentive Scheme shall be submitted to the Shareholders' meeting of the Company for consideration and approval. The Board may handle relevant matters relating to the A Share Incentive Scheme within its scope of authority as delegated by the Shareholders' meeting. The Remuneration and Evaluation Committee shall issue clear opinions on the fulfillment of conditions for granting interests to Incentive Participants and for exercising rights under the A Share Incentive Scheme.

The Remuneration and Evaluation Committee shall act as the supervisory authority for the A Share Incentive Scheme, and shall issue opinions as to whether the A Share Incentive Scheme is beneficial to the sustainable development of the Company or is significantly detrimental to the interests of the Company and the shareholders as a whole. The Remuneration and Evaluation Committee shall verify the list of Incentive Participants under the A Share Incentive Scheme and supervise the implementation of the A Share Incentive Scheme as to whether it is in compliance with the relevant laws, administrative regulations, normative documents and operational rules of the Stock Exchange.

### *Scope and Lists of Grantees*

A total of 1,064 Incentive Participants are covered in the initial grant under the A Share Incentive Scheme, accounting for 78.58% of the Company's total number of 1,354 employees as of December 31, 2025, including:

- 1) Directors, senior management;
- 2) Core management and technical (business) personnel;

The above Incentive Participants do not include independent non-executive Directors, Shareholders or actual controllers individually or collectively holding more than 5% of the Company's Shares, and their spouses, parents, and children are not included. Among the Incentive Participants of the A Share Incentive Scheme, the Directors and the senior management of the Company must be elected by the Shareholders' meeting of the Company or be appointed by the Board of Directors of the Company. All Incentive Participants must sign a labor contract or an employment contract with the Company or a subsidiary of the Company during the assessment period of the A Share Incentive Scheme.

The 1,064 Incentive Participants are selected based on their positions and contributions. Aligned with the Company's strategic development needs, the A Share Incentive Plan focuses on core management, technical, and business positions. The selection of Incentive Participants is primarily based on the importance of the employee's position within the Company, their contribution to the Company's performance and long-term development, individual performance, and future growth potential. The finalized list of Incentive Participants will be reviewed and determined by the Remuneration and Evaluation Committee.

Among the 1,064 Incentive Participants, 1,059 Incentive Participants are nationals of Chinese Mainland, and the remaining 5 Incentive Participants are non-Chinese Mainland residents who have entered into employment contracts with members of the Group incorporated or established in Chinese Mainland. These 5 Incentive Participants voluntarily choose to participate in the A Share Incentive Scheme and waive their participation in the H Share Incentive Scheme. All technical (business) personnel are employees of the Group.

The number and identities of the 1,064 Incentive Participants of the initial grant are fixed and will not be subject to change.

Grantees of the Reserved Equity shall be determined within 12 months after the A Share Incentive Scheme is approved by the Shareholders' meeting. After being proposed by the Board, with the Remuneration and Evaluation Committee issuing a clear opinion, and lawyers issuing a professional opinion and a legal opinion, the Company will timely and accurately disclose information about the Incentive Participants on the designated website as required. If no Incentive Participants are determined after 12 months, the Reserved Equity shall lapse. The criteria for determining the grantees of the Reserved Equity shall be the same as those for the initial grant under the A Share Incentive Scheme namely, he/she shall be a Director, senior management or core management and technical (business) personnel of the Company (including its subsidiaries, the same below) holding office in the Company at the time of the grant.

The Company will publish announcements upon the initial grant and the grant of the Reserve Equity in accordance with Rules 17.06A, 17.06B and 17.06C of the Listing Rules.

The arrangement of Reserved Equity is in line with the common practice of incentive schemes in the A-share market. To address future needs such as talent recruitment and position adjustments, A-share listed companies typically reserve a certain percentage of equity under the incentive plan for the subsequent incentive of key talents.

The 12-month period for granting the Reserved Equity is primarily determined based on the following considerations:

- **Compliance with regulatory requirements:** The Administrative Measures requires that the grantees of reserved equity be determined within 12 months following the approval of the incentive scheme by the shareholders' meeting.
- **Alignment with the Company's talent planning cycle:** The 12-month period aligns with the Company's annual cycle for talent recruitment, development, and position adjustments, allowing the Company to flexibly determine the recipients of reserved benefits based on business development needs.
- **Timeliness of incentives:** The 12-month period provides the Company with sufficient time to select appropriate grantees while preventing the Reserved Equity from remaining unused for a long time, thereby ensuring the incentives are granted in a timely and effective manner.

## ***Details of Incentive Scheme***

### ***(A) Share Option Incentive Scheme***

#### **Source and Type of Underlying Shares for the Proposed Grant of Share Option**

The source of the underlying Shares for the Share Option Incentive Scheme is the Company's domestically listed RMB ordinary shares (A Shares) issued to the Incentive Participants through a private placement, not including Treasury Shares.

#### **Number of Proposed Share Options to be Granted and Their Proportion to the Company's Total Share Capital**

The total number of Share Options to be granted to Incentive Participants under the A Share Incentive Scheme is 13,853,500 units, accounting for approximately 3.93% of the Company's total share capital of 352,650,373 Shares as of the announcement date of the A Share Incentive Scheme draft. Among this, the initial grant of Share Options is 12,853,500 units, accounting for approximately 3.64% of the Company's total share capital of 352,650,373 Shares as of the announcement date of the A Share Incentive Scheme draft, and 92.78% of the total Share Options to be granted under the A Share Incentive Scheme; the reserved Share Options are 1,000,000 units, accounting for approximately 0.28% of the Company's total share capital of 352,650,373 Shares as of the announcement date of the A Share Incentive Scheme draft, and 7.22% of the total Share Options to be granted under the A Share Incentive Scheme. Each Share Option granted under the A Share Incentive Scheme, upon satisfaction of the exercise conditions and exercise schedule, entitles the holder to purchase one (1) domestically listed RMB ordinary share (A Share) of the Company at the Exercise Price during the exercisable period.

## List of Incentive Participants and Allocation of Proposed Share Options

Name	Nationality	Position	Number of Share Options Granted (10,000 units)	Proportion of Total Equity to be Granted under the A Share Incentive Scheme	Proportion of Total Share Capital as of the Announcement Date of the A Share Incentive Scheme Draft
<b>I. Directors, Senior Management</b>					
Zhang Jie	Chinese	Director	4.85	0.31%	0.01%
Zhao Hongwei	Chinese	Director	4.85	0.31%	0.01%
Cheng Gucheng	Chinese	Deputy General Manager, Financial Controller	4.85	0.31%	0.01%
<b>II. Core Management and Technical (Business) Personnel (Total 1,061 persons)</b>			1,270.80	81.61%	3.60%
Reserved			<u>100.00</u>	<u>6.42%</u>	<u>0.28%</u>
Total			<u><u>1,385.35</u></u>	<u><u>88.97%</u></u>	<u><u>3.93%</u></u>

*Note:* Some totals in the above table may not sum exactly due to rounding.

### Validity Period, Grant Date, Vesting Period, Exercise Arrangements, and Lock-up Period of the Share Option Incentive Scheme

#### 1. Validity Period of Share Options

The validity period of the Share Option Incentive Scheme is from the first Grant Date of the Share Options until the date when all Share Options granted to Incentive Participants are exercised or cancelled, but in any case, it shall not exceed 48 months. Therefore, the life of the Share Option Incentive Scheme will not be more than ten (10) years in accordance with Rule 17.03(11) of the Listing Rules.

#### 2. Grant Date of Share Options

After the A Share Incentive Scheme is approved by the Shareholders' meeting of the Company, the Company will, within 60 days (if there are conditions for granting equity, calculated from the date such conditions are fulfilled), convene a Board meeting according to relevant regulations to make the initial grant of equity to the Incentive Participants and complete the relevant procedures such as announcement and registration. If the Company fails to complete the above work within 60 days, it shall promptly disclose the reasons for

the failure and announce the termination of the A Share Incentive Scheme. According to the Administrative Measures, the period during which the Company is prohibited from granting equity shall not be counted within the 60 days.

The Grant Date for the reserved Share Options shall be determined by the Board of Directors of the Company within 12 months after the Shareholders' meeting approval.

The Grant Date is determined by the Board of Directors of the Company after the A Share Incentive Scheme is approved by the Shareholders' meeting. The Grant Date must be an A-share trading day. If the date determined according to the above principle is not an A-share trading day, the Grant Date will be postponed to the first subsequent A-share trading day.

### 3. Vesting Period of Share Options

The Share Options granted to Incentive Participants are subject to different vesting periods, commencing from the date of registration of the Share Options granted to the Incentive Participants. The interval between the Grant Date and the first exercisable date shall not be less than 12 months. The vesting period of the Share Options will not be less than 12 months and there is no circumstance in which a vesting period will be shorter than 12 months.

### 4. Exercisable Date of Share Options

Incentive Participants under the A Share Incentive Scheme can only start exercising after the vesting period ends, and must comply with the relevant provisions of the CSRC, and the Shanghai Stock Exchange. The Exercisable Date must be an A-share trading day within the validity period of the A Share Incentive Scheme, and exercise is not permitted during periods when relevant laws, administrative regulations, departmental rules restrict Directors and senior management of listed companies from trading in the Company's shares.

If a Director or senior management of the Company, or their spouse, parents, or children, as Incentive Participants, sell Shares before exercising their Share Options, they must postpone exercising their Share Options for 6 months from the date of the last sale in accordance with the short-swing profit rules stipulated in the Securities Law.

During the validity period of the A Share Incentive Scheme, if the relevant provisions concerning the above periods in the PRC Company Law, Securities Law, and other relevant laws, administrative regulations, normative documents, and the Articles of Association change, then the exercise by Incentive Participants must comply with the amended PRC Company Law, Securities Law, and other relevant laws, regulations, normative documents, and the Articles of Association.

The exercise arrangements for the initially granted Share Options under the A Share Incentive Scheme are as follows:

<b>Exercise Period</b>	<b>Exercise Time</b>	<b>Exercise Proportion</b>
First Exercise Period	From the first A-share trading day after 12 months following the Grant Date of the initially granted Share Options until the last A-share trading day within 24 months following the Grant Date of the initially granted Share Options.	30%
Second Exercise Period	From the first A-share trading day after 24 months following the Grant Date of the initially granted Share Options until the last A-share trading day within 36 months following the Grant Date of the initially granted Share Options.	30%
Third Exercise Period	From the first A-share trading day after 36 months following the Grant Date of the initially granted Share Options until the last A-share trading day within 48 months following the Grant Date of the initially granted Share Options.	40%

The exercise arrangements for the reserved Share Options are as follows:

<b>Exercise Period</b>	<b>Exercise Time</b>	<b>Exercise Proportion</b>
First Exercise Period	From the first A-share trading day after 12 months following the Grant Date of the reserved Share Options until the last A-share trading day within 24 months following the Grant Date of the reserved Share Options.	30%
Second Exercise Period	From the first A-share trading day after 24 months following the Grant Date of the reserved Share Options until the last A-share trading day within 36 months following the Grant Date of the reserved Share Options.	30%
Third Exercise Period	From the first A-share trading day after 36 months following the Grant Date of the reserved Share Options until the last A-share trading day within 48 months following the Grant Date of the reserved Share Options.	40%

If the reserved Share Options are granted after the disclosure date of the Company's 2026 third quarterly report, the exercise arrangements for the reserved Share Options are as follows:

<b>Exercise Period</b>	<b>Exercise Time</b>	<b>Exercise Proportion</b>
First Exercise Period	From the first A-share trading day after 12 months following the Grant Date of the reserved Share Options until the last A-share trading day within 24 months following the Grant Date of the reserved Share Options.	50%
Second Exercise Period	From the first A-share trading day after 24 months following the Grant Date of the reserved Share Options until the last A-share trading day within 36 months following the Grant Date of the reserved Share Options.	50%

Share Options for which exercise conditions are not met during the stipulated periods above cannot be exercised or deferred to subsequent periods, and the Company will cancel the corresponding Share Options of the Incentive Participants according to the principles stipulated in the A Share Incentive Scheme. After each Exercise Period ends, any unexercised Share Options for that period shall terminate and be cancelled by the Company.

After the Share Option exercise conditions are met, the Company will handle the exercise of the Share Options for the Incentive Participants that meet the conditions.

## 5. Lock-up Period for Share Options

The lock-up provisions for Company shares obtained by Incentive Participants through the A Share Incentive Scheme shall comply with the PRC Company Law, Securities Law, relevant laws, administrative regulations, normative documents, and the Articles of Association. The specific details are as follows:

- (1) If the Incentive Participant is a Director or senior management of the Company, during their term of office determined at appointment and within six months after the term expires, the annual transfer of shares shall not exceed 25% of the total shares they hold in the Company. Within six months after leaving office, they shall not transfer the Company shares they hold.
- (2) If the Incentive Participant is a Director or senior management of the Company, or their spouse, parents, or children, and they sell the Company's shares they hold within six months after purchase, or buy them again within six months after sale, any profits derived therefrom shall belong to the Company, and the Board of Directors of the Company shall recover such profits.
- (3) During the validity period of the A Share Incentive Scheme, if the relevant provisions concerning the transfer of shares held by Directors and senior management in the PRC Company Law, Securities Law, relevant laws, regulations, normative documents, and the Articles of Association change, then the transfer of Shares by these Incentive Participants must comply with the amended PRC Company Law, Securities Law, relevant laws, regulations, normative documents, and the Articles of Association at the time of transfer.

### Exercise Price of Share Options and Method for Determining the Exercise Price

#### 1. Exercise Price of the Initially Granted Share Options

The Exercise Price for the initially granted Share Options under the Incentive Scheme is RMB113.99 per unit. That is, upon satisfaction of the exercise conditions, each Share Option granted to an Incentive Participant entitles them to purchase 1 share of the Company at a price of RMB113.99.

## 2. Method for Determining the Exercise Price of the Initially Granted Share Options

The Exercise Price for the initially granted Share Options under the A Share Incentive Scheme shall not be lower than the par value of the Shares, and shall not be lower than the higher of the following prices:

- (1) The average trading price of the Company's shares on the A-share market for the 1 trading day before the announcement date of the A Share Incentive Scheme draft, which is RMB104.88 per share;
- (2) The average trading price of the Company's shares on the A-share market for the 20 trading days before the announcement date of the A Share Incentive Scheme draft, which is RMB113.99 per share.

## 3. Method for Determining the Exercise Price of the Reserved Share Options

The Exercise Price for the reserved Share Options under the Incentive Scheme is the same as the Exercise Price for the initially granted Share Options.

## Grant and Exercise Conditions for Share Options

### 1. Grant Conditions for Share Options

The Company may grant Share Options to Incentive Participants only when the following conditions are met simultaneously; conversely, if any of the following grant conditions are not met, Share Options shall not be granted to Incentive Participants.

- (1) None of the following circumstances occur in the Company:
  - ① The financial accounting report for the latest fiscal year is audited and issued with an adverse opinion or a disclaimer of opinion by a certified public accountant;
  - ② The internal control of the financial report for the latest fiscal year is audited and issued with an adverse opinion or a disclaimer of opinion by a certified public accountant;
  - ③ Any failure to distribute profits in accordance with laws, regulations, the Articles of Association, or public commitments within the last 36 months after listing;

- ④ Prohibited by laws and regulations from implementing equity incentives;
  - ⑤ Other circumstances determined by the CSRC.
- (2) None of the following circumstances occur in the Incentive Participant:
- ① Identified as an unsuitable candidate by the stock exchange in the last 12 months;
  - ② Identified as an unsuitable candidate by the CSRC or its dispatched offices in the last 12 months;
  - ③ Subjected to administrative penalties or market entry bans by the CSRC or its dispatched offices due to material illegal or non-compliant acts in the last 12 months;
  - ④ Having circumstances as stipulated in the PRC Company Law that prohibit a person from serving as a Director or senior management of the Company;
  - ⑤ Prohibited by laws and regulations from participating in equity incentives of listed companies;
  - ⑥ Other circumstances determined by the CSRC.

## 2. Exercise Conditions for Share Options

Share Options granted to Incentive Participants may be exercised during the exercise period only when the following conditions are met simultaneously:

- (1) None of the following circumstances occur in the Company:
- ① The financial accounting report for the latest fiscal year is audited and issued with an adverse opinion or a disclaimer of opinion by a certified public accountant;
  - ② The internal control of the financial report for the latest fiscal year is audited and issued with an adverse opinion or a disclaimer of opinion by a certified public accountant;
  - ③ Any failure to distribute profits in accordance with laws, regulations, the Articles of Association, or public commitments within the last 36 months after listing;

- ④ Prohibited by laws and regulations from implementing equity incentives;
- ⑤ Other circumstances determined by the CSRC.

In case the Company has any of the circumstances specified in the above sub-paragraph (1), the Share Options that have been granted to the Incentive Participants under the A Share Incentive Scheme but have not been exercised shall be cancelled by the Company.

- (2) there is no occurrence of any of the following events on the part of the Incentive Participants:
  - ① Identified as an unsuitable candidate by the stock exchange in the last 12 months;
  - ② Identified as an unsuitable candidate by the CSRC or its dispatched offices in the last 12 months;
  - ③ Subjected to administrative penalties or market entry bans by the CSRC or its dispatched offices due to material illegal or non-compliant acts in the last 12 months;
  - ④ Having circumstances as stipulated in the PRC Company Law that prohibit a person from serving as a Director or senior management of the Company;
  - ⑤ Prohibited by laws and regulations from participating in equity incentives of listed companies;
  - ⑥ Other circumstances determined by the CSRC.

In case any Incentive Participant has any of the circumstances specified in the above sub-paragraph (2), The Company will terminate his/her right to participate in the A Share Incentive Scheme, and the Share Options that have been granted to the Incentive Participant under the A Share Incentive Scheme but have not been exercised shall be cancelled by the Company.

(3) Performance appraisal requirements at company level

The A Share Incentive Scheme shall assess the Company's performance metrics annually during fiscal years from 2026 to 2028, subject to the achievement of the performance target of the Company as one of the conditions of exercise of the Share Options of the Incentive Participants. The company-level performance appraisal targets for Share Options granted under the A Share Incentive Scheme are as follows:

<b>Exercise Arrangement</b>		<b>Performance Appraisal Target</b>
Initially granted Share Options	The First Exercise Period	The operating revenue realized shall not be less than RMB5,811 million or the net profit shall not be less than RMB335 million in 2026.
	The Second Exercise Period	The accumulated operating revenue realized shall not be less than RMB12.784 billion or the net profit shall not be less than RMB738 million from 2026 to 2027.
	The Third Exercise Period	The accumulated operating revenue realized shall not be less than RMB21.151 billion or the net profit shall not be less than RMB1.221 billion from 2026 to 2028.
Reserved Share Options	The First Exercise Period	The accumulated operating revenue realized shall not be less than RMB12.784 billion or the net profit shall not be less than RMB738 million from 2026 to 2027.
	The Second Exercise Period	The accumulated operating revenue realized shall not be less than RMB21.151 billion or the net profit shall not be less than RMB1.221 billion from 2026 to 2028.

*Note:* 1. The “operating revenue” above refers to the audited operating revenue of the listed company; 2. The “net profit” above refers to the audited net profit attributable to shareholders of the listed company, calculated on the basis of figures excluding the impact of share-based payment expenses arising from this and other employee incentive schemes.

During the exercise period, the Company shall process the exercise matters for Incentive Participants who meet the exercise conditions. Should the Company’s performance level during each exercise period fail to meet the performance appraisal target conditions, all Share Options scheduled for exercise in such appraisal year of all Incentive Participants shall not be exercised and shall be cancelled by the Company.

(4) Performance appraisal requirements at individual level for the Incentive Participants

Performance appraisal at individual level for the Incentive Participants shall be conducted in accordance with the Company’s internal performance evaluation policies. Individual appraisal outcomes are divided into six grades, namely, “A”, “B +”, “B”, “B-”, “C”, and “D”. The corresponding individual-level exercise ratios are as follows:

<b>Appraisal Grade</b>	<b>A</b>	<b>B+</b>	<b>B</b>	<b>B-</b>	<b>C</b>	<b>D</b>
Individual-level exercise ratio	100%	85%	75%		0%	

Subject to the Company achieving its performance targets, the actual exercise amount of Incentive Participants for the year = the individual’s planned exercise amount for the year × the exercise ratio at individual level. Any Share Options that the Incentive Participant fails to exercise shall be cancelled by the Company.

The specific appraisal indicators for the A Share Incentive Scheme shall be implemented in accordance with the A Share Incentive Scheme Measures.

## Methods and Procedures for Adjustment of the Share Option Incentive Scheme

### 1. Methods of adjusting the number of Share Options

In the event of any capitalization issue, bonus issue, sub-division, share consolidation or rights issue of the Company during the period starting from the announcement date of the A Share Incentive Scheme draft to the completion of the exercise registration of granted Share Options by Incentive Participants, the number of Share Options shall be adjusted accordingly. The adjustment method is as follows:

#### (1) Capitalization issue, bonus issue and sub-division of share capital

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

Where:  $Q_0$  represents the number of Share Options before the adjustment;  $n$  represents the ratio of increase per Share resulting from capitalization issue, bonus issue or subdivision of share capital (i.e. the increase in number of shares per Share upon capitalization issue, bonus issue and sub-division of the share capital);  $Q$  represents the adjusted number of Share Options.

#### (2) Share consolidation

$$Q = Q_0 \times n$$

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

#### (3) Rights issue or open offer

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

Where:  $Q_0$  represents the number of Share Options before the adjustment;  $P_1$  represents the closing price as at the record date;  $P_2$  represents the price of the rights issue or open offer;  $n$  represents the ratio of the rights issue or open offer (i.e. the ratio of the number of shares to be issued under the rights issue or open offer to the total share capital of the Company before the rights issue or open offer);  $Q$  represents the adjusted number of Share Options.

(4) Additional issues

Under the circumstance of the Company's additional issue of new Shares, no adjustment will be made on the number of the Share Options.

2. Method of adjusting the Exercise Price of the Share Options

In the event that any issue of Shares by capitalization issue, bonus issue, sub-division, consolidation of shares or rights issue or dividend distribution has been made by the Company during the period starting from the announcement date of the A Share Incentive Scheme draft to the completion of the exercise registration of granted Share Options by Incentive Participants, an adjustment to the Exercise Price of Share Options shall be made by the Company accordingly, provided no adjustment shall render the exercise price below the par value of the Shares. The adjustment method is as follows:

(1) Capitalization issue, bonus issue and sub-division of shares

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

Where:  $P_0$  represents the Exercise Price before the adjustment;  $n$  represents the ratio of increase per share resulting from capitalization issue, bonus issue and subdivision of shares (i.e., the number of additional shares issued following capitalization issue, bonus issue, or sub-division of shares);  $P$  represents the adjusted Exercise Price.

(2) Share consolidation

$$P = P_0 \div n$$

Where:  $P_0$  represents the Exercise Price before the adjustment;  $n$  represents the ratio of consolidation of shares (i.e. one Share of the Company shall be consolidated into  $n$  shares);  $P$  represents the adjusted Exercise Price.

(3) Rights issue or open offer

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

Where:  $P_0$  represents the Exercise Price before the adjustment;  $P_1$  represents the closing price as at the record date;  $P_2$  represents the price of the rights issue or open offer;  $n$  represents the ratio of the rights issue or open offer (i.e. the ratio of the number of shares to be issued under the rights issue or open offer to the total share capital of the Company before the rights issue or open offer);  $P$  represents the adjusted Exercise Price.

(4) Dividend distribution

$$P = P_0 - V$$

Where:  $P_0$  represents the Exercise Price before the adjustment;  $V$  represents the dividend per share;  $P$  represents the adjusted Exercise Price.  $P$  shall be greater than the par value of the Company's Shares after the dividend distribution.

(5) Additional issue

Under the circumstance of the Company's additional issue of new Shares, no adjustment will be made on the Exercise Price of the Share Options.

*(B) Restricted Share Incentive Scheme*

Source and Type of Underlying Shares for the Proposed Restricted Share Grant

The source of the underlying Shares for the Restricted Share Incentive Scheme is the Company's ordinary A Shares issued to the Incentive Participants through a private placement, not including Treasury Shares.

Number of Proposed Restricted Shares to be Granted and Their Proportion to the Company's Total Share Capital

The total number of Restricted Shares to be granted to Incentive Participants under the A Share Incentive Scheme is 1,717,800 shares, accounting for approximately 0.49% of the Company's total share capital of 352,650,373 shares as of the announcement date of the A Share Incentive Scheme draft. The grant is a one-off grant with no reserved grant.

## List of Incentive Participants and Allocation of Proposed Restricted Shares

Name	Nationality	Position	Number of Restricted Shares granted (10,000 units)	Proportion of the total equity to be granted under the A Share Incentive Scheme	Proportion of the total share capital as of the announcement date of the A Share Incentive Scheme draft
<b>I. Directors, Senior Management</b>					
Zhang Jie	Chinese	Director	2.68	0.17%	0.01%
Zhao Hongwei	Chinese	Directors	2.68	0.17%	0.01%
Cheng Gucheng	Chinese	Deputy general manager, financial officer	2.68	0.17%	0.01%
<b>II. Core Management and Technical (Business) Personnel (Total 141 persons)</b>			163.74	10.52%	0.46%
Total			<u>171.78</u>	<u>11.03%</u>	<u>0.49%</u>

*Note:* Some totals in the above table may not sum exactly due to rounding.

### Validity Period, Grant Date, Lock-Up Period, Unlocking Arrangement and Lock-Up Period of the Restricted Shares

#### 1. Validity Period of Restricted Share Incentive Scheme

The validity period of the Restricted Share Incentive Scheme is from the Grant Date of the Restricted Shares until the date when all Restricted Shares granted to Incentive Participants are unlocked or repurchased and canceled, but in any case, it shall not exceed 48 months. Therefore, the life of the Restricted Share Incentive Scheme will not be more than ten (10) years in accordance with Rule 17.03(11) of the Listing Rules.

## 2. Grant Date of the Restricted Share Incentive Scheme

After the A Share Incentive Scheme is approved by the Shareholders' meeting of the Company, the Company will, within 60 days (if there are conditions for granting equity, calculated from the date such conditions are fulfilled), convene a Board meeting according to relevant regulations to make the grant of equity to the Incentive Participants and complete the relevant procedures such as announcement and registration. If the Company fails to complete the above work within 60 days, it shall promptly disclose the reasons for the failure and announce the termination of the A Share Incentive Scheme. According to the Administrative Measures, the period during which the Company is prohibited from granting equity shall not be counted within the 60 days.

The Grant Date shall be determined by the Board of the Company after the A Share Incentive Scheme is approved by the Shareholders' meeting according to the relevant provisions of the CSRC, and the Shanghai Stock Exchange. The Grant Date must be an A-share trading day. If the date determined according to the above principles is not an A-share trading day, the Grant Date shall be postponed to the first subsequent A-share trading day. The Company shall not grant the Restricted Shares to the Incentive Participants during any period when the relevant laws, administrative regulations, and departmental rules impose trading restrictions on the Shares of Company by the Directors and senior management of the Company.

In case of shareholding reduction by a Director or a member of the senior management of the Company, or his/her spouse, parents, or children as the Incentive Participants before the grant of Restricted Shares, the grant of Restricted Shares shall be postponed for six months from the date of the last shareholding reduction in accordance with the short-swing trading provisions under the Securities Law.

During the Validity Period of the A Share Incentive Scheme, in case there is any amendment to the requirements regarding transfer of Shares by a Director or a member of the senior management of the Company under the PRC Company Law, the Securities Law and other relevant laws, regulations, regulatory documents and the Articles of Association, such amended requirements thereunder shall apply to the Shares transferred by the Incentive Participants during the relevant times.

### 3. Lock-up Period of the Restricted Share Incentive Scheme

The Restricted Shares granted to the Incentive Participants are subject to different Lock-up Periods, all of which shall be calculated from the date of completion of registration of the grant of Restricted Shares to the Incentive Participants. The interval between the Grant Date and the first tradable date shall not be less than 12 months.

The Restricted Shares which are granted to the Incentive Participants under the A Share Incentive Scheme shall not be transferred, pledged for guarantees, or used for repayment of debt during the Lock-up Period. Upon completion of registration by the Securities Depository and Clearing Corporation, the Restricted Shares granted to the Incentive Participants shall have the same rights as Shares, including but not limited to the rights to dividend, the rights to rights issue, and the rights to vote. During the Lock-up Period, any shares obtained by the Incentive Participants as a result of capitalization issue, bonus issue, rights issue shares, or shares allocated to existing shareholders in additional issues in relation to the Restricted Shares granted shall be subject to the same lock-up restrictions, and shall not be sold in the secondary market or otherwise transferred. The expiry date of the lock-up period for such shares shall be the same as that for the Restricted Shares.

When the Company distributes cash dividends, the cash dividends that the Incentive Participants are entitled to in respect of the Restricted Shares granted to them, after deduction of individual income tax, shall be enjoyed by the Incentive Participants. In principle, the cash dividends will be collected by the Company on behalf of the Incentive Participants and will be returned to them upon the removal of trading restrictions on the relevant Restricted Shares. If the relevant Restricted Shares fails to have its trading restrictions removed, the corresponding cash dividends shall be recovered by the Company, and appropriate accounting treatment shall be applied.

#### 4. Unlocking Arrangements for the Restricted Share Incentive Scheme

The unlocking arrangements for the Restricted Shares are shown in the table below:

<b>Unlocking arrangements</b>	<b>Unlocking schedule</b>	<b>Unlocking proportion</b>
First Unlocking Period	Commencing from the first trading day of the A Share upon the expiry of 12 months from the Grant Date of the Restricted Share to the last trading day of the A Share upon the expiry of 24 months from the Grant Date of the Restricted Share	30%
Second Unlocking Period	Commencing from the first trading day of the A Share upon the expiry of 24 months from the Grant Date of the Restricted Share to the last trading day of the A Share upon the expiry of 36 months from the Grant Date of the Restricted Share	30%
Third Unlocking Period	Commencing from the first trading day of the A Share upon the expiry of 36 months from the Grant Date of the Restricted Share to the last trading day of the A Share upon the expiry of 48 months from the Grant Date of the Restricted Share	40%

The Restricted Shares that fail to meet the unlocking conditions during the aforesaid Unlocking Periods shall not be unlocked or carried forward to the next period for unlocking, and shall be repurchased and cancelled by the Company in accordance with the principles stipulated in the A Share Incentive Scheme.

Upon satisfaction of the unlocking conditions for the Restricted Shares, the Company will handle the unlocking at its discretion for the Restricted Shares that meet the unlocking conditions.

## 5. Lock-up Period for the Restricted Shares

The lock-up arrangement for the Shares of the Company granted to the Incentive Participants under the A Share Incentive Scheme shall be implemented in accordance with the PRC Company Law, the Securities Law and other relevant laws, regulations and regulatory documents as well as the requirements of the Articles of Association. Specific contents are as follows:

- (1) Where an Incentive Participant is a Director or a member of the senior management of the Company, the number of the Shares of the Company which may be transferred by the Incentive Participant each year during his/her term of office as determined upon his/her appointment and within six months after the expiry of his/her term of office shall not exceed 25% of the total number of the Shares of the Company held by him/her. No Shares of the Company held by him/her shall be transferred within six months after his/her termination of office.
- (2) Where an Incentive Participant is a Director or a member of the senior management of the Company, or his/her spouse, parents, or children, and he/she disposes of any Shares of the Company within six months after acquisition or buys back such Shares within six months after disposal, all gains arising therefrom shall be accounted to the Company and the Board will collect all such gains.
- (3) During the Validity Period of the A Share Incentive Scheme, in case there is any amendment to the requirements regarding transfer of Shares by a Director or a member of the senior management of the Company under the PRC Company Law, the Securities Law and other relevant laws, regulations, regulatory documents and the Articles of Association, such amended requirements thereunder shall apply to the Shares transferred by the Incentive Participants during the relevant times.

## Grant Price of the Restricted Shares and the Basis of Its Determination

### 1. Grant Price of the Restricted Shares

The Grant Price of the Restricted Shares shall be RMB57.00 per Share.

### 2. Basis of Determination for the Grant Price of the Restricted Shares

The Grant Price of the Restricted Shares shall not be lower than the carrying amount of the Shares, and not lower than the higher of the followings:

- (1) 50% of the average trading price of the A Share of the Company (i.e. RMB52.44 per share) on the trading day preceding the announcement date of the A Share Incentive Scheme draft;
- (2) 50% of the average trading price of the A Share of the Company (i.e. RMB57.00 per share) for 20 trading days preceding the announcement date of the A Share Incentive Scheme draft.

## Conditions on Grant and Unlocking of the Restricted Shares

### 1. Conditions on the Grant of the Restricted Shares

Restricted Shares may be granted to the Incentive Participants by the Company only upon satisfaction of all of the following conditions. In other words, Restricted Shares cannot be granted to the Incentive Participants if any of the following conditions of grant is not satisfied.

- (1) There is no occurrence of any of the following events on the part of the Company:
  - ① issue of an auditors' report with adverse opinions or which indicates an inability to give opinions by a certified public accountant with respect to the financial report of the Company for its most recent accounting year;
  - ② issue of an auditors' report with adverse opinions or which indicates an inability to give opinions by a certified public accountant with respect to the internal control of the financial report of the Company for its most recent accounting year;
  - ③ failure to conduct profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings during the last 36 months after listing;
  - ④ prohibition from implementation of a share incentive scheme by laws and regulations;
  - ⑤ other circumstances determined by the CSRC.

- (2) There is no occurrence of any of the following events on the part of the Incentive Participants:
- ① he or she has been determined by any stock exchange as an ineligible person in the last 12 months;
  - ② he or she has been determined by the CSRC and its delegated agencies as an ineligible person in the last 12 months;
  - ③ he or she has been imposed by the CSRC or its delegated agencies with administrative penalties or measures prohibiting access into the market in the last 12 months due to the material non-compliance of laws or regulations;
  - ④ he or she is prohibited from acting as a Director or a member of the senior management as required by the PRC Company Law;
  - ⑤ he or she is prohibited from participating in share incentive schemes of listed companies as required by laws and regulations;
  - ⑥ he or she is under other circumstances determined by the CSRC.

## 2. Conditions on the Unlocking of the Restricted Shares

During the Unlocking Period, the following conditions must be fulfilled before the Restricted Shares granted to the Incentive Participants can be unlocked:

- (1) There is no occurrence of any of the following events on the part of the Company:
- ① issue of an auditors' report with adverse opinions or which indicates an inability to give opinions by a certified public accountant with respect to the financial report of the Company for its most recent accounting year;
  - ② issue of an auditors' report with adverse opinions or which indicates an inability to give opinions by a certified public accountant with respect to the internal control of the financial report of the Company for its most recent accounting year;
  - ③ failure to conduct profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings during the last 36 months after listing;

- ④ prohibition from implementation of a share incentive scheme by laws and regulations;
- ⑤ other circumstances determined by the CSRC.

In case the Company has any of the circumstances specified in the above sub-paragraph (1), the Restricted Shares that have been granted to the Incentive Participants under the A Share Incentive Scheme but have not been unlocked shall be repurchased and cancelled by the Company at the Grant Price plus the interest of time deposit of the People's Bank of China for the corresponding period. In case any Incentive Participant bears personal responsibility for the occurrence of the above circumstance, the Restricted Shares that have been granted to the Incentive Participant but have not been unlocked shall be repurchased and cancelled by the Company at the Grant Price.

- (2) There is no occurrence of any of the following events on the part of the Incentive Participants:
  - ① he or she has been determined by any stock exchange as an ineligible person in the last 12 months;
  - ② he or she has been determined by the CSRC and its delegated agencies as an ineligible person in the last 12 months;
  - ③ he or she has been imposed by the CSRC or its delegated agencies with administrative penalties or measures prohibiting access into the market in the last 12 months due to the material non-compliance of laws or regulations;
  - ④ he or she is prohibited from acting as a Director or a member of the senior management as required by the PRC Company Law;
  - ⑤ he or she is prohibited from participating in share incentive schemes of listed companies as required by laws and regulations;
  - ⑥ he or she is under other circumstances determined by the CSRC.

In case any Incentive Participant has any of the circumstances specified in the above sub-paragraph (2), the Company will terminate such Incentive Participant's right to participate in the A Share Incentive Scheme, and the Restricted Shares that have been granted to the Incentive Participant under the A Share Incentive Scheme but have not been unlocked shall be repurchased and cancelled by the Company at the Grant Price.

(3) Performance appraisal at company level

The A Share Incentive Scheme shall assess the Company's performance indicators annually during accounting years from 2026 to 2028, subject to the achievement of the performance target of the Company as one of the conditions for the Incentive Participants to unlock the Restricted Shares in the relevant year. The performance appraisal targets at company level for the Restricted Shares granted under the A Share Incentive Scheme are as follows:

<b>Unlocking arrangement</b>	<b>Performance appraisal targets</b>
First Unlocking Period	The operating revenue realized shall not be less than RMB5.811 billion or the net profit shall not be less than RMB335 million in 2026.
Second Unlocking Period	The accumulated operating revenue realized shall not be less than RMB12.784 billion or the net profit shall not be less than RMB738 million from 2026 to 2027.
Third Unlocking Period	The accumulated operating revenue realized shall not be less than RMB21.151 billion or the net profit shall not be less than RMB1.221 billion from 2026 to 2028.

*Note:* 1. The "operating revenue" above refers to the audited operating revenue of the listed company; 2. The "net profit" above refers to the audited net profit attributable to shareholders of the listed company, calculated on the basis of figures excluding the impact of share-based payment expenses arising from this and other employee incentive schemes.

During the Unlocking Period, the Company shall process the unlocking matters for Incentive Participant who meet the unlocking conditions. Should the Company's performance level during each Unlocking Period fail to meet the performance appraisal target conditions, all Restricted Shares scheduled to be unlocked in such appraisal year of all Incentive Participants shall not be unlocked, and shall be repurchased and cancelled by the Company at the Grant Price plus the interest of time deposits of the People's Bank of China for the corresponding period.

(4) Performance appraisal requirements at individual level for the Incentive Participants

The performance appraisal at individual level for the Incentive Participants shall be implemented in accordance with the relevant internal performance appraisal regulations of the Company. The performance appraisal results of the Incentive Participants at individual level are classified into six grades, i.e., "A", "B+", "B", "B-", "C", and "D". The corresponding unlocking proportion at individual level are as follows:

<b>Appraisal Grade</b>	<b>A</b>	<b>B+</b>	<b>B</b>	<b>B-</b>	<b>C</b>	<b>D</b>
Unlocking proportion at individual level	100%		85%	75%		0%

Subject to the Company achieving its performance targets, the actual amount of the Restricted Shares that an Incentive Participant can unlock for the year = the number of Restricted Shares scheduled to be unlocked by the individual for the year × unlocking proportion at individual level. Any Restricted Shares that cannot be unlocked by an Incentive Participant in the appraisal year due to performance appraisal at individual level shall be repurchased and cancelled by the Company at the Grant Price.

The specific appraisal indicators for the A Share Incentive Scheme shall be implemented in accordance with the A Share Incentive Scheme Measures.

## Methods and Procedures for Adjustment of the Restricted Share Incentive Scheme

### 1. Methods of Adjusting the Number of Restricted Shares

In the event that any capitalization issue, bonus issue and sub-division of shares, consolidation of Shares or rights issue has been made by the Company during the period from the announcement date of the A Share Incentive Scheme draft to the date of the completion of registration of the grant of Restricted Shares to the Incentive Participants, the number of Restricted Shares shall be adjusted accordingly. The adjustment method is as follows:

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

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

Where:  $Q_0$  represents the number of Restricted Shares before the adjustment;  $n$  represents the ratio of increase per share resulting from capitalization issue, bonus issue or subdivision of share capital (i.e. the increase in number of shares per Share upon capitalization issue, bonus issue and sub-division of Shares);  $Q$  represents the adjusted number of Restricted Shares.

#### (2) Consolidation of Shares

$$Q = Q_0 \times n$$

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

#### (3) Rights issue or open offer

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

Where:  $Q_0$  represents the number of Restricted Shares before the adjustment;  $P_1$  represents the closing price as at the record date;  $P_2$  represents the price of the rights issue or open offer;  $n$  represents the ratio of the rights issue or open offer (i.e. the ratio of the number of shares to be issued under the rights issue or open offer to the total share capital of the Company before the rights issue or open offer);  $Q$  represents the adjusted number of Restricted Shares.

(4) Additional issues

Under the above circumstances, no adjustment will be made on the number of the Restricted Shares.

2. Method of Adjusting the Grant Price of the Restricted Shares

In the event that any capitalization issue, bonus issue and sub-division of shares, consolidation of Shares, rights issue or dividend distribution has been made by the Company during the period from the announcement date of the A Share Incentive Scheme draft to the date of the completion of registration of the grant of Restricted Shares to the Incentive Participants, an adjustment to the Grant Price of Restricted Shares shall be made accordingly. The adjustment method is as follows:

(1) Capitalization issue, bonus issue and sub-division of shares

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

Where:  $P_0$  represents the Grant Price before the adjustment;  $n$  represents the ratio of increase per share resulting from capitalization issue, bonus issue and sub-division of shares (i.e. the increase in number of shares per Share upon capitalization issue, bonus issue and sub-division of shares);  $P$  represents the adjusted Grant Price.

(2) Consolidation of Shares

$$P = P_0 \div n$$

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

(3) Rights issue or open offer

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

Where:  $P_0$  represents the Grant Price before the adjustment;  $P_1$  represents the closing price as at the record date;  $P_2$  represents the price of the rights issue or open offer;  $n$  represents the ratio of the rights issue or open offer (i.e. the ratio of the number of shares to be issued under the rights issue or open offer to the total share capital of the Company before the rights issue or open offer);  $P$  represents the adjusted Grant Price.

(4) Dividend distribution

$$P = P_0 - V$$

Where:  $P_0$  represents the Grant Price before the adjustment;  $V$  represents the dividend per Share;  $P$  represents the adjusted Grant Price.  $P$  shall be greater than the nominal value of the Company's shares after the dividend distribution.

(5) Additional issues

Under the circumstance of additional issue of new shares, no adjustment will be made on the Grant Price of the Restricted Shares.

*(C) Repurchase and Cancellation of Restricted Shares*

1. Principles of Repurchase and Cancellation of Restricted Share

Upon completion of registration of the Restricted Shares granted to the Incentive Participants, in case of any capitalisation issue, bonus issue, sub-division of shares, rights issue, consolidation of shares or dividend distribution and other matters of the Company, the Company shall repurchase the Restricted Shares granted to the Incentive Participants that have not yet unlocked, as well as any Shares obtained based on these Restricted Shares, at the adjusted quantity. If adjustments to the repurchase price and repurchase quantity are required under the A Share Incentive Scheme, corresponding adjustments shall be made in accordance with the following methods.

2. Method for Adjustment of Repurchase Quantity

(1) Capitalisation issue, bonus issue and sub-division of shares

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

Where:  $Q_0$  represents the number of Restricted Shares prior to adjustment;  $n$  represents the ratio of increase per share resulting from capitalisation issue, bonus issue and sub-division of Shares (i.e. the increase in number of shares per Share upon capitalisation issue, bonus issue and sub-division of shares);  $Q$  represents the number of Restricted Shares after adjustment.

(2) Consolidation of Shares

$$Q = Q_0 \times n$$

Where:  $Q_0$  represents the number of Restricted Shares prior to adjustment;  $n$  represents the ratio of consolidation of Shares (i.e. one share of the Company shall be consolidated into  $n$  share);  $Q$  represents the number of Restricted Shares after adjustment.

(3) Rights issue or open offer

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

Where:  $Q_0$  represents the number of Restricted Shares prior to adjustment;  $n$  represents the ratio of the rights issue or open offer (i.e. the ratio of the number of shares to be issued under the rights issue or open offer to the total share capital of the Company prior to the rights issue or open offer);  $Q$  represents the number of Restricted Shares after adjustment.

3. Method for Adjustment of Repurchase Price

(1) Capitalisation issue, bonus issue and sub-division of shares

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

Where:  $P_0$  represents the Grant Price prior to adjustment;  $n$  represents the ratio of increase per Share resulting from capitalisation issue, bonus issue and sub-division of Shares (i.e. the increase in number of shares per Share upon capitalization issue, bonus issue and sub-division of shares);  $P$  represents the repurchase price after adjustment.

(2) Consolidation of Shares

$$P = P_0 \div n$$

Where:  $P_0$  represents the Grant Price prior to adjustment;  $n$  represents the ratio of consolidation of Shares;  $P$  represents the repurchase price after adjustment.

(3) Rights issue or open offer

$$P = (P_0 + P_1 \times n) / (1 + n)$$

Where:  $P_0$  represents the Grant Price before the adjustment;  $P_1$  represents the price of the rights issue or open offer;  $n$  represents the ratio of the rights issue or open offer (i.e. the ratio of the number of shares to be issued under the rights issue or open offer to the total share capital of the Company before the rights issue or open offer);  $P$  represents the repurchase price after adjustment.

(4) Dividend distribution

$$P = P_0 - V$$

Where:  $P_0$  represents the Grant Price before the adjustment;  $V$  represents the dividend per share;  $P$  represents the repurchase price after adjustment. If the cash dividends obtained by the Incentive Participants due to the Restricted Shares granted to them are collected by the Company on their behalf, such dividends shall be treated as dividends payable and paid to the Incentive Participants when the Restricted Shares are released from the Lock-up Period. In such case, the repurchase price of the Restricted Shares that have not yet been released from the Lock-up Period shall not be adjusted.

4. Procedures for Adjustment of Repurchase Quantity or Price

The Board, based on the authorization from the Company's Shareholders' meeting, shall promptly convene a Board meeting to formulate a repurchase adjustment plan in accordance with the reasons specified above. After the Board adjusts the repurchase quantity or repurchase price pursuant to the above provisions, it shall promptly make an announcement. If adjustments to the repurchase quantity or repurchase price of Restricted Shares are required for other reasons, a resolution shall be made by the Board and submitted to the Shareholders' meeting for review and approval.

## 5. Procedures of Repurchase and Cancellation

When the Company repurchases Shares in accordance with the provisions of the A Share Incentive Scheme, it shall apply to the Stock Exchange for the repurchase of such Restricted Shares. Upon confirmation by the Stock Exchange, the Securities Depository and Clearing Corporation shall handle the relevant registration and clearing matters. The Company shall pay the repurchase consideration to the Incentive Participants and complete the transfer procedures for the corresponding Shares with the Securities Depository and Clearing Corporation. Within a reasonable time after the completion of the transfer, the Company shall cancel such Shares.

### **(ii) Summary of the H Share Incentive Scheme**

A summary of the principal terms of the H Share Incentive Scheme is set out as follows. This serves as a summary of the terms of the H Share Incentive Scheme but does not constitute the full terms of the same.

#### ***Explanation as to how the terms align with the purpose of the H Share Incentive Scheme***

The specific objectives of the H Share Incentive Scheme are: (i) to establish and improve the Company's long-term incentive mechanism, with a special focus on the Group's overseas employees and service providers, to attract and retain outstanding international talent; and (ii) to fully motivate the Company's overseas employees and service providers, attract more high-quality international talents, and effectively align the long-term interests of Shareholders, the Company, and the Group's employees and service providers, with a view to accelerating the Company's international expansion and promoting its long-term development.

#### ***Source of the Incentive Shares***

The source of the Incentive Shares is the ordinary H Shares issued by the Company and Treasury Shares (if any). As of the date of this announcement, the Company did not have any Treasury Shares and did not have any specific plan to utilize Treasury Shares for the Incentive Shares. In case the Company plans to utilize Treasury Shares for the Incentive Shares, the Company and/or the Board will utilize the Treasury Shares derived from share repurchases carried out under the Repurchase Mandate approved at the AGM.

***Selected Participant of the H Share Incentive Scheme and the basis of determination***

Subject to the provisions of the Scheme Rules, the Board may, from time to time, at its sole and absolute discretion select any Eligible Participant for participation in the H Share Incentive Scheme as a Selected Participant, and grant Incentive Shares to any Selected Participant at such consideration and subject to such terms and conditions as the Board may in its sole and absolute discretion determine.

The Eligible Participants for the H Share Incentive Scheme include:

- (i) **Employee Participant(s)**: including (a) any director (excluding independent non-executive directors) and employee (whether full-time or part-time) of any members of the Group who is not a national of Chinese Mainland; and (b) any director (excluding independent non-executive director) and employee (whether full-time or part-time) of any members of the Group incorporated or established in countries or regions outside Chinese Mainland.

The Company excludes nationals of Chinese Mainland and members of the Group incorporated or established in Chinese Mainland from the H Share Incentive Scheme to separate the participants of H Share Incentive Scheme from the participants of A Share Incentive Scheme to achieve better administrative efficiency. Meanwhile, there are 5 employees who are non-Chinese Mainland residents and have entered into employment contracts with members of the Group incorporated or established in Chinese Mainland voluntarily choose to participate in the A Share Incentive Scheme and waive their participation in the H Share Incentive Scheme.

- (ii) **Service Provider Participant(s)**: including any service provider engaged by the Group and located in countries and regions outside Chinese Mainland who provides services to the Group's connectivity and data transmission business (designing, developing and selling related products, including broadband, wireless, and photonics products, and other related technologies and products) on a continuing and recurring basis in the ordinary course of business of the Group which are in the interests of the long-term growth of the Group, and falls into any of the following categories:

- *Market development service providers*

They primarily undertake the market development and customer acquisition responsibilities on behalf of the Company in connectivity and data transmission sectors. Their scope of services include, but are not limited to, (i) formulating and executing regional or

industry-specific market entry strategies; (ii) identifying potential clients and business collaboration opportunities to convert leads; (iii) maintaining relationships with key clients, and assisting in sales negotiations and contract signings; (iv) gathering market dynamics, competitive intelligence, and customer feedback to support the optimization of the Group's product positioning and marketing strategies; (v) assisting and supporting the timely delivery of the Group's products and business, thereby facilitating the realization of revenue; and (vi) enhancing the Group's brand promotion and market influence.

Given their direct contribution to revenue growth and market share expansion, and the strong correlation of their performance with the Group's long-term business outcomes, granting the Incentive Shares to them is beneficial in aligning their interests with those of the Company, encouraging them to drive value enhancement from a shareholder perspective.

The service provided by these market development service providers is (i) exclusively provided to the Group; (ii) material and relevant to the Group's operations; (iii) provided on a regular or recurring basis, where the continuity and frequency of their services are akin to those of employees. The Board considers that these market development service providers are in substance acting as an extension of the Group's marketing development functions, and that the inclusion of them as an Eligible Participant under the H Share Incentive Scheme is fair and reasonable, and in the interest of the Company as a whole.

- *Technology and R&D service providers*

They serve as an extension of the Group's core technological capabilities, offering specialized and customized technology development and R&D support. Their scope of services include, but are not limited to, (i) participation in the functional design, system architecture, and software development of the Group's core products and platforms; (ii) provision of R&D services in advanced technology domains such as artificial intelligence, big data analytics, and cloud computing; (iii) supporting product iteration, system maintenance, performance optimization, and compliance-related technical enhancements; (iv) assisting with intellectual property strategy, technical documentation, and the standardization of R&D processes; and (v) close collaboration with the Group's internal engineering teams using agile development frameworks to ensure timely delivery and high-quality outputs.

Their services are highly specialized, ongoing, and strategically critical, with their deliverables directly impacting the competitiveness and innovation capacity of the Group's offerings. Granting the Incentive Shares to them helps secure long-term alignment of interests between these service providers and the Company.

The service provided by these technology and R&D service providers is (i) exclusively provided to the Group; (ii) material and relevant to the Group's operations; (iii) provided on a regular or recurring basis, where the continuity and frequency of their services are akin to those of employees. The Board considers that these technology and R&D service providers are in substance acting as an extension of the Group's technology and R&D functions, and that the inclusion of them as an Eligible Participant under the H Share Incentive Scheme is fair and reasonable, and in the interest of the Company as a whole.

The Company currently engages market development service providers and R&D service providers in overseas operation:

- In Europe, the Company engages the market development service providers and the technology and R&D service providers through human resources outsourcing agencies (which is also known as "Employer of Record (EOR)") to control our administrative costs in relation to establishing branch entities in each relevant country.
- In the United States, certain market development and R&D consultants/specialists provide continuous and long-term services to the Company on a self-employed basis, which is a common market practice in the United States due to the nature of the profession.
- In Taiwan, the Company outsources certain technology and research and development to external service providers, enabling more efficient utilization of local technical expertise to achieve our business targets.

The Company may engage market development service providers and R&D service providers in other countries or regions in the future based on the Company's business needs to better support the Company's business growth plans. The Company currently and has been engaging the Service Providers on a regular basis. As such, the Service Providers play an important role in the Group's historical development and growth and current ordinary course of business, and the Service Providers' continuous provision of services are akin to those of the Group's employees.

Particularly, the Service Providers are senior professionals with extensive business networks in their respective fields, and the Group may be unable to hire them as employees as they generally prefer to work on a self-employed basis, which is in line with the market norms and industry practices in the countries or regions where they are located. In addition, the industry where the Group operates is highly dependent on the relevant experts' assessment of the particular market's developments and changes, while the Company sometimes may be unable to seek internal resources for similar professional support due to various constraints. In such cases, the Company outsources relevant functions to those Service Providers. Furthermore, considering the high cost of maintaining overseas branch offices and meeting local compliance requirements, the Company may not maintain a corporate entity (which may be necessary for hiring employees) in the countries and regions where it operates. By engaging the Service Providers instead of hiring them as employees, the Company can provide sales service and after-sales service to local customers as well as facilitating the Group's marketing and R&D activities globally.

Even though the Group has paid service fees to these Service Provider Participants for their services provided, grant of Incentive Shares to the Service Provider Participants aligns their interests with the long-term development interests of the Group. Equity incentives foster a sense of ownership and commitment among the Service Provider Participants, motivating them to contribute to the Company's success beyond the scope of their immediate contractual obligations. By giving the Service Provider Participants a stake in the Company, it not only enhances their loyalty but also encourage them to invest in the quality and innovation of their services.

In determining the eligibility of participants, the Board will take into consideration matters including, but not limited to, (i) the Group's overall business objectives, development plans and compensation strategy; (ii) the scope of the participant's responsibilities and their contribution to the Group's broader business and strategy; (iii) the participant's personal performance and future development potential. Specifically,

- (i) with respect to Employee Participants, (i) their general working performance; (ii) their time commitment; (iii) their length of service within the Group; (iv) their work experience and responsibilities; and (v) the employment conditions with reference to the prevailing market practice and industry standards; and

- (ii) with respect to Service Provider Participants, (i) the scale or recurring nature of dependency on such services; (ii) the materiality and nature of business relationship (for example, the importance to the Group's core business and strategy, the benefits and strategic value which could be brought and/or attributable to the relevant collaboration (including, the profit and revenue expected to be attributable to such collaboration), the business opportunities and external connection the Group could potentially obtain, the expenses in establishing and maintaining collaboration, and the contract value); (iii) the market norms and industry practices; and (iv) the actual or potential contribution (including but not limited to support, assistance, guidance, advice and efforts) towards the long-term development and success of the Group.

Although the Company has not granted any share awards or share options to its Service Providers in the past, the Board (including independent non-executive Directors) recognizes the importance of engaging and retaining capable Service Providers which can perform in a competitive business environment and ever-changing industry landscape, and is of the view that the proposed categories of Service Provider are in line with the Company's business needs referencing to the Company's nature of operation, the industry norm, and relationship with the Service Providers. Furthermore, the industry-specific knowledge, skills, and connections of the Services Providers are crucial for enhancing the Group's competitiveness and supporting future business growth capabilities. Having the flexibility to remunerate Service Providers by equity-based payment is considered to be in the interest of the Company and Shareholders as a whole as it can provide the Group means to incentivize the Service Providers to be more dedicated to Group's expansion plans and new business initiatives.

With reference to the scope of the Eligible Participants and the corresponding eligibility criteria, the Directors (including the independent non-executive Directors) are of the view that it would be in the Group's interest to granting the Incentive Shares to its Employee Participants and to permit the Company such flexibility in granting Incentive Shares to the Service Provider Participants in recognition of their contribution to the Group's long-term growth and development, given those which will be selected are those which maintain a close collaborative business relationship with the Group.

Furthermore, a sustainable and stable relationship with the Service Provider Participants is vital for the Group and the inclusion of non-employee participants under the Scheme would align their interest with the interest of the Group and incentivise them to provide better services to, create more opportunities for and/or contribute to the success of the Group in the long run, and thus promoting the growth and development of the Group, and therefore enable the Scheme's purpose to be achieved.

The Company has sought legal advice on the H Share Incentive Scheme and understands that although participants in the H Share Incentive Scheme are not limited to executives and employees of the Group, the adoption of the H Share Incentive Scheme does not constitute an offer to the public, and thus, the prospectus requirements of the Companies (Winding Up and Miscellaneous Provision) Ordinance are not applicable.

Taking into account the above, the Directors (including the independent non-executive Directors) consider that the inclusion of the Service Provider Participants aligns with the purpose of the Scheme and the long-term interests of the Company and its Shareholders.

#### ***Scheme Mandate Limit and Service Provider Sublimit***

Subject to the Scheme Rules and any waiver or ruling granted by the Hong Kong Stock Exchange, the total number of Shares which may be issued in respect of all options and awards to be granted under the Relevant Schemes must not exceed 17,632,518 Shares, representing approximately 5% of the total number of issued Shares (excluding Treasury Shares) as at the date of approval of the H Share Incentive Scheme (the "**Scheme Mandate Limit**").

Within the Scheme Mandate Limit, the total number of Shares which may be issued in respect of all options and awards to be granted to Service Provider Participants under the Relevant Schemes must not exceed 3,526,503 Shares, representing approximately 1% of the total number of Shares in issue as at the date of approval of the H Share Incentive Scheme (excluding the Treasury Shares, if any) (the "**Service Provider Sublimit**") unless the Company obtains an approval from the Shareholders.

Options and awards that have already lapsed in accordance with the terms of the Relevant Scheme(s) shall not be regarded as utilized for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.

The Service Provider Sublimit was determined with reference to (i) the purposes of the H Share Incentive Scheme; (ii) the potential dilution effect of the utilization of the Service Provider Sublimit; and (iii) the Group's business needs and planning with respect to the use of Service Providers.

The Board (including the independent non-executive Directors) is of the view that the Service Provider Sublimit is appropriate and reasonable, taking into account the following factors: (i) the potential dilutive effect from grants to Service Providers; (ii) the importance of the balance between the H Share Incentive Scheme being able to achieve its purposes efficiently and protecting Shareholders from the dilution effect arising from granting substantial amount of Shares to Service Providers; (iii) the rationale and eligibility criteria with respect to inclusion of Service Providers as Eligibility Participants in the Scheme discussed above, in particular, the significance of Service Providers' participation and contribution in the Group's long-term and sustainable development; (iv) the ability and flexibility to provide equity incentives (instead of expending cash or other financial resources) to incentivize and reward participation and contributions from persons who are not employees or officers of the Group, including persons who have expertise in their field, persons who by business nature, customary practices and/or costs considerations are not employees or officers but the continuity and stability in supply of services are of great importance to the Group, and persons who may provide valuable contribution to the Group; (v) that the Service Provider Sublimit represents a maximum limit and the Company's discretion as to the extent of using such Service Provider Sublimit, including the flexibility of allocating the portion under this limit to other Eligible Participants with reference to the Group's business and needs at a future point in time; (vi) the Company's discretion to include additional granting and/or vesting condition(s); and (vii) the applicable requirements under the Listing Rules and practices commonly adopted by companies listed on the Stock Exchange.

### ***Individual limit***

Where any grant of the Incentive Shares to any Employee Participant who are not Directors, chief executives of the Company, substantial Shareholders or any of their respective associates, would result in the Shares issued and to be issued in respect of all options and awards granted (excluding any option or award lapsed in accordance with the terms of the Relevant Schemes) to such proposed Selected Participant in the 12-month period up to and including the date of such grant, representing in aggregate over 1% of the total number of the relevant class of Shares of the Company in issue (excluding Treasury Shares), such further grant of Incentive Shares will not be effective unless it has complied with the relevant requirements under Chapter 17 of the Listing Rules.

Any grant of Incentive Shares to a Director, chief executive or any substantial Shareholder of the Company, or any of their respective associates shall be valid only upon approval by the independent non-executive Directors of the Company.

Where any grant of the Incentive Shares to an Employee Participant who is a Director, chief executive of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all awards granted (excluding any award lapsed in accordance with the terms of the Relevant Schemes) to such proposed Selected Participant in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the total number of the relevant class of Shares of the Company in issue (excluding Treasury Shares), such further grant of Incentive Shares will not be effective unless it has complied with the relevant requirements under Chapter 17 of the Listing Rules.

Where any grant of the Incentive Shares to an Employee Participant who is a substantial Shareholder of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all options and awards granted (excluding any option or award lapsed in accordance with the terms of the Relevant Schemes) to such proposed Selected Participant in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the total number of the relevant class of Shares of the Company in issue (excluding Treasury Shares), such further grant of Incentive Shares will not be effective unless it has complied with the relevant requirements under Chapter 17 of the Listing Rules.

Where any grant of the Incentive Shares to any Service Provider Participant would result in the Shares issued and to be issued in respect of all awards granted (excluding any award lapsed in accordance with the terms of the Relevant Schemes) to such proposed Selected Participant in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the relevant class of Shares of the Company in issue (excluding Treasury Shares), such further grant of Incentive Shares will not be effective unless the grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by the Shareholders of the Company.

***Vesting period***

The vesting period for the Incentive Shares shall not be less than 12 months. The Directors are of the view that a vesting period of no less than 12 months would allow the Group to promote long-term commitment and stability among Eligible Participants, which aligns with the purpose of the H Share Incentive Scheme.

### *Performance targets*

Subject to the provisions of the Scheme Rules, the Board may, from time to time, at its sole and absolute discretion select any Eligible Participant for participation in the H Share Incentive Scheme as a Selected Participant, and grant Incentive Shares to any Selected Participant at such consideration and subject to such terms and conditions as the Board may in its sole and absolute discretion determine. The Board is entitled to impose any conditions, as it deems appropriate in its sole and absolute discretion with respect to the vesting of the Incentive Shares to the Selected Participant, including but not limited to the vesting based on the performance assessment of the company where the Selected Participant is employed and the individual performance evaluation results of the Selected Participant. Vesting of Incentive Share shall be subject to the performance targets, if any, to be satisfied by the Selected Participant as determined by the Board or its authorized person from time to time. Such performance targets may include, without limitation, the Company's business, financial, or operational performance, or any performance assessment criteria deemed reasonable and applicable to the Eligible Participant as to be determined by the Board and/or its authorized persons in their absolute discretion, based on, among other considerations:

- (i) for Directors and members of senior management of the Company: business or financial milestones, transaction milestones, performance appraisal within a specified period reaching a desirable level, or the Selected Participant's anticipated future contribution to the Group (including with respect to their experience, expertise, insight, participation in specific projects, or achievement of specific work targets etc.);
- (ii) for other Employee Participants (except for Directors or members of senior management of the Company): performance appraisal within a specified period reaching a desirable level, or the Selected Participant's anticipated future contribution to the Group (including with respect to their experience, expertise, insight, participation in specific projects, or achievement of specific work targets etc.); and
- (iii) for Service Provider Participants: the Selected Participant's anticipated future contribution to the long-term development of the Group (including with respect to their experience, expertise, insight, participation in specific projects, or achievement of specific work targets or business collaboration targets etc.).

For the avoidance of doubt, the H Share Incentive Scheme does not specify any performance targets which will be set forth in the applicable grant instrument. The Directors are of the view that it is not practicable to expressly set out a generic set of performance targets in the Rules for the H Share Incentive Scheme, as each Selected Participant will play different roles and contribute in different ways to the Group. The Board shall have regard to the purpose of the H Share Incentive Scheme in making such determinations and ensure that appropriate specific performance targets will be set under particular circumstances of the relevant Selected Participant(s).

### ***Purchase Price of Incentive Shares***

The Board may in its absolute discretion determine whether to require the Selected Participants to pay any Purchase Price for obtaining the Incentive Shares and, if so required, determine the amount of the Purchase Price after taking into account (i) the practices of comparable companies, (ii) other granting or vesting terms such as the number of Shares concerned, and the remuneration packages of the Selected Participants, and (iii) the effectiveness of the H Share Incentive Scheme in attracting talents and motivating the Selected Participants to contribute to the long-term development of the Group. For the avoidance of doubt the Board may determine the Purchase Price to be at nil consideration.

Considering that the Selected Participant(s) have contributed or will contribute to the Group, the Board is of the view that the basis of determining the Purchase Price aligns with the purpose of the H Share Incentive Scheme where the Incentive Shares are intended to be granted to Eligible Participants to encourage and reward their contributions to the Group.

### ***Clawback mechanism***

Under certain circumstances (such as act of fraud or dishonesty or serious misconduct committed by Selected Participants) as set out in the Rules for the H Share Incentive Scheme, the Board may, at its sole and absolute discretion, require the Selected Participant to return the gains from the vested Incentive Shares. The Directors are of the view that such clawback mechanism in the H Share Incentive Scheme provides a choice for the Company to clawback the equity incentives granted to Selected Participants culpable of misconduct, ensuring that Incentive Shares are granted only to those who act in the Company's best interests. It provides the Board with more flexibility in setting the terms and conditions of the Incentive Shares under particular circumstances of each grant, which would facilitate the objective to offer meaningful incentives to attract and retain quality personnel that are valuable to the development of the Group, and is in line with the purpose of the H Share Incentive Scheme and the interests of Shareholders.

In conclusion, the Directors are of the view that the terms of H Share Incentive Scheme align with the purpose of the H Share Incentive Scheme.

### **Document on Display**

A copy of the scheme document of the H Share Incentive Scheme will be published on the websites of Hong Kong Stock Exchange and the Company for display for a period of not less than 14 days before the date of the AGM and the scheme document of the H Share Incentive Scheme will be made available for inspection at the AGM.

## **II. PROPOSED AUTHORIZATION TO THE BOARD AND/OR ITS AUTHORIZED PERSON FOR HANDLING MATTERS RELATING TO THE A SHARE INCENTIVE SCHEME AND H SHARE INCENTIVE SCHEME**

### **(i) The Authorization to the Board in Relation to the A Share Incentive Scheme**

For the purpose of implementing the A Share Incentive Scheme, it is submitted by the Board to the Shareholders' meeting to authorize the Board to handle the following matters relating to the A Share Incentive Scheme:

- (a) It is submitted to the Shareholders' meeting to authorize the Board to be responsible for the implementation of the following matters relating to the A Share Incentive Scheme:
  - 1. to determine the eligibility and conditions for the Incentive Participants to participate in the A Share Incentive Scheme, and to determine the Grant Date of the Share Options and the Grant Date of the Restricted Shares;
  - 2. in the event of capitalization of capital reserves, distribution of dividends, share split or reverse share split, rights issue, or other events affecting the Company's share capital, to make corresponding adjustments to the number of Share Options and Restricted Shares in accordance with the methodology prescribed under the A Share Incentive Scheme;
  - 3. in the event of capitalization of capital reserves, distribution of dividends, share split or reverse share split, rights issue, or other events affecting the Company's share capital, to make corresponding adjustments to the Exercise Price of the Share Options and the Grant Price of the Restricted Shares in accordance with the methodology prescribed under the A Share Incentive Scheme;

4. prior to the initial grant of Share Options, to reallocate the Share Options that are given up by the Incentive Participants to the reserved portion, or distribute and adjust such Share Options among the other Incentive Participants, or directly reduce them;
5. prior to the grant of Restricted Shares, to allocate and adjust the Restricted Share that are given up by Incentive Participants among other Incentive Participants, or directly reduce them;
6. to grant Share Options and Restricted Shares to Incentive Participants when they satisfy the relevant conditions, and handle all matters necessary for the grant of Share Options and Restricted Shares, including but not limited to submitting applications to the SSE and/or the Stock Exchange, applying to the depository and clearing company for the relevant registration and settlement procedures, amending the Company's Articles of Association, and completing the registration of change in the Company's registered capital;
7. to review and confirm the eligibility of Incentive Participants for exercise/vesting and the conditions for exercise/vesting, and to delegate such authority to the Remuneration and Evaluation Committee;
8. to determine whether Incentive Participants are permitted to exercise Share Options/have Restricted Shares vested;
9. to handle all matters necessary for the exercise of Share Options/vesting of Restricted Shares by Incentive Participants, including but not limited to submitting exercise/vesting applications to the SSE and/or the Stock Exchange, applying to the depository and clearing company for the relevant registration and settlement procedures, amending the Company's Articles of Association, and completing the registration of change in the Company's registered capital;
10. to handle the cancellation/repurchase and cancellation of Share Options/Restricted Shares that fail to satisfy the exercise/vesting conditions;
11. to determine all matters relating to the Incentive Participants, number of grants, Exercise Price, and Grant Date of the reserved Share Options under the A Share Incentive Scheme;

12. to determine the amendment and termination of the A Share Incentive Scheme, including but not limited to canceling the eligibility of Incentive Participants for exercise of Share Options and vesting of Restricted Shares, cancelling the unexercised Share Options of Incentive Participants, repurchasing and cancelling the unvested Restricted Shares of Incentive Participants, handling the cancellation of unexercised Share Options or the repurchase and cancellation of unvested Restricted Shares of deceased Incentive Participants and matters relating to compensation and inheritance thereof, and terminating the A Share Incentive Scheme;
  13. to sign, execute, amend, or terminate any agreement and other related agreements in connection with the A Share Incentive Scheme;
  14. to administer and adjust the A Share Incentive Scheme, and formulate or amend from time to time the administrative and implementation rules of the scheme, provided that such rules are consistent with the terms of the A Share Incentive Scheme. However, if laws, regulations or relevant regulatory authorities require such amendments to be approved by the Shareholders' meeting and/or the relevant regulatory authorities, such amendments made by the Board must obtain corresponding approvals; and
  15. to handle other necessary matters required for the implementation of the A Share Incentive Scheme, except for those rights explicitly stipulated by relevant documents to be exercised by the Shareholders' meeting.
- (b) It is submitted to the Shareholders' meeting to authorize the Board to, in connection with the A Share Incentive Scheme, handle approval, registration, filing, clearance, consent and other formalities with relevant government authorities and institutions; sign, execute, amend and complete documents to be submitted to relevant government authorities, institutions, organizations and individuals; amend the Company's Articles of Association and complete the registration of change in the Company's registered capital (including capital increase, capital reduction and other circumstances); and take all actions that it deems necessary, appropriate or suitable in connection with the A Share Incentive Scheme.
- (c) It is submitted to the Shareholders' meeting to authorize the Board to, for the purpose of implementing the A Share Incentive Scheme, appoint intermediary institutions such as receiving banks, accountants, lawyers, and securities firms.

- (d) It is submitted to the Shareholders' meeting to agree that the term of authorization granted to the Board shall be consistent with the validity period of the A Share Incentive Scheme.

With respect to the foregoing authorizations, except for matters that are expressly required to be resolved by the Board under laws, administrative regulations, rules and normative documents of the CSRC, the A Share Incentive Scheme or the Company's Articles of Association, other matters may be directly exercised by the Chairman of the Board or an appropriate person authorized by the Chairman on behalf of the Board.

The foregoing proposal has been considered and approved by the Board. Mr. Zhang Jie and Mr. Zhao Hongwei, the Directors who have a material interest in this proposal, have abstained from voting, and the other Directors have voted on the proposal. This proposal is still subject to review and approval by the Shareholders' meeting before it becomes effective.

**(ii) The Authorization to the Board in Relation to the H Share Incentive Scheme**

To ensure the smooth implementation of the H Share Incentive Scheme and to enhance decision-making efficiency, in accordance with the PRC Company Law, the Securities Law, the Listing Rules, the Company's Articles of Association and other relevant provisions, and taking into account the actual circumstances of the Company, it is submitted to the Shareholders' meeting to authorize the Board and/or its authorized persons to have full authority to handle matters relating to the H Share Incentive Scheme.

The specific matters to be authorized include, but not limited to:

1. to formulate and implement the specific implementation rules of the H Share Incentive Scheme in accordance with the H Share Incentive Scheme approved by the Company's Shareholders' meeting;
2. to grant Incentive Shares to Eligible Participants under the H Share Incentive Scheme and determine the terms and conditions of the grant, including but not limited to the grant date, list of Incentive Participants, number of grants, grant price and other related matters;
3. to handle the grant, registration, lock-up, and vesting of Incentive Shares for Eligible Participants and other related procedures;
4. to review the eligibility of Eligible Participants, adjust the list of Eligible Participants and number of grants based on actual circumstances, and handle matters relating to the repurchase and cancellation of Incentive Shares under circumstances such as resignation of Eligible Participants or failure to meet performance targets;

5. to make necessary adjustments and amendments to the H Share Incentive Scheme (if any) in accordance with laws, regulations, regulatory requirements and the provisions of the H Share Incentive Scheme, provided that such adjustments and amendments shall not violate laws and regulations or the resolutions of the Shareholders' meeting, and shall comply with the requirements of Chapter 17 of the Listing Rules;
6. to handle matters relating to disclosures in connection with the H Share Incentive Scheme, apply to the Stock Exchange for the listing of and permission to deal in any Shares that may be allotted and issued in connection with the Incentive Shares granted under the H Share Incentive Scheme, and file with the relevant securities registration institution;
7. upon completion of the allotment and issuance of new Shares under the H Share Incentive Scheme, to increase the Company's registered capital and make appropriate and necessary amendments to the Company's Articles of Association in accordance with the method, type, number of the new share allotment and issuance and the Company's shareholding structure upon completion of such allotment and issuance;
8. to sign, execute and amend all agreements and documents relating to the H Share Incentive Scheme; and
9. to handle all other necessary matters relating to the H Share Incentive Scheme.

The validity period of the foregoing authorization shall commence from the date on which this proposal is approved by the Company's Shareholders' meeting and shall continue until the completion of the implementation of the H Share Incentive Scheme.

The foregoing proposal has been considered and approved by the Board. It is still subject to review and approval by the Shareholders' meeting before it becomes effective.

### **III. REASONS FOR AND BENEFITS OF THE ADOPTION OF A SHARE INCENTIVE SCHEME AND H SHARE INCENTIVE SCHEME**

Save as described under the paragraph headed “(i) Summary of the A Share Incentive Scheme — Purpose of the Incentive Scheme” and “(ii) Summary of the H Share Incentive Scheme — Explanation as to how the terms align with the purpose of the H Share Incentive Scheme” of this announcement, the Company proposes to adopt the A Share Incentive Scheme and the H Share Incentive Scheme based on the following reasons and benefits:

- (i) By providing employees with the opportunity to enjoy equity incentives in the Company, the Company aims to enhance its modern corporate governance framework by establishing and improving a “risk-sharing and benefit-sharing” mechanism among core employees, the Company, and Shareholders. This will help attract, motivate, and retain outstanding talent, while promoting the sustainable development of both the Company and its employees. By consolidating the core talent team as a new starting point, the Company will strive for the future growth and success of the Group.
- (ii) To enhance the Company’s remuneration strategy by establishing a remuneration incentive system that takes performance achievement as the fundamental requirement, long-term development as the core objective, and equity payment for part of the remuneration as the primary method. This system will strike a balance between incentives and constraints, better aligning with Shareholders’ interests and continuously improving the mechanism that balances the interests of the Company, Shareholders, and core teams.
- (iii) To recognize and reward the core teams and Service Providers for their services and contributions to the Company and to encourage further contributions, providing them with the opportunity to acquire equity in the Company.

The Directors are of the view that the terms of the A Share Incentive Scheme and the H Share Incentive Scheme are on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

### **IV. SHAREHOLDERS’ MEETING**

Pursuant to Chapter 17 of the Listing Rules, the A Share Incentive Scheme will constitute a share scheme of the Company involving the issue of new Shares and therefore the adoption of the A Share Incentive Scheme is subject to the approval of the Shareholders. The terms of the A Share Incentive Scheme are in accordance with the relevant requirements under Chapter 17 of the Listing Rules. Pursuant to Chapter 17 of the Listing Rules, the H Share Incentive Scheme will constitute a share scheme of the Company involving the issue of new Shares and therefore the adoption

of the H Share Incentive Scheme is subject to the approval of the Shareholders. The terms of the H Share Incentive Scheme are in accordance with the relevant requirements under Chapter 17 of the Listing Rules.

The Company will convene a Shareholders' meeting to seek Shareholders' approval for, among other things, the adoption of the A Share Incentive Scheme, the H Share Incentive Scheme and related matters. A circular containing, among other things, a notice of the Shareholders' meeting and details of the proposed adoption of the A Share Incentive Scheme, the H Share Incentive Scheme and related matters, will be published in due course.

## V. DEFINITIONS

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

“A Share(s)”	the ordinary Share(s) of the Company with a par value of RMB1.00 each, listed on the SSE (stock code: 603083), and traded in RMB
“A Share Incentive Scheme”	the A Share Option and Restricted Share Incentive Scheme to be adopted by the Company as proposed by the resolution of the Board dated 30 March 2026
“A Share Incentive Scheme Measures”	the Administrative Measures for the Implementation and Appraisal of the 2026 A Share Restricted Share Incentive Scheme (《公司2026年A股限制性股票激勵計劃實施考核管理辦法》) formulated to ensure the smooth implementation of the A Share Incentive Scheme, which specify the details regarding assessment principles, scope, appraisal body, and standards, among other aspects
“Administrative Measures”	the Administrative Measures on Equity Incentives of Listed Companies
“Articles of Association”	the articles of association of the Company, as may be amended and/or restated from time to time
“associates”	has the meaning ascribed to it under the Listing Rules
“Board of Directors” or “Board”	the board of directors of the Company
“Business Day”	the days, excluding Saturdays, Sundays or public holidays, on which the Hong Kong Stock Exchange is open for trading and banks in Hong Kong are open for business

“Company” or “Our Company”	CIG SHANGHAI CO., LTD. (上海劍橋科技股份有限公司), a joint stock company incorporated in the PRC, the H Shares of which are listed on the Hong Kong Stock Exchange (stock code: 6166) and the A Shares of which are listed on the SSE (stock code: 603083)
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“CSRC”	China Securities Regulatory Commission
“Director(s)”	director(s) of the Company
“Eligible Participant(s)”	in respect of the H Share Incentive Scheme, the Employee Participants and Service Provider Participants, who are eligible to participate in the Scheme as determined by the Board and/or its delegatee at its sole and absolute discretion, but excluding any Excluded Participants
“Employee Participant(s)”	in respect of the H Share Incentive Scheme, (a) any director (excluding independent non-executive directors) and employee (whether full-time or part-time) of any members of the Group who is not a national of Chinese Mainland; and (b) any director (excluding independent non-executive directors) and employee (whether full-time or part-time) of any members of the Group incorporated or established in countries or regions outside Chinese Mainland
“Excluded Participant(s)”	in respect of the H Share Incentive Scheme, any Eligible Participants who, according to the laws or regulations of their place of residence, are not permitted to be granted Incentive Shares and/or to vest and transfer the Incentive Shares pursuant to the Scheme Rules, or whom the Board deems necessary or appropriate to exclude for compliance with applicable laws or regulations in such places
“Exercisable Date”	the date on which the Incentive Participants are entitled to exercise the Share Options, which must be an A-share trading day
“Exercise Price”	the price determined by the Company at the time of granting Share Options to the Incentive Participants, at which the Incentive Participants may purchase the Shares

“Grant Date”	in respect of the A Share Incentive Scheme, the date on which the Company grants the Share Options and/or the Restricted Shares to the Incentive Participants, which must be a trading day; in respect of the H Share Incentive Scheme, the date on which the Company grants the Incentive Shares to the Eligible Participants, which must be a Business Day
“Grant Price”	in respect of the A Share Incentive Scheme, the price determined by the Company when granting each Restricted Shares to the Incentive Participants, at which each Restricted Share of the Company is granted to the Incentive Participants
“Group”	the Company and its subsidiaries
“H Share(s)”	the ordinary Share(s) of the Company with a par value of RMB1.00 each, listed on the Main Board of the Hong Kong Stock Exchange (stock code: 6166)
“H Share Incentive Scheme”	the H Share Restricted Share Incentive Scheme to be adopted by the Company as proposed by the resolution of the Board dated 30 March 2026
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Incentive Participants”	in respect of the A Share Incentive Scheme, Directors, senior management and core management, technical, business and key personnel of the Company (including its controlled subsidiaries) who have obtained the Share Options and/or the Restricted Shares in accordance with the requirements of A Share Incentive Scheme
“Incentive Share(s)”	in respect of a Selected Participant under the H Share Incentive Scheme, such number of H Shares as granted to him/her by the Board
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

“Lock-up Period”	in respect of the A Share Incentive Scheme, the period during which the Unlocking Conditions on the Incentive Participants under A Share Incentive Scheme have not yet been met, and the Restricted Shares cannot be transferred, used as guarantee or for repayment of debts, starting from the date of the completion of the grant registration of the Restricted Shares to the Incentive Participants
“PRC”	the People’s Republic of China
“PRC Company Law”	the Company Law of the People’s Republic of China
“Purchase Price”	in respect of the H Share Incentive Scheme, the consideration determined at the sole and absolute discretion of the Board payable by a Selected Participant to the Company for acceptance of the Incentive Shares
“Relevant Scheme(s)”	the H Share Incentive Scheme together with any other share schemes involving the issue of new Shares adopted/to be adopted by the Company from time to time, including but not limited to the A Share Incentive Scheme
“Remuneration and Evaluation Committee”	remuneration and evaluation committee of the Board of the Company
“Reserved Equity”	in respect of the A Share Incentive Scheme, a portion of A Shares set aside by the Company for future grants to incentivize and retain key talents as well as to attract new talents
“Restricted Shares”	in respect of the A Share Incentive Scheme, based on the conditions and prices stipulated in A Share Incentive Scheme, the Company grants the Incentive Participants a certain number of A Shares. These A Shares are subject to a certain Lock-up Period and can only be unlocked after meeting the Unlocking Conditions as stipulated in A Share Incentive Scheme
“RMB”	Renminbi, the lawful currency of the PRC
“Rules for the H Share Incentive Scheme” or “Scheme Rules”	relevant rules of the H Share Incentive Scheme

“Securities Law”	the Securities Law of the People’s Republic of China
“Selected Participant(s)”	in respect of the H Share Incentive Scheme, Eligible Participant(s) (or their legal personal representatives or legal heirs, as the case may be) selected by the Board pursuant to the Scheme Rules for participation in the H Share Incentive Scheme
“Service Provider(s)” or “Service Provider Participant(s)”	in respect of the H Share Incentive Scheme, any service provider engaged by the Group and located in countries and regions outside Chinese Mainland who provides services to the Group on a continuing and recurring basis in the ordinary course of business of the Group which are in the interests of the long-term growth of the Group
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of the Company with a par value of RMB1.00 each, including A Shares and H Shares
“Shareholder(s)”	holder(s) of the Share(s)
“Shareholders’ General Meeting”	the Shareholders’ general meeting of the Company
“Share Option(s)”	the right granted by the Company to the Incentive Participants to purchase a certain number of ordinary A Shares of the Company at predetermined conditions within a certain period of time in the future
“SSE”	Shanghai Stock Exchange
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Treasury Share(s)”	has the meaning ascribed to it under the Listing Rules
“Unlocking Conditions”	in respect of the A Share Incentive Scheme, the conditions required to be satisfied for the unlocking of the Restricted Shares granted to the Incentive Participants under A Share Incentive Scheme

“Unlocking Period”	in respect of the A Share Incentive Scheme, the period during which the Restricted Shares held by the Incentive Participants are unlocked and become tradable on the market upon the fulfilment of the Unlocking Conditions under A Share Incentive Scheme
“Validity Period”	in respect of the A Share Incentive Scheme, the period commencing from the Grant Date of the Share Options and Restricted Shares to the date when all Share Options granted to Incentive Participants are exercised or cancelled, and all the Restricted Shares are unlocked or repurchased and cancelled
“Vesting Date”	in respect of a Selected Participant under the H Share Incentive Scheme, the date on which the rights of the Incentive(s) are vested in such Selected Participant pursuant to the Rules for the H Share Incentive Scheme and other terms of the H Share Incentive Scheme
“Vesting Period”	the period commencing from the date of registration of the grant of the Share Options and ending on the Exercisable Date of the Share Options
“%”	per cent

By order of the Board  
**CIG SHANGHAI CO., LTD.**

**Mr. Gerald G Wong**

*Chairman, Executive Director and General Manager  
(Chief Executive Officer)*

Shanghai, 30 March 2026

*As at the date of this announcement, the Board of the Company comprises: (i) Mr. Gerald G Wong, Mr. Zhao Haibo, Mr. Zhao Hongwei, Mr. Zhang Jie as Executive Directors; (ii) Mr. Qin Guisen, Mr. Yao Minglong and Ms. Yuen Shuk Yee as Independent Non-executive Directors.*