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If you have sold or transferred all your shares in CIG SHANGHAI CO., LTD., you should at once hand this circular to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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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)

2025 AGM CIRCULAR

- (1) REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR 2025;**
- (2) FINAL FINANCIAL REPORT FOR THE YEAR 2025;**
- (3) PROPOSED FINAL PROFIT DISTRIBUTION FOR THE YEAR 2025;**
- (4) PROPOSED CONFIRMATION OF DIRECTORS' REMUNERATION FOR THE YEAR 2025;**
- (5) 2025 ANNUAL REPORT AND ITS SUMMARY;**
- (6) APPOINTMENT OF THE AUDITOR FOR THE YEAR 2026;**
- (7) AMENDMENT TO THE RULES OF PROCEDURE FOR SHAREHOLDERS' GENERAL MEETINGS;**
- (8) AMENDMENT TO THE RULES OF PROCEDURE FOR THE BOARD OF DIRECTORS;**
- (9) FORMULATION OF THE REMUNERATION MANAGEMENT SYSTEM FOR DIRECTORS AND SENIOR MANAGEMENT;**
- (10) PROPOSED 2026 INTERIM CASH DIVIDEND;**
- (11) AMENDMENT TO THE ARTICLES OF ASSOCIATION;**
- (12) TO PROPOSE TO THE GENERAL MEETING THE GRANT OF A GENERAL MANDATE TO THE BOARD TO ISSUE H SHARES;**
- (13) TO PROPOSE TO THE GENERAL MEETING THE GRANT OF A GENERAL MANDATE TO THE BOARD TO REPURCHASE H SHARES;**
- (14) ADOPTION OF THE 2026 A SHARE OPTION AND RESTRICTED SHARE INCENTIVE SCHEME;**
- (15) ADOPTION OF THE ADMINISTRATIVE MEASURES FOR THE IMPLEMENTATION AND APPRAISAL OF THE 2026 A SHARE OPTION AND RESTRICTED SHARE INCENTIVE SCHEME OF CIG SHANGHAI CO., LTD.;**
- (16) PROPOSAL TO REQUEST THE SHAREHOLDERS' MEETING TO AUTHORISE THE BOARD OF DIRECTORS TO HANDLE MATTERS RELATING TO THE 2026 A SHARE OPTION AND RESTRICTED SHARE INCENTIVE SCHEME;**
- (17) ADOPTION OF THE H SHARE RESTRICTED SHARE INCENTIVE SCHEME;**
- (18) REQUEST FOR THE SHAREHOLDERS' MEETING TO AUTHORIZE THE BOARD AND/OR ITS AUTHORIZED PERSONS TO HANDLE MATTERS RELATING TO THE H SHARE RESTRICTED SHARE INCENTIVE SCHEME;**
- (19) PROPOSAL ON THE MAXIMUM LIMIT FOR GRANTING SHARE OPTIONS AND AWARDS TO SERVICE PROVIDERS UNDER THE H SHARE INCENTIVE SCHEME AND**
- (20) NOTICE OF THE ANNUAL GENERAL MEETING FOR THE YEAR 2025**

Capitalized terms used in this cover shall have the same meanings as those defined in the section headed "Definitions" in this circular.

A notice convening the AGM to be held by the Company at the Multifunction Hall of Holiday Inn Express Shanghai Pujiang at Block A, No. 800 Puxing Road, Minhang District, Shanghai, the PRC at 1:30 p.m. on Tuesday, 28 April 2026 is set out on pages 162 to 166 of this circular.

Whether or not you are able to attend the AGM, you are requested to complete and return the proxy form in accordance with the instructions printed thereon and return it to the Company's H Share Registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, as soon as possible and in any event not less than 24 hours before the time appointed for holding of the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending the AGM and voting in person if you so wish.

2 April 2026

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DEFINITIONS

In this circular, the following words and expressions shall, unless the context otherwise requires, have the following respective 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 2026 Share Option and Restricted Share Incentive Scheme (Draft) of CIG SHANGHAI CO., LTD. (《上海劍橋科技股份有限公司2026年股票期權與限制性股票激勵計劃(草案)》) to be adopted by the Company as proposed by the resolution of the Board dated 30 March 2026
“Administrative Measures”	the Administrative Measures on Equity Incentives of Listed Companies
“A Share Incentive Scheme Measures”	the Administrative Measures for the Implementation and Appraisal of the 2026 Share Option and Restricted Share Incentive Scheme of CIG SHANGHAI CO., LTD. (《上海劍橋科技股份有限公司2026年股票期權與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
“AGM”	the annual general meeting of the Company to be held at 1:30 p.m. on Tuesday, 28 April 2026 at the Multifunction Hall of Holiday Inn Express Shanghai Pujiang at Block A, No. 800 Puxing Road, Minhang District, Shanghai, the PRC and any adjournment thereof
“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)

DEFINITIONS

“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
“Dividend Adjustment”	in respect of the A Share Incentive Scheme, the adjustments to Exercise Price of Share Options and Grant Price of Restricted Shares for dividend distribution
“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

DEFINITIONS

“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
“Initially Granted Share Options”	in respect of the A Share Incentive Scheme, the initially granted 12,853,500 Share Options to 1,064 grantees
“Latest Practicable Date”	31 March 2026, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information for inclusion in this circular
“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

DEFINITIONS

“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
“Reserved Share Options”	in respect of the A Share Incentive Scheme, the reserved 1,000,000 Share Options for future grants
“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 Restricted 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

DEFINITIONS

“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
“Takeovers Code”	the Code on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission
“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

DEFINITIONS

“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

LETTER FROM THE BOARD



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)

Executive Directors:
Mr. Gerald G Wong
Mr. Zhao Haibo
Mr. Zhao Hongwei
Mr. Zhang Jie

Independent non-executive Directors:
Mr. Qin Guisen
Mr. Yao Minglong
Ms. Yuen Shuk Yee

*Registered office and principal place
of business in the PRC:*
Room 501, Building 8
No. 2388 Chenhang Road
Minhang District
Shanghai
PRC

Principal place of business in Hong Kong:
Room 1901, 19/F
Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

2 April 2026

To the Shareholders

Dear Sir or Madam,

2025 AGM CIRCULAR

- (1) REPORT OF THE BOARD OF DIRECTORS FOR THE YEAR 2025;
- (2) FINAL FINANCIAL REPORT FOR THE YEAR 2025;
- (3) PROPOSED FINAL PROFIT DISTRIBUTION FOR THE YEAR 2025;
- (4) PROPOSED CONFIRMATION OF DIRECTORS' REMUNERATION FOR THE YEAR 2025;
- (5) 2025 ANNUAL REPORT AND ITS SUMMARY;
- (6) APPOINTMENT OF THE AUDITOR FOR THE YEAR 2026;
- (7) AMENDMENT TO THE RULES OF PROCEDURE FOR SHAREHOLDERS' GENERAL MEETINGS;
- (8) AMENDMENT TO THE RULES OF PROCEDURE FOR THE BOARD OF DIRECTORS;
- (9) FORMULATION OF THE REMUNERATION MANAGEMENT SYSTEM FOR DIRECTORS AND SENIOR MANAGEMENT;
- (10) PROPOSED 2026 INTERIM CASH DIVIDEND;
- (11) AMENDMENT TO THE ARTICLES OF ASSOCIATION;
- (12) TO PROPOSE TO THE GENERAL MEETING THE GRANT OF A GENERAL MANDATE TO THE BOARD TO ISSUE H SHARES;
- (13) TO PROPOSE TO THE GENERAL MEETING THE GRANT OF A GENERAL MANDATE TO THE BOARD TO REPURCHASE H SHARES;
- (14) ADOPTION OF THE 2026 A SHARE OPTION AND RESTRICTED SHARE INCENTIVE SCHEME;
- (15) ADOPTION OF THE ADMINISTRATIVE MEASURES FOR THE IMPLEMENTATION AND APPRAISAL OF THE 2026 A SHARE OPTION AND RESTRICTED SHARE INCENTIVE SCHEME OF CIG SHANGHAI CO., LTD.;
- (16) PROPOSAL TO REQUEST THE SHAREHOLDERS' MEETING TO AUTHORISE THE BOARD OF DIRECTORS TO HANDLE MATTERS RELATING TO THE 2026 A SHARE OPTION AND RESTRICTED SHARE INCENTIVE SCHEME;
- (17) ADOPTION OF THE H SHARE RESTRICTED SHARE INCENTIVE SCHEME;
- (18) REQUEST FOR THE SHAREHOLDERS' MEETING TO AUTHORIZE THE BOARD AND/OR ITS AUTHORIZED PERSONS TO HANDLE MATTERS RELATING TO THE H SHARE RESTRICTED SHARE INCENTIVE SCHEME;
- (19) PROPOSAL ON THE MAXIMUM LIMIT FOR GRANTING SHARE OPTIONS AND AWARDS TO SERVICE PROVIDERS UNDER THE H SHARE INCENTIVE SCHEME AND
- (20) NOTICE OF THE ANNUAL GENERAL MEETING

LETTER FROM THE BOARD

I. INTRODUCTION

The Company proposes to hold the Annual General Meeting (the “AGM”) on Tuesday, 28 April 2026 at 1:30 p.m..

The ordinary resolutions to be proposed for shareholders’ approval at the AGM include: (1) the report of the Board of Directors for the year 2025; (2) the Final Financial report for the year 2025; (3) the proposed final profit distribution for the year 2025; (4) the proposed confirmation of directors’ remuneration for the year 2025; (5) the 2025 Annual Report and its summary; (6) the appointment of the auditor for the year 2026; (7) the amendment to the Rules of Procedure for Shareholders’ General Meetings; (8) the amendment to the Rules of Procedure for the Board of Directors; (9) the formulation of the Remuneration Management System for Directors and Senior Management; and (10) the proposed 2026 interim cash dividend. The special resolutions to be proposed for shareholders’ approval at the AGM include: (1) the amendment to the Articles of Association; (2) the proposed general mandate to the Board of Directors to issue H shares; (3) the proposed general mandate to the Board of Directors to repurchase H shares; (4) the adoption of the 2026 A Share Share Option and Restricted Share Incentive Scheme; (5) the adoption of the Administrative Measures for the Implementation and Assessment of the 2026 A Share Share Option and Restricted Share Incentive Scheme of CIG SHANGHAI CO., LTD.; (6) the proposed authorisation to the Board of Directors to handle matters related to the 2026 A Share Share Option and Restricted Share Incentive Scheme; (7) the adoption of the H Share Restricted Share Incentive Scheme; (8) the proposed authorisation to the Board of Directors and/or its authorised persons to handle matters related to the H Share Restricted Share Incentive Scheme; and (9) the proposal on the maximum limit for granting Share Options and awards to service providers under the H Share Incentive Scheme.

In addition, the Report on the Work of the Independent Directors for the year 2025 and the explanation regarding the remuneration of the Company’s Senior Management for 2025 and the remuneration scheme for the year 2026 will be presented at the AGM.

The purpose of this circular is to provide you with all information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions as set out in the notice of the AGM.

II. MATTERS TO BE CONSIDERED AT THE ANNUAL GENERAL MEETING

(1) Report of the Board of Directors for the year 2025

For the Report of the Board of Directors for the year 2025, please refer to the 2025 Annual Report of the Company published on 30 March 2026.

(2) Final Financial Report for the year 2025

For details of the final financial report for the year ended 31 December 2025, please refer to the financial statements contained in the 2025 Annual Report of the Company published on 30 March 2026.

LETTER FROM THE BOARD

(3) Proposed Final Profit Distribution for the year 2025

At the 28th meeting of the fifth session of the Board held on 30 March 2026, the Board considered and approved the Proposed Final Profit Distribution for the Year 2025. Resolved by the Board of Directors, the Company proposes to declare a cash dividend of RMB0.28 (tax inclusive) per Share to all shareholders for the year 2025. As of 31 December 2025, the total share capital of the Company was 352,650,373 Shares (comprising 275,588,373 A Shares and 77,062,000 H Shares). Based on this, the proposed cash dividend to be distributed amounts to RMB98,742,104.44 (inclusive of tax). If this profit distribution plan is approved by the Shareholders at the 2025 AGM, the dividend will be paid to the Shareholders of the Company no later than Friday, 26 June 2026.

The profit distribution plan is subject to approval by the Shareholders at the AGM before it can become effective. For details, please refer to the Company's announcement on the Proposed Final Profit Distribution for the Year 2025 published on 30 March 2026.

(4) Proposed Confirmation of Directors' Remuneration for the year 2025

Based on the recommendation of the Remuneration and Evaluation Committee, the Board will propose an ordinary resolution at the Annual General Meeting for shareholders to consider and approve the confirmation of directors' remuneration for 2025. Details of the Directors' remuneration for 2025 are set out in the 2025 Annual Report.

(5) 2025 Annual Report and its Summary

Please refer to the 2025 Annual Report and its summary published by the Company on 30 March 2026 and the 2025 Annual Report published on 2 April 2026.

(6) Appointment of the Auditor for the year 2026

The Audit Committee of the Board issued the Letter of Prior Approval on Relevant Proposals of the 28th Meeting of the Fifth Session of the Board. All members of the committee have given their prior approval to the proposed appointment of Grant Thornton China (Special General Partnership) ("**Grant Thornton**") as the Company's auditor for the year 2026, believing that the proposed appointment of Grant Thornton as the Company's auditor for the year 2026 (including financial report audit and internal control audit) does not harm the interests of minority investors, and that Grant Thornton possesses the corresponding professional qualifications and competence. At its 14th meeting of the fifth session held on 30 March 2026, the Audit Committee of the Board reviewed the relevant information regarding the proposed appointment of the annual auditor. All members recognised Grant Thornton's professional competence, investor protection capabilities, independence, and integrity, and agreed to submit the proposal on re-appointing Grant Thornton as the auditor for the year 2026 to the Board for consideration.

LETTER FROM THE BOARD

At the 28th meeting of the fifth session of the Board held on 30 March 2026, the Board considered and approved the Proposal on the Appointment of the Auditor for the Year 2026. It was agreed to re-appoint Grant Thornton as the Company's auditor for the year 2026 (including financial report audit and internal control audit), for an audit fee of RMB1.8 million (including RMB1.35 million for financial report audit and RMB0.45 million for internal control audit).

This matter of appointing the auditor is subject to approval at the Company's general meeting and will take effect from the date of the passing of the resolution at the general meeting.

(7) Amendment to the Rules of Procedure for Shareholders' General Meetings

In accordance with the provisions of laws, regulations and normative documents such as the Guidelines for Articles of Association of Listed Companies, and in conjunction with the actual operational and management needs of the Company, the Company proposes to amend certain clauses of the Rules of Procedure for Shareholders' General Meetings of CIG Shanghai Co., Ltd. (the "**Rules of Procedure for Shareholders' General Meetings**"). The details are as follows:

Original Articles	Amended Articles
Article 28 The Audit Committee of the Board of Directors shall give reports on their work in the past year to the shareholders' meeting at the annual shareholders' meeting. Besides, each Independent Non-executive Director shall also make a report on his/her work.	Article 28 The Audit Committee of the Board of Directors shall give reports on their work in the past year to the shareholders' meeting at the annual shareholders' meeting. Besides, each Independent Non-executive Director shall also make a report on his/her work.

LETTER FROM THE BOARD

Original Articles	Amended Articles
<p>Article 35 The following matters shall be adopted by way of ordinary resolution of the shareholders' meeting:</p> <p>(I) the work reports of the Board of Directors and the Audit Committee;</p> <p>(II) profit distribution plans and loss recovery plans formulated by the Board of Directors;</p> <p>(III) appointment and removal of members of the Board of Directors and the Audit Committee, their remuneration and method of payment of their remuneration;</p> <p>(IV) the Company's annual report;</p> <p>(V) other matters other than those required by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association to be adopted by special resolution.</p>	<p>Article 35 The following matters shall be adopted by way of ordinary resolution of the shareholders' meeting:</p> <p>(I) the work reports of the Board of Directors and the <i>Audit Committee</i>;</p> <p>(II) profit distribution plans and loss recovery plans formulated by the Board of Directors;</p> <p>(III) appointment and removal of members of the Board of Directors and the <i>Audit Committee</i>, their remuneration and method of payment of their remuneration;</p> <p>(IV) The Company's annual report;</p> <p>(V) <u>(IV)</u> other matters other than those required by laws, administrative regulations, the securities regulatory rules of the place where the Company's shares are listed or the Articles of Association to be adopted by special resolution.</p>

LETTER FROM THE BOARD

Original Articles	Amended Articles
Article 57 These Rules are formulated by the Board of Directors of the Company and shall take effect and be implemented from the date on which the H Shares issued by the Company are listed on The Stock Exchange of Hong Kong Limited, after being approved by the Shareholders' meeting. Upon the implementation of these Rules, the Company's original Procedural Rules for Shareholders' Meetings shall automatically become invalid.	Article 57 These Rules are formulated by the Board of Directors of the Company and shall take effect and be implemented from the date on which the H Shares issued by the Company are listed on The Stock Exchange of Hong Kong Limited, after being approved by the Shareholders' meeting. Upon the implementation of these Rules, the Company's original Procedural Rules for Shareholders' Meetings shall automatically become invalid.

Save for the amendments mentioned above, the remaining contents shall remain unchanged. The above amendments are subject to approval by the Shareholders at the general meeting before they can become effective.

(8) Amendment to the Rules of Procedure for the Board of Directors

In accordance with the provisions of laws, regulations and normative documents such as the Guidelines for Articles of Association of Listed Companies, and in conjunction with the actual operational and management needs of the Company, the Company proposes to amend certain clauses of the Rules of Procedure for the Board of Directors of CIG Shanghai Co., Ltd. (the "**Rules of Procedure for the Board of Directors**"). The details are as follows:

Original Provisions	Amended Provisions
Article 19 The Company shall establish a Board of Directors which shall consist of nine Directors, including 4 Independent Directors and 1 Employee Representative Director. The Board of Directors shall have a chairman with no vice chairman....	Article 19 The Company shall establish a Board of Directors which shall consist of nine Directors, including <u>3</u> Independent Directors and 1 Employee Representative Director. The Board of Directors shall have a chairman with no vice chairman....

LETTER FROM THE BOARD

Original Provisions	Amended Provisions
<p>Article 29 The Remuneration and Evaluation Committee's main duties and authorities include:</p> <p>...</p> <p>(X) other matters as provided by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.</p> <p>The Remuneration and Evaluation Committee makes recommendations to the Board on the following matters:</p> <p>...</p>	<p>Article 29 The Remuneration and Evaluation Committee's main duties and authorities include:</p> <p>...</p> <p>(X) other matters as provided by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association. <u>to formulate a performance appraisal system for Directors and senior management, including appraisal indicators, weight allocation, evaluation criteria and implementation procedures, with a focus on incorporating ESG-related appraisal requirements;</u></p> <p>(XI) <u>to organise and implement the annual performance appraisal work, and to evaluate the performance and fulfillment of duties of Directors and senior management based on audited financial data and relevant appraisal materials;</u></p> <p>(XII) <u>to review the compliance and reasonableness of remuneration payment, and to provide professional opinions on matters such as remuneration adjustments, deferred payments and clawback;</u></p> <p>(XIII) <u>to assess the impact of ESG incidents on remuneration, and to make recommendations on remuneration restraint measures related to ESG accountability;</u></p> <p>(XIV) <u>to submit reports on remuneration management work and relevant proposals to the Board, which shall be submitted to the Shareholders' meeting for approval or reported to the Shareholders' meeting after deliberation by the Board, as required;</u></p> <p>(XV) <u>to supervise the implementation of this system, and to propose amendments to the system based on changes in regulatory policies and the development needs of the Company;</u></p> <p>(XVI) <u>other duties related to remuneration management as stipulated by domestic and overseas regulatory rules and the Articles of Association.</u></p> <p>The Remuneration and Evaluation Committee makes recommendations to the Board on the following matters:</p> <p>...</p>

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Original Provisions	Amended Provisions
<p>Article 59 Decision-Making Procedures of the Board of Directors:</p> <p>...</p> <p>(III) working procedures for financial budget and final accounts: The Board of Directors or the general manager entrusted thereby shall organize personnel to formulate the Company's annual financial budget, final accounts, profit distribution, loss compensation and other plans, submit them to the Board of Directors, and after being reviewed by the Board of Directors and submitted to the shareholders' meeting for approval, the general manager shall organize the implementation;</p> <p>(IV) working procedures for other material matters: Before reviewing and signing documents relating to material matters determined by the Board of Directors, the Chairman shall assess the feasibility of the relevant matters and, if necessary, convene a Board meeting for deliberation, and shall sign such documents only after they have been approved by the Board of Directors and a resolution has been adopted.</p>	<p>Article 59 Decision-Making Procedures of the Board of Directors:</p> <p>...</p> <p>(III) working procedures for financial budget and final accounts: The Board of Directors or the general manager entrusted thereby shall organize personnel to formulate the Company's annual financial budget, final accounts, profit distribution, loss compensation and other plans, submit them to the Board of Directors for review and approval, and after being reviewed by the Board of Directors and submitted to the shareholders' meeting for approval, the general manager shall organize the implementation;</p> <p>(IV)<u>(III)</u> working procedures for other material matters: Before reviewing and signing documents relating to material matters determined by the Board of Directors, the Chairman shall assess the feasibility of the relevant matters and, if necessary, convene a Board meeting for deliberation, and shall sign such documents only after they have been approved by the Board of Directors and a resolution has been adopted.</p>
<p>Article 63 These Rules shall take effect and be implemented from the date on which the H Shares issued by the Company are listed on The Stock Exchange of Hong Kong Limited, after being considered and approved by the Shareholders' meeting. Upon the implementation of these Rules, the Company's original Procedural Rules for Board Meetings shall automatically become invalid.</p>	<p>Article 63 These Rules shall take effect and be implemented from the date on which the H Shares issued by the Company are listed on The Stock Exchange of Hong Kong Limited, after being considered and approved by the Shareholders' meeting. Upon the implementation of these Rules, the Company's original Procedural Rules for Board Meetings shall automatically become invalid.</p>

Save for the amendments mentioned above, the remaining contents shall remain unchanged. The above amendments are subject to approval by the Shareholders at the general meeting before they can become effective.

(9) Formulation of the Remuneration Management System for Directors and Senior Management

In light of the Company's actual situation and the dual regulatory requirements for A + H shares, the Remuneration and Evaluation Committee of the Company has formulated the Remuneration Management System for Directors and Senior Management, which specifies the core contents including the basic principles of remuneration management for directors and senior management, remuneration structure, appraisal mechanism, payment rules, clawback provisions, and ESG accountability, to ensure that the level of remuneration matches the value of the position, duties and powers, risk responsibilities, and the Company's performance, balancing incentives and constraints, and complies with domestic and overseas regulatory requirements as well as the long-term development interests of the Company.

The full text of the Remuneration Management System for Directors and Senior Management is set out in Appendix I.

This management system is subject to approval by the Shareholders at the general meeting before it can become effective.

(10) Proposed 2026 Interim Cash Dividend

The Company upholds the shareholder return philosophy of being “long-term, stable, and sustainable”, strictly adheres to the Shareholder Dividend Return Plan for the Next Three Years (2024–2026), and is committed to building a long-term mechanism for investors to share the fruits of development. In accordance with the core requirements of optimising the return mechanism and enhancing shareholders' sense of gain and market confidence as set out in the Company's Evaluation Report on the 2025 Action Plan for ‘Improving Quality, Increasing Efficiency, and Emphasising Returns’ and the 2026 Action Plan for “Improving Quality, Increasing Efficiency, and Emphasising Returns”, and in order to maintain the continuity, stability, and predictability of dividends and to effectively protect the rights and interests of shareholders, if the Company's net profit for the first half of 2026 is positive, and its operating conditions are expected to be stable and cash flow sufficient in the second half of the year, an interim dividend may be distributed, provided that it does not affect normal operations and major investment decisions. In light of the current business plan and market environment, and to deeply implement the “investor-oriented” development philosophy and the action goal of emphasising returns, it is proposed to proceed with this interim dividend arrangement, provided that the statutory conditions for dividend distribution are met.

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The Board of Directors of the Company proposes to the general meeting to grant the Board a full mandate to handle all matters related to the interim dividend, including but not limited to formulating a specific interim dividend plan based on the Company's profitability, financial position, and the aforementioned dividend conditions; promoting the plan to undergo necessary deliberation procedures and obtain approvals; fulfilling information disclosure obligations in a timely manner; and implementing the dividend plan within the specified period.

For the specific contents of the proposed 2026 interim cash dividend, please refer to the announcement of the Company on the authorisation arrangements for the interim cash dividend for the six months ending 30 June 2026 published on 30 March 2026.

The proposed interim dividend is subject to approval by the Shareholders at the general meeting before it can become effective.

(11) Amendment to the Articles of Association

In accordance with the provisions of the Company Law of the People's Republic of China, the Guidelines for Articles of Association of Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, and the Rules Governing the Listing of Stocks on Shanghai Stock Exchange, as amended from time to time, and in light of the Company's actual situation and needs, the Company proposes to amend certain clauses of the Articles of Association of CIG Shanghai Co., Ltd. (the "**Articles of Association**"). The details are as follows:

Original Articles	Amended Articles
Article 3 As approved by the China Securities Regulatory Commission ("CSRC") on October 13, 2017, the Company initially issued 24,467,889 RMB-denominated ordinary shares (the " A Shares ") to the public which were listed on the Shanghai Stock Exchange on November 10, 2017.	Article 3 As approved by the China Securities Regulatory Commission ("CSRC") on October 13, 2017, the Company initially issued 24,467,889 RMB-denominated ordinary shares (the " A Shares ") to the public which were listed on the Shanghai Stock Exchange on November 10, 2017.
Upon the filing with the CSRC on [•] and approval by The Stock Exchange of Hong Kong Limited (the " Hong Kong Stock Exchange ") on [•], the Company conducted the initial public offering of [•] overseas listed shares (the " H Shares ") and [•] H Shares may be issued pursuant to the exercise of the Over-allotment Option, such H Shares were listed on the Main Board of the Hong Kong Stock Exchange on [•] and [•], respectively.	Upon the filing with the CSRC on <u>September 28, 2025</u> and approval by The Stock Exchange of Hong Kong Limited (the " Hong Kong Stock Exchange ") on <u>October 12, 2025</u> , the Company conducted the initial public offering of <u>67,010,500</u> overseas listed shares (the " H Shares ") and <u>10,051,500</u> H Shares may be issued pursuant to the exercise of the Over-allotment Option, such H Shares were listed on the Main Board of the Hong Kong Stock Exchange on <u>October 28, 2025</u> and <u>November 12, 2025</u> , respectively.

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Original Articles	Amended Articles
<p>Article 6 The registered capital of the Company is RMB[•].</p>	<p>Article 6 The registered capital of the Company is RMB<u>352,650,373</u>.</p> <p><i>Note: The change of registered capital of the Company is gradually adjusted based on the following matters:</i></p> <ol style="list-style-type: none"> <u>1.</u> <i>Pursuant to the initial public offering of H Shares of the Company amounting to 67,010,500 shares, the total share capital of the Company has been changed from 268,019,841 shares to 335,030,341 shares, and the registered capital has been increased from RMB268,019,841 to RMB335,030,341 (of which: 268,019,841 A shares and 67,010,500 H Shares).</i> <u>2.</u> <i>Pursuant to the full exercise of the H share Over-allotment Option by the Company, an additional 10,051,500 H Shares were issued, increasing the total number of H Shares to 77,062,000 shares. The total share capital of the Company was changed from 335,030,341 shares to 345,081,841 shares, and the registered capital was increased from RMB335,030,341 to RMB345,081,841 (of which: 268,019,841 A shares and 77,062,000 H Shares).</i> <u>3.</u> <i>Pursuant to the listing and circulation of the shares arising from the exercise under the first exercise period of the Company's 2024 Share Option Incentive Scheme, the number of shares underlying the exercise was 7,568,532 shares, the total share capital of the Company was changed from 345,081,841 shares to 352,650,373 shares, and the registered capital was increased from RMB345,081,841 to RMB352,650,373 (of which: 275,588,373 A shares and 77,062,000 H Shares).</i>

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Original Articles	Amended Articles
<p>Article 22 Upon completion of the initial public offering of H Shares (assuming the Over-allotment Option has not been exercised/the Over-allotment Option has been exercised), the share capital structure of the Company on the date of listing on the Hong Kong Stock Exchange shall be comprising of [•] ordinary shares, among which, [•] shares, representing [•]% of the total share capital of the Company, are ordinary A Shares and [•] shares, representing [•]% of the total share capital of the Company, are ordinary H Shares.</p>	<p>Article 22 Upon completion of the initial public offering of H Shares (<i>assuming the Over-allotment Option has been exercised</i>), the share capital structure of the Company on the date of listing on the Hong Kong Stock Exchange shall be comprising of <u>345,081,841</u> ordinary shares, among which, <u>268,019,841</u> shares, representing <u>77.67%</u> of the total share capital of the Company, are ordinary A Shares and <u>77,062,000</u> shares, representing <u>22.33%</u> of the total share capital of the Company, are ordinary H Shares.</p>
<p>Article 113 The Board consists of 9 Directors, of whom 4 are Independent Directors and 1 is an Employee Representative Director. The composition and number of the Board shall comply with the requirements of the securities regulatory rules of the place where the shares of the Company are listed.</p>	<p>Article 113 The Board consists of 9 Directors, of whom <u>3</u> are Independent Directors and 1 is an Employee Representative Director. The composition and number of the Board shall comply with the requirements of the securities regulatory rules of the place where the shares of the Company are listed.</p>

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Original Articles	Amended Articles
<p>Article 151 The Remuneration and Evaluation Committee's main duties and authorities include:</p> <p>...</p> <p>(X) other matters as provided by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association.</p> <p>The Remuneration and Evaluation Committee makes recommendations to the Board on the following matters:</p> <p>...</p>	<p>Article 151 The Remuneration and Evaluation Committee's main duties and authorities include:</p> <p>...</p> <p>(X) other matters as provided by laws, administrative regulations, securities regulatory rules of the place where the Company's shares are listed, and the Articles of Association <u>formulate a performance appraisal system for Directors and senior management, covering appraisal indicators, weight allocation, evaluation criteria and implementation procedures, with emphasis on incorporating relevant ESG assessment requirements;</u></p> <p><u>(XI) organize and implement the annual performance appraisal work, and evaluate the performance of duties and performance of Directors and senior management based on the audited financial data and relevant assessment materials;</u></p> <p><u>(XII) review the compliance and rationality of salary payments, and put forward professional opinions on matters such as salary adjustment, deferred payment, recovery and deduction;</u></p> <p><u>(XIII) assess the impact of ESG events on salaries, and put forward suggestions on salary restraint measures involving ESG accountability;</u></p> <p><u>(XIV) submit the salary management work report and relevant proposals to the Board, which shall be submitted to the shareholders' meetings for approval or explained to the shareholders' meetings in accordance with the provisions after being reviewed by the Board;</u></p> <p><u>(XV) supervise the implementation of this System, and put forward suggestions for system revision according to changes in regulatory policies and the Company's development needs;</u></p> <p><u>(XVI) other duties related to salary management as provided by domestic and foreign regulatory rules and the Articles of Association.</u></p> <p>The Remuneration and Evaluation Committee makes recommendations to the Board on the following matters:</p> <p>...</p>

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Original Articles	Amended Articles
Article 219 The Articles of Association are considered and approved at the shareholders' meeting of the Company and shall come into force from the date when the publicly issued H Shares of the Company are listed for trading on the Hong Kong Stock Exchange.	Article 219 The Articles of Association <i>shall come into force from the date when they are</i> considered and approved at the shareholders' meeting of the Company and shall come into force from the date when the publicly issued H Shares of the Company are listed for trading on the Hong Kong Stock Exchange.

The above amendments are subject to the approval by way of a special resolution at the general meeting before they can become effective. At the same time, it is proposed to the general meeting to authorise the Chairman of the Company to handle the relevant matters concerning the industrial and commercial change registration/filing in relation to this amendment of the Articles of Association.

(12) To Propose to the General Meeting the Grant of a General Mandate to the Board to Issue H Shares

To meet the needs of the Company's business development, capital operations and optimisation of its capital structure, to reduce financing costs and to seize favourable market opportunities in a timely manner, a special resolution will be proposed at the AGM to approve the grant of a general mandate (the "**General Mandate**") to the Board of Directors to (i) authorise the Board to allot, issue and deal with additional H shares of the Company not exceeding 20% of the total number of issued shares of the Company (excluding treasury shares) as at the date of passing of the resolution at the general meeting (including the sale or transfer of treasury shares), or securities convertible into H Shares, or options, warrants or similar rights to subscribe for H Shares or the aforementioned convertible securities (the "**Similar Rights**"), and to determine the terms and conditions for the allotment, issuance and dealing of new shares (including the sale or transfer of treasury shares, the same below) or Similar Rights, (ii) authorise the Board to take such actions as they may deem relevant to the exercise of the above General Mandate, and (iii) authorise the Board, subject to the obtaining of the aforesaid authorisation, to sub-delegate the above authorisation to the Chairman of the Company and his authorised persons, unless otherwise required by laws and regulations. For details of the specific resolution and the scope of authorisation, please refer to the notice of the general meeting.

As of the Last Practicable Date, the Company had 352,650,373 issued Shares (comprising 77,062,000 H Shares and 275,588,373 A Shares, with no treasury shares). Subject to the passing of the proposed special resolution to grant the General Mandate, and on the assumption that no Shares will be issued by the Company prior to the date of the AGM, the Board would be authorised under the issuance mandate granted by the Shareholders to allot, issue and/or deal with a maximum of 70,530,074 new H Shares.

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The validity of the General Mandate shall be from the date of approval of this resolution at the AGM until the earlier of (i) the conclusion of the next annual general meeting of the Company, and (ii) the date on which this mandate is revoked or varied by a special resolution of the Shareholders in a general meeting.

(13) To Propose to the General Meeting the Grant of a General Mandate to the Board to Repurchase H Shares

In order to safeguard the value of the Company and the interests of its Shareholders, to optimise the Company's capital structure and to enhance the level of shareholder returns, a special resolution will be proposed at the AGM to approve the grant of a general mandate (the "**Repurchase Mandate**") to the Board of Directors to (i) authorise the Board, according to market conditions and the needs of the Company, and in compliance with relevant laws and regulations, to repurchase its H shares up to a limit not exceeding 10% of the total number of issued H shares of the Company (excluding treasury shares) as at the date of passing of this resolution at the general meeting, and (ii) authorise the Board, subject to the obtaining of the aforesaid authorisation, to sub-delegate the above authorisation to the Chairman of the Company and his authorised persons, unless otherwise required by laws and regulations.

The validity of the Repurchase Mandate shall be from the date of approval of this resolution at the AGM until the earlier of (i) the conclusion of the next annual general meeting of the Company, and (ii) the date on which this mandate is revoked or varied by a special resolution of the Shareholders in a general meeting.

In accordance with the Listing Rules, an explanatory statement must be provided to the Shareholders to give them information reasonably necessary to enable them to make an informed decision on whether to vote for or against the granting of the Repurchase Mandate. This statement is set out in Appendix II to this circular.

(14) Adoption of the 2026 A Share Option and Restricted Share Incentive Scheme

Reference is made to the announcement of the Company dated 30 March 2026 in relation to, among other things, the proposed adoption of the A Share Option and Restricted Share Incentive Scheme. The purpose of this letter from the Board is to provide the Shareholders with a brief summary of the A Share Option and Restricted Share Incentive Scheme. The full text of the A Share Option and Restricted Share Incentive Scheme is set out in Appendix I to this circular.

Summary of the A Share Option and Restricted Share Incentive Scheme

The 2026 A Share Option and Restricted Share Incentive Scheme of the Company consists of two parts: the Share Option Incentive Scheme and the Restricted Share Incentive Scheme.

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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 Latest Practicable Date. 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

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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. Among the Incentive Participants of the A Share Incentive Scheme, the Directors of the company must be elected by the Shareholders' meeting of the Company, the senior management must 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.

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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 Reserved 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 require that the grantees of reserved equity be determined within 12 months following the approval of the incentive scheme by the shareholders' meeting.

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- **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 grantees of Reserved Equity 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

(I) 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.

(II) 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.

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(III) 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
I. Directors, Senior Management					
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%
II. Core Management and Technical (Business) Personnel (Total 1,061 persons)			1,270.80	81.61%	3.60%
Reserved			<u>100.00</u>	<u>6.40%</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.

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

1. Life of the Share Option Incentive Scheme

The life of the Share Option Incentive Scheme shall not exceed 48 months, commencing 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.

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

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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, the Shanghai Stock Exchange, and The Stock Exchange of Hong Kong Limited. 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.

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.

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The exercise arrangements for the Initially Granted Share Options under the A Share Incentive Scheme are as follows:

Exercise Period	Exercise Time	Exercise Proportion
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%

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

Exercise Period	Exercise Time	Exercise Proportion
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 of the Incentive Participants 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

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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.
- (V) 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 A Share 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;

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- (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.

Pursuant to note to Rule 17.03(9) and Rule 17.03E of the Listing Rules, the exercise price shall be at least the higher of the following: (i) the closing price of the securities as quoted in the daily quotations sheet of the Stock Exchange on the date of grant; and (ii) the average closing price of the securities as quoted in the daily quotations sheets of the Stock Exchange for the five business days immediately preceding the date of grant.

However, the Company has applied for, and the Stock Exchange has granted, a waiver from strict compliance with note to Rule 17.03(9) and Rule 17.03E of the Listing Rules, on the following grounds:

- (i) in compliance with Rule 19A.39C of the Listing Rules:
- (a) the underlying Shares relating to the Share Options to be granted under the A Share Incentive Scheme involve A Shares only, which are shares listed on the SSE and are not listed on the Hong Kong Stock Exchange; and
 - (b) the A Share Incentive Scheme contains provisions to ensure that the Exercise Price will not be lower than the prevailing market price of the A Shares. Rule 17.03E and Rule 19A.39C of the Listing Rules in essence require the exercise price of share options to be no less than the prevailing market prices. According to the provisions of the A Share Incentive Scheme, the Exercise Price will not be lower than the average trading price of the A Share on the trading day preceding the date the announcement date of the A Share Incentive Scheme draft and the average trading price of the A Share for 20 trading days preceding the announcement date of the A Share Incentive Scheme draft, which represent the prevailing market price of the A Shares and do not contradict with the spirit of Rule 19A.39C, and thus it can be ensured that the Exercise Price will not be lower than the prevailing market price of the A Shares;
- (ii) as advised by the Company's PRC legal advisers, Shanghai Jun Lan Law Firm, the determination of the Exercise Price complies with the Administrative Measures (being, shall not be lower than the higher of the following: (i) the average trading price of the A Share on the trading day preceding the

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announcement date of the A Share Incentive Scheme draft; and (ii) the average trading price of the A Share for 20, 60 or 120 (either one) trading days preceding the announcement date of the A Share Incentive Scheme draft); and

- (iii) a summary of the A Share Incentive Scheme, which includes the determination of the Exercise Price, is set out in the announcement and the circular of the Company. As such, Shareholders (including the H Shareholders) and potential investors on H Shares are provided with sufficient information to make an informed assessment on voting on the resolution in relation to the adoption of the A Share Incentive Scheme. Furthermore, the full text of the A Share Incentive Scheme will be published on the websites of the Hong Kong Stock Exchange and Shanghai Stock Exchange. Shareholders and potential investors can access them for free any time. The Company will disclose details of the grant, exercise, lapse of the Share Options and the Exercise Price by way of announcement(s) or in the interim or annual report(s) as and when required under the Listing Rules. Therefore, Shareholders and potential investors will be regularly informed of the latest progress and development.

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

The Exercise Price for the Reserved Share Options under the A Share Incentive Scheme is the same as the Exercise Price for the Initially Granted Share Options.

(VI) 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;

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- 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;

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- 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.

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(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:

Exercise Arrangement		Performance Appraisal Target
Initially Granted Share Options	The First Exercise 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.
	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.

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(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 appraisal 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:

Appraisal Grade	A	B+	B	B-	C	D
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 content for the A Share Incentive Scheme shall be implemented in accordance with the A Share Incentive Scheme Measures.

(VII) 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.

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(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

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

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; n represents the ratio of the rights issue (i.e. the ratio of the number of shares to be issued under the rights issue to the total share capital of the Company before the rights issue); Q represents the adjusted number of 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.

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(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

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

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; n represents the ratio of the rights issue (i.e. the ratio of the number of shares to be issued under the rights issue to the total share capital of the Company before the rights issue); P represents the adjusted 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.

Pursuant to Rule 17.03(13) of the Listing Rules, the scheme document must include a provision for adjustment of the exercise or purchase price and/or the number of shares subject to options or awards granted under the scheme in the event of a capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of capital.

In addition to the events where adjustment to the Exercise Price is required under Rule 17.03(13) of the Listing Rules, the A Share Incentive Scheme also provides for the adjustment to the Exercise Price in the event of distribution of dividend.

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The Company has applied for, and the Stock Exchange has granted, a waiver from strict compliance with Rule 17.03(13) of the Listing Rules, on the following grounds:

- (i) the underlying Shares relating to the Share Options to be granted under the A Share Incentive Scheme involve A Shares only, which are shares listed on the SSE and are not listed on the Hong Kong Stock Exchange;
 - (ii) as advised by the Company's PRC legal advisers, Shanghai Jun Lan Law Firm, the proposed Dividend Adjustment complies with the Administrative Measures (being, if the Exercise Price or the number of the underlying Shares entitled needs to be adjusted due to ex-rights, ex-dividend, or other reasons, the Board shall make the adjustment in accordance with the procedures stipulated in the A Share Incentive Scheme) and is in line with the market practice in the PRC;
 - (iii) the adjusted Exercise Price will be equal to the Exercise Price minus the dividend to be paid by the Company. For information, dividend distributed by the Company in the past three financial years ranged from RMB0.03 per Share to RMB0.22 per Share. The Company does not expect that the adjustment for dividend distribution will have any material adverse impact on the interests of Shareholders; and
 - (iv) the terms of the A Share Incentive Scheme will be under close scrutiny by the aforesaid regulatory authorities of the PRC, and they are also subject to approval by the Shareholders at the shareholders' meeting. The Shareholders will be given the opportunity to make an informed decision as to the adoption of the A Share Incentive Scheme at the shareholders' meeting.
- (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.

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(B) Restricted Share Incentive Scheme

(I) 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.

(II) 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.

(III) List of Incentive Participants and Allocation of Proposed Restricted Shares

Name	Nationality	Position	Number of Restricted Shares granted (10,000 Shares)	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
I. Directors, Senior Management					
Zhang Jie	Chinese	Director	2.68	0.17%	0.01%
Zhao Hongwei	Chinese	Director	2.68	0.17%	0.01%
Cheng Gucheng	Chinese	Deputy general manager, financial officer	2.68	0.17%	0.01%
II. Core Management and Technical (Business) Personnel (Total 141 persons)			163.74	10.52%	0.46%
Total			171.78	11.03%	0.49%

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

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(IV) 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.

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, the Shanghai Stock Exchange, and The Stock Exchange of Hong Kong Limited. 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.

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During the Validity Period of the Restricted 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.

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4. Unlocking Arrangements for the Restricted Share Incentive Scheme

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

Unlocking arrangements	Unlocking schedule	Unlocking proportion
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.

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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.
- (V) 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.

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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.

(VI) 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;

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- 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;

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- 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 (as may be adjusted pursuant to sub-paragraph (VIII) Repurchase and Cancellation of Restricted Shares below) 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 (as may be adjusted pursuant to sub-paragraph (VIII) Repurchase and Cancellation of Restricted Shares below).

- (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;

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- 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 (as may be adjusted pursuant to sub-paragraph (VIII) Repurchase and Cancellation of Restricted Shares below).

(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:

Unlocking arrangement	Performance appraisal targets
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.

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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.
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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 (as may be adjusted pursuant to sub-paragraph (VIII) Repurchase and Cancellation of Restricted Shares below) 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:

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

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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 (as may be adjusted pursuant to sub-paragraph (VIII) Repurchase and Cancellation of Restricted Shares below).

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

(VII) 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.

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(3) Rights issue

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

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; n represents the ratio of the rights issue (i.e. the ratio of the number of shares to be issued under the rights issue to the total share capital of the Company before the rights issue); Q represents the adjusted number of Restricted Shares.

(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.

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(3) Rights issue

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

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; n represents the ratio of the rights issue (i.e. the ratio of the number of shares to be issued under the rights issue to the total share capital of the Company before the rights issue); P represents the adjusted Grant Price.

(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.

Pursuant to Rule 17.03(13) of the Listing Rules, the scheme document must include a provision for adjustment of the exercise or purchase price and/or the number of shares subject to options or awards granted under the scheme in the event of a capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of capital.

In addition to the events where adjustment to the Grant Price is required under Rule 17.03(13) of the Listing Rules, the A Share Incentive Scheme also provides for the adjustment to the Grant Price in the event of distribution of dividend.

The Company has applied for, and the Stock Exchange has granted, a waiver from strict compliance with Rule 17.03(13) of the Listing Rules, on the following grounds:

- (i) the underlying Shares relating to the Restricted Shares to be granted under the A Share Incentive Scheme involve A Shares only, which are shares listed on the SSE and are not listed on the Hong Kong Stock Exchange;

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- (ii) as advised by the Company's PRC legal advisers, Shanghai Jun Lan Law Firm, the proposed Dividend Adjustment complies with the Administrative Measures (being, if the Grant Price or the number of the underlying Shares entitled needs to be adjusted due to ex-rights, ex-dividend, or other reasons, the Board shall make the adjustment in accordance with the procedures stipulated in the A Share Incentive Scheme) and is in line with the market practice in the PRC;
- (iii) the adjusted Grant Price will be equal to the Grant Price minus the dividend to be paid by the Company. For information, dividend distributed by the Company in the past three financial years ranged from RMB0.03 per Share to RMB0.22 per Share. The Company does not expect that the adjustment for dividend distribution will have any material adverse impact on the interests of Shareholders; and
- (iv) the terms of the A Share Incentive Scheme will be under close scrutiny by the aforesaid regulatory authorities of the PRC, and they are also subject to approval by the Shareholders at the shareholders' meeting. The Shareholders will be given the opportunity to make an informed decision as to the adoption of the A Share Incentive Scheme at the shareholders' meeting.

(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.

(VIII) 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 if the Company is required to repurchase the Restricted Shares or the Shares obtained based on these Restricted Shares in accordance with the principles stipulated in the A Share Incentive Scheme (i.e. under various circumstances set out in paragraphs "(B) Restricted Share Incentive Scheme — (VI) Conditions on Grant and Unlocking of the Restricted Shares"), the repurchase quantity and repurchase price shall be adjusted, 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 in accordance with the following methods.

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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

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

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

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(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

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

Where: P_0 represents the Grant Price before the adjustment; P_1 represents the price of the rights issue; n represents the ratio of the rights issue (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); 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.

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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.

Procedures for Amendment of the Incentive Scheme

1. If the Company amends the Incentive Scheme before it is considered and approved by the Shareholders' Meeting, the amendment must be considered and approved by the Board. If the Company amends the Incentive Scheme that has already been approved by the Shareholders' meeting, the amendment proposal shall be submitted to the Shareholders' Meeting for consideration, and shall not include any circumstances that would lead to accelerated exercise/accelerated unlocking or a reduction in the exercise price/grant price.

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

- 1) where any terms of the Incentive Scheme become inconsistent with applicable laws, regulations or regulatory policies, to amend such terms accordingly to comply with the latest regulatory requirements;
- 2) to make textual amendments or clarifications to the definitions or expressions used in the Incentive Scheme without altering the substantive content of any terms;
- 3) to amend procedural or disclosure-related terms of the Incentive Scheme (such as implementation procedures and information disclosure requirements) without altering the material terms of the Incentive Scheme (including but not limited to those set out in Rule 17.03 of the Listing Rules, such as the scope of Incentive Participants, number of grant, exercise price/grant price, term, performance targets, etc.);

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- 4) to adjust the number of Share Options and exercise price and/or the number of Restricted Shares and grant price in accordance with the adjustment methods set out in the Incentive Scheme in the event of capitalisation of capital reserves, distribution of dividends, share subdivision, share consolidation, rights issue, distribution of cash dividends, or other similar circumstances affecting the Company's share capital;
- 5) other amendments that do not involve changes to the material terms of the Incentive Scheme and do not prejudice the interests of the Company or its shareholders as a whole.

Any other amendments to the Incentive Scheme (including but not limited to changes to the scope of Incentive Participants, increase in the number of grant, extension of the validity period, or adjustments to the performance targets) shall not take effect without the approval of the Shareholders' meeting.

2. The Company shall promptly disclose the reasons for and details of the amendment. The Remuneration and Evaluation Committee shall issue an independent opinion on whether the amended scheme is conducive to the Company's sustainable development and whether there exists any circumstance that would materially damage the interests of the Company and all shareholders. A law firm shall issue a professional opinion on whether the amended scheme complies with the provisions of the Administrative Measures and relevant laws and regulations, and whether there exists any circumstance that would materially damage the interests of the Company and all Shareholders.

Document on Display

A copy of the scheme document of the A 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 A Share Incentive Scheme will be made available for inspection at the AGM.

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Listing Rules Implications

Pursuant to Chapter 17 of the Listing Rules, the A Share Option and Restricted 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 Option and Restricted Share Incentive Scheme is subject to the approval of the Shareholders. The terms of the A Share Option and Restricted Share Incentive Scheme are in accordance with the relevant requirements under Chapter 17 of the Listing Rules.

The above resolution has been approved by the Board and is hereby proposed at the AGM for Shareholders' consideration and approval. Mr. Zhao Hongwei and Mr. Zhang Jie, being Directors of our Company and also participants of the A Share Option and Restricted Share Incentive Scheme, have abstained from voting on the resolution to approve the A Share Option and Restricted Share Incentive Scheme and its summary.

Pursuant to Rule 17.04(1) of the Listing Rules, the grant of Share Options and Restricted Shares to Mr. Zhao Hongwei and Mr. Zhang Jie, our Directors, have been approved by the Directors (including the independent non-executive Directors, but excluding Mr. Zhao Hongwei and Mr. Zhang Jie who have abstained from voting in respect of the grant), and will not result in the Shares issued and to be issued in respect of all awards granted to each of Mr. Zhao Hongwei and Mr. Zhang Jie in the 12-month period up to and including the date of grant to exceed the 0.1% limit of the total issued shares (excluding Treasury Shares) of the Company in aggregate for the purpose of Rules 17.04(2) and (3) of the Listing Rules.

(15) Adoption of the Administrative Measures for the Implementation and Appraisal of the 2026 A Share Option and Restricted Share Incentive Scheme of CIG Shanghai Co., Ltd.

To safeguard the smooth implementation of the Company's Incentive Scheme, A Share Incentive Scheme Measures are hereby formulated in accordance with the PRC Company Law, the Securities Law, the Administrative Measures and other relevant laws, administrative regulations, normative documents and relevant provisions of the Articles of Association, and in light of the actual circumstances of the Company. The full text of the Administrative Measures for the Implementation and Appraisal of the 2026 Share Option and Restricted Share Incentive Scheme is set out in Appendix IV to this circular.

The above resolution has been approved by the Board and is hereby proposed at the AGM for Shareholders' consideration and approval. Mr. Zhao Hongwei and Mr. Zhang Jie, being Directors of our Company and also participants of the A Share Option and Restricted Share Incentive Scheme, have abstained from voting on this resolution.

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(16) Proposal to request the Shareholders' meeting to authorise the Board of Directors to handle matters relating to the 2026 A Share Option and Restricted 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:

- I. 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;

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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;

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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.
- II. 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.
 - III. 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.
 - IV. 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.

(17) ADOPTION OF THE H SHARE RESTRICTED SHARE INCENTIVE SCHEME

The Board has resolved to propose the adoption of the H Share Incentive Scheme for the approval by the Shareholders. In approving the adoption of the H Share Incentive Scheme, the Board has considered the factors including the demands for the Group to attract, motivate and retain talents. The Company will issue new H Shares (including Treasury Shares) as underlying shares for the purpose of the H Share Incentive Scheme.

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Operation of the H Share Incentive Scheme is conditional upon:

- (1) the passing of the special resolution by the Shareholders at the AGM to approve and adopt the H Share Incentive Scheme and to authorize the Board to grant Incentive Shares to the Selected Participants and to allot, issue and deal with the H Shares which fall to be issued by the Company in respect of the Incentive Shares granted under the H Share Incentive Scheme; and
- (2) the Listing Committee of the Hong Kong Stock Exchange granting approval of the listing of, and permission to deal in, any Shares to be issued in respect of the Incentive Shares under the H Share Incentive Scheme.

Application will be made to the Hong Kong Stock Exchange for the approval of the listing of, and the permission to deal in, the H Shares to be issued with respect to the Incentive Shares granted under the H Share Incentive Scheme.

The Selected Participants have not been identified. As at the Latest Practicable Date, the Company does not have any specific plan for the grant of any Incentive Share to any Selected Participant. After the H Share Incentive Scheme is approved at the AGM, the Company will convene a Board meeting to determine the list of specified Selected Participants.

Summary of the principal terms of the H Share Incentive Scheme

A summary of the principal terms of the H Share Incentive Scheme is set out below. 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 Latest Practicable Date, 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

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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

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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,

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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

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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

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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.

The Company has not granted any share awards or share options to its Service Providers in the past. The independent non-executive Directors have considered and provided their independent views to the Board as to whether the proposed categories of Service Providers are in line with the Company's business needs and the industry norm and whether the criteria for the selection of eligible participants align with the purpose of the H Share Incentive Scheme. Accordingly, in order to recognize the importance of engaging and retaining capable Service Providers which can perform in a competitive business environment and ever-changing industry landscape, and the Board (including the independent non-executive Directors) 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

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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.

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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.

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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.

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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

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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.

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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.

Listing Rules Implications

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 above resolution has been approved by the Board and is hereby proposed at the AGM for Shareholders' consideration and approval.

(18) Request for the Shareholders' Meeting to Authorize the Board and/or its Authorized Persons to Handle Matters Relating to the H Share Restricted 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 2025 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;

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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 of Hong Kong Limited 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.

(19) Proposal on the Maximum Limit for Granting Share Options and Awards to Service Providers under the H Share Incentive Scheme

Pursuant to the H Share Incentive Scheme, the sub-limit for service providers is 3,526,503 Shares, representing approximately 1% of the total number of issued shares of the Company (excluding treasury shares, if any) as at the adoption date. Pursuant to the relevant provisions of the Listing Rules, the sub-limit for service providers is subject to separate approval by the Shareholders' Meeting before it can take effect.

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The resolution relating to the adoption of the H Share Incentive Scheme is not conditional on the passing of this resolution, but this resolution is conditional on the passing of the resolution relating to the adoption of the H Share Incentive Plan. If the resolution relating to the adoption of the H Share Incentive Scheme is passed but this resolution is not passed, the Company will adopt the H Share Restricted Stock Incentive Scheme, provided that the Board of Directors shall amend the H Share Incentive Scheme to remove the reference to the granting of incentive shares to service provider participants in order to comply with the Listing Rules. If this resolution is passed but the resolution relating to the adoption of the H Share Incentive Plan is not passed, the H Share Incentive Scheme will not be adopted.

(20) AGM Arrangement

The Company will convene the AGM at the Multifunction Hall of Holiday Inn Express Shanghai Pujiang at Block A, No. 800 Puxing Road, Minhang District, Shanghai, the PRC at 1:30 p.m. on Tuesday, 28 April 2026 for the Shareholders to consider and, if thought fit, to approve the relevant resolutions. Details of the AGM and resolutions to be considered at the meeting are set out in the notice of AGM dated 2 April 2026.

Holders of H Shares whose names appear on the register of members of the Company at the close of business on Tuesday, 21 April 2026 will be entitled to attend the AGM upon completion of the necessary registration procedures. The H Shares register of members will be closed from Tuesday, 21 April 2026 to Tuesday, 28 April 2026, both days inclusive, during which period no transfer of H Shares will be effected.

Where applicable, holders of the H Shares intending to attend the AGM are therefore required to lodge their respective instrument(s) of transfer and the relevant Share certificate(s) to the Company's H share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by 4:30 p.m. on Monday, 20 April 2026.

A form of proxy for use at the AGM is enclosed with this circular, which has also been published on the website of each of the Hong Kong Stock Exchange (www.hkexnews.hk) and the Company (www.cigtech.com). To be valid, for H Share Shareholders, their forms of proxy and notarised power of attorney or other authorisation documents must be deposited with the H Share registrar of the Company, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not less than 24 hours before the time appointed for the holding of the AGM or any adjournment thereof (i.e. 1:30 p.m. on Monday, 27 April 2026). Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the meeting or any adjourned meeting should such Shareholders so wish.

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(21) Voting at the AGM

Pursuant to Rule 13.39 of the Listing Rules, any vote of the Shareholders at the AGM must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The Company will announce the results of the poll after the AGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder was required to abstain from voting on the resolutions to be proposed at the AGM.

Furthermore, the Company will adopt a combination of both onsite voting and online voting (online voting is only applicable to holders of A Shares) in terms of the mechanism for attending and voting at the meeting.

(22) Recommendation

Save as described under the "Chapter II Purposes of A Share Incentive Scheme" set out in Appendix III "2026 A SHARE OPTION AND RESTRICTED SHARE INCENTIVE SCHEME" and "1. Purposes and Objectives" set out in Appendix V "SUMMARY OF PRINCIPAL TERMS OF H SHARE RESTRICTED SHARE INCENTIVE SCHEME" separately, the Company proposes to adopt the H Share Incentive Scheme and A Share Incentive Scheme based on the following reasons and benefits:

- (1) 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.
- (2) 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.
- (3) To recognize and reward the core teams and service provider for their services and contributions to the Company and to encourage further contributions, providing them with the opportunity to acquire equity in the Company.

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

The Board believes that the abovementioned resolutions are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends all Shareholders to vote in favor of the relevant resolutions to be proposed at the AGM.

(23) Responsibility Statement

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

By Order of the Board
CIG SHANGHAI CO., LTD.

Mr. Gerald G Wong

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

2 April 2026

CHAPTER I GENERAL PROVISIONS

Article 1 To further improve the corporate governance structure of CIG Shanghai Co., Ltd. (hereinafter referred to as the “**Company**”), establish a scientific and effective incentive and restraint mechanism, standardize the remuneration management of the Company’s Directors and senior management, fully mobilize their work enthusiasm and creativity, and promote the sustainable and healthy development of the Company, the Company formulates the System in accordance with domestic and overseas laws, regulations and regulatory documents, including the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Code of Corporate Governance of Listed Companies, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as well as the provisions of the Articles of Association of CIG Shanghai Co., Ltd. (hereinafter referred to as the “**Articles of Association**”) together with the actual circumstances of the Company.

Article 2 The System applies to the Company’s Directors (including non-independent Directors and independent Directors) and senior management (including the Company’s general manager, deputy general managers, the financial officer, the secretary to the Board and other senior management personnel as stipulated in the Articles of Association).

Article 3 The remuneration management of Directors and senior management as referred to in the System shall adhere to the following principles:

- (I) principle of compliance: Strictly comply with the provisions of domestic and foreign regulatory rules and the Articles of Association, take into account the listing regulatory requirements of the Shanghai Stock Exchange (hereinafter referred to as the “**SSE**”) and The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “**Stock Exchange**”), and ensure that the System is legal, compliant, enforceable and disclosable;
- (II) unity of responsibility, authority and benefit principle: The remuneration level shall match the position value, duties and authority, and risk responsibilities, and shall fully reflect a contribution-oriented principle;
- (III) principle of performance linkage: Remuneration shall be closely linked to the Company’s operating performance and individual performance, and shall be coordinated with the Company’s sustainable development, achieving a balance between incentive and restraint;

- (IV) principle of market orientation: The remuneration standards shall be reasonably determined by reference to the remuneration levels in the same industry and region as well as the market competition, so as to guarantee the Company's attractiveness to and ability to retain core talents;
- (V) principle of transparency: The remuneration decision-making process, composition standards, assessment basis and distribution shall be disclosed in accordance with laws and regulations, and shall be subject to supervision by shareholders, regulatory authorities and the public;
- (VI) principle of risk matching: Remuneration design shall fully consider the risk level of the position. For high-risk positions, constraints such as deferred payment of performance-based remuneration and clawback shall be strengthened to ensure that remuneration is commensurate with risk responsibilities;

Article 4 The Company's total wage shall be determined based on the annual operating targets, industry levels and the employee remuneration distribution ratio, and shall be linked to core operating indicators such as the Company's operating revenue and net profit attributable to owners of the parent company, while taking into account the Company's sustainable development and the protection of employees' rights and interests, and promoting the allocation of remuneration towards key positions, production frontline and urgently needed high-level and high-skilled talents, promoting the increase of ordinary employees' compensation levels.

Article 5 Independent Directors and Directors who do not receive remuneration from the Company shall not be subject to the mandatory provisions on remuneration-related matters of the System, including the remuneration structure, performance linkage and deferred payment. The allowances for such Directors shall be issued in accordance with the relevant provisions of Chapter III of the System.

CHAPTER II REMUNERATION AND EVALUATION COMMITTEE

Article 6 The Remuneration and Evaluation Committee of the Board of the Company (hereinafter referred to as the "**Remuneration Committee**") is a special committee responsible for the remuneration management of the Directors and senior management members of the Company. It is accountable to the Board and performs its duties related to remuneration management in accordance with the Articles of Association and the Terms of Reference of the Remuneration and Evaluation Committee of the Board. The Remuneration Committee shall consist of three Directors, with a majority of independent Directors, one of whom shall serve as the convener.

Article 7 The Remuneration and Evaluation Committee's main duties include:

- (I) to establish the remuneration plans or programs, policies and structure based on the main scope, responsibilities and importance of the management positions of Directors and senior management, as well as the level of remuneration of the relevant positions in other related corporations, and to set up a formal and transparent procedure for the formulation of the said remuneration plans or programs and to make recommendations to the Board;
- (II) to review and approve the management's remuneration proposals in relation to the Board's corporate goals and objectives;
- (III) to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management members, including non-monetary benefits, pension rights and compensation payments, including any compensation payable for loss of office or termination of their appointment or engagement;
- (IV) to make recommendations to the Board on the remuneration of non-executive Directors;
- (V) to consider remuneration paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- (VI) to review and approve any compensation payable to executive Directors and senior management for any loss or termination of their office or appointment to ensure that it is consistent with contractual terms and is otherwise fair, reasonable and not excessive;
- (VII) to review and approve compensation arrangements relating to dismissal or removal of Directors for their misconducts to ensure that it is consistent with contractual terms and is otherwise reasonable and appropriate;
- (VIII) to ensure that no Director or any of his/her associates (as defined in the Hong Kong Stock Exchange Listing Rules) is involved in deciding his/her own remuneration;
- (IX) to consider and/or approve matters relating to the share scheme as described in Chapter 17 of the Hong Kong Listing Rules;
- (X) to formulate a performance appraisal system for Directors and senior management, covering appraisal indicators, weight allocation, evaluation criteria and implementation procedures, with emphasis on incorporating relevant ESG assessment requirements;

- (XI) to organize and implement the annual performance appraisal work, and evaluate the performance of duties and performance of Directors and senior management based on the audited financial data and relevant assessment materials;
- (XII) to review the compliance and rationality of remuneration payments, and put forward professional opinions on matters such as remuneration adjustment, deferred payment, recovery and deduction;
- (XIII) to assess the impact of ESG events on remunerations, and put forward suggestions on remuneration restraint measures involving ESG accountability;
- (XIV) to submit the remuneration management work report and relevant proposals to the Board, which shall be submitted to the shareholders' meetings for approval or explained to the shareholders' meetings in accordance with the provisions after being reviewed by the Board;
- (XV) to supervise the implementation of the System, and put forward suggestions for system revision according to changes in regulatory policies and the Company's development needs;
- (XVI) other duties related to remuneration management as provided by domestic and foreign regulatory rules and the Articles of Association.

Article 8 When the Remuneration Committee carries out its work, relevant functional departments of the Company, including the Human Resources Department, the Finance Department, the Securities Department, and the compliance departments (including the Supervisory, Audit Department and the Legal Department, the same hereinafter), shall provide cooperation and furnish necessary operational data, assessment materials and other supporting documents.

Article 9 When the Remuneration Committee deliberates on matters involving the personal remuneration of Director, such Director shall abstain from voting. When deliberating on matters of remuneration of senior management members, the relevant senior management members shall not participate in the discussion or voting at the meeting. A meeting of the Remuneration Committee shall be held only if more than two-thirds of its members are present, and a resolution shall be adopted only with the approval of more than half of all its members.

CHAPTER III REMUNERATION OF DIRECTORS

Article 10 The remuneration of Directors of the Company shall be determined based on their types of positions and the performance of their duties, and shall be specifically divided into the following categories:

(I) Remuneration of non-independent Directors:

1. For a non-independent Director who concurrently serves as a senior management member, his/her remuneration shall be determined in accordance with the remuneration standards for senior management members as set forth in Chapter IV of the System, and he/she shall not receive additional Director's allowance;
2. For a non-independent Director who does not concurrently serve as a senior management member but holds other management positions in the Company, he/she shall receive remuneration according to the remuneration management system applicable to his/her position, and shall not receive additional Director's allowance;
3. For a non-independent Director who does not hold any other position in the Company shall, in principle, not receive director's remuneration, unless otherwise approved by the Shareholders' Meeting.

(II) Remuneration of independent Directors:

The remuneration of independent Directors shall be a fixed allowance, and they shall not participate in the distribution of performance-based remuneration. The standard of such allowance shall be proposed by the Remuneration Committee with reference to the allowance level of independent Directors of listed companies in the same industry and, after deliberation by the Board, submitted to the shareholders' meetings for approval and determination. Specific standard: to be determined with reference to the allowance level of independent Directors of listed companies in the same industry, taking into account the actual operating conditions of the Company. Reasonable travel expenses, meeting fees and other related expenses incurred by independent Directors in attending Board meetings, shareholders' meetings and meetings of special committees shall be reimbursed by the Company based on actual expenses.

Article 11 The remuneration or allowance of Directors is pre-tax amount. After withholding and paying the amounts to be borne by the individual in accordance with national laws, regulations and relevant provisions, such as individual income tax, social insurance premiums (if applicable), the remaining portion shall be distributed in accordance with the provisions of Chapter VI of the System.

Article 12 The remuneration of non-independent Directors shall be linked to the Company's operating performance and individual performance in the discharge of duties. The specific assessment standards shall be implemented in accordance with the provisions of Chapter V of the System. The distribution of allowance for independent Directors and Directors who do not receive remuneration from the Company shall only be related to the performance of their duties and shall not be directly linked to the Company's performance; however, if any accountability circumstance as specified in the System arises, the allowance may be reduced in accordance with the provisions.

Article 13 The remuneration scheme for Directors shall be determined by the shareholders' meeting and disclosed accordingly. When the Board of Directors evaluates or discusses the remuneration of an individual director, such director shall abstain from the meeting.

CHAPTER IV REMUNERATION OF SENIOR MANAGEMENT MEMBERS

Article 14 The remuneration of senior management members of the Company shall consist of three components: base remuneration, performance-based remuneration, and medium — and long-term incentive income, among which the proportion of performance-based remuneration is in principle no less than 50% of the total of basic remuneration and performance-based remuneration.

Article 15 Base Remuneration:

- (I) definition: Base remuneration is the fixed component of remuneration for senior management members, used to meet their basic living needs and reflect the value of their positions and the foundation for the performance of their duties;
- (II) basis for determination: Comprehensively determined based on factors including job responsibilities, qualification requirements, professional competence, market remuneration levels and the Company's business scale;
- (III) method of distribution: distributed monthly on a fixed basis. In principle, no adjustment shall be made during the year; if adjustment is indeed necessary, it shall be carried out in accordance with the relevant procedures for remuneration adjustment as stipulated in Chapter VI of the System.

Article 16 Performance-based Remuneration:

- (I) definition: Performance-based remuneration is the floating component of remuneration linked to the Company's operating performance and individual performance, reflecting an incentive orientation;
- (II) basis for determination: Evaluated based on the completion of performance targets, and comprehensively determined in conjunction with the individual performance appraisal results;
- (III) payment method: Performance-related remuneration shall be paid in accordance with the assessment cycle. The Company shall reserve a certain proportion of performance-related pay, which shall be paid after the disclosure of the annual report and the completion of the performance evaluation. The performance evaluation shall be conducted based on audited financial data. The specific percentage shall be determined by the Remuneration Committee in the annual remuneration scheme based on the actual circumstances of the Company, and submitted to the Board of Directors for record. The Company may, taking into account industry characteristics, business model, etc., establish a deferred payment mechanism for performance-related pay for directors and senior management, specifying the applicable circumstances, applicable personnel, deferral proportion and specific implementation arrangements.

Article 17 Medium — and Long-term Incentive Income

- (I) definition: Medium-and long-term incentive income is incentive compensation established by the Company to encourage the long-term service of senior management members and to facilitate the achievement of the Company's strategic objectives, including but not limited to equity incentives, and other medium-and long-term special bonuses, incentives or rewards distributed by the Company based on actual circumstances;
- (II) basis for determination: The determination and payment of medium-and long-term incentive income shall be based on performance assessment as an important basis, formulated in accordance with the Company's strategy and operating plans, matched with the Company's operating performance and individual performance, and coordinated with the Company's sustainable development;
- (III) implementation method: The incentive plan shall be formulated by the Company according to actual operational needs, and implemented after completion of statutory review, approval and disclosure procedures.

Article 18 The remuneration of senior management members is pre-tax amount. After withholding and paying the amounts to be borne by the individual in accordance with national laws, regulations and relevant provisions, such as individual income tax, social insurance premiums, and housing provident fund, the remaining portion shall be distributed in accordance with the provisions of the System.

Article 19 The remuneration scheme for senior management shall be approved by the Board of Directors, reported to the Shareholders' Meeting for explanation, and fully disclosed.

CHAPTER V PERFORMANCE APPRAISAL AND EVALUATION

Article 20 The Company establishes a performance appraisal system centered on "Company Performance + Individual Performance + ESG Performance", with an annual appraisal cycle. Appraisal results serve as key basis for compensation determination, adjustment, promotion and reappointment.

Article 21 The setting of appraisal indicators follows the principles of "strategic orientation, scientific reasonableness, measurability and operability", and are divided into the following three categories:

- (I) company operating performance indicators: including but not limited to operating revenue, net profit attributable to owners of the parent, return on net assets, gross profit margin and other financial indicators, to be proposed by the Remuneration Committee based on the Company's annual operating plan and development strategy;
- (II) individual performance indicators: including but not limited to job duty fulfilment, work task completion quality, team management effectiveness, innovation contribution, etc., determined based on the senior management's responsibilities and position characteristics;
- (III) ESG appraisal indicators: covering environmental protection, social responsibility, corporate governance and compliance operation, the specific indicators shall be formulated by the Remuneration Committee based on regulatory requirements and the actual circumstances of the Company.

Article 22 The weight of appraisal indicators shall be determined by the Remuneration Committee based on the Company's development stage, industry characteristics and core job responsibilities, with ESG appraisal indicators weighting not less than 10%, and may be dynamically adjusted according to the Company's strategic priorities.

Article 23 Performance Appraisal Implementation Process:

- (I) beginning of appraisal period: The Remuneration Committee formulates the annual performance appraisal plan, clarifies the assessment indicators, target values, evaluation standards and weights. The performance standards in the annual appraisal targets shall give priority to benchmarking against the company-level appraisal targets set by the Company's equity incentive plan; if there is no corresponding equity incentive assessment standard, it shall be separately formulated by the Remuneration Committee in combination with the Company's annual business plan, industry condition, which are issued for implementation after consideration by the Board;
- (II) during the appraisal period: Relevant functional departments track the completion of indicators and regularly report progress to the Remuneration Committee;
- (III) end of appraisal period: The Company's finance department provides audited financial performance data; the relevant functional departments collect individual performance and ESG-related appraisal materials and submits them to the Remuneration Committee;
- (IV) the Remuneration Committee reviews the appraisal materials, organizes performance evaluation, forms preliminary appraisal results and provides feedback to the appraisees;
- (V) if the appraisees does not agree with the results of assessment, they may lodge an appeal in accordance with the relevant provisions. The Remuneration Committee shall review the appeal and render the final assessment decision;
- (VI) after being considered and approved by the Board, the final appraisal results serve as the basis for compensation payment, adjustment, promotion, and reappointment.

Article 24 If the Company turns from profit to loss or expands its loss compared to the previous financial year, the average performance-based compensation of senior management shall be reduced accordingly; if not reduced, the Remuneration Committee shall specifically explain the reasons during the review of the compensation plan, which shall be explained to the shareholders' meeting and disclosed after approval by the Board.

Article 25 If the industry has obvious cyclical characteristics, the Remuneration Committee may propose a plan linking performance-based compensation to performance cycles, specifying the industry cyclical characteristics and performance cycles (if exceeding three years, the basis for determination shall be explained), which shall be implemented after approval by the Board.

**CHAPTER VI PAYMENT, ADJUSTMENT, RECOVERY AND DEDUCTION OF
REMUNERATION**

Article 26 Compensation payment follows the principle of “on-time, full, compliant and standardized”:

- (I) base compensation: payable on a monthly basis, with the payment date falling on the payroll date specified by the Company;
- (II) performance-based compensation: Performance-related pay shall be paid according to the assessment cycle based on the Company’s operating performance and individual performance appraisal results. A certain proportion of the performance-related pay of non-independent directors and senior management shall be paid after the disclosure of the annual report and the completion of performance evaluation, and may be subject to deferred payment in accordance with the relevant provisions.
- (III) directors’ allowances: both allowances for non-independent Directors and independent Directors shall be paid on a quarterly basis, with the payment date being the payroll date specified by the Company;
- (IV) medium- and long-term incentive income: payment, vesting or exercise shall be made in accordance with the time and conditions stipulated under the corresponding incentive schemes.

Article 27 Remuneration adjustments are divided into regular adjustments and special adjustments:

- (I) regular adjustments: the Remuneration Committee shall propose remuneration adjustment proposals each year based on changes in the industry’s remuneration levels, inflation rates, the Company’s operating performance and individual performance, which shall be approved in accordance with the following procedures:
 - 1. adjustments to directors’ remuneration: considered by the Board and submitted to the shareholders’ meeting for approval;
 - 2. adjustments to senior management’s remuneration: subject to consideration and approval by the Board and explanation to be given to the shareholders’ meeting;
- (II) special adjustments: In special circumstances such as strategic adjustments, changes in organizational structure, job changes, or major changes in external regulatory policies, the Remuneration Committee shall propose a special adjustment recommendation, subject to the above approval procedures.

Article 28 The Company establishes the remuneration recovery and deduction mechanism. In any of the following circumstances, the Company has the right to take corresponding restrictive measures on the compensation of relevant directors and senior management:

- (I) when the Company restates its financial reports due to misstatements such as financial fraud, it shall re-appraise the performance-based remuneration and medium- and long-term incentive income of relevant persons and recover the overpaid portion;
- (II) where directors or senior management violate their obligations of loyalty and diligence and cause losses to the Company, or are at fault for illegal and irregular acts such as financial fraud, fund occupation, and illegal guarantee, the Company shall, depending on the severity of the circumstances, reduce or stop the payment of unpaid performance-based compensation and medium- and long-term incentive income and fully or partially recover the paid portion;
- (III) if there is fraud or false reporting of performance in the appraisal process, the person shall be disqualified from receiving current-period compensation, and the paid performance-based compensation shall be clawed back;
- (IV) if there is a material negative ESG act as specified in Chapter 7 of this system, compensation restrictive measures shall be taken in accordance with relevant provisions;
- (V) where the director or senior management, in performing their duties for the Company, violate laws, administrative regulations, departmental rules, the securities regulatory rules of the place where the Company's shares are listed, or the provisions of the Articles of Association, and cause losses to the Company;
- (VI) if senior management resigns during the deferred payment period and does not meet the incentive conditions, the outstanding deferred performance-related pay shall not be paid;
- (VII) other circumstances under which compensation shall be clawed back as required by domestic and foreign regulatory rules and the Articles of Association.

**CHAPTER VII ESG AND SUSTAINABLE DEVELOPMENT APPRAISAL AND
ACCOUNTABILITY**

Article 29 The Company deeply ties management performance appraisal with sustainable development objectives, specifying appraisal requirements and key indicators in environmental protection, social responsibility, compliance operation and other aspects within the performance appraisal system. ESG performance serves as an important basis for management compensation determination, promotion and reappointment, driving management to implement ESG responsibilities in daily operating decisions.

Article 30 The Company establishes an ESG event accountability and liability recovery mechanism. In the event of any of the following material negative ESG acts, the Company has the right to hold relevant directors, senior management and directly responsible persons accountable:

- (I) material violation of laws and regulations: violating laws, regulations and regulatory rules, resulting in administrative penalties by regulatory authorities or public censure or disqualification as an unsuitable person by the stock exchange;
- (II) material safety/quality accident: occurrence of a major production safety accident or major product quality accident, causing casualties, significant property losses or serious negative impact;
- (III) material data security/privacy leak event: due to improper data management leading to leakage of user information/commercial secrets, resulting in regulatory penalties, major public opinion or economic losses to the Company;
- (IV) environmental pollution incident: due to illegal discharge, malfunction of environmental protection facilities, etc., causing environmental pollution, resulting in penalties by environmental authorities or triggering major environmental public opinion;
- (V) material compliance risk event: compliance risk events such as internal control failure, information disclosure violation, or non-connection of related party transactions, causing economic losses or reputational damage to the Company;
- (VI) other material negative ESG acts: other circumstances determined by the Remuneration Committee to have a material adverse impact on the Company's sustainable development.

Article 31 For the above material negative ESG acts, the Company shall, depending on the severity, take one or more of the following compensation restrictive measures:

- (I) remuneration deduction: deduct part or all of the current performance-based remuneration;

- (II) recovery & clawback: recover/clawback the paid performance-based remuneration, equity incentive gains and other incentive income;
- (III) suspension of payment: suspend, defer or cease the payment of outstanding remuneration and incentives;
- (IV) disqualification: disqualify from merit evaluation, promotion and incentives for the current and subsequent 1–3 assessment cycles;
- (V) other appropriate measures stipulated by domestic and overseas regulatory rules and the Articles of Association to align the conduct of management with the Company’s long-term sustainable development objectives.

Article 32 ESG Incident Accountability Procedures

- (I) incident investigation: upon any material adverse ESG acts, the Compliance Department shall lead an investigation together with relevant business departments, and clarify the cause, scope of impact and relevant personnel liabilities within 20 working days;
- (II) liability determination: the Remuneration Committee shall identify the direct, supervisory and leadership liabilities of the relevant directors and senior management based on the investigation findings;
- (III) formulation of measures: the Remuneration Committee shall propose corresponding restrictive remuneration measures according to the liability determination;
- (VI) approval and implementation: upon review and approval by the Board, relevant departments shall implement the remuneration restrictions and report progress to the Board;
- (V) information disclosure: disclosure of ESG incidents and remuneration accountability matters shall be made in a timely manner in compliance with domestic and overseas regulatory requirements and the Articles of Association.

CHAPTER VIII INFORMATION DISCLOSURE

Article 33 The Company shall disclose information relating to the remuneration of directors and senior management in strict compliance with the listing rules of Shanghai Stock Exchange and the Stock Exchange of Hong Kong Limited and relevant regulatory requirements in a timely, accurate and complete way, so as to ensure the truthfulness, accuracy and transparency of information disclosure.

Article 34 The key contents of information disclosure include:

- (I) formulation, amendment and review of this system, including the full text, review procedures, and voting results of this system;
- (II) annual remuneration payment status, including the total remuneration of all directors and senior management, and related explanations;
- (III) independent Director's allowance payment standards and payment status;
- (IV) formulation, implementation and related appraisal of medium and long-term incentive plans;
- (V) other remuneration-related information required to be disclosed by domestic and foreign regulatory rules.

Article 35 Compensation-related information disclosure is conducted through the Company's designated information disclosure media and the designated disclosure platforms of the Shanghai Stock Exchange and the Stock Exchange, ensuring convenient access for shareholders and the public.

Article 36 The Finance Department, Human Resources Department, Securities Department and other relevant departments of the Company shall cooperate with the Remuneration Committee to timely collect and organize compensation-related disclosure materials, ensuring the accuracy and completeness of the disclosed information.

CHAPTER IX SUPPLEMENTARY PROVISIONS

Article 37 Any compensation provisions relating to the early termination of the appointment of directors or senior management contained in the Articles of Association or relevant contracts shall comply with the principle of fairness, shall not harm the legitimate rights and interests of the Company, and shall not be used for the transfer of benefits.

Article 38 Matters not covered in these Rules shall be handled in accordance with the provisions of the Company Law of the People's Republic of China, the Securities Law of the People's Republic of China, the Code of Corporate Governance for Listed Companies, other domestic and foreign laws, regulations, normative documents, and the Articles of Association. In the event of any inconsistency between these rules and the aforementioned provisions, the relevant provisions shall prevail.

Article 39 The formulation and amendment of these Rules shall be deliberated and adopted by the Remuneration Committee and then submitted to the Board of Directors for deliberation, and shall take effect only after deliberation and approval by the General Meeting. Upon the effectiveness of these Rules, the original relevant provisions shall be repealed simultaneously.

Article 40 These Rules shall be amended and interpreted by the Board of Directors of the Company in accordance with the provisions of relevant laws, regulations and normative documents.

Article 41 These Rules shall come into effect upon consideration and approval at a general meeting of the Company. These Rules shall apply retroactively from 1 January 2026.

**APPENDIX II EXPLANATORY STATEMENT ON THE PROPOSED GENERAL MANDATE
TO THE BOARD OF DIRECTORS TO REPURCHASE H SHARES**

In accordance with the Listing Rules, this appendix serves as the explanatory statement to provide you with requisite information reasonably necessary to enable you to make an informed decision on whether to vote for or against the special resolution to be proposed at the AGM for the granting of the Repurchase Mandate.

1. TOTAL NUMBER OF H SHARES

As of the Latest Practicable Date, the Company had 77,062,000 H Shares in issue. The full exercise of the Repurchase Mandate (on the basis of 77,062,000 H Shares in issue as of the Latest Practicable Date, and assuming no H Shares will be allotted and issued or repurchased by the Company on or prior to the date of the AGM) would result in the maximum of 7,706,200 H Shares being repurchased by the Company during the proposed repurchase period, being the maximum of 10% of the total H Shares in issue (excluding any Treasury Shares) as at the date of passing the relevant special resolution.

2. REASONS/PURPOSE FOR THE PROPOSED REPURCHASE

The use of the repurchase H Shares will be determined based on the Company's development strategy and market conditions, including but not limited to cancellation to reduce registered capital, use in employee stock ownership plans or equity incentives, transfer in accordance with relevant regulations, etc. The specific use shall be determined by the Board within the scope of the authorization based on actual circumstances, and the corresponding approval and disclosure procedures shall be performed in accordance with regulations.

3. FUNDING OF THE PROPOSED REPURCHASE

The source of funds for the Share Repurchase shall be the Company's self-owned funds legally available for such purpose in accordance with its Articles of Association, the Listing Rules and the applicable laws and regulations of the PRC, and the total amount of funds used for the repurchase shall not affect the Company's normal production and operation, R&D investment and debt repayment capacity.

**APPENDIX II EXPLANATORY STATEMENT ON THE PROPOSED GENERAL MANDATE
TO THE BOARD OF DIRECTORS TO REPURCHASE H SHARES**

4. MARKET PRICES OF SHARES

The monthly highest and lowest prices per Share at which the H Shares of the Company have traded on the Hong Kong Stock Exchange and the monthly highest and lowest price per Share at which the A Shares of the Company have traded on the Shanghai Stock Exchange during the 12 months immediately preceding the Latest Practicable Date were as follows:

Month	H Shares highest (HKD)	H Shares lowest (HKD)	A Shares highest (RMB)	A Shares lowest (RMB)
March 2025	N/A	N/A	41.39	36.8
April 2025	N/A	N/A	38.03	27.56
May 2025	N/A	N/A	43.6	33.99
June 2025	N/A	N/A	49.6	35.69
July 2025	N/A	N/A	54.29	41.6
August 2025	N/A	N/A	98.8	48.3
September 2025	N/A	N/A	142.5	74.16
October 2025	109	68.88	132.99	98.25
November 2025	92.75	71.55	118.33	92.01
December 2025	102.2	76.9	144.7	103.5
January 2026	98.75	76.05	134.47	105.51
February 2026	82.95	63.25	115.77	98.84
March 2026 (up to the Latest Practicable Date)	94.6	65	131.68	99.86

5. TAKEOVERS CODE

If as a result of a repurchase of H Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the Shareholder's interest, could obtain or consolidate control of the Company and thereby become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

The Directors are not aware of any consequences of such repurchases of H Shares which would result in any Shareholder, or a group of Shareholders acting in concert, becoming obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

6. REPURCHASE OF SHARES MADE BY THE COMPANY

The Company had not purchased any shares of its own (whether on a listed stock exchange, the Hong Kong Stock Exchange or by other means) during the six months immediately preceding the Latest Practicable Date.

7. GENERAL INFORMATION

The Directors consider that there would not be a material adverse impact on the working capital or on the gearing position of the Company (as compared with those disclosed in the audited consolidated accounts as set out in the annual report of the Company for the year ended 31 December 2025) in the event that the Repurchase Mandate is exercised in full at any time during the proposed repurchase period as permitted by laws and regulations. In addition, the Board will not exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing position of the Company in the opinion of the Board.

The Board and relevant authorized persons will determine the number of H Shares to be repurchased, as well as the price and other terms for the repurchase of H Shares in accordance with relevant laws and regulations and the volatility and changes in the capital market and the stock price of the H Shares, in the best interests of the Company and the Shareholders as a whole.

To the best of their knowledge and having made all reasonable enquiries, none of the Directors nor any of their respective close associates (as defined in the Listing Rules) has any present intention to sell any H Shares to the Company in the event that the granting of the H Shares Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any core connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company.

The Board will exercise the power of the Company to make repurchase of H Shares prudently pursuant to the Repurchase Mandate and in accordance with the Listing Rules, the Articles of Association and the applicable laws, rules and regulations of the PRC.

In addition, the Board will not repurchase any H Shares if such repurchase would result in non-compliance with the minimum public float requirement imposed on the Company pursuant to a waiver granted by the Stock Exchange from strict compliance with the requirements of Rules 8.08(1)(b) and 19A.13A.

Neither the explanatory statement nor the proposed repurchase of H Shares has any unusual features.

Subject to the applicable requirements under the Listing Rules, the Company intends to cancel the repurchased H Shares following settlement of any such repurchase and/or hold them as Treasury H Shares, subject to, for example, market conditions and its capital management needs at the relevant time of the repurchases.

2026 A SHARE OPTION AND RESTRICTED SHARE INCENTIVE SCHEME

SPECIAL NOTES

- I. The 2026 Share Option and Restricted Share Incentive Scheme of CIG Shanghai Co., Ltd. (Draft) is formulated by CIG Shanghai Co., Ltd. (hereinafter referred to as “CIG”, the “Company” or “our Company”) in accordance with the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Administrative Measures on Equity Incentives of Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other relevant laws, administrative regulations and normative documents, as well as the relevant provisions of the Articles of Association.
- II. The 2026 Share Option and Restricted Share Incentive Scheme of CIG (hereinafter referred to as the “Incentive Scheme”) consists of two parts: the Share Option Incentive Scheme and the Restricted Share Incentive Scheme. The source of the Shares is domestically listed RMB ordinary shares (A Shares) of the Company issued to the Incentive Participants through a private placement by the Company.
- III. The total equity to be granted to Incentive Participants under the Incentive Scheme is 15,571,300 units, accounting for approximately 4.42% of the Company’s total share capital of 352,650,373 shares as of the announcement date of the Incentive Scheme draft. Among this, the Initial Grant of equity is 14,571,300 units, accounting for approximately 4.13% of the Company’s total share capital of 352,650,373 shares as of the announcement date of the Incentive Scheme draft, and 93.58% of the total equity to be granted under the Incentive Scheme; the Reserved Equity is 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 Incentive Scheme draft, and 6.42% of the total equity to be granted under the Incentive Scheme. The details are as follows:
 - (I) Share Option Incentive Scheme: The total number of Share Options to be granted to Incentive Participants under the 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 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 Incentive Scheme draft, and 92.78% of the total Share Options to be granted under the 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 Incentive Scheme draft, and 7.22% of the total Share Options to be granted under the Incentive Scheme. Each Share Option granted under the 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.

- (II) Restricted Share Incentive Scheme: The total number of Restricted Shares to be granted to Incentive Participants under the 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 Incentive Scheme draft. The grant is a one-off grant with no reserved grant.

The 2024 Share Option Incentive Scheme approved by the Company's first extraordinary general meeting of 2024 is still in effect. The number of underlying Shares involved in the Company's 2024 Share Option Incentive Scheme is 15,593,000 shares, and the number of underlying Shares involved in the A Share Incentive Scheme is 15,571,300 shares. Therefore, the total number of underlying Shares involved in the incentive schemes of the Company is 31,164,300 shares during the Validity Period, accounting for approximately 8.84% of the Company's total share capital of 352,650,373 shares as of the announcement date of the Incentive Scheme draft. As of the announcement date of the Incentive Scheme draft, the cumulative total number of underlying Shares involved in Equity Incentive Scheme of the Company during the Validity Period does not exceed 10% of the Company's total share capital. The cumulative number of Company shares granted to any single Incentive Participant through Equity Incentive Scheme under the Incentive Scheme during the Validity Period does not exceed 1% of the Company's total share capital. During the period from the announcement date of the Incentive Scheme draft to the registration date for exercise of the Share Options or the grant registration date of the Restricted Shares granted to Incentive Participants, if the Company undergoes any matter such as capitalisation issue, bonus issue, sub-division of Shares, consolidation of Shares or rights issue, the number of Share Options and Restricted Shares will be adjusted accordingly in accordance with the Incentive Scheme.

- IV. The total number of Incentive Participants for the initial grant under the Incentive Scheme is 1,064 persons, including Directors, senior management, core management and technical (business) personnel of the Company (including its subsidiaries, the same below) holding office in the Company as at the date of the announcement of the Incentive Scheme, excluding independent Directors of CIG, shareholders individually or in aggregate holding more than 5% of the Company's Shares, the *de facto* controllers and their spouses, parents and children.

Reserved Incentive Participants refer to Incentive Participants who are not identified when the Incentive Scheme is approved by the Shareholders' meeting but will be included in the Incentive Scheme during its term of validity, and shall be identified within 12 months after the Incentive Scheme is considered and approved by the Shareholders' meeting. The criteria for determining Reserved Incentive Participants shall follow the same standards used for the initial grant.

- V. The Exercise Price for the Share Options under the initial grant of the Incentive Scheme is RMB113.99 per unit, and the Grant Price for the Restricted Shares granted is RMB57.00 per unit. During the period from the announcement date of the Incentive Scheme draft to the registration date for exercise of the Share Options or the grant registration date of the Restricted Shares granted to Incentive Participants, if the Company undergoes any matter such as capitalisation issue, bonus issue, sub-division of Shares, consolidation of Shares, rights issue or payment of dividends, the Exercise Price of the Share Options and the Grant Price of the Restricted Shares will be adjusted accordingly in accordance with the Incentive Scheme.
- VI. The life of the Incentive Scheme shall commence on the Grant Date of the Share Options and Restricted Shares and end on the date when all Share Options granted to the Incentive Participants are exercised or cancelled and all Restricted Shares are unlocked or repurchased and cancelled, which shall not exceed 48 months.
- VII. The Share Options granted under the initial grant of the Incentive Scheme shall be exercisable in three tranches commencing from 12 months after the Grant Date, with the exercise proportions for each tranche being 30%, 30% and 40%, respectively. The Reserved Share Options shall be exercisable in two tranches commencing from 12 months after the Grant Date of the Reserved Share Options, with the exercise proportions for each tranche being 50% and 50%, respectively.

The Restricted Shares granted under the Incentive Scheme shall be unlocked in three tranches commencing from 12 months after the Grant Date, with the unlocking proportions for each tranche being 30%, 30% and 40%, respectively.

The company-level performance appraisal targets for the Share Options and Restricted Shares granted under the Incentive Scheme are as follows:

Exercise/Unlocking Period		Performance Appraisal Target
Initially Granted Share Options and the grant of Restricted Shares	The First Exercise/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.
	The Second Exercise/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.
	The Third Exercise/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.
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.

VIII. The Company does not have the following events which prohibit the Company from implementing an equity incentive pursuant to the Administrative Measures on Equity Incentives of Listed Companies:

- (I) issue of an auditors’ report with adverse opinion or disclaimer of opinion by a certified public accountant with respect to the financial accounting report for its most recent accounting year;
- (II) issue of an auditors’ report with adverse opinion or disclaimer of opinion by a certified public accountant with respect to the internal control of the financial report for its most recent accounting year;
- (III) 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;
- (IV) prohibition from implementation of an equity incentive by laws and regulations;
- (V) other circumstances determined by the CSRC.

- IX. The Incentive Participants under the Incentive Scheme do not have the following events which prohibit them from becoming Incentive Participants pursuant to the Administrative Measures on Equity Incentives of Listed Companies:
- (I) he or she has been determined by any stock exchange as an ineligible person in the last 12 months;
 - (II) he or she has been determined by the CSRC and its delegated agencies as an ineligible person in the last 12 months;
 - (III) he or she has been imposed by the CSRC and its delegated agencies with administrative penalties or measures prohibiting access into the market in the last 12 months due to material non-compliance of laws or regulations;
 - (IV) he or she is prohibited from acting as a Director or a member of the senior management of the Company as required by the PRC Company Law;
 - (V) he or she is prohibited from participating in Equity Incentives of Listed Companies as required by laws and regulations;
 - (VI) other circumstances determined by the CSRC.
- X. CIG undertakes that: our Company will not provide loans, guarantees for their loans and financial support in any other forms, to any Incentive Participants for acquiring relevant interests under the Equity Incentive Scheme, which would harm the interests of the Company.
- XI. CIG undertakes that: the information disclosure documents relating to the Incentive Scheme do not contain any false statements, misleading statements or material omissions.
- XII. The Incentive Participants under the Incentive Scheme undertake that: where false statements or misleading statements in or material omissions from the information disclosure documents of the Company result in non-compliance with condition of grant or arrangements for exercise of the entitlements, the Incentive Participants shall return to the Company all interests gained through the Incentive Scheme calculated from the date when it is confirmed that the relevant information disclosure documents contain false statements or misleading representations or material omissions.
- XIII. The Incentive Scheme is subject to the consideration and approval of the special resolution at the Shareholders' meeting of the Company.
- XIV. After the 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 Incentive Scheme. According to the Administrative Measures on Equity Incentives of Listed Companies, the period during which the Company is prohibited from granting equity shall not be counted within the 60 days.

- XV. The implementation of the Incentive Scheme will not result in the Company's shareholding distribution not meeting the conditions for listing.

CHAPTER I DEFINITIONS

In this Appendix I, the following expressions have the following meanings unless the context requires otherwise:

Term	Meaning
Our Company, Company, CIG	CIG SHANGHAI CO., LTD. (上海劍橋科技股份有限公司)
Incentive Scheme	2026 Share Option and Restricted Share Incentive Scheme of CIG Shanghai Co., Ltd.
Share Options	the right granted by the Company to the Incentive Participants to purchase a certain number of domestically listed RMB ordinary shares (A Shares) of the Company at predetermined conditions within a certain period of time in the future
Restricted Shares	domestically listed RMB ordinary shares (A Shares) of the Company granted to the Incentive Participants in accordance with the conditions stipulated in the Incentive Scheme, where certain rights, such as transfer, are restricted
Incentive Participants	Directors, senior management, core management and technical (business) personnel of the Company (including its subsidiaries) who have obtained Share Options or Restricted Shares in accordance with the Incentive Scheme
Grant Date	the date on which the Company grants Share Options/ Restricted Shares to the Incentive Participants, 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 of listed companies
Grant Price	the price determined by the Company at the time of granting Restricted Shares to the Incentive Participants, at which the Incentive Participants may acquire the Shares of the Company

Term	Meaning
Validity Period	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 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
Exercise	the Incentive Participants' exercise of the Share Options to purchase the Company's Shares according to the arrangements of the Incentive Scheme
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 Conditions	the conditions that must be satisfied by the Incentive Participants to exercise the Share Options under the Incentive Scheme
Lock-up Period	the period during which the Restricted Shares are restricted to be transferred or assigned or used as guarantee or for repayment of debts, if the conditions for exercise of entitlements by the Incentive Participants as stipulated in the Incentive Scheme are not satisfied, starting from the date when the Incentive Participant is granted the Restricted Shares
Unlocking Period	the period during which the Restricted Shares held by the Incentive Participants are unlocked and can be transferred upon the fulfillment of the unlocking conditions as stipulated in the Incentive Scheme
Unlocking Conditions	the conditions for unlocking the Restricted Shares granted to the Incentive Participants under the Incentive Scheme
Remuneration and Evaluation Committee	remuneration and evaluation committee of the Board of the Company
CSRC	China Securities Regulatory Commission
Stock Exchange	Shanghai Stock Exchange

Term	Meaning
Securities Depository and Clearing Corporation	Shanghai Branch of China Securities Depository and Clearing Corporation Limited
PRC Company Law	the Company Law of the People's Republic of China
Securities Law	the Securities Law of the People's Republic of China
Administrative Measures	the Administrative Measures on Equity Incentives of Listed Companies
Listing Rules	The Rules Governing the Listing of Securities on the Shanghai Stock Exchange
Articles of Association	the articles of association of CIG Shanghai Co., Ltd.
Company's Administrative Measures for Appraisal	Administrative Measures for the Implementation and Appraisal of the 2026 Share Option and Restricted Share Incentive Scheme of CIG Shanghai Co., Ltd.
RMB/RMB0'000/ RMB100 million	Renminbi/Renminbi 10,000/RMB100 million, the lawful currency of the People's Republic of China

CHAPTER II PURPOSE OF THE INCENTIVE SCHEME

The Incentive Scheme of the Company has been formulated 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 operational goals, on the premise of safeguarding Shareholders' interests pursuant to the principle of incentive being in proportion to restraint, matching benefits with contributions, and harmonizing short-term incentives with long-term development and in accordance with provisions of the PRC Company Law, the Securities Law, the Administrative Measures, the Listing Rules and other relevant laws, administrative regulations, normative documents, as well as the Articles of Association.

CHAPTER III ADMINISTRATIVE BODY OF THE INCENTIVE SCHEME

- I. 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 Incentive Scheme. The Shareholders' meeting may, within its powers and authority, authorise the Board to handle certain matters relating to the Incentive Scheme.
- II. The Board shall act as the executive and administrative body for the Incentive Scheme and be responsible for the implementation of the Incentive Scheme. The Remuneration and Evaluation Committee under the Board shall be responsible for drafting and revising the Incentive Scheme, and submitting the Incentive Scheme to the Board of the Company for consideration. Upon consideration and approval by the Board, the 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 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 Incentive Scheme.
- III. The Remuneration and Evaluation Committee shall act as the supervisory authority for the Incentive Scheme, and shall issue opinions as to whether the 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 Incentive Scheme and supervise the implementation of the Incentive Scheme as to whether it is in compliance with the relevant laws, administrative regulations, normative documents and operational rules of the Stock Exchange.
- IV. Where amendments have been made to the Incentive Scheme before or after the Incentive Scheme is considered and approved at the Shareholders' meeting, the Remuneration and Evaluation Committee shall issue opinions as to whether the amended 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.
- V. Before the Company grants equity to the Incentive Participants, the Board needs to deliberate on the fulfillment of the conditions for granting equity to the Incentive Participants, and the Remuneration and Evaluation Committee shall issue a clear opinion. If there is any difference between the Company's grant of equity to the Incentive Participants and the arrangements of the Incentive Scheme, the Remuneration and Evaluation Committee shall also issue a clear opinion at the same time.

- VI. Before the Incentive Participants exercise the equity, the Board needs to deliberate on the fulfillment of the conditions for the Incentive Participants to exercise the equity, and the Remuneration and Evaluation Committee shall issue a clear opinion.

CHAPTER IV BASIS AND SCOPE FOR DETERMINING INCENTIVE PARTICIPANTS**I. BASIS FOR DETERMINING INCENTIVE PARTICIPANTS****(I) Legal Basis for Determining Incentive Participants**

The Incentive Participants of the Incentive Scheme are determined based on the relevant provisions of the PRC Company Law, the Securities Law, the Administrative Measures, the Listing Rules and other relevant laws, administrative regulations, normative documents, and the Articles of Association, taking into account the actual situation of the Company.

(II) Position Basis for Determining Incentive Participants

The Incentive Participants of the Incentive Scheme are the Directors, senior management, core management and technical (business) personnel working in the Company (including its subsidiaries). For persons who meet the scope of Incentive Participants of the Incentive Scheme, the Remuneration and Evaluation Committee will propose a list and verify and confirm it.

The basis for determining the Incentive Participants is consistent with the purpose of implementing the Incentive Scheme and complies with the requirements of relevant laws, regulations and the relevant provisions of the stock exchange.

II. SCOPE OF GRANTEES

A total of 1,064 Incentive Participants are covered in the 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;

Among the above Incentive Participants, independent Directors of CIG, 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 Incentive Scheme, the Directors of the Company must be elected by the Shareholders' meeting of the Company, and the senior management must 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 Incentive Scheme.

Grantees of the Reserved Equity shall be determined within 12 months after the 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 Reserved Incentive Participants shall be the same as those for the Initial Grant.

III. CIRCUMSTANCES IN WHICH A PERSON CANNOT BECOME AN INCENTIVE PARTICIPANT OF THE INCENTIVE SCHEME

- (I) Identified as an unsuitable candidate by the stock exchange in the last 12 months;
- (II) Identified as an unsuitable candidate by the CSRC or its dispatched offices in the last 12 months;
- (III) 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;
- (IV) Having circumstances as stipulated in the PRC Company Law that prohibit a person from serving as a Director or senior management of the Company;
- (V) Prohibited by laws and regulations from participating in equity incentives of listed companies;
- (VI) Other circumstances determined by the CSRC.

If, during the implementation of the Incentive Scheme, an Incentive Participant falls into any of the above circumstances, the Company will terminate their right to participate in the Incentive Scheme, cancel their granted but not yet exercised Share Options, and repurchase and cancel their granted but not yet unlocked Restricted Shares at the Grant Price.

IV. VERIFICATION OF INCENTIVE PARTICIPANTS

- (I) After the Board of Directors deliberates and approves the Incentive Scheme, the Company will internally publicize the names and positions of the Incentive Participants through the company website or other channels, for a publicity period of not less than 10 days.
- (II) The Company's Remuneration and Evaluation Committee will review the list of Incentive Participants, fully considering the opinions raised during the publicity. The Company will disclose the Remuneration and Evaluation Committee's explanation of the review of the Incentive Participants list and the publicity status 5 days before the Shareholders' meeting considers the Incentive Scheme. The list of Incentive Participants adjusted by the Board of Directors of the Company shall also be verified by the Company's Remuneration and Evaluation Committee.

CHAPTER V SPECIFIC CONTENT OF THE INCENTIVE SCHEME

The Incentive Scheme 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 Incentive Scheme is 15,571,300 units, accounting for approximately 4.42% of the Company's total share capital of 352,650,373 shares as of the announcement date of the Incentive Scheme draft. Among this, the Initial Grant of equity is 14,571,300 units, accounting for approximately 4.13% of the Company's total share capital of 352,650,373 shares as of the announcement date of the Incentive Scheme draft, and 93.58% of the total equity to be granted under the Incentive Scheme; the Reserved Equity is 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 Incentive Scheme draft, and 6.42% of the total equity to be granted under the Incentive Scheme.

The 2024 Share Option Incentive Scheme approved by the Company's first extraordinary general meeting of 2024 is still in effect. The number of underlying Shares involved in the Company's 2024 Share Option Incentive Scheme is 15,593,000 shares, and the number of underlying Shares involved in the Incentive Scheme is 15,571,300 shares. Therefore, the total number of underlying Shares involved in all effective incentive schemes of the Company is 31,164,300 shares, accounting for approximately 8.84% of the Company's total share capital of 352,650,373 shares as of the announcement date of the Incentive Scheme draft. As of the announcement date of the Incentive Scheme draft, the cumulative total number of underlying Shares involved in all effective equity incentive schemes of the Company does not exceed 10% of the Company's total share capital. The cumulative number of Company shares granted to any single Incentive Participant through all effective equity incentive schemes under the Incentive Scheme does not exceed 1% of the Company's total share capital.

I. SHARE OPTION INCENTIVE SCHEME**(I) Source and Type of Underlying Shares for the Proposed Share Option Grant**

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.

(II) 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 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 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 Incentive Scheme

draft, and 92.78% of the total Share Options to be granted under the 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 Incentive Scheme draft, and 7.22% of the total Share Options to be granted under the Incentive Scheme. Each Share Option granted under the 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.

(III) 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 Incentive Scheme	Proportion of Total Share Capital as of the Announcement Date of the Incentive Scheme Draft
I. Directors, Senior Management					
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%
II. Core Management and Technical (Business) Personnel (Total 1,061 persons)			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.

(IV) Related Notes

- The cumulative number of Company shares granted to any of the above Incentive Participants through all effective equity incentive schemes does not exceed 1% of the Company's total share capital. The cumulative total number of underlying Shares involved in all effective equity incentive schemes of the Company does not exceed 10% of the Company's total share capital. The proportion of Reserved Share Options does not exceed 20% of the total equity to be granted under the Incentive Scheme. If an Incentive Participant voluntarily waives their right to receive Share Options, the Board will make corresponding adjustments to the granted quantity, either directly

reducing the Share Option units waived by the Incentive Participant, adjusting them to the Reserved part, or allocating them among other Incentive Participants.

2. Grantees for the Reserved part shall be determined within 12 months after the 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.

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

1. *Validity Period of the Share Options*

The validity period of the Share Option Incentive Scheme is from the 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.

2. *Grant Date of Share Options*

After the 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 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 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.

4. Exercisable Date of Share Options

Incentive Participants under the Incentive Scheme can only start exercising after the vesting period ends, and must comply with the relevant provisions of the CSRC, the Shanghai Stock Exchange, and The Stock Exchange of Hong Kong Limited. The Exercisable Date must be an A-share trading day within the validity period of the 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.

During the validity period of the 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 Initial Grant of Share Options under the Incentive Scheme are as follows:

Exercise Period	Exercise Time	Exercise Proportion
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:

Exercise Period	Exercise Time	Exercise Proportion
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 of the Incentive Participants 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 Company 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.

(VI) 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 A Share 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 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 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 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.

(VII) 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 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 Share Options that have been granted to the Incentive Participants under the 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 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 his/her right to participate in the Incentive Scheme, and the share options that have been granted to the Incentive Participant under the Incentive Scheme but have not been exercised shall be cancelled by the Company.

(3) Performance appraisal requirements at company level

The 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 Incentive Scheme are as follows:

Exercise Arrangement		Performance Appraisal Target
Initially Granted Share Options	The First Exercise 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.
	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 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 appraisal 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:

Appraisal Grade	A	B+	B	B-	C	D
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 content for the Incentive Scheme shall be implemented in accordance with the Company's Administrative Measures for Appraisal.

(VIII) Explanation on the Scientific and Reasonableness of the Company's Appraisal Indicators

The Company is a high-tech enterprise in the information and communications sector. Since its inception, the Company has consistently focused on the R&D, design, production and sales of communications connectivity terminal equipment in the fields of telecommunications, data, enterprise networks and home networks (covering telecommunications broadband, wireless networks and small cells), as well as high-speed optical module products. By continuously promoting product iteration and upgrading, the Company has consistently expanded market space. The Company has achieved practical operational results in technology R&D, product line expansion, and global market layout. During its long-term development, the Company has consistently adhered to the core development strategy of "pre-research as the first generation, development as the first generation, and production as the first generation", maintaining the dual-engine growth drivers of advanced R&D and intelligent manufacturing, and persistently pursuing innovation at both the engineering

technology and efficiency-driven levels. The Company has built core competencies in customer resources, innovative R&D, intelligent manufacturing, business models, products and services, management teams and international division of labor and collaboration, enabling it to navigate challenges such as changes in the external environment, supply chain fluctuations, industry technology iterations and geopolitical risks amidst intense market competition, achieve stable operational development, create value for Shareholders, and realize sustainable development of the Company. Facing technological upgrades and generational shifts, the Company has continued to increase R&D investment, promote the development of high-performance optical module products, and optimize production processes to improve product yield and delivery stability. The Telecom Broadband Business Unit has steadily optimized its operating scale and product structure; the Wireless Products Business Unit has actively expanded its customer base, refining its Wi-Fi products, technologies, and integrated small cell product solutions; the Optoelectronics Business Unit has completed the development of next-generation silicon photonics products and advanced the mass production introduction and customer certification of multiple products.

To realize the Company's strategic planning and operational objectives while maintaining comprehensive competitiveness, the Incentive Scheme shall adopt audited listed company revenue and 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, as company-level performance appraisal indicators, which shall objectively reflect the operational performance and profitability of the Company's principal business.

Pursuant to the performance indicators established under the Incentive Scheme, the Company shall achieve operating revenue of no less than RMB5.811 billion or net profit of no less than RMB335 million in the 2026; cumulative operating revenue of no less than RMB12.784 billion or cumulative net profit of no less than RMB738 million for the two financial years from 2026 to 2027 financial years; cumulative operating revenue of no less than RMB21.151 billion or cumulative net profit of no less than RMB1.221 billion for the three financial years of 2026, 2027 and 2028. These performance indicators have been established through comprehensive consideration of factors including the Company's current status, future strategic planning, and industry development trends. The appraisal indicators present a certain level of challenge for future development, which on the one hand, will help enhance the Company's competitiveness and motivate employees and on the other hand, will focus the Company's future strategic direction and stabilize the achievement of its operational objectives.

In addition to company-level performance appraisal, the Company has established a rigorous performance appraisal system for individuals, enabling a relatively accurate and comprehensive assessment of the work performance of Incentive Participants. The Company shall determine whether an Incentive

Participant meets the conditions for exercising its rights based on the performance appraisal results corresponding to the appraisal year in which the rights to be exercised.

In summary, the appraisal system for the Company's Incentive Scheme is comprehensive, integrated and practicable. The appraisal indicators are scientific and reasonable, while exerting a certain degree of constraint on the Incentive Participant, and are capable of achieving the appraisal objectives of the Incentive Scheme.

(IX) 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 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 CIG shall be consolidated into n shares); Q represents the adjusted number of Share Options.

(3) Rights issue

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

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; n represents the ratio of the rights

issue (i.e. the ratio of the number of shares to be issued under the rights issue to the total share capital of the Company before the rights issue); Q represents the adjusted number of 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 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 CIG shall be consolidated into n shares); P represents the adjusted Exercise Price.

(3) Rights issue

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

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; n represents the ratio of the rights issue (i.e. the ratio of the number of shares to be issued under the rights issue to the total share capital of the Company before the rights issue); P represents the adjusted 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.

3. *Adjustment procedures for the Incentive Scheme of Share Options*

The shareholders' meeting of the Company shall authorize the Board to adjust the number granted or the Exercise Price of Share Options for the reasons specified in the Incentive Scheme. After the Board adjusts the number granted or the Exercise Price of Share Options according to the above provisions, it shall promptly make announcement and notify the Incentive Participants. The Company shall engage a law firm to give professional advice on whether such adjustment is in compliance with the Management Measures, the Articles of Association and the Incentive Scheme.

(X) Accounting Treatment of Share Options

In accordance with the relevant requirements of the Accounting Standards for Business Enterprises No. 11-Share-based Payments (《企業會計準則第11號 — 股份支付》) and the Accounting Standards for Business Enterprises No. 22-Recognition and Measurement of Financial Instruments (《企業會計準則第22號 — 金融工具確認和計量》) by the Ministry of Finance, the Company shall, on each balance sheet date within the Vesting Period, modify the number of Share Options expected to be exercisable according to the latest changes in the number of persons entitled to exercise and the completion of performance indicators and other follow-up information, and recognize the relevant costs or expenses and capital reserves for the services acquired during the particular period at the fair value of the Share Options on the Date of Grant.

1. *Accounting treatment of Share Options*

(1) *On the Grant Date*

Accounting treatment on the Grant Date: Since the Share Options cannot be exercised on the Grant Date, no related accounting treatment is required. The Company will use the Black-Scholes Model to determine the fair value of the Share Options on the Grant Date.

(2) *Vesting Period*

The Company includes the services for current period in costs or expense on each balance sheet date during the Vesting Period based on the best estimate of the number of exercisable Share Options and the fair value of the Share Options on the Grant Date and recognize in “Capital reserve — other capital reserve”, and will not recognize its subsequent fair value change.

(3) *Accounting Treatment Subsequent to Exercisable Date*

No adjustment shall be made to the relevant costs or expense, and the total amount of the owner’s equities, which have been recognized.

(4) *On the Exercise Date*

On the Exercise Date, if the Exercise Conditions are met, the Share Options can be exercised and the “capital reserve — other capital reserve” recognized on each balance sheet date before the Exercise Date will be carried forward; if all or part of the Share Options are not exercised and become invalid or void, they will be cancelled by the Company and handled in accordance with accounting standards and relevant regulations based on the specific circumstances.

(5) *Basis of Determination of the Fair Value of the Share Options*

In accordance with the relevant requirements of the Accounting Standards for Business Enterprises No. 11-Share-Based Payments (《企業會計準則第 11 號 — 股份支付》) and the Accounting Standards for Business Enterprises No. 22-Recognition and Measurement of Financial Instruments (《企業會計準則第 22 號 — 金融工具確認和計量》), the Company selects the Black-Scholes model (B-S model) as its pricing model. Using this model, the Company performed a projected calculation of the fair value of the initial grant of Share Options, with March 30, 2026 as the base date for calculation (formal calculation will be performed at the time of grant), and the specific parameters are selected as follows:

- ① Underlying share price: RMB105.29 per Share (the closing price on March 30, 2026);
- ② Validity periods: 1 year, 2 years and 3 years, respectively (i.e., the period from Grant Date to each of the first Exercise Date);
- ③ Historical volatility: 13.86%, 16.40% and 15.43% (i.e., annualized volatility of the Shanghai Composite Index for the corresponding periods);

- ④ Risk-free interest rates: 1.2518%, 1.2964% and 1.3228% (using the yields of 1-year, 2-year and 3-year China National Bonds, respectively)

2. *Estimated impact of Share Option implementation on operating results for each period*

The Company granted 13,853,500 Share Options to Incentive Participants, with an initial grant of 12,853,500 Share Options. According to the estimated fair value of the Share Options on the Grant Date based on the closing price of the A-shares on the last trading day preceding the publication of the Incentive Scheme draft, the total fair value of the equity instruments initially granted is expected to be RMB88,566,000. Such total expense shall be recognised as the Company's incentive costs under the Incentive Scheme, and shall be recognized over time in proportion to the exercise rate during its implementation, and charged to operating profit or loss. Pursuant to the requirements of the accounting standards, the specific amount shall be determined based on the fair value of Shares calculated on the "actual grant date". Assuming the Company grants the Options in April 2026, and all Incentive Participants meet the Exercise Conditions stipulated in the Incentive Scheme and exercise all options within their respective exercise periods, the amortization of Share Option costs from 2026 to 2029 is as follows:

Unit: RMB'000

Amortization Costs of Share Options	2026	2027	2028	2029
88,566.0	28,082.0	34,251.9	20,856.6	5,375.6

Note: (1) The above costs are projected costs, and the actual costs are related to the Grant Price, Grant Date, closing price on Grant Date, number of grants and the best estimate of the number of exercisable equity instruments;

(2) Shareholders are reminded to be aware of the possible dilutive effect of the above share-based payments costs;

(3) The final impact of the above amortization costs projections on the Company's operating results is subject to the audit report issued by the accountant;

(4) Any difference in the mantissa of the sum of the totals and the breakdown in the table above, if any, is due to rounding.

The costs of the Incentive Scheme shall be charged to the costs and expenses. Based on the current information, the Company estimates that without considering the positive effect of the Incentive Scheme on the Company's performance, the amortization of the costs of the Incentive Scheme will have an impact on the net profit each year within the validity period. Taking into account the positive effect of the Incentive Scheme on the operation and development of

the Company, which stimulates the enthusiasm of the core employees, improves operating efficiency, and reduces operating costs, the Incentive Scheme is expected to play a positive role in improving the Company's performance.

II. RESTRICTED SHARE INCENTIVE SCHEME

(I) 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 domestically listed RMB ordinary shares (A Shares) issued to the Incentive Participants through a private placement.

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

Restricted Share Incentive Scheme: The total number of Restricted Shares to be granted to Incentive Participants under the 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 Incentive Scheme draft. The grant is a one-off grant with no reserved grant.

(III) List of Incentive Participants and Allocation of Proposed Restricted Shares

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

(IV) Related Notes

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

of the Company's total share capital. If an Incentive Participant voluntarily waives their right to receive Restrictive Shares, the Board will make corresponding adjustments to the granted quantity, either directly reducing the Restrictive Shares units waived by the Incentive Participant, or allocating them among other Incentive Participants. If an Incentive Participant lacks sufficient funds to subscribe for restricted shares, he/she may reduce the number of Restricted Shares subscribed for accordingly.

(V) 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.

2. Grant Date of the Restricted Share Incentive Scheme

After the 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 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 Incentive Scheme is approved by the Shareholders' meeting according to the relevant provisions of the CSRC, the Shanghai Stock Exchange, and The Stock Exchange of Hong Kong Limited. 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.

During the Validity Period of the 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 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 Arrangement for the Restricted Share Incentive Scheme*

The unlocking arrangement for the Restricted Shares are as follows:

Unlocking arrangement	Unlocking schedule	Unlocking proportion
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 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 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 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.

(VI) 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 nominal value 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 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 Incentive Scheme draft.

(VII) 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 Incentive Scheme but have not been unlocked 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. 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 Incentive Scheme, and the Restricted Shares that have been granted to the Incentive Participant under the 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 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 Incentive Scheme are as follows:

Unlocking arrangement	Performance appraisal targets
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.

Unlocking arrangement	Performance appraisal targets
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:

Appraisal Grade	A	B+	B	B-	C	D
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 Incentive Scheme shall be implemented in accordance with the Company's Administrative Measures for Appraisal.

(VIII) Explanation on the Scientific and Reasonableness of the Performance Appraisal Indicators

The Company is a high-tech enterprise in the information and communications sector. Since its inception, the Company has consistently focused on the R&D, design, production and sales of communications connectivity terminal equipment in the fields of telecommunications, data, enterprise networks and home networks (covering telecommunications broadband, wireless networks and small cells), as well as high-speed optical module products. By continuously promoting product iteration and upgrading, the Company has consistently expanded market space. The Company has achieved practical operational results in technology R&D, product line expansion, and global market layout. During its long-term development, the Company has consistently adhered to the core development strategy of “pre-research as the first generation, development as the first generation, and production as the first generation”, maintaining the dual-engine growth drivers of advanced R&D and intelligent manufacturing, and persistently pursuing innovation at both the engineering technology and efficiency-driven levels. The Company has built core competencies in customer resources, innovative R&D, intelligent manufacturing, business models, products and services, management teams and international division of labor and collaboration, enabling it to navigate challenges such as changes in the external environment, supply chain fluctuations, industry technology iterations and geopolitical risks amidst intense market competition, achieve stable operational development, create value for Shareholders, and realize sustainable development of the Company. Facing technological upgrades and generational shifts, the Company has continued to increase R&D investment, promote the development of high-performance optical module products, and optimize production processes to improve product yield and delivery stability. The Telecom Broadband Business Unit has steadily optimized its operating scale and product structure; the Wireless Products Business Unit has actively expanded its customer base, refining its Wi-Fi products, technologies, and integrated small cell product solutions; the Optoelectronics Business Unit has completed the development of next-generation silicon photonics products and advanced the mass production introduction and customer certification of multiple products.

To realize the Company's strategic planning and operational objectives while maintaining comprehensive competitiveness, the Incentive Scheme shall adopt audited listed company revenue and 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, as company-level performance appraisal indicators, which shall objectively reflect the operational performance and profitability of the Company's principal business.

Pursuant to the performance indicators established under the Incentive Scheme, the Company shall achieve operating revenue of no less than RMB5.811 billion or net profit of no less than RMB335 million in the 2026; cumulative operating revenue of no less than RMB12.784 billion or cumulative net profit of no less than RMB738 million for the two financial years from 2026 to 2027 financial years; cumulative operating revenue of no less than RMB21.151 billion or cumulative net profit of no less than RMB1.221 billion for the three financial years of 2026, 2027 and 2028. These performance indicators have been established through comprehensive consideration of factors including the Company's current status, future strategic planning, and industry development trends. The appraisal indicators present a certain level of challenge for future development, which on the one hand, will help enhance the Company's competitiveness and motivate employees and on the other hand, will focus the Company's future strategic direction and stabilize the achievement of its operational objectives.

In addition to the performance appraisal at company level, the Company has established a strict performance appraisal system for individuals, which evaluates the performance of the Incentive Participants in an accurate and all-round manner. The Company will determine whether the Incentive Participants meet the unlocking conditions based on their performance appraisal results for the appraisal year corresponding to the unlocking.

Given the above, the appraisal system for the Incentive Scheme of the Company is all-round, comprehensive and operable, and the appraisal indicators are scientific and reasonable, which are binding on the Incentive Participants and can serve the appraisal goal of the Incentive Scheme.

(IX) 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 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 CIG shall be consolidated into n shares); Q represents the adjusted number of Restricted Shares.

(3) *Rights issue*

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

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; n represents the ratio of the rights issue (i.e. the ratio of the number of shares to be issued under the rights issue to the total share capital of the Company before the rights issue); Q represents the adjusted number of Restricted Shares.

(4) *Additional issues*

Under the circumstance of additional issue of new shares, 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 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 CIG shall be consolidated into n share); P represents the adjusted Grant Price.

(3) *Rights issue*

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

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; n represents the ratio of the rights issue (i.e. the ratio of the number of shares to be issued under the rights issue to the total share capital of the Company before the rights issue); P represents the adjusted Grant Price.

(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.

3. *Adjustment Procedures for the Restricted Share Incentive Scheme*

The Company's Shareholders' Meeting authorizes the Board to adjust the number of grant and Grant Price of Restricted Shares based on the reasons specified in the Incentive Scheme. After the Board adjusts the number of grant and Grant Price of Restricted Shares in accordance with the above provisions, it shall promptly make an announcement and notify the Incentive Participants. The

Company shall engage a law firm to issue a professional opinion on whether the aforementioned adjustments comply with the provisions of the Administrative Measures, the Articles of Association and the Incentive Scheme.

(X) 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 Company shares obtained based on these Restricted Shares, at the adjusted quantity. If adjustments to the repurchase price and repurchase quantity are required under the 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 CIG shall be consolidated into n share); Q represents the number of Restricted Shares after adjustment.

(3) Rights issue

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

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

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

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

(XI) Accounting Treatment of Restricted Shares

In accordance with the relevant requirements of the MOF's Accounting Standards for Business Enterprises No. 11-Share-Based Payments and the Accounting Standards for Business Enterprises No. 22-Recognition and Measurement of Financial Instruments, at each balance sheet date within the Lock-up Period, the Company shall revise the number of the Restricted Shares which are expected to be unlocked according to the change in the latest available number of persons eligible to unlock the Restricted Shares, completion of the performance targets and other subsequent information, and recognize the services acquired during such period in relevant costs or expenses and capital reserve at the fair value of the Restricted Shares on the Grant Date.

1. Accounting Treatment of Restricted Shares

(1) Grant Date

The "Share Capital" and "capital reserve-share capital premium" shall be recognised according to the status of the grant of Restricted Shares to the Incentive Participants by the Company. At the same time, a liability is recognised for repurchase obligations (treated as acquisition of treasury shares).

(2) Every balance sheet date during the Lock-up Period

Pursuant to the requirements of the accounting standards, based on the best estimate of the number of vested equity instruments, the services provided by the staff will be recognised as costs and the owners' equity "capital reserve — other capital reserve" will be recognised on every balance sheet date during the Lock-up Period according to the fair value of equity instruments on the grant date and the proportion of the Restricted Shares to be released in each period, without recognizing subsequent changes in the fair value thereof.

(3) Unlocking Date

On the Unlocking Date, if the Unlocking Conditions are fulfilled, the Restricted Shares shall be unlocked, and the "capital reserve-other capital reserve" recognised on each balance sheet date before the Unlocking Period shall be carried forward. If all or part of the Shares are lapsed or canceled since the same have not been unlocked, such Shares shall be repurchased and canceled by the Company, and the matter shall be handled in accordance with the Accounting Standards and relevant provisions based on the specific circumstances.

(4) Method for Determination of Fair Value of the Restricted Shares

In accordance with the relevant requirements of the Accounting Standards for Enterprises No. 11-Payment of Shares and the Accounting Standards for Enterprises No. 22 Recognition and Measurement of Financial Instruments, the unit cost of the Restricted Shares equals to the fair value of the Restricted Shares less the Grant Price, where the fair value of the Restricted Shares is the closing price on the Grant Date.

2. Estimated Impact on the Operating Performance of Each of the Period due to Implementation of the Restricted Shares

The Company granted 1,717,800 Restricted Shares to the Incentive Participants. According to the projected fair value of the Restricted Shares which is based on the closing data of the trading day of A shares prior to the publication of the draft, it is expected that the total equity expense for this grant will be RMB82,952,600, which will be recognised as the incentive cost of the Incentive Scheme of the Company in installments in accordance with the unlocking percentage during the implementation of the Incentive Scheme, and will be charged to operating profit or loss. According to the provisions of the Accounting Standards, the specific amount shall be based on the fair value of the shares calculated on the “actual grant date”. Assuming the grant is made in April 2026, and that all granted Incentive Participants meet the unlocking conditions stipulated in the Incentive Scheme and fully unlock in each respective Unlocking Period, the amortization of the Restricted Share costs from 2026 to 2029 is as follows:

Unit: RMB'000

Amortization Costs of the Restricted Shares	2026	2027	2028	2029
82,952.6	32,259.3	31,798.5	15,208.0	3,686.8

- Note:* (1) The above fees are estimated costs. The actual costs will be related to the Grant Price, the Grant Date, the closing price on the Grant Date, the number of Shares granted, and best estimate of the number of unlockable equity instruments;
- (2) Shareholders are reminded of the potential dilutive effect of the above-mentioned share-based payment expenses;
- (3) The final impact of the above amortization expenses projections on the Company’s operating results is subject to the audit report issued by the accountant;
- (4) Any difference in the mantissa of the sum of the totals and the breakdown in the table above, if any, is due to rounding.

The cost of the Incentive Scheme will be charged to the costs and expenses. Based on the current information, the Company estimates that the amortization of the cost and expense of the Incentive Scheme has an impact on the net profit of each year within the validity period, without considering the positive effect of the Incentive Scheme on the Company’s results. Considering the positive effect of the Incentive Scheme on the Company’s operation and development, which will stimulate the core employees to improve operational efficiency and reduce operating costs, the improvement of the Company’s performance brought by the Incentive Scheme will be higher than the increase of expenses incurred as a result thereof.

**CHAPTER VI PROCEDURES FOR IMPLEMENTATION, GRANT OF THE
INCENTIVE SCHEME, EXERCISE/UNLOCKING, AMENDMENT AND
TERMINATION BY INCENTIVE PARTICIPANTS**

I. IMPLEMENTATION PROCEDURES OF THE INCENTIVE SCHEME

- (I) The Remuneration and Evaluation Committee is responsible for formulating the Incentive Scheme draft and the Company's Administrative Measures for Appraisal.
- (II) The Board shall resolve on the Incentive Scheme draft and the Company's Administrative Measures for Appraisal formulated by the Remuneration and Evaluation Committee. When the Board resolves on the Incentive Scheme, related Directors shall abstain from voting.
- (III) The Remuneration and Evaluation Committee should express opinions as to whether the Incentive Scheme is conducive to the sustainable development of the Company and whether there are any circumstances apparently harmful to the interests of the Company and all Shareholders.
- (IV) The law firm engaged by the Company shall issue a legal opinion on the Incentive Scheme.
- (V) Within two A-share trading days after the Board considered and approved the Incentive Scheme draft, the Company shall announce the Board resolution announcement, the Incentive Scheme draft and its summary, and the opinion of the Remuneration and Evaluation Committee.
- (VI) The Company shall conduct a self-inspection of the trading of the Company's shares by insiders with knowledge of inside information within the 6 months prior to the announcement of the Incentive Scheme draft.
- (VII) Prior to convening the Shareholders' meeting, the Company shall, through its website or other channels, publicly display the names and positions of the Incentive Participants internally within the Company for a period of not less than 10 days. The Remuneration and Evaluation Committee will review the list of Incentive Participants and fully consider comments received during the public display period. The Company shall, 5 days before the Shareholders' meeting considers the Incentive Scheme, disclose the Remuneration and Evaluation Committee's explanation regarding its review of the list of Incentive Participants and the public display situation.
- (VIII) The Shareholders' meeting of the Company shall consider and approve the Incentive Scheme and related proposals by way of special resolution, and related Shareholders shall abstain from voting.

- (IX) The Company shall disclose the Shareholders' meeting resolution announcement, the equity incentive plan approved at the Shareholders' meeting, the self-inspection report on the trading of the Company's shares by insiders with knowledge of inside information, and the legal opinion for the Shareholders' meeting.
- (X) After the Incentive Scheme is considered and approved at the Company's Shareholders' meeting, the Board of the Company, pursuant to the authorization of the Shareholders' meeting, shall make the initial grant of interest and complete the relevant procedures such as announcement and registration within 60 days from the date the Shareholders' meeting considered and approved the Incentive Scheme (if there are conditions to the grant, then counting from the fulfilment of the granting conditions). The Board, pursuant to the authorization of the Shareholders' meeting, shall handle specific matters such as the exercise and cancellation of Share Options, and the unlocking, repurchase and cancellation of Restricted Shares.

II. PROCEDURE FOR GRANT OF SHARE OPTIONS AND RESTRICTED SHARES

- (I) Within 60 days from the date of the Company's shareholders' meeting passing and approving the Incentive Scheme, the Company shall convene a Board meeting to make the initial grant to the Incentive Participants.
- (II) Before granting equity instruments to the Incentive Participants, the Board shall deliberate and announce whether the conditions for the grant of equity to the Incentive Participants as set out in the Incentive Scheme have been met. The Remuneration and Evaluation Committee shall issue a clear opinion, and a law firm shall issue a legal opinion on whether such conditions have been met. The Company's Remuneration and Evaluation Committee shall verify the list of Incentive Participants as of the Grant Date for Share Options and the Grant Date for Restricted Shares and issue an opinion.

Where there are any differences between the grant of equity to the Incentive Participants by the Company and the arrangements under the Incentive Scheme, the Remuneration and Evaluation Committee and the law firm shall issue a clear opinion simultaneously.

- (III) The Company shall issue a notice of equity incentive grant (if any) to the Incentive Participants on the Grant Date.
- (IV) The Company shall enter into an Equity Incentive Grant Agreement with the Incentive Participants, stipulating the rights and obligations of both parties.
- (V) Within the time limit prescribed by the Company, the Incentive Participants shall pay the subscription funds for the Restricted Shares into the account designated by the Company according to the Company's requirements, subject to

confirmation by a registered accountant through capital verification. Failure to pay the funds within the time limit shall be deemed as the Incentive Participants abandoning the subscription for the granted Restricted Shares.

- (VI) Based on the agreements signed by the Incentive Participants and the subscription status, the Company shall prepare a register for the management of the Incentive Scheme, recording details such as the Incentive Participants' names, the number of grant, Grant Date, amount paid, and the Equity Incentive Grant Agreement number.
- (VII) After the Incentive Scheme is approved by the Shareholders' meeting, the Company shall grant the equity initially and complete the announcement and registration within 60 days (if there are conditions for granting equity, calculated from the date such conditions are fulfilled). If the Company fails to complete the above procedures within 60 days, it shall promptly disclose the reasons for the failure and announce the termination of the implementation of the Incentive Scheme. No equity incentive plan shall be considered again within three months from the date of such announcement (according to the Administrative Measures, the period during which the Company is prohibited from granting equity shall not be counted within the 60 days).
- (VIII) Grantees of the Reserved Equity shall be determined within 12 months after the Incentive Scheme is approved by the Shareholders' meeting. If the Incentive Participants are not identified within 12 months, the Reserved Equity shall lapse.

III. PROCEDURE FOR EXERCISE OF SHARE OPTIONS

- (I) Within the Exercisable Date, Incentive Participants shall submit a Share Option Exercise Application to the Board, applying for exercise. The Share Option Exercise Application shall state the number of options to be exercised, the exercise price, and the transaction information of the option holder.
- (II) Before the exercise by the Incentive Participants, the Board shall review and confirm the applicant's eligibility to exercise and the number of options exercisable, and deliberate on whether the conditions for the exercise of options by the Incentive Participants as set out in the equity incentive plan have been met. The Remuneration and Evaluation Committee shall issue a clear opinion. A law firm shall issue a legal opinion on whether the conditions for the Incentive Participants to exercise the options have been met.
- (III) After the Incentive Participants' exercise applications have been approved by the Board and the corresponding payments for the exercise of Share Options (for purchased Share) have been made, the Company shall apply to the stock exchange for exercise application, and issue the Shares to the Incentive Participants directly based on the number of Share Options to be exercised as set out in the application.

- (IV) After approval by the stock exchange, the Securities Depository and Clearing Corporation shall handle the matters in relation to registration and clearing.
- (V) Incentive Participants can transfer the Shares after the exercise of Share Options, however, the transfer of Shares held by Directors and senior management of the Company shall comply with the requirements under relevant laws, regulations and normative documents.

The Company can provide a unified or autonomous exercise method to the Incentive Participants based on the actual circumstances.

IV. PROCEDURE FOR UNLOCKING OF RESTRICTED SHARES

- (I) Before unlocking, the Company shall confirm whether the Incentive Participants have met the unlocking conditions. The Board shall deliberate on whether unlocking conditions as set out in the Incentive Scheme have been met. The Remuneration and Evaluation Committee shall issue a clear opinion, and a law firm shall issue a legal opinion on whether the conditions for unlocking by the Incentive Participants have been met.
- (II) For Incentive Participants who have met the unlocking conditions, the Company shall uniformly submit an unlocking application to the stock exchange. After confirmation by the stock exchange, the Company shall apply to the Securities Depository and Clearing Corporation to handle the registration and clearing procedures. For Incentive Participants who have not met the unlocking conditions, the Company shall repurchase and cancel the Restricted Shares corresponding to that unlocking tranche held by them. The Company shall promptly disclose an announcement regarding the relevant implementation details.
- (III) Incentive Participants may transfer the Restricted Shares that have been unlocked, provided that the transfer of Shares held by Directors and senior management of the Company shall comply with relevant laws, administrative regulations, and normative documents.

V. PROCEDURES FOR AMENDMENT AND TERMINATION OF THE INCENTIVE SCHEME

(I) Procedures for Amendment of the Incentive Scheme

1. If the Company amends the Incentive Scheme before it is considered and approved by the Shareholders' Meeting, the amendment must be considered and approved by the Board. If the Company amends the Incentive Scheme that has already been approved by the Shareholders' meeting, the amendment proposal shall be submitted to the Shareholders' Meeting for consideration,

and shall not include any circumstances that would lead to accelerated exercise/accelerated unlocking or a reduction in the exercise price/grant price.

2. The Company shall promptly disclose the reasons for and details of the amendment. The Remuneration and Evaluation Committee shall issue an independent opinion on whether the amended scheme is conducive to the Company's sustainable development and whether there exists any circumstance that would materially damage the interests of the Company and all shareholders. A law firm shall issue a professional opinion on whether the amended scheme complies with the provisions of the Administrative Measures and relevant laws and regulations, and whether there exists any circumstance that would materially damage the interests of the Company and all Shareholders.

(II) Procedures for Termination of the Incentive Scheme

1. If the Company proposes to terminate the Incentive Scheme before it is considered by the Shareholders' Meeting, the termination must be considered and approved by the Board and disclosed. If the Company terminates the implementation of the Incentive Scheme after it has been considered and approved by the Shareholders' Meeting, such termination shall be submitted to the Board and the Shareholders' Meeting for consideration and disclosed.
2. The Company shall promptly disclose the announcement of the resolution of the Shareholders' Meeting or the resolution of the Board. A law firm shall issue a professional opinion on whether the Company's termination of the implementation of the Incentive Scheme complies with the provisions of the Administrative Measures and relevant laws and regulations, and whether there exists any circumstance that would materially damage the interests of the Company and all Shareholders.
3. If the implementation of the Incentive Scheme is terminated, the Company shall, after fulfilling the corresponding review procedures, promptly apply to the Securities Depository and Clearing Corporation to handle the procedures for the cancellation of granted Share Options or the repurchase and cancellation of Restricted Shares.

**CHAPTER VII RESPECTIVE RIGHTS AND OBLIGATIONS OF THE
COMPANY/INCENTIVE PARTICIPANTS****I. RIGHTS AND OBLIGATIONS OF THE COMPANY**

- (I) The Company has the right to interpret and implement the Incentive Scheme, to conduct performance appraisal on the Incentive Participants, and to supervise and examine whether the Incentive Participants are eligible for the exercise/unlocking. If the Incentive Participants fail to meet the Exercise/Unlocking Conditions as determined in the Incentive Scheme, the Share Options granted to the Incentive Participants but not yet exercised may be cancelled with the approval of the Board of the Company; the Restricted Shares that have been granted to the Incentive Participants but have not yet been unlocked shall not be unlocked, and shall be repurchased and canceled by the Company.
- (II) The Company has the right to require the Incentive Participants to work for the Company according to the requirements of the positions it employs. If the Incentive Participant is not qualified for the positions or fails the examination, or if the Incentive Participant violates the law, violates professional ethics, divulges company secrets, violates company rules and regulations, neglects his/her duty or malfeasance and has other acts that seriously damage the Company's interests or reputation, the Share Options granted to the Incentive Participants but not yet exercised may be cancelled with the approval of the Board of the Company; the Restricted Shares that have been granted to the Incentive Participants but have not yet been unlocked shall not be unlocked, and shall be repurchased and canceled by the Company.
- (III) The Company promises not to provide loans, guarantee for their loans and any other forms of financial assistance to the Incentive Participants to obtain relevant equity according to the Incentive Scheme, which could harm the interests of the Company.
- (IV) The Company shall withhold and pay the personal income tax and other taxes and fees payable by the Incentive Participants according to the relevant provisions of the national tax regulations.
- (V) The Company shall timely, truly, accurately and completely disclose the information disclosure documents related to the Incentive Scheme in accordance with the relevant laws, regulations and normative documents, ensuring that there are no false records, misleading statements or major omissions, and timely fulfill the relevant reporting obligations of the Incentive Scheme.
- (VI) In accordance with the Incentive Scheme and the relevant requirements of the CSRC, the SSE and the registration and clearing companies, the Company shall handle the exercise/unlocking of shares for the Incentive Participants that meet the Exercise/Unlocking Conditions. However, the Company shall not be held liable if the Incentive Participants fail to complete exercise of the Share Options or

unlocking of the Restricted Shares and losses are caused to the Incentive Participants due to the reasons on the part of the CSRC, the SSE and the registration and clearing companies.

(VII) Other relevant rights and obligations stipulated in laws, administrative regulations and normative documents.

II. RIGHTS AND OBLIGATIONS OF THE INCENTIVE PARTICIPANTS

(I) The Incentive Participants shall be diligent and responsible, abide by professional ethics, and make due contributions to the development of the Company in accordance with the requirements of the positions employed by the Company.

(II) The Incentive Participants have the right to and shall exercise the Share Options/unlock the Restricted Share in accordance with the Incentive Scheme.

(III) The source of funds for the Incentive Participants is their self-financing.

(IV) The Share Options/Restricted Shares granted to the Incentive Participants shall not be transferred, used to guarantee or repay debts during the Waiting/Lock-up Period. Share Options carry no voting rights until exercised, and do not participate in the distribution of stock bonus and dividends.

(V) The Restricted Shares granted to the Incentive Participants in accordance with the Incentive Scheme shall carry the rights of such shares after due registration of the transfer with the registration and clearing companies, such rights include but not limited to the rights to dividend, the rights of offerings, etc. However, during the Lock-up Period, the stock dividends, capitalization issue, rights issue and shares placed to original shareholders during the additional issue shall not be sold in the secondary market or transferred by other means. The deadline for the Lock-up Period of such shares is the same as that of the Restricted Shares.

(VI) When the Company pays cash dividends, the Incentive Participant shall enjoy the cash dividends to be obtained for the Restricted Shares granted to the Incentive Participant after withholding personal income tax, which shall be collected by the Company in principle and returned to the Incentive Participants if the Restricted Shares are unlocked; if the Restricted Shares are not unlocked, corresponding cash dividend shall be recovered by the Company and corresponding accounting treatment shall be carried out.

(VII) The income received by the Incentive Participants as a result of the Incentive Scheme shall be subject to personal income tax and other taxes and fees in accordance with national tax regulations.

(VIII) The Incentive Participants promise that if there are false records, misleading statements or major omissions in the Company's information disclosure documents, resulting in non-compliance with the arrangement for granting or

exercising equity, the Incentive Participants shall fulfill their promises and return all the benefits obtained from the Incentive Scheme to the Company after confirming the existence of false records, misleading statements or major omissions in the relevant information disclosure documents.

- (IX) When the Incentive Participant is not eligible to be an Incentive Participant any more as stipulated in the Administrative Measures during the implementation of the Incentive Scheme, any exercised Share Options held by them shall not be handled, while any granted but unexercised Share Options shall not be exercised and shall be cancelled by the Company; any released Restricted Shares held by them shall not be handled, while any granted but unlocked Tranche One Restricted Shares shall not be unlocked and shall be repurchased and cancelled by the Company.
- (X) If the Incentive Participant leaves the Company after exercising equity, he/she shall not engage in the same or similar related work as the Company's business within two years. If the Incentive Participant leaves the Company after exercising equity and engages in the same or similar work as the Company's business within two years, the Incentive Participant shall return all the income he/she receives from the Incentive Scheme to the Company and bears the liquidated damages equivalent to the income he/she receives. If losses are caused to the Company, the Incentive Participants shall also bear the compensation responsibility to the Company.
- (XI) Other relevant rights and obligations stipulated in laws, administrative regulations, normative documents and the Incentive Scheme.

III. OTHERS

After the Incentive Scheme is considered and approved by Shareholders' meeting of the Company, the Company shall sign an Equity Incentive Grant Agreement with each of the Incentive Participants. This agreement shall clearly stipulate their rights and obligations under the Incentive Scheme and other related matters.

Disputes between the Company and the Incentive Participants shall be settled in accordance with the Incentive Scheme and the Equity Incentive Grant Agreement. If the provisions are unclear, both parties shall settle the disputes through negotiation in accordance with national laws and based on the principle of fairness and reasonableness. If the negotiation fails, it shall be submitted to the people's court with jurisdiction over the Company's premise for settlement.

The Company's determination of the Incentive Participants of the Incentive Scheme does not constitute a commitment to the employee's employment. The Company still determines the labor or employment relationship with the employees according to the labor contract or the employment contract signed with the Incentive Participants.

**CHAPTER VIII HANDLING OF THE INCENTIVE SCHEME IN THE EVENT OF
CHANGE OF THE COMPANY/THE INCENTIVE PARTICIPANTS****I. IN THE EVENT OF THE COMPANY CHANGES**

(I) In the event of any of the circumstances below, the Incentive Scheme shall be terminated, and the Share Options granted to the Incentive Participants under the Incentive Scheme but not exercised shall be canceled by the Company; the Restricted Shares granted but not unlocked shall be repurchased and canceled by the Company at the sum of the Grant Price plus the bank deposit interest of the People's Bank of China for the same period. If the Incentive Participant is personally responsible for the above situation, the Restricted Shares granted to him/her that have not been unlocked shall be repurchased and canceled by the Company at the Grant Price.

1. An audit report on the financial and accounting report for the most recent fiscal year in which a certified public accountant issued an adverse opinion or was unable to express an opinion;
2. An audit report on internal control over financial reporting for the most recent fiscal year in which a certified public accountant issued an adverse opinion or was unable to express an opinion;
3. In the last 36 months after listing, there have been cases of failure to distribute profits according to laws and regulations, the Articles of Association and public commitments;
4. Circumstances in which equity incentives are not allowed under laws and regulations;
5. Other circumstances that the CSRC deems necessary to terminate the Incentive Scheme.

(II) Merger or division of the Company, etc.;

In case of merger or division of the Company, the Board shall decide whether to terminate the Incentive Scheme after the date of merger or division.

(III) Change of Control of the Company

In the event of a change of control of the Company, the Board shall decide whether to terminate the Incentive Scheme after the date of the change of the control.

(IV) If the Company fails to meet the conditions for granting Share Options/Restricted Shares or the exercise/unlocking arrangement due to false records, misleading statements or major omissions in the information disclosure documents, the Share

Options granted to the Incentive Participants but not exercised shall be canceled by the Company; the Restricted Shares granted but not unlocked shall be repurchased and canceled by the Company at the Grant Price.

If the Share Options/Restricted Shares granted to the Incentive Participants have been exercised/unlocked, all the Incentive Participants shall return the granted equity. If the Incentive Participants not being responsible for the above matters suffer from losses due to the return of equity, they can recover such losses from the Company or the responsible targets in accordance with the relevant arrangements under the Incentive Scheme. The Board shall recover the proceeds from the Incentive Participants in accordance with the preceding paragraph and the relevant arrangements under the Incentive Scheme.

II. IN THE EVENT OF CHANGES IN THE PERSONAL CIRCUMSTANCES OF THE INCENTIVE PARTICIPANTS

(I) Change in Position of the Incentive Participants

1. If the Incentive Participant changes his/her position but still works in the Company or its subsidiaries, the equity granted to him/her shall still be carried out in accordance with the procedures stipulated in the Incentive Scheme.

In the event of demotion or removal, the exercised Share Options shall remain unaffected, and the Board of the Company shall have the right to decide that the Share Options granted but not yet exercised shall be adjusted according to the corresponding amount after demotion or removal, and the difference between the original number of Share Options granted and the adjusted Share Options shall be cancelled by the Company; the Restricted Shares that have been unlocked shall not be handled, and the Board of the Company has the right to decide that the Restricted Shares that have been granted but have not yet been unlocked shall be adjusted according to the corresponding amount after demotion or removal. The difference between the number of Restricted Shares originally granted and the adjusted Restricted Shares shall not be unlocked, and shall be repurchased and canceled by the Company at the Grant Price.

2. If the Incentive Participant is an independent Director or other person who cannot hold the Share Options or Restricted Shares of the Company due to organizational transfer, the exercised Share Options shall not be handled, and Share Options granted but not yet exercised shall not be exercised and shall be cancelled by the Company. Any unlocked Restricted Shares held by them shall not be handled, while any granted but unreleased Restricted Shares shall not be unlocked and shall be repurchased and canceled by the Company at the sum of the Grant Price plus the bank deposit interest of the People's Bank of China for the same period.

3. If the Incentive Participant violates the law, violates professional ethics or competitive restriction, divulges company secrets, damages the interests or reputation of the Company due to dereliction of duty or malfeasance, or causes the Company to terminate the labor or employment relationship with the Incentive Participant due to the above-mentioned reasons, the exercised Share Options shall not be handled, and Share Options granted but not yet exercised shall not be exercised and shall be cancelled by the Company. Any released Restricted Shares held by them shall not be handled, while any granted but unreleased Restricted Shares shall not be unlocked and shall be repurchased and canceled by the Company at the Grant Price. The Incentive Participant shall return all gains derived from the Restricted Shares/Share Options that have been unlocked/exercised. In addition, in serious circumstances, the Company may also recover the losses suffered by the Company in accordance with the provisions of relevant laws and regulations.

(II) Resignation of the Incentive Participants

1. If the contract of the Incentive Participant expires and he/she no longer renew the contract or resign voluntarily, the exercised Share Options shall not be handled, and Share Options granted but not yet exercised shall not be exercised and shall be cancelled by the Company. Any unlocked Restricted Shares held by them shall not be handled, while any granted but unreleased Restricted Shares shall not be unlocked and shall be repurchased and canceled by the Company at the Grant Price.
2. If the Incentive Participant leaves the Company passively due to layoffs and other reasons and there are no behaviors such as failure to pass performance evaluation, negligence or violation of laws and disciplines, the exercised Share Options shall not be handled, and Share Options granted but not yet exercised shall not be exercised and shall be cancelled by the Company. Any unlocked Restricted Shares held by them shall not be handled, while any granted but unreleased Restricted Shares shall not be released and shall be repurchased and canceled by the Company at the sum of the Grant Price plus the bank deposit interest of the People's Bank of China for the same period.
3. If the Incentive Participant fails to comply with the Company's normal work location, position adjustment, or other arrangements and causes the Company to terminate the labor or employment relationship with the Incentive Participant, the exercised Share Options shall not be handled, and Share Options granted but not yet exercised shall not be exercised and shall be cancelled by the Company. Any released Restricted Shares held by them shall not be handled, while any granted but unreleased Restricted Shares shall not be released and shall be repurchased and canceled by the Company at the Grant Price.

(III) Retirement of the Incentive Participants

If the Incentive Participants that have retired are re-hired, the equity granted to them will be carried out in full accordance with the procedures stipulated in the Incentive Scheme before the retirement. If the Company requests to continue employment but the Incentive Participants refuses or the Incentive Participants retires and resigns, the exercised Share Options shall not be handled, and Share Options granted but not yet exercised shall not be exercised and shall be cancelled by the Company. Any released Restricted Shares held by them shall remain unaffected, while any granted but unreleased Restricted Shares shall not be released and shall be repurchased and canceled by the Company at the sum of the Grant Price plus the bank deposit interest of the People's Bank of China for the same period.

(IV) Incapacity of the Incentive Participants

1. If the Incentive Participants are incapacitated and leave the Company due to work injury, the Remuneration and Evaluation Committee shall decide that the equity granted to the Incentive Participants shall be carried out in full accordance with the procedures stipulated in the Incentive Scheme before the occurrence thereof, and the personal performance evaluation results will no longer be included in the exercise/Unlocking Conditions; the exercised Share Options shall not be handled, and Share Options granted but not yet exercised shall not be exercised and shall be cancelled by the Company; any released Restricted Shares held by them shall remain unaffected, while any granted but unreleased Restricted Shares shall not be released and shall be repurchased and canceled by the Company at the sum of the Grant Price plus the bank deposit interest of the People's Bank of China for the same period.
2. If the Incentive Participants leave the Company, which is not due to the incapability arising from work injury, the exercised Share Options shall not be handled, and Share Options granted but not yet exercised shall not be exercised and shall be cancelled by the Company; any released Restricted Shares held by them shall remain unaffected, while any granted but unreleased Restricted Shares shall not be released and shall be repurchased and canceled by the Company at the sum of the Grant Price plus the bank deposit interest of the People's Bank of China for the same period.

(V) Death of the Incentive Participants

1. If the Incentive Participants die due to their duty or under other similar circumstances as determined by the Company, the Remuneration and Evaluation Committee shall decide that the equity granted to them shall be enjoyed by the designated property heir or legal heir on their behalf, and shall be carried out in accordance with the procedures stipulated in the Incentive Scheme which takes effect before their death, and the results of their personal performance evaluation shall not be included in the Unlocking/Exercise Conditions; or the exercised Share Options and

Restricted Shares that have been unlocked shall not be handled, and Share Options granted but not yet exercised shall not be exercised and shall be cancelled by the Company; any granted but unreleased Restricted Shares shall not be released and shall be repurchased and canceled by the Company at the sum of the Grant Price plus the bank deposit interest of the People's Bank of China for the same period, and the proceeds from the repurchase shall be received by their designated property heir or legal heir.

2. If the Incentive Participant passed away for other reasons, the exercised Share Options shall not be handled, and Share Options granted but not yet exercised shall not be exercised and shall be cancelled by the Company; any released Restricted Shares held by them shall remain unaffected, while any granted but unreleased Restricted Shares shall not be released and shall be repurchased and canceled by the Company at the sum of the Grant Price plus the bank deposit interest of the People's Bank of China for the same period, and the proceeds from the repurchase shall be received by their designated property heir or legal heir.

(VI) Change of Control of the Subsidiary where the Incentive Participants Work

If the Incentive Participants work in a subsidiary of the Company, and if the Company loses control of the subsidiary and the Incentive Participants still work in the subsidiary, the exercised Share Options shall not be handled, and Share Options granted but not yet exercised shall not be exercised and shall be cancelled by the Company. Any released Restricted Shares held by them shall remain unaffected, while any granted but unreleased Restricted Shares shall not be released and shall be repurchased and canceled by the Company at the sum of the Grant Price plus the bank deposit interest of the People's Bank of China for the same period.

(VII) Changes in Eligibility of the Incentive Participants

If the Incentive Participant no longer meets the eligibility of the Incentive Participant due to one of the following circumstances, the exercised Share Options of the Incentive Participant shall not be handled, and Share Options granted but not yet exercised shall not be exercised and shall be cancelled by the Company. Any released Restricted Shares held by them shall remain unaffected, while any granted but unreleased Restricted Shares shall not be released and shall be repurchased and canceled by the Company at the Grant Price.

1. The Incentive Participant has been determined as an inappropriate candidate by the SSE within the most recent 12 months;
2. The Incentive Participant has been identified as an inappropriate candidate by the CSRC and its agencies within the most recent 12 months;

3. The Incentive Participant has been subject to administrative punishment or market ban measures by the CSRC and its agencies due to major illegal acts in the most recent 12 months;
4. The Incentive Participant has the circumstances stipulated in the PRC Company Law that he/she shall not act as a Director or senior manager of any company;
5. Circumstances under which the Incentive Participant are disqualified from participating in the equity incentive of a listed company as stipulated by applicable laws and regulations.
6. Other circumstances as determined by the CSRC.

(VIII) Others

The Remuneration and Evaluation Committee shall be responsible for making decisions on other unspecified situations and the methods of handling them.

CHAPTER IX SUPPLEMENTARY PROVISIONS

- I. The Incentive Scheme shall come into effect after being considered and approved by the general meeting of the Company;
- II. The Incentive Scheme shall be formulated and amended by the Remuneration and Evaluation Committee of the Company, and shall be interpreted by the Board of the Company.;
- III. If there is any conflict between the Incentive Scheme and the latest laws and regulations issued by regulatory authorities, the latest laws and regulations shall prevail.

Board of CIG SHANGHAI CO., LTD.
30 March 2026

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

**CIG SHANGHAI CO., LTD.
ADMINISTRATIVE MEASURES FOR THE
IMPLEMENTATION AND APPRAISAL OF THE 2026
SHARE OPTION AND RESTRICTED SHARE
INCENTIVE SCHEME**

CIG Shanghai Co., Ltd. (hereinafter referred to as the “Company” or “CIG”) has formulated the 2026 Share Option and Restricted Share Incentive Scheme of CIG Shanghai Co., Ltd. (Draft) (hereinafter referred to as 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 operational goals, on the premise of safeguarding Shareholders’ interests pursuant to the principles of incentive being in proportion to restraint, matching benefits with contributions, and harmonizing short-term incentives with long-term development.

In order to guarantee the smooth progress and orderly implementation of the Incentive Scheme, these measures are formulated in accordance with the Company Law of the People’s Republic of China, the Securities Law of the People’s Republic of China, the Administrative Measures on Equity Incentives of Listed Companies, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other relevant laws, administrative regulations, normative documents and the Articles of Association and based on the actual conditions of the Company.

ARTICLE 1 PURPOSE OF APPRAISAL

The purposes of these measures are to strengthen the planned implementation of the Incentive Scheme, quantify the specific objectives set out in the Incentive Scheme, promote the scientific, standardized and institutionalized management of appraisal of Incentive Participants, and ensure the realization of the performance indicators under the Incentive Scheme; at the same time, these measures guide the Incentive Participants to improve work performance and working competence and evaluate employees' performance and contribution in an objective and fair way, to provide an objective and comprehensive evaluation basis for the implementation of the Incentive Scheme.

ARTICLE 2 PRINCIPLES OF APPRAISAL

- (I) Appraisal and evaluation of the Incentive Participants shall be conducted in strict accordance with these measures following the principles of fairness, justice, and openness;
- (II) The appraisal indicators shall be combined with the Company's medium and long-term development strategy and annual business objectives; as well as the performance, working competence and work attitude of the Incentive Participants.

ARTICLE 3 SCOPE OF APPRAISAL

These measures apply to all Incentive Participants as determined by the Incentive Scheme. The Incentive Participants for the initial grant under the Incentive Scheme include directors, senior management, core management and technical (business) personnel serving in the Company (including its subsidiaries, the same below), excluding independent directors of CIG, shareholders individually or collectively holding 5% or more of the Company's shares or the de facto controllers and their spouses, parents and children. Among the Incentive Participants of the Incentive Scheme, the Directors of the Company must be elected by the Shareholders' meeting of the Company, and the senior management must 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 appraisal period of the Incentive Scheme.

ARTICLE 4 APPRAISAL AGENCY AND IMPLEMENTING AGENCY

- (I) The Remuneration and Evaluation Committee of the Board of the Company (hereinafter referred to as the "Remuneration Committee") is responsible for leading and reviewing the appraisal of the Incentive Participants;

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

(II) The appraisal team, composed of the Human Resources Department, the Finance Department and other relevant departments of the Company, is responsible for the specific appraisal work, collecting and providing relevant appraisal data, ensuring the authenticity and reliability of the data, and reporting to the Remuneration Committee;

(III) The Board of the Company is responsible for reviewing the appraisal results.

ARTICLE 5 PERFORMANCE APPRAISAL INDICATORS AND STANDARDS

The exercise/unlocking of Share Options/Restricted Shares granted to the Incentive Participants will depend on the appraisal results of the Company and the Incentive Participants.

(I) Performance appraisal requirements at company level

The 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/Unlocking of the Share Options of the Incentive Participants. The company-level performance appraisal targets for Share Options/Restricted Shares granted under the Incentive Scheme are as follows:

Exercise/Unlocking Arrangements		Performance Appraisal Target
Initially Granted Share Options and Reserved Share Options (if the reserved portion is granted prior to disclosure of the Company's third-quarter report for 2026) and the grant of Restricted Shares	The First Exercise/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.
	The Second Exercise/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.
	The Third Exercise/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.

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

Exercise/Unlocking Arrangements		Performance Appraisal Target
Reserved Share Options (if the reserved portion is granted after disclosure of the Company's third-quarter report for 2026)	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/unlocking matters for Incentive Participants who meet the exercise/unlocking conditions. Should the Company's performance level during each exercise/unlocking 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; 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.

(II) 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 exercise/unlocking ratios at individual level are as follows:

Appraisal Grade	A	B+	B	B-	C	D
Exercise/unlocking ratios at individual level	100%	85%	75%	0%		

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

ARTICLE 6 PERIOD AND TIMES OF APPRAISAL

The appraisal years for the Share Options under the Incentive Scheme include the three accounting years from 2026 to 2028, and the appraisal years for the Restricted Shares include the three accounting years from 2026 to 2028. The performance appraisal at company level and at individual level shall be conducted once a year.

ARTICLE 7 APPRAISAL PROCEDURES

The Human Resources Department, Finance Department and relevant departments of the Company are responsible for the specific appraisal under the guidance of the Remuneration Committee and saving the appraisal results. On this basis, a performance appraisal report shall be submitted to the Remuneration Committee, and the Board of the Company is responsible for reviewing the appraisal results.

ARTICLE 8 MANAGEMENT OF APPRAISAL RESULTS

(I) Feedback and application of appraisal results

1. The appraisal objects are entitled to know the appraisal results. The direct supervisor of the employees or the Human Resources Department of the Company shall inform the appraisal objects of appraisal results within 5 working days after the completion of the appraisal.
2. If the appraisal objects have objections against the results of the appraisal, they can communicate with the Human Resources Department within 5 working days of receiving the appraisal results. If the objections cannot be resolved through communication, the appraisal objects may appeal to the Remuneration Committee which shall review and determine the final appraisal result within 10 working days.
3. The appraisal results shall be the basis for the exercise/unlocking of Share Options/Restricted Shares.

(II) Filing of appraisal records

1. After the completion of appraisal, the Human Resources Department, the Finance Department and other relevant departments shall retain all the records of the performance appraisal. The appraisal results shall be kept as confidential information.
2. In order to ensure the validity of the appraisal records, the appraisal records are not allowed to be altered. If the records are to be revised or re-recorded, it must be signed by the parties concerned.
3. The performance appraisal records shall be kept for 5 years. For documents and records that exceed the storage period shall be uniformly destroyed by the Remuneration Committee.

ARTICLE 9 SUPPLEMENTARY PROVISIONS

- (I) These Measures shall be formulated and amended by the Remuneration Committee and shall be interpreted by the Board of the Company.
- (II) If the relevant provisions of these measures conflict with the relevant national laws, administrative regulations, normative documents and the Incentive Scheme, the relevant national laws, administrative regulations, normative documents and the Incentive Scheme shall prevail. If there are no clear provisions in these measures, the relevant national laws, administrative regulations, normative documents and the Incentive Scheme shall be implemented. If these measures conflict with laws, administrative regulations and department rules which will be promulgated and implemented in the future, such laws, administrative regulations and department rules shall prevail.
- (III) These measures shall be subject to consideration and approval at the general meeting and become effective after the Incentive Scheme takes effect.

Board of CIG SHANGHAI CO., LTD.
30 March 2026

The following is a summary of the principal terms of the H Share Incentive Scheme to be adopted at the AGM. It does not form part of, nor is it intended to be part of the terms of the H Share Incentive Scheme. The Directors reserve the right at any time prior to the AGM to make such amendments to the H Share Incentive Scheme as they may consider necessary or appropriate provided that such amendments do not conflict with any material aspects with the summary in this Appendix.

1. PURPOSES AND OBJECTIVES

- (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.

2. SOURCE OF THE INCENTIVE SHARES AND PURCHASE PRICE

The source of the Incentive Shares is the ordinary H Shares issued by the Company and Treasury Shares (if any).

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.

3. LIFE OF SCHEME

Except for early termination as determined by the Board pursuant to the Scheme Rules, the H Share Incentive Scheme is valid for a period of ten (10) years starting from the Adoption Date and no further Incentive Shares will be granted under the H Share Incentive Scheme thereafter.

4. ELIGIBLE PARTICIPANTS

Eligible Participants as determined by the Board from time to time shall be eligible to participate in the H Share Incentive Scheme and shall comprise the following two categories:

- (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 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; and
- (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.

- *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.

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 of support, assistance, guidance, advice and efforts) towards the long-term development and success of the Group.

5. EXCLUDED PARTICIPANTS

Excluded Participants are any persons or entities 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.

6. ADMINISTRATION

The H Share Incentive Scheme shall be subject to the administration of the Board in accordance with the Scheme Rules. The decision of the Board with respect to any matters arising under the H Share Incentive Scheme (including the interpretation of any provision) shall be final and binding. Resolutions of the Board shall be ordinary resolutions and shall be effective upon passing by a majority of the Board. Without prejudice to the foregoing and as permitted under the Listing Rules and other applicable laws and regulations, the Board may resolve to delegate any or all of the Board's rights and duties to another committee of the Board or management committee or to one or more officers of the Company in accordance with the rules of the H Share Incentive Scheme (the "**Scheme Administrator**").

7. OPERATION OF THE SCHEME

(1) Granting of Incentive Shares to Selected Participants

Pursuant to the H Share Incentive Scheme, the Board may from time to time, in its absolute discretion, select any Eligible Participant as the Selected Participant to participate in the H Share Incentive Scheme and grant Incentive Shares to any Selected Participant pursuant to such consideration and relevant terms and conditions as determined by the Board in its absolute discretion.

In determining the grant of Incentive Shares to any Selected Participant, the Board shall take into consideration matters including, but not limited to:

- (a) the present contribution and expected contribution of the relevant Selected Participant to the profits of the Group;
- (b) the general financial condition of the Group;
- (c) the Group's overall business objectives and future development plan; and
- (d) any other matter which the Board considers relevant.

The Board shall be entitled to impose any conditions it considers appropriate in relation to the vesting of the Incentive Shares in the Selected Participants in its sole and absolute discretion (subject to the Scheme Rules, the vesting period of the Incentive Shares shall not be less than 12 months) and shall notify such Selected Participants of the relevant conditions of the Incentive Shares.

After the Board has decided to make a grant of Incentive Shares to any Eligible Participant, the Board shall procure the Company and the Eligible Participant to execute a written instrument which sets out details of the Incentive Shares so granted and the conditions (if any, including but not limited to such performance targets as the Board may determine from time to time) upon which such Incentive Shares were granted. Upon the due execution of the Grant Instrument by the Company and the relevant Eligible Participant and payment of the Purchase Price by the relevant Eligible Participant to the Company, the Incentive Shares are considered as having been granted to and accepted by the Eligible Participant, who shall become the Selected Participant. Subject to any adjustment that may be made pursuant to section “Takeover, Rights Issue, Open Offer, Scrip Dividend Scheme”, the number of Incentive Shares specified in the Grant Instrument shall constitute the definitive number of Incentive Shares being granted to such Selected Participant.

If an Eligible Participant fails to execute the Grant Instrument within ten (10) Business Days after the Grant Date, the relevant Incentive Shares shall be considered as having never been granted to such Eligible Participant. Such Eligible Participant shall have no right or claim against the Company, any other member of the Group, the Board or with respect to those or any other H Shares or any right thereto or interest therein in any way.

(2) Granting of Incentive Shares to Employee Participants who are not Directors, Chief Executives of the Company, Substantial Shareholders or any of Their Respective Associates

Subject to any waiver or ruling granted by the Stock Exchange, 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 issued Shares of the Company (excluding Treasury Shares), such further grant of Incentive Shares will not be effective unless:

- (a) 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 in Shareholders’ General Meeting/Shareholders’ meeting, at which

the proposed Selected Participant and his/her close associates (or associates if the Selected Participant is a connected person of the Company) abstained from voting in favour of the relevant resolution granting the approval;

- (b) a circular containing the details of the grant of the Incentive Shares has been sent to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules; and
 - (c) the number and terms of such Incentive Shares are fixed before the Shareholders' General Meeting/Shareholders' meeting of the Company at which the same are approved.
- (3) Granting of Incentive Shares to Employee Participants who are Directors, Chief Executives of the Company, Substantial Shareholders or any of Their Respective Associates**
- (A) Subject to any waiver or ruling granted by the Stock Exchange, 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.
 - (B) Subject to any waiver or ruling granted by the Stock Exchange, 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 issued Shares of the Company (excluding Treasury Shares), such further grant of Incentive Shares will not be effective unless:
 - (a) 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 in Shareholders' General Meeting/Shareholders' meeting, at which the proposed Selected Participant, his/her associates and all core connected persons of the Company abstained from voting in favour of the relevant resolution granting the approval;

- (b) a circular containing the details of the grant of the Incentive Shares has been sent to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules (including but not limited to, the views of the independent non-executive Directors of the Company as to whether the terms of the grant of the Incentive Shares are fair and reasonable and whether such grant of Incentive Shares is in the interests of the Company and Shareholders as a whole, and their recommendation to the independent Shareholders as to voting); and
 - (c) the number and terms of such Incentive Shares are fixed before the Shareholders' General Meeting/Shareholders' meeting of the Company at which the same are approved.
- (C) Subject to any waiver or ruling granted by the Stock Exchange, 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 issued Shares of the Company (excluding Treasury Shares), such further grant of Incentive Shares will not be effective unless:
- (a) 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 in Shareholders' General Meeting/Shareholders' meeting, at which the proposed Selected Participant, his/her associates and all core connected persons of the Company abstained from voting in favour of the relevant resolution granting the approval;
 - (b) a circular containing the details of the grant of the Incentive Shares has been sent to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules (including but not limited to, the views of the independent non-executive Directors as to whether the terms of the grant of the Incentive Shares are fair and reasonable and whether such grant of the Incentive Shares is in the interests of the Company and Shareholders as a whole, and their recommendation to the independent Shareholders as to voting); and

- (c) the number and terms of such Incentive Shares are fixed before the Shareholders' General Meeting/Shareholders' meeting of the Company at which the same are approved.

(4) Granting of Incentive Shares to Service Providers Participants

Subject to any waiver or ruling granted by the Stock Exchange, 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 total number of issued Shares of the Company (excluding Treasury Shares), such further grant of Incentive Shares will not be effective unless:

- (a) 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 in Shareholders' General Meeting/Shareholders' meeting, at which the proposed Selected Participant, his/her close associates (or associates if the Selected Participant is a connected person of the Company) abstained from voting in favour of the relevant resolution granting the approval;
 - (b) a circular containing the details of the grant of the Incentive Shares has been sent to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules; and
 - (c) the number and terms of such Incentive Shares are fixed before the Shareholders' General Meeting/Shareholders' meeting of the Company at which the same are approved.
- (5)** Subject to any waiver or ruling granted by the Stock Exchange, where any change is to be made to the terms of any Incentive Shares granted to a Director, chief executive or any substantial Shareholder of the Company, or any of their respective associates, and:
- (a) such grant of Incentive Shares has been approved in accordance with the Scheme Rules; or
 - (b) (where the grant was not subject to above Paragraphs (3)(A) to (C)) as a result of such proposed change, such proposed change in the terms will result in the grant of the Incentive Shares to be subject to above Paragraphs (3)(A) to (C),

such change shall not be valid unless:

- (x) the change 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 in Shareholders' General Meeting/Shareholders' meeting, at which such Selected Participant, his/her associates and all core connected persons of the Company abstained from voting in favour of the relevant resolution granting the approval; and
 - (y) a circular regarding the change has been sent to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules (including but not limited to, the views of the independent non-executive Directors as to whether the change is fair and reasonable and whether such change is in the interests of the Company and Shareholders as a whole, and their recommendation to the independent Shareholders as to voting).
- (6) In the cases referred to in above Paragraphs (2), (3) and (4), where an Incentive Share has not been approved by the Shareholders of the Company in Shareholders' General Meeting/Shareholders' meeting and/or the independent non-executive Directors (as the case may be), the Purchase Price (if any) paid by the Eligible Participant relating to such Incentive Shares shall be refunded (without interest) by the Company.
- (7) The above requirements for the grant of Incentive Shares to a Director or chief executive of the Company do not apply where the Selected Participant is only a proposed Director or chief executive of the Company.
- (8) Vesting of Incentive Shares**

The Board and/or its authorized persons may determine the standards and conditions for vesting from time to time during the life of the H Share Incentive Scheme, including the performance of the Company or its subsidiaries, individual performance, etc., subject to compliance with all applicable laws, regulations and ordinances. The vesting period shall not be less than twelve (12) months. Vesting of Incentive Shares granted under the H Share Incentive Scheme is subject to the satisfaction of the corresponding conditions and any other relevant vesting conditions set out in the incentive letters. If a Selected Participant fails to meet the corresponding vesting conditions under the H Share Incentive Scheme under which the Incentive Share is granted, all Incentive Shares within the corresponding vesting period will not be vested and will be automatically lapsed.

Any stamp duty, levies, fees or other costs and expenses arising on the sale of the Incentive Shares due to the vesting of Incentive Shares and payment of the Actual Selling Price shall be borne by the Selected Participant and deducted from any amounts payable to the Selected Participant.

All costs and expenses in relation to all dealings with the Incentive Shares after vesting and allotment and issuance of the Incentive Shares to the Selected Participant (as the case may be) shall be borne by the Selected Participant and the Company shall not be liable for any such costs and expenses thereafter.

All taxes (including personal income taxes, professional taxes, salary taxes and similar taxes as applicable), duties, social security contributions, impositions, charges and other levies arising out of or in connection with the Selected Participant's participation in the H Share Incentive Scheme or in relation to the Incentive Shares, Actual Selling Price, Related Income or cash amount of equivalent value of the Incentive Shares (the "Taxes") received by a Selected Participant shall be borne by the Selected Participant and the Company shall be liable for any Taxes, unless otherwise required by applicable law. Each Selected Participant by acceptance of any grant of Incentive Shares agrees to and shall indemnify all members of the Group and any designated third parties against any liability each of them may have to pay or account for such Taxes, including any withholding liability in connection with any Taxes. To give effect to this, any designated third parties or any member of the Group may, notwithstanding anything else in the Scheme Rules (but subject to applicable laws and regulations):

- (a) reduce or withhold the number of the Selected Participant's Incentive Shares or the amount of the Related Income or Actual Selling Price (the number of Incentive Shares that may be reduced or withheld shall be limited to the number of Incentive Shares that have a fair market value on the date of withholding that, in the reasonable opinion of the Company is sufficient to cover any such liability);
- (b) sell, on the Selected Participant's behalf, such number of Shares to which the Selected Participant becomes entitled under the H Share Incentive Scheme and retain the proceeds and/or pay them to the relevant authorities or government agency;
- (c) deduct or withhold, without notice to the Selected Participant, the amount of any such liability from any payment to the Selected Participant made under the H Share Incentive Scheme or from any payments due from a member of the Group to the Selected Participant, including from the salary payable to the Selected Participant by any member of the Group; and/or
- (d) require the Selected Participant to remit to any member of the Group, in the form of cash or a certified bank cashier's check, an amount sufficient to satisfy any Taxes or other amounts required by any governmental authority to be withheld and paid over to such authority by any member of the Group on account of the Selected Participant or to otherwise make alternative arrangements satisfactory to the Company for the payment of such amounts.

The Company shall not be obliged to issue or transfer any Incentive Shares or pay the Actual Selling Price of such Incentive Shares or Related Income to a Selected Participant unless and until the Selected Participant satisfies the Company that such Selected Participant's obligations under this Rule 8(8) have been met.

(9) Transferability

Prior to the Vesting Date, any Incentive Share made hereunder shall be personal to the Selected Participant of the Incentive Shares to whom it is made and shall not be assignable nor transferable and no Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to any unvested Incentive Shares referable to him/her pursuant to such Incentive Shares or enter or purport to enter into any agreement to do so, except that a transfer of Incentive Shares to a vehicle for estate planning or tax planning purposes would be allowed, provided that: an approval from the Board has been obtained, the transfer is in compliance with the Listing Rules or a waiver has been granted by the Stock Exchange, such vehicle's beneficiary(ies) or ultimate beneficial owner(s) shall be the Selected Participant and his/her spouse, parents and children and such estate planning or tax planning method is in accordance with common practice in the relevant legal jurisdictions, and the Company will make appropriate disclosure as may be required by the Stock Exchange, unless and until such Incentive Shares are actually vested and allotted and issued to the Selected Participant. Any Incentive Shares to be allotted and issued to a Selected Participant upon vesting of Incentive Shares granted pursuant to the H Share Incentive Scheme shall rank *pari passu* in all respects with the fully-paid Shares in issue then exist on the date of issuance. All dividends or other distributions received with respect to the Incentive Shares prior to vesting will be disposed of by the Board in its sole and absolute discretion in accordance with the Scheme Rules. All dividends or other distributions received with respect to each tranche of Incentive Shares upon vesting will be allocated in proportion to the shareholdings of the incentive recipients. The Selected Participants are not entitled to any Shareholder's rights or interest prior to the vesting of the Incentive Shares and shall abstain from voting by virtue of their direct or indirect holding of such Shares.

Any actual or purported breach of Rule 8(9) shall result in lapse of any outstanding Incentive Shares or part thereof granted to such Selected Participant. For this purpose, a determination by the Board (or the Scheme Administrator) to the effect that the Selected Participant has or has not breached Rule 8(9) shall be final and conclusive.

(10) Lapse of Incentive Shares

An Incentive Share which has not yet vested shall lapse automatically on the earliest of:

- (i) unless otherwise determined by the Board, the date of termination of the Selected Participant's employment, service or engagement, due to any reason other than normal retirement in accordance with relevant policies and with the Company's approval, by the Company or a member of the Group or pursuant to above Paragraph (8);
- (ii) the date of the commencement of the winding-up of the Company;
- (iii) in respect of an Incentive Share which is subject to performance targets or other vesting conditions, the date on which the conditions to vesting of the Incentive Share are not satisfied (save that the Incentive Share shall lapse only in respect of such proportion of underlying Incentive Shares as have not vested because of the application of such performance targets or other vesting conditions);
- (iv) the date on which the Selected Participant (whether intentionally or otherwise) commits a breach of the terms on transferability under above Paragraph (9); and
- (v) the date on which the Selected Participant is declared bankrupt or enters into any arrangement or compromise with his/her/its creditors generally.

The Company shall refund to the Selected Participant the Purchase Price paid (if any) in correspondence to such lapsed Incentive Shares paid by the Selected Participant pursuant to the Scheme Rules and the terms and conditions of the Grant Instrument.

(11) Disqualification of Selected Participants

If, prior to or on the Vesting Date, a Selected Participant is found to be an Excluded Participant or is deemed to be no longer an Eligible Participant under the Scheme Rules, such unvested Incentive Shares granted to such Selected Participant will lapse immediately and automatically, and such Incentive Shares will not vest on such Vesting Date. Such Eligible Participant has no rights or claims against the Company, any other members of the Group, the Board, or against these or any other Shares or any rights or benefits thereof. Pursuant to the Scheme Rules and the terms and conditions of the Grant Instrument, the Company shall refund the Purchase Price paid by the Selected Participant for the lapsed Incentive Shares to the Selected Participant.

Unless otherwise determined by the Board, the circumstances in which a person is deemed to be no longer an Eligible Participant will include, but not be limited to, the following:

- (i) dismissal by the Company due to serious damage to the Company's interests, disclosure of the Company's commercial secrets, breach of the labor contract or the Company's rules and regulations, or serious violation of laws and discipline, etc.;
- (ii) leaving the Company by voluntary resignation but in breach of the non-compete agreement, leaving the Company directly without the Company's consent and refusal to complete the resignation procedures and work handover procedures, and other acts of resignation that adversely affect the Company;
- (iii) in the event of any act of fraud or dishonesty or gross negligence by such person, whether or not such act relates to such person's employment or engagement with any member of the Group, or whether or not it results in such person's employment or engagement being terminated by the relevant member of the Group;
- (iv) if such person is convicted of any criminal offense;
- (v) if such person has taken any action which has had or will have a material adverse effect on the reputation or interests of any member of the Group; or
- (vi) if such person is convicted of or held liable for any offence under the SFO or other Hong Kong securities laws or regulations or any other applicable laws or regulations in force from time to time or breaches the relevant ordinance, laws and regulations.

8. OTHER TERMS AND CONDITIONS

No Incentive Share shall be granted by the Board pursuant to the Scheme Rules where dealings in the Shares are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time. Without limiting the generality of the foregoing, no such grant is to be made:

- (a) after information to be disclosed under Rule 13.09 of the Listing Rules or inside information that needs to be disclosed under Part XIVA of the SFO has come to the knowledge of the Company until (and including) the trading day after such information has been publicly announced (including the date of announcement) in accordance with the Listing Rules, the SFO and/or the applicable laws;
- (b) to a Selected Participant who is not a Director, during the period commencing thirty (30) days immediately preceding the earlier of (i) the date of the Board meeting (being the date of the scheduled Board meeting first notified to the Stock

Exchange in accordance with the Listing Rules) for approving the Company's results for any year, half-year, quarter or any other interim period (whether or not required under the Listing Rules) and (ii) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarter or any other interim period (whether or not required under the Listing Rules) and ending on the date of the results announcements. Such period will cover any period of delay in the publication of a results announcement;

- (c) to a Selected Participant who is a Director, (i) during the period of 60 days immediately preceding the publication date of the annual results for any financial period of the Company or, the period from the end of the relevant financial period up to the publication date of the results (whichever is shorter); and (ii) during the period of 30 days immediately preceding the publication date of the interim or quarterly results for any financial period of the Company or the period from the end of the relevant financial half-year or quarter period up to the publication date of the results (whichever is shorter). Such period will cover any period of delay in the publication of a results announcement;
- (d) in any circumstance where dealing in Shares by a Selected Participant (including Directors of the Company) is prohibited under the Listing Rules, the SFO or any other applicable law or regulation;
- (e) in any circumstance where any requisite approval from any governmental or regulatory authority has not been granted;
- (f) in any circumstance where granting the Incentive Share is prohibited by or would result in a breach of the Listing Rules, the SFO or any other applicable law or regulation.

In any of the following circumstances, the Board may, at its sole and absolute discretion, require the Selected Participant to return the gains from the vested Incentive Shares, but the Company will not refund the Purchase Price paid by the Selected Participant:

- (a) when the Selected Participant is an Eligible Participant, the Selected Participant has committed any act of fraud or dishonesty or serious misconduct in connection with his/her employment or engagement by any member of the Group;
- (b) when the Selected Participant is an Eligible Participant, the Selected Participant has engaged in any act or omission to perform any of his/her duties that has had or will have a material adverse effect on the reputation or interests of any member of the Group;
- (c) when the Selected Participant has engaged in any act that has had or will have a material adverse effect on the reputation or interests of any member of the Group within the period of two (2) years after the Selected Participant ceases to be an Eligible Participant;

- (d) dismissal by the Company due to serious damage to the Company's interests, disclosure of trade secrets, violation of the employment contract or the Company's regulations, or serious illegal or disciplinary misconduct;
- (e) voluntary resignation in violation of the non-compete agreement, leaving the Company directly without the Company's consent, refusal to complete the resignation procedures and handover, or other acts of resignation that adversely affect the Company.

9. TAKEOVER, RIGHTS ISSUE, OPEN OFFER, SCRIP DIVIDEND SCHEME

If there occurs an event of change in the capital structure of the Company (including capitalization of profits or reserves, capitalization issue, rights issue, consolidation, sub-division or reduction of the share capital of the Company) whilst any of the Incentive Shares are not yet exercised, the Board may make equitable adjustments that it considers appropriate, at its sole and absolute discretion, including:

- (a) the maximum number of Shares subject to the H Share Incentive Scheme; and/or
- (b) the number of Shares that may be offered by the Company to the Selected Participant pursuant to the Incentive Shares that have already been granted but not vested; and/or
- (c) the Purchase Price, provided that:
 - (i) no such adjustments shall be made in respect of an issue of securities by the Company as consideration in a transaction;
 - (ii) any such adjustments made must give each Selected Participants the same proportion of the share capital of the Company, rounded to the nearest whole Share, as that to which he/she was previously entitled;
 - (iii) no such adjustments shall be made which would result in the Purchase Price for a Share being less than its nominal value, provided that in such circumstances the Purchase Price shall be adjusted to be no less than its nominal value;
 - (iv) no adjustment shall be made to the advantage of the Selected Participants without specific prior approval from the Shareholders of the Company;
 - (v) any such adjustments, other than those made on a capitalization issue, shall be confirmed by an independent financial adviser or an auditor in writing to the Directors as satisfying the requirements of item (e) under section "Takeover, Rights Issue, Open Offer, Scrip Dividend Scheme";

- (vi) any such adjustments to be made pursuant to a sub-division or consolidation of Shares shall be made on the basis that the aggregate Purchase Price payable by a Selected Participant for the vesting of the Incentive Shares granted to him/her shall remain as nearly as possible the same (but shall not be greater than) as it was before such event; and
- (vii) any adjustments to be made shall comply with the Listing Rules, the Supplementary Guidance and any further guidance/interpretation of the Listing Rules issued by the Stock Exchange from time to time.

10. 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 Adoption Date (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 Adoption Date (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.

Refreshment of Scheme Mandate Limit

The Scheme Mandate Limit may be refreshed by the Shareholders at Shareholders’ general meeting after three years from the later date of (i) the date of Shareholders’ approval for the last refreshment, and (ii) the date of adoption of the H Share Incentive Scheme, provided that:

- (a) the total number of Shares which may be issued in respect of all options (if any) and Incentive Shares to be granted under all Relevant Scheme(s) of the Company under the Scheme Mandate Limit as refreshed, shall not exceed 10% of the total number of Shares in issue (excluding Treasury Shares) by the Company as at the date of approval of the refreshed Scheme Mandate Limit by the Shareholders;
- (b) a circular regarding the proposed refreshed Scheme Mandate Limit has been sent to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules, including but not limited to the number of Incentive Shares that were already granted under the existing Scheme Mandate Limit and the reason for the refreshment.

The Scheme Mandate Limit may be refreshed by the Shareholders at Shareholders' general meeting within three years from the later date of (i) the date of Shareholders' approval for the last refreshment, and (ii) the date of adoption of the H Share Incentive Scheme, provided that:

- (a) any Controlling Shareholders and their associates (or if there is no Controlling Shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the Shareholders' general meeting;
- (b) the Company must comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules.

The requirements above do not apply if the refreshment is made immediately after an issue of securities by the Company to Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit upon refreshment is the same as the unused part of the Scheme Mandate Limit (calculated as a percentage of the issued Shares) immediately before the issue of securities, rounded to the nearest whole Share.

The Company may seek separate approval from the Shareholders at Shareholders' general meeting for granting Incentive Shares beyond the Scheme Mandate Limit, provided that:

- (a) the Incentive Share in excess of the limit will only be granted to Eligible Participants specifically identified by the Company before the relevant Shareholders' approval is sought;
- (b) a circular containing the details of the grant has been sent to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules, including but not limited to the name of each Eligible Participant who may be granted such Incentive Shares, the number and terms of the Incentive Shares to be granted to each Eligible Participant, and the purpose of granting Incentive Shares to the Eligible Participants with an explanation as to how the terms of the Incentive Shares serve such purpose; and
- (c) the number and terms of the Incentive Shares to be granted to such Eligible Participants are fixed before the Shareholders' general meeting of the Company at which the same are approved.

11. CANCELLATION OF INCENTIVE SHARES

The Board may at its discretion cancel any Incentive Share that has not vested or lapsed, provided that:

- (a) In the event that a Selected Participant is dead, or being legally declared dead, loss of work capacity due to major illness or disability, retirement, or other reasons for leaving the Company, or being transferred due to the Company's needs and no longer maintaining an employment relationship with the Company, his/her Incentive Shares shall:

Unvested portion: The vesting of the interests of the Selected Participant remain unchanged, and personal performance assessment conditions will no longer be part of the vesting conditions.

Vested portion: No changes will be made.

- (b) In the event that a Selected Participant falls under the circumstances set forth in the Disqualification of Selected Participants section above, the Selected Participant will be disqualified.

Unvested portion: The eligibility for vesting shall be cancelled.

Vested portion: No changes will be made. The Company reserves the right to reclaim any actual benefits the employee has received due to the loss (if any) caused.

No options (if any) or Incentive Shares may be granted to an Eligible Participant in place of his/her cancelled Incentive Shares unless there are available Scheme Mandate Limit from time to time. For the purpose of the cancellation of Incentive Shares, the Incentive Shares cancelled will be regarded as utilized for the purpose of calculating the Scheme Mandate Limit.

12. ALTERATION OF THE SCHEME

The H Share Incentive Scheme may be amended in any respect by a resolution of the Board provided that, any alteration to the terms and conditions of the H Share Incentive Scheme that are of a material nature or any alteration to the authority of the Board to alter the Scheme Rules or any alteration to the specific terms of the Scheme Rules which relate to the matters set out in Rule 17.03 of the Listing Rules to the advantage of Selected Participant or proposed Selected Participant, including without limitation to those which relate to: (1) the purpose of the H Share Incentive Scheme; (2) the persons to or for whom Incentive Shares may be granted under the H Share Incentive Scheme and the basis for determining their eligibility; (3) the limits on the number of Incentive Shares which may be issued under the H Share Incentive Scheme; (4) the individual limits for grants under the H Share Incentive Scheme; or (5) any other matters prescribed by the Listing Rules to be subject to the Shareholders'

approval in a general meeting, must be approved by the Shareholders in Shareholders' general meeting/Shareholders' meeting (with the Selected Participant or proposed Selected Participant and their associates abstaining from voting). The Board's determination as to whether any proposed alteration to the terms and conditions of the H Share Incentive Scheme is material shall be conclusive.

Any change to the terms of Incentive Shares granted to a Selected Participant must be approved by the Board, the remuneration and evaluation committee of the Company, the independent non-executive Directors of the Company and/or the Shareholders (as the case may be) if the initial grant of such Incentive Shares under the H Share Incentive Scheme was approved by the Board, the remuneration and evaluation committee of the Company, the independent non-executive Directors of the Company and/or the Shareholders (as the case may be) except where the alterations take effect automatically under the existing Scheme Rules.

The provisions in the H Share Incentive Scheme may be amended by the Board to reflect any amendments on the relevant Listing Rules made by the Stock Exchange after the Adoption Date of the H Share Incentive Scheme to comply with the relevant provisions of the Listing Rules which the H Share Incentive Scheme has been drafted to reflect the position as at the Adoption Date of the H Share Incentive Scheme.

Written notice of all details relating to change in the Scheme Rules during the lifetime of the H Share Incentive Scheme shall be given to all Selected Participants immediately upon the changes taking effect. The revised Scheme Rules shall continue to comply with the relevant provisions of Chapter 17 of the Listing Rules.

13. TERMINATION

The H Share Incentive Scheme shall be terminated on the earlier of: (i) the date of the fifth anniversary of the Adoption Date; and (ii) such date of early termination as determined by the Board by a resolution of the Board, provided that such termination shall not affect any subsisting rights of any Selected Participants.

Upon termination of the H Share Incentive Scheme,

- (a) no further grant of Incentive Shares shall be made under the H Share Incentive Scheme; and
- (b) all the Incentive Shares of the Selected Participants granted under the H Share Incentive Scheme shall become vested in the Selected Participants according to the conditions of the Incentive Shares and the Incentive Shares will only become vested if the relevant vesting period exceeds 12 months, subject to the receipt by the Board of the required documents prescribed by the Board.

NOTICE OF THE ANNUAL GENERAL MEETING FOR THE YEAR 2025

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

CIG

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)

NOTICE OF THE ANNUAL GENERAL MEETING FOR THE YEAR 2025

NOTICE IS HEREBY GIVEN THAT the annual general meeting (the “AGM”) of CIG SHANGHAI CO., LTD. (the “Company”) will be held at the Multifunction Hall of Holiday Inn Express Shanghai Pujiang at Block A, No. 800 Puxing Road, Minhang District, Shanghai, the PRC at 1:30 p.m. on Tuesday, 28 April 2026 for considering and, if thought fit, passing, the following resolutions (unless otherwise indicated, capitalised terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 2 April 2026):

BY MEANS OF ORDINARY RESOLUTIONS:

1. To consider and approve the Work Report of the Board of Directors for 2025;
2. To consider and approve the Financial Final Accounts Report for 2025;
3. To consider and approve the Proposal for Profit Distribution for the Year 2025;
4. To consider and confirm the Directors' remuneration for the year 2025;
5. To consider and approve the 2025 Annual Report and its Summary;
6. To consider and approve the appointment of the auditor for 2026;
7. To consider and approve the amendment to the Rules of Procedure for the General Meeting;
8. To consider and approve the amendment to the Rules of Procedure for the Board of Directors;
9. To consider and approve the formulation of the Remuneration Management System for Directors and Senior Management;

NOTICE OF THE ANNUAL GENERAL MEETING FOR THE YEAR 2025

10. To consider and approve the Interim Cash Dividend Proposal for 2026.

BY MEANS OF SPECIAL RESOLUTIONS:

11. To consider and approve the amendment to the Articles of Association;

12. To consider and approve:

“That:

- (a) subject to compliance with the relevant requirements of the Listing Rules, the Board be and is hereby generally and unconditionally authorised to determine, either alone or concurrently, the allotment, issue and disposal of additional H shares of the Company (including the sale or transfer of treasury shares), or securities convertible into H shares, or options, warrants or similar rights that may subscribe for H shares or the aforementioned convertible securities (hereinafter referred to as “**Similar Rights**”), and to determine the terms and conditions for the allotment, issue and disposal of additional H Shares of the Company or Similar Rights;
- (b) the number of additional H Shares allotted, issued and disposal of (whether pursuant to share options or otherwise) by the Board under the general mandate set out in paragraph (a) above, either individually or concurrently, shall not exceed 20% of the total number of issued shares of the Company (excluding treasury shares) as at the time when this resolution is passed at the general meeting (excluding shares issued by way of capitalization of reserves).
- (c) authorize the Board to increase the registered capital of the Company in accordance with applicable laws, make appropriate and necessary amendments to the Articles of Association, obtain all approvals from relevant governmental and/or regulatory authorities, and complete all necessary registrations, filings and other procedural formalities (as applicable); authorize the Board to, on behalf of the Company, submit statutory documents related to the issuance to the relevant regulatory authorities, and to amend the agreements and statutory documents related to the issuance as required by domestic and overseas regulatory authorities;
- (d) for the purpose of this resolution, the term of the general authorization shall commence from the date of approval by the general meeting until the earliest of the following dates:
 - 1. the date of the conclusion of the Company’s next annual general meeting; or
 - 2. the date on which the shareholders of the Company pass a special resolution at a general meeting to revoke or amend the general mandate granted to the Board under this resolution.

NOTICE OF THE ANNUAL GENERAL MEETING FOR THE YEAR 2025

Where the Board has resolved to allot, issue and deal with additional H Shares or similar rights during the term of authorization, and the Company has obtained the relevant regulatory approvals, permits or registrations (if applicable) within such term, the Board of Directors, the Chairman or its authorized persons may complete the relevant allotments, issuances and dealing of additional H Shares within the validity period confirmed by such approval, permission from, or registration. Provided that, except as set forth above, the validity of this authorization shall not extend beyond the term of authorization.

- (e) subject to the conditions of the above authorization, unless otherwise provided by laws and regulations, authorize the Board to delegate the above authorization to the chairman and its authorized persons, jointly or severally, to sign, execute, amend, complete, file and approve all agreements, contracts and documents relating to the general mandate, and to take other necessary actions and handle other relevant matters in connection with the allotment, issuance and dealing of additional H Shares.”;

13. To consider and approve:

“That:

- (a) the Board is hereby granted a general and unconditional mandate to exercise all powers of the Company during the term of the authorization to repurchase its H shares, based on market conditions and the needs of the Company and in compliance with applicable laws and regulations, up to a limit not exceeding 10% of the total number of issued H shares (excluding treasury shares) of the Company as at the date of passing this resolution by the general meeting.
- (b) for the purpose of this resolution, the term of authorization shall commence from the date of passing this resolution until the earliest of the following dates:
 - 1. the date of the conclusion of the Company’s next annual general meeting;
 - 2. the date on which this mandate is revoked or amended by a special resolution passed by the general meeting of the Company.

If the Board or its authorized persons have commenced repurchase matters and signed relevant legal documents within the term of authorization, and such matters need to be further proceeded or completed after the expiry of the term of authorization, the term of authorization shall be extended accordingly until the completion of all such matters.

NOTICE OF THE ANNUAL GENERAL MEETING FOR THE YEAR 2025

- (c) subject to the conditions of the above authorization, unless otherwise provided by laws and regulations, authorize the Board to delegate the above authorization to the chairman and its authorized persons, jointly or severally, to sign, execute, amend, complete, file and approve all agreements, contracts and documents relating to the general mandate; to make required disclosures; and to take other necessary actions and handle other related matters in connection with the repurchase of H Shares.”;
14. To consider and approve the adoption of the 2026 A Share Option and Restricted Share Incentive Scheme;
 15. To consider and approve the adoption of the Measures for the Implementation and Assessment Management Measures for the 2026 A Share Option and Restricted Share Incentive Scheme;
 16. To consider and approve the authorization of the Board to handle matters relating to the 2026 A Share Option and Restricted Share Incentive Scheme;
 17. To consider and approve the adoption of the H Share Restricted Share Incentive Scheme;
 18. To consider and approve the authorization of the Board and/or its authorized persons to handle matters relating to the H Share Restricted Share Incentive Scheme; and
 19. To consider and approve (subject to the passing of Special Resolution No. 17) a sublimit for service providers of 3,526,503 Shares, representing approximately 1% of the total issued Shares (excluding treasury shares) as at the date of adoption.

NOTICE OF THE ANNUAL GENERAL MEETING FOR THE YEAR 2025

The 17th special resolution is not conditional on the passing of the 19th special resolution, but the 19th special resolution is subject to the passing of the 17th special resolution before it can be implemented. If the 17th special resolution is passed but the 19th special resolution is not passed, the Company will adopt the H Share Restricted Share Incentive Scheme, provided that the Board of Directors amends the H Share Restricted Share Incentive Scheme to remove references to granting incentive shares to service provider participants in order to comply with the Listing Rules. If the 19th special resolution is passed but the 17th special resolution is not passed, the H Share Restricted Share Incentive Scheme will not be adopted.

By Order of the Board
CIG SHANGHAI CO., LTD.
Mr. Gerald G Wong

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

Hong Kong, 2 April 2026

As at the date of this notice, the Board comprises Mr. Gerald G Wong, Mr. Zhao Haibo, Mr. Zhao Hongwei and Mr. Zhang Jie as Executive Directors, and Mr. Qin Guisen, Mr. Yao Minglong and Ms. Yuen Shuk Yee as Independent Non-executive Directors.

Notes:

- (1) Pursuant to Rule 13.39(4) of the Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, votes of the shareholder(s) at the AGM shall be taken by poll.
- (2) Any shareholder of the Company (the “**Shareholder(s)**”) entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and vote on his/her/its behalf at the AGM. A proxy need not be a Shareholder. Shareholders shall have one vote for each share that they hold.
- (3) In order to determine the holders of H shares of the Company (the “**H Share(s)**”) who are entitled to attend the AGM, the H Share registers of members of the Company shall be closed from Tuesday, 21 April 2026 to Tuesday, 28 April 2026 (both days inclusive), during which no transfer of H Shares will be registered. Holders of H Shares whose names appear on the H Share registers of members at the close of business on Tuesday, 21 April 2026 are entitled to attend the AGM.

In order to be entitled to attend and vote at the AGM, holders of H Shares whose transfers have not been registered shall lodge the transfer documents together with the relevant share certificates at the H Share Registrar of the Company, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Monday, 20 April 2026.

NOTICE OF THE ANNUAL GENERAL MEETING FOR THE YEAR 2025

- (4) The instruments appointing a proxy must be in writing under the hand of the Shareholder or his/her attorney duly authorized in writing. If the Shareholder is a corporation, that instrument must be either under the Company seal or under the hand of its director or duly authorized attorney. If that instrument is signed by an attorney of the Shareholder, the power of attorney authorizing that attorney to sign or other authorization documents must be notarized.
- (5) The proxy form together with the power of attorney or other authorization document (if any) must be deposited at the H Share Registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for holders of the H Shares, not less than 24 hours before the time fixed for holding the AGM or any adjournment thereof (as the case may be).

Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the meeting or any adjourned meeting should such Shareholders so wish.

- (6) The meeting is expected to be concluded within a day. Shareholders (in person or by proxy) attending the meeting are responsible for their own transportation and accommodation expenses. Shareholders or their proxies attending the meeting shall produce the identity documents.