EDVANCE INTERNATIONAL HOLDINGS LIMITED
(incorporated in the Cayman Islands with limited liability)
(Stock Code 1410)

RULES OF SHARE AWARD SCHEME

<u>Adopted on: [*] 2026</u>

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1. DEFINITIONS AND INTERPRETATION

1.1 In the Scheme, the following words and expressions shall, unless the context otherwise requires, have the following respective meanings:

"Acceptance Notice"	the notice of acceptance of the grant of an Award;
"Actual Selling Price"	the actual price at which Award Shares and any securities are sold (net of brokerage, Stock Exchange trading fee, Securities and Futures Commission transaction levy, Accounting and Financial Reporting Council transaction levy and any other applicable costs) on the vesting of a Share Award pursuant to the Scheme or in the case of a vesting when there is an event of change in control or privatisation of the Company, the consideration receivable under the related scheme or offer;
"Adoption Date"	[*] 2026, the date on which the Scheme is adopted by ordinary resolutions by the Shareholders;
"AI"	artificial intelligence;
"Articles"	the Articles of Association of the Company, as amended from time to time;
"associate"	has the meaning ascribed to it under the Listing Rules;
"Award(s)"	an Award granted to an Eligible Participant under the Scheme which will upon vesting entitle such Eligible Participant to receive Award Shares as the Board may in its absolute discretion determine in accordance with the terms of the Scheme;
"Award Share(s)"	the Shares granted under the Share Award;
"Board"	the board of Directors;
"Business Day"	a day on which banks in Hong Kong are open for normal banking business (excluding Saturdays, Sundays and public holidays);
"Company"	Edvance International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange;
"Connected Person"	has the meaning ascribed to it under the Listing Rules;
"Controlling Shareholder"	has the meaning ascribed to it under the Listing Rules;

"Directors"	the directors of the Company for the time being;
"Eligible Participant(s)"	has the meaning ascribed to it in Clause 4.1;
"Employee Participant(s)"	a Director (including executive, non-executive and independent non-executive Director) or an employee (whether full time or part time) of any member of the Group;
"Excluded Participant(s)"	an individual who is a resident in a place where the grant, acceptance or vesting of an Award pursuant to the Scheme is not permitted under the laws and regulations of such place, or where, in the view of the Board or its delegate(s), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual;
"Grant Date"	the date on which the grant of an Award is made to an Eligible Participant;
"Grantee(s)"	any Eligible Participant selected by the Board for Awards pursuant to the terms of the Scheme;
"Group"	the Company and the Subsidiaries, and the expression "**member of the Group**" shall be construed accordingly;
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong;
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC;
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time;
"Offer"	the offer of an Award to an Eligible Participant under the Scheme;
"Offer Letter"	the letter to be issued by the Company to an Eligible Participant in such form as may be determined from time to time by the Board for the Offer in accordance with the terms of the Scheme, specifying the Grant Date, the number of Award Shares underlying the Share Awards, the Vesting Dates and such other criteria, conditions and such other details as it may consider necessary;
"PRC"	the People's Republic of China which, for the purpose of the Scheme, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan;
"Refreshed Scheme Mandate Limit"	has the meaning ascribed to it in Clause 11.4;

"Refreshed Service Provider Sublimit"	has the meaning ascribed to it in Clause 11.4;
"Related Entity Participant(s)"	the director(s) and employee(s) (whether full-time or part-time) of the holding companies, fellow subsidiaries or associated companies of the Company;
"Remuneration Committee"	the remuneration committee of the Board;
"Scheme"	this Share Award Scheme in its present or any amended form;
"Scheme Mandate Limit"	has the meaning ascribed to it in Clause 11.1;
"Scheme Period"	has the meaning ascribed to it in Clause 3.2;
"Service Provider(s)"	person(s) and/or corporate entity(ies) who provide(s) services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, as further identified in the letter from the Board where the continuity and frequency of their services are akin to those of employees of the Group. For the avoidance of doubt, (i) placing agents or financial advisors providing advisory services for fundraising, mergers or acquisitions, and (ii) professional service providers such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity are excluded from such category;
"Service Provider Sublimit"	has the meaning ascribed to it in Clause 11.2;
"SFO"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
"Share(s)"	ordinary share(s) with par value of HK$0.01 each in the capital of the Company (or, if there has been a consolidation, reduction, re-classification, sub-division or reconstruction of the share capital of the Company, shares forming part of the equity share capital of the Company of such revised amount as shall result from such consolidation, reduction, re-classification, sub-division or reconstruction of such ordinary shares from time to time);
"Share Award(s)"	an award granted by the Board to the Eligible Participants which may be settled in the form of transfer of the Award Shares or payment of the Actual Selling Price in cash as the Board may determine in accordance with the Scheme;

"Shareholder(s)"	holder(s) of the Share(s) for the time being;
"Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Subsidiary"	has the meaning ascribed to it under the Listing Rules;
"Substantial Shareholder"	has the meaning ascribed to it under the Listing Rules;
"Treasury Shares"	Shares repurchased and held by the Company in treasury as treasury shares in accordance with the Articles of Association, and for the purpose of the Scheme, references to new Shares include treasury shares, and references to the issue of new Shares include the transfer of treasury shares; and
"Vesting Date"	the date on which an Eligible Participant's entitlement to the Award Shares (or any part thereof) is vested in accordance with the Scheme.

1.2 In the Scheme, any references, express or implied, to statutes, statutory provisions or the Listing Rules shall be construed as references to those statutes, provisions or rules as respectively amended, consolidated or re-enacted or as their application is modified from time to time by other provisions (whether before or after the date hereof) and shall include any statutes, provisions and rules of which they are re-enacted (whether with or without modification) and shall include any subsidiary legislation enacted under the relevant statute, provision or rule.

1.3 Except insofar as the context otherwise requires:

(a) words denoting the singular shall include the plural and *vice versa*;

(b) words denoting any one gender shall include all genders;

(c) references to persons include bodies corporate and unincorporated;

(d) references to any statutory provisions or rules prescribed by any statutory bodies shall include the same as from time to time amended, consolidated and re-enacted;

(e) references to any statutory body shall include the successor thereof and any body established to replace or assume the functions of the same;

(f) words denoting persons shall include incorporations, firms, companies, corporations and unincorporated bodies or entities and *vice versa*; and

(g) clause and paragraph headings are inserted for convenience of reference only and shall be ignored in the interpretation of the Scheme; and references to Clauses, paragraphs or sub-paragraphs are to clauses, paragraphs or sub-paragraphs of the Scheme.

1.4 In construing the Scheme, the rule known as the *ejusdem generis* rule shall not apply and accordingly, general words shall not be given a restrictive meaning by reason of their being preceded or followed by words indicating a particular class of acts, matters or things or by examples following the general words. Any phrase introduced by the terms "other", "in particular", "include" and "including" or any similar expression shall not be construed as illustrative and shall not limit the sense of the words preceding those terms.

2. CONDITIONS

The adoption of the Scheme is conditional upon:

(i) the passing of resolutions by the Shareholders at a general meeting to approve the adoption of the Scheme; and

(ii) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the new Shares which may be issued by the Company in respect of the relevant Awards to be granted under the Scheme.

3. PURPOSES, DURATION AND ADMINISTRATION

3.1 Purposes

The purposes of the Scheme are:

(a) to recognise the contributions by certain Eligible Participants and to provide them with incentives in order to retain them for the continual operation, development and growth of the Group; and

(b) to attract suitable personnel for further development and growth of the Group.

3.2 Duration

Subject to the terms of the Scheme and any early termination of the Scheme in accordance with Clause 18, the Scheme shall be valid and effective for a period of **ten (10) year**s commencing from the Adoption Date (the "**Scheme Period**"), so that after which period, no further Awards shall be offered or granted but the terms of the Scheme shall remain in full force and effect in all other respects. Awards granted during the Scheme Period shall continue to be valid in accordance with their terms of grant after the end of the Scheme Period.

3.3 Administration

3.3.1 The Scheme shall be subject to the administration of the Board in accordance with the terms of the Scheme, whose decision as to all matters arising in relation to the Scheme or its interpretation or effect shall (save as otherwise expressly provided herein) be final and binding on all parties. The Board shall have the right to:-

(a) interpret and construe the terms of the Scheme;

(b) determine the persons (if any) who shall be offered the Awards under the Scheme;

(c) determine the terms on which the Awards are granted;

(d) determine the number of Shares underlying the Awards;

(e) subject to the other terms herein, make such adjustments to the terms of the Scheme and of the Awards granted under the Scheme as the Board deems necessary and shall notify the relevant Grantee(s) of such adjustment(s) by written notice;

(f) allot and issue the Shares underlying the Awards granted pursuant to the Scheme;

(g) by resolution delegate any or all of its powers in the administration of the Scheme and appoint any of the Directors or a sub-committee of the Board comprising the members of the Remuneration Committee and senior management of the Company, which shall include the chief executive officer and the head of human resources department of the Company, to form an administration committee or any other committee or sub-committee or any person(s) as may from time to time be authorised by the Board for such purpose; and

(h) make such other decisions or determinations as it shall deem appropriate provided that the same are not inconsistent with the provisions of the Scheme and the Listing Rules.

3.3.2 The Board shall have the power from time to time to make or vary the regulations for the administration and operation of the Scheme, provided that the same are not inconsistent with the other provisions of the Scheme and the Listing Rules.

4. ELIGIBLE PARTICIPANTS AND BASIS OF DETERMINING ELIGIBILITY

4.1 Eligible Participants include (i) the Employee Participants; (ii) the Related Entity Participants; and (iii) the Service Providers, provided that the Board may have absolute discretion to determine whether or not one falls within the above category. The eligibility of each of the Eligible Participants shall be determined by the Board or a committee of the Board on a case-by-case basis.

4.2 For Employee Participants, the Board will generally consider, amongst others, (i) their educational and professional qualifications, and knowledge in the industry; (ii) their skills, knowledge, experience, expertise and other relevant personal qualities; (iii) their length of engagement or employment with the Group; (iv) their performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standards; and (v) their contribution made or expected to be made to the growth of the Group.

4.3 For Related Entity Participants, the Board will generally consider, amongst others, (i) the positive impacts (including support, assistance, guidance, advice, efforts and/or contributions) expected from the Related Entity Participant on the Group's research and development, innovation pipeline advancement or future commercialization efforts with reference to the historical positive impacts brought by such Related Entity Participant; (ii) the Related Entity Participant's actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Related Entity Participant has established with the Group via its roles and positions held in the Related Entity; (iii) the number, scale and nature of the projects in which the Related Entity Participant is involved that can promote the business, research and development and growth of the Group; (iv) whether the Related Entity Participant has referred or introduced the opportunities (such as research collaborations, licensing, strategic alliances, new technology platforms or joint research and development ventures) to the Group which have materialized into further collaboration relationships; (v) whether the Related Entity Participant has assisted the Group in entering into new research areas, accessing new scientific or technological platforms, or enhancing the Group's competitive position in its field of endeavour; and (vi) the materiality and nature of the business relations between the related entity (in which the Related Entity Participant holds office or position) and the Group, and the contribution made by the Related Entity Participant in such related entity through the collaborative relationship that may benefit the core research and development, innovation or future commercialization of the Group.

4.4 Service Providers are persons who have consistently and continuously provided services to the Group in the course of its ordinary business operations that are conducive to its long-term development, strategic transformation and technological advancement. Such persons provide professional services, consultancy services, technology development services, research and innovation services, or other similar services to the Group, including services that support, enable or accelerate the Group's expansion and diversification from traditional cybersecurity distribution into the integration of artificial intelligence in cybersecurity and the provision of cybersecurity solutions for artificial intelligence systems. For the avoidance of doubt, Service Providers exclude any placing agent or financial adviser providing advisory services for fundraising, mergers or acquisitions, and other professional services providers such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity.

4.5 Service Providers comprise three categories of individuals as follows:

(a) **Product or service providers:** suppliers, consultants, advisers or agents specifically limited to the Company's principal business, namely, 1) distribution of cybersecurity products and 2) the provision of cybersecurity services. Product or specific service types provided by service providers include:

- **Technical Services:** artificial intelligence technology development, machine learning model design and training, AI algorithm research and optimisation, natural language processing development, computer vision technology development, large language model (LLM) fine-tuning and deployment, AI-driven threat detection and response system development, automated vulnerability assessment tool development, intelligent security orchestration and automation platform development, hardware component supply, system integration, technical consulting, patent technology licensing, technical training, and support services;

- **AI and Cybersecurity Convergence Services:** the development of AI-powered cybersecurity products, as well as the development of cybersecurity solutions designed to protect AI systems and infrastructure;

- **Data Science and Analytics Services:** cybersecurity data analytics, threat intelligence data processing, security data lake architecture, behavioural analytics for anomaly detection, and AI model performance monitoring and evaluation services;

- **Hardware Component Services:** sensor supply, chip supply (such as, AI accelerator chips and specialised security processing units), display supply, electronic component supply, edge computing device supply, and IoT security hardware supply;

- **Research and Development Services:** joint research programmes with academic institutions or research laboratories, proof-of-concept development, prototype design and testing, and applied research in emerging areas at the intersection of AI and cybersecurity;

- **Consulting Services:** advisory and consulting services related to product development and sales, AI strategy, cybersecurity strategy, digital transformation, business strategy, regulatory compliance (such as AI regulatory compliance and data protection), human resources, marketing, corporate management, and intellectual property strategy.

The eligibility of Service Providers under this category shall be considered on a case-by-case basis, with reference to factors including (but not limited to): (i) the nature, scope, frequency and technological sophistication of the products, services and/or contracts; (ii) the reliability, quality and innovation value of the products and/or services supplied; (iii) their potential and/or actual contribution or significance to the Company; (iv) their importance to the Company's financial performance and business development, innovation and growth strategy; and (v) the scarcity and strategic value of the expertise, technology or intellectual property contributed.

(b) **Business partners:** distributors, partners, value-added resellers or ecosystem collaborators. Specific service types provided by business partners include:

- **Distribution and channel services:** including product distribution, dealer management, channel development, regional agency services, e-commerce operations, integrated online-offline sales services, and the development and management of specialised distribution channels for AI-enhanced cybersecurity products and cybersecurity-for-AI solutions;

- **Customer relations and after-sales service:** including customer relationship management, after-sales support, technical maintenance, warranty services, customer satisfaction management, and the provision of ongoing customer education and training on AI-powered cybersecurity solutions;

- **System integration and solution services:** including cybersecurity system integration software, hardware integration, AI-cybersecurity platform integration, cloud security integration, hybrid and multi-cloud security deployment services, and end-to-end solution design and implementation for enterprise clients transitioning to AI-enabled security architectures;

- **Market Development and Ecosystem Services:** joint go-to-market initiatives, industry vertical market development, co-branding and co-marketing activities, and the cultivation of technology alliances and partnerships that extend the reach and applicability of the Group's AI and cybersecurity solutions.

The eligibility of Service Providers under this category shall be considered on a case-by-case basis, with reference to factors including (but not limited to): (i) their potential and/or actual contribution or strategic significance to the Company; (ii) their importance to the Company's financial performance, business development, innovation, and growth strategy; and (iii) their role in facilitating the Group's market penetration and customer acquisition in the AI-cybersecurity convergence domain.

(c) **Strategic technology and innovation partners:** technology co-development partners, academic and research institution collaborators, AI model and data providers, and cybersecurity intelligence providers. Specific service types provided by strategic technology and innovation partners include:

- **AI Technology Enablement Services:** the provision of proprietary AI models, training datasets, AI development platforms, cloud-based AI infrastructure, and specialised AI tools that are integrated into or enhance the Group's cybersecurity product offerings;

- **Cybersecurity Intelligence and Threat Research Services:** the provision of real-time threat intelligence feeds, vulnerability research, zero-day exploit analysis, dark web monitoring, and collaborative threat research initiatives that strengthen the Group's AI-driven threat detection and prevention capabilities;

- **Joint Innovation and Co-development Services:** collaborative product development, joint intellectual property creation, technology incubation, participation in the Group's innovation labs or accelerator programmes, and co-development of next-generation solutions at the frontier of AI and cybersecurity (such as autonomous security operations, AI-driven security posture management, and intelligent compliance automation);

- **Standards, Certification and Regulatory Services:** contributions to the development of industry standards for AI safety and cybersecurity, support for product certification and compliance with evolving AI and cybersecurity regulations across jurisdictions, and advisory services on emerging regulatory frameworks governing the responsible deployment of AI in security-critical applications.

The eligibility of Service Providers under this category shall be considered on a case-by-case basis, with reference to factors including (but not limited to): (i) the strategic importance and uniqueness of the technology, data, intelligence or expertise contributed; (ii) the potential for joint value creation and intellectual property generation; (iii) their potential and/or actual contribution or significance to the Company's technological leadership and competitive positioning; and (iv) their importance to the Company's long-term innovation roadmap and growth strategy.

Furthermore, in assessing whether a Service Provider (across all three categories) provides services to the Company on a continuing and recurring basis, the Board and/or its delegates will consider factors such as: (i) the duration and nature of the services provided by the service provider to the Group, and the recurrence and regularity of such products or services; (ii) the length of the service provider's past and/or anticipated engagement; (iii) the purpose for which the service provider is engaged; (iv) the strategic relevance of the service provider's contributions to the Group's stated objective of expanding and diversifying its business from traditional cybersecurity distribution into the convergence of AI and cybersecurity; and (v) the degree to which the service provider's ongoing engagement supports the Group's capacity to develop, deliver and commercialise innovative AI-enhanced cybersecurity solutions and cybersecurity solutions for AI systems.

5. GRANT OF AWARD SHARES

5.1 Subject to the terms and conditions of the Scheme, the Board may, during a period of ten (10) years commencing on the Adoption Date, at its absolute discretion, grant an Eligible Participant a Share Award of such number of Shares which shall be subject to such conditions as may be determined by the Board in its absolute discretion.

5.2 The Company shall issue the Offer Letter to each Eligible Participant in such form as the Board may determine specifying the Grant Date, the number of Award Shares underlying the Share Awards, the Vesting Dates and such other criteria, conditions, restrictions or limitations in relation thereto in addition to those expressly set forth in the Scheme as it may think fit and such further details as the Board may consider necessary, including (without prejudice to the generality of the foregoing):

(i) vesting period and conditions, restrictions or limitations relating to the achievement of targets. The performance targets may comprise a mixture of attaining satisfactory financial targets and management targets which shall be determined based on the (i) performance of the Group; (ii) performance of business groups, business units, business lines, functional departments, projects and/or geographical area managed by the Grantee; and/or (iii) individual performance. For example, performance targets may be set in terms of sales, revenue, cash flow, cash collection, return on investment, commencement and completion of projects, customer satisfaction metrics or such other parameters or matters relevant to the roles and responsibilities of the relevant Grantee. For the avoidance of doubt, the performance targets are not applicable to independent non-executive Directors;

(ii) purchase price of the Award Shares (if any), which shall be determined by the Board based on considerations such as the purpose of the Share Awards and the characteristics and profile of the Eligible Participant. Such purchase price shall be paid to the Company within the time period stipulated in the Offer Letter;

(iii) clawback mechanism for the Company to recover or withhold any remuneration (which may include Share Awards granted) to any Eligible Participants in the event of serious misconduct or other circumstances as the Board may in its absolute discretion determine; and

(iv) if applicable, the satisfactory performance of certain obligations by the Grantee as the Board may determine.

5.3 A Share Award is accepted by the Eligible Participant when the Company receives from the relevant Eligible Participant a duly completed and executed Acceptance Notice and a remittance of the purchase price or, if there is no purchase price, a sum of HK$1.00 (or such other nominal sum in any currency as the Board may determine) as consideration for the grant of the Share Award within the time period stipulated in the Offer Letter and in the absence of such provisions, within twenty-eight (28) days after the Grant Date. Such remittance is not refundable under any circumstances.

6. RESTRICTION ON GRANT OF AWARDS

Notwithstanding the provision in Clause 5 above, no grant of the Share Award shall be made under the Scheme during the following period:

(a) where the Company is in possession of inside information (as defined under the SFO), until (and including) the trading day after such inside information has been announced by the Company pursuant to the relevant requirements of any applicable laws and regulations of Hong Kong or other relevant jurisdictions (including but not limited to the Listing Rules). In the event of any delay in publishing a results announcement, no Award shall be granted during such period of delay. In particular, no such actions should be taken during the period immediately preceding the earlier of:

(i) 60 days preceding the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's annual results;

(ii) 30 days preceding the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's half-year, or other interim period results (whether or not required under the Listing Rules);

(iii) 60 days preceding the deadline for the Company to publish an announcement of its annual results; and

(iv) 30 days preceding the deadline for the Company to publish an announcement of its half-year, or other interim period results (whether or not required under the Listing Rules), and ending on the date of actual publication of the results announcement; or

(b) where dealings by the Eligible Participant are prohibited under any code or requirement of the Listing Rules (including the Model Code for Securities Transactions by Directors of Listed Issuers) or any other applicable laws or regulations from time to time.

7. VESTING PERIOD

The vesting period for the Share Awards under the Scheme shall be at least twelve (12) months. The Board (or the Remuneration Committee where it relates to grants of Share Awards to an Employee Participant who is a Director and/or senior manager of the Company) may at its discretion grant a shorter vesting period to an Employee Participant. Set out below are the circumstances which may trigger a shorter vesting period:

(i) grants of "make-whole" Share Award(s) to new joiners to replace the share awards they forfeited when leaving their previous employers;

(ii) grants to an Employee Participant whose employment is terminated due to death, disability or in event of force majeure;

(iii) grants with performance-based vesting conditions provided in the Scheme or as specified in the Offer Letter in lieu of time-based vesting criteria;

(iv) grants with a mixed or accelerated vesting schedule such as where the Award Shares may vest evenly over a period of 12 months, or where the Award Shares may vest by several batches with the first batch vesting within 12 months of the Grant Date and the last batch vesting 12 months after the Grant Date; or

(v) grants that are made in batches during a year for administrative and compliance reasons, which include Share Awards that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch.

In such case, the vesting period may be shorter to reflect the time from which the Share Awards would have been granted.

8. PERFORMANCE TARGET AND CLAWBACK

8.1 Vesting of the Share Awards will be subject to performance targets, if any, to be satisfied by the Eligible Participants as determined by the Board or the Remuneration Committee. The performance targets may comprise a mixture of attaining satisfactory key performance indicator components and management targets which shall be determined based on the (i) performance of the Group; (ii) performance of business groups, business units, business lines, functional departments, projects and/or geographical area managed by the Grantee; (iii) individual performance; (iv) Eligible Participants' expertise, skills or experience; and/or (v) other criteria to be determined by the Board at its absolute discretion. For example, performance targets may be set in terms of sales, revenue, cash flow, cash collection, return on investment, commencement and completion of projects, customer satisfaction metrics or such other parameters or matters relevant to the roles and responsibilities of the relevant Grantee.

For the avoidance of doubt, the performance targets are not applicable to the independent non-executive Directors.

8.2 For Employee Participants, performance targets may be set in terms of (i) financial parameters of the Group (such as the revenue, profits and general financial condition of the Group); (ii) non-financial parameters of the Group (such as the Group's strategic objectives, operational targets and future development plan); (iii) the key performance indicators of the Grantee's departments and/or business units, and the Grantee's position key performance indicators relevant to his/her roles and responsibilities and/or his/her annual appraisal results (such as performance appraisal within a specified period reaching a desirable level); (iv) the Grantee'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/or (v) other criteria to be determined by the Board at its absolute discretion.

8.3 For Related Entity Participants, performance targets may be set in terms of (i) financial parameters of the Group (such as the revenue, profits and general financial condition of the Group); (ii) non-financial parameters of the Group (such as the Group's strategic objectives, operational targets and future development plan); (iii) the Grantee's contribution to the Group's financial and operating results (such as period of engagement, increase in revenue or profits, reduction in costs, product/service advancement); (iv) the Grantee'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.); and/or (v) other criteria to be determined by the Board at its absolute discretion.

8.4 For Service Providers under the category of product or service providers, performance targets may be set in terms of (i) financial parameters of the Group (such as the revenue, profits, general financial condition of the Group and return on investment directly attributable to the cybersecurity and AI convergence solutions provided); (ii) non-financial parameters of the Group (such as the Group's strategic objectives, operational targets and future development plan); (iii) the reliability, quality, and innovation value of the specialized deliverables supplied (such as the successful fine-tuning and deployment of large language models, development of AI-driven threat detection systems, or timely supply of specialized hardware components); (iv) the commencement, progression, and completion of critical technical milestones, joint research programmes, or proof-of-concept developments; (v) the successful execution of management targets relating to strategic advisory, regulatory compliance, or digital transformation initiatives; (vi) the Grantee'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.); and/or (vii) other criteria to be determined by the Board at its absolute discretion.

8.5 For Service Providers under the category of business partners, performance targets may be set in terms of (i) financial parameters of the Group (such as the revenue, profits, general financial condition of the Group and return on investment directly attributable to the distribution and commercialisation of the Group's cybersecurity products and AI-enabled solutions); (ii) non-financial parameters of the Group (such as the Group's strategic objectives, operational targets and future development plan); (iii) market expansion and ecosystem development milestones (such as successful channel development, expansion of regional or e-commerce sales networks, joint go-to-market initiatives, and customer acquisition in the AI-cybersecurity convergence domain); (iv) operational and service excellence, (such as customer satisfaction metrics, the successful completion of complex system and cloud security integrations, and the quality of ongoing after-sales technical support and customer training provided); (v) the Grantee'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.); and/or (vi) other criteria to be determined by the Board at its absolute discretion.

8.6 For Service Providers under the category of strategic technology and innovation partners, performance targets may be set in terms of (i) financial parameters of the Group (such as the revenue, profits and general financial condition of the Group); (ii) non-financial parameters of the Group (such as the Group's strategic objectives, operational targets and future development plan); (iii) technological enablement and integration milestones, (such as the successful provision, integration, and performance of proprietary AI models, training datasets, or real-time threat intelligence feeds that enhance the Group's cybersecurity offerings); (iv) joint innovation and intellectual property generation, including the commencement, progression, and successful completion of co-development projects (such as, autonomous security operations or intelligent compliance automation and technology incubation initiatives); (v) commercial and strategic impact, (such as the contribution to the Group's technological leadership, market competitiveness, and revenue generation resulting from the commercialisation of co-developed solutions); (vi) regulatory and certification achievements, (such as the successful attainment of relevant product certifications, industry standards for AI safety, and compliance with evolving cybersecurity regulatory frameworks); (vii) the Grantee'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.); and/or (viii) other criteria to be determined by the Board at its absolute discretion.

8.7 The Company will evaluate the actual performance and contribution of a Grantee against the performance targets set and form a view as to whether the relevant performance targets have been satisfied. Each performance target may be assessed either on a time basis (i.e. annually or cumulatively over a period of years compared to previous years' results) or upon the completion of the milestone event(s) as specified in the relevant offer letter, in each case as specified by the Board or the Remuneration Committee (as the case may be) in its sole discretion. The Board or the Remuneration Committee (as the case may be) shall have the sole discretion in determining whether the relevant performance targets for the Grantee have been met.

8.8 Upon the occurrence of any of the following events (as solely determined by the Board) in relation to a Grantee, no further Share Awards shall be granted to such Grantee and the Share Awards already granted to such Grantee shall be clawed back and such Share Awards shall lapse accordingly on the date as determined by the Board (if such Share Awards are unvested):

(a) a Grantee ceases to be an Eligible Participant by reason of the termination of his/her employment or directorship with the relevant company on any one or more of the grounds of misconduct, bankruptcy, insolvency, composition with his creditors or conviction of any criminal offence involving his/her integrity or honesty or (in the case of the Grantee being an Eligible Participant by reason of his/her employment with the relevant company and if so determined by the Board) on any other ground on which an employer would be entitled to terminate such Grantee's employment at common law or pursuant to any applicable laws or under the Grantee's service contract with the relevant company. A resolution of the Board or the board of directors of the relevant company stating whether the employment or directorship of a Grantee has or has not been terminated on one or more of the grounds specified in this Clause 8.8(a) shall be conclusive;

(b) the Grantee has failed to discharge, or failed to discharge properly, his/her duties or failed to comply with the Company's internal policies, adhere to the terms of his/her employment agreement, or demonstrate a satisfactory level of performance and thereby resulting in a serious loss in assets and other serious and adverse consequences to any member of the Group;

(c) the Grantee has been sanctioned by the Stock Exchange, or was subject to any disciplinary actions imposed by the Securities and Futures Commission of Hong Kong or has been convicted of any criminal offence;

(d) the Grantee has failed to comply with any non-compete covenants or restrictive covenants or any terms and conditions of a similar effect applicable to the Grantee (if any) pursuant to any internal guideline(s) adopted by the Company (as amended, supplemented or modified from time to time);

(e) the granting of any Share Awards was based on material misstatements in financial statements or any other materially inaccurate performance metric criteria; or

(f) the Share Awards to the Grantee will no longer be appropriate and aligned with the purpose of this Scheme.

8.9 Where a Share Award (or any part thereof) granted to a Grantee has already been vested at the time when such Share Award is clawed back pursuant to this Clause 8, the Grantee shall return, by the Board's determination at its sole and absolute discretion, either (i) the exact number of vested and clawed back Share(s), (ii) the monetary amount equivalent to the Value of the relevant Share(s) (I) on the Grant Date, or (II) on the Vesting Date, or (III) on the date of such clawback (as determined by the Board at its sole and absolute discretion which will be informed to the Grantee).

8.10 Where a Share Award (or any part thereof) granted to a Grantee is unvested at the time when such Share Award is clawed back pursuant to this Clause 8, such Share Award (or any part thereof) subject to clawback will lapse on the date as determined by the Board and the relevant Shares will not vest on the relevant Vesting Date and the relevant Shares will not be counted for the purpose of the Scheme Mandate Limit.

8.11 For the purpose of this Clause 8, "Value" of the relevant Share(s) is the average closing price of the Share(s) as stated in the Stock Exchange's daily quotations sheets for the five (5) Business Days immediately preceding the relevant date of determination (being the Grant Date, the Vesting Date or the date of clawback, as applicable).

9. LAPSE OF AWARDS

An Award (to the extent not vested) shall lapse automatically on the earliest of:

(a) if a Grantee ceases to be an Eligible Participant for reasons other than: (i) retirement of the Grantee at his/her normal retirement age as specified in his/her terms of employment or contractual engagement with the Group or as prescribed by any applicable laws or regulations; or (ii) his/her job-related permanent physical or mental disablement or job-related death;

(b) in the event of an order for the winding-up of the Company being made or a resolution being passed for the voluntary winding-up of the Company (otherwise than for the purposes of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company) on or prior to any Vesting Date;

(c) the Grantee is found to be an Excluded Participant; or

(d) the Grantee fails to meet the conditions of a grant or vesting of an Award, or to provide such information or documents as may be required under the terms of the Award.

10. CANCELLATION OF AWARDS

10.1 The Board in its sole discretion may cancel an Award Share granted but remained unvested with the approval of the Grantee of such Award Share in certain circumstances, including where it is necessary to comply with the laws in the jurisdictions in which the Eligible Participants and the Company are subject to, or in order to comply with the requirements of any securities exchange.

10.2 For the avoidance of doubt, where the Company cancels Share Awards granted to a Grantee and makes a new grant to the same Grantee, new Share Awards may be issued to a Grantee in place of his/her cancelled Share Awards only if there is available Scheme Mandate Limit or Refreshed Scheme Mandate Limit (or, where the Grantee is a Service Provider, the Service Provider Sublimit or the Refreshed Service Provider Sublimit). The Share Awards cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit (or the Refreshed Scheme Mandate Limit, as the case may be) (and the Service Provider Sublimit (or the Refreshed Service Provider Sublimit, as the case may be)).

11. SCHEME MANDATE LIMITS

11.1 Subject to sub-clauses 11.3, 11.4 and 11.5 below, the maximum number of new Shares which may be allotted and issued in respect of all Share Awards (involving issue of new Shares (or transfer of treasury shares, as the case may be)) to be granted under the Scheme and all share options and share awards to be granted under any other schemes shall not, in aggregate, exceed 10% of the Shares in issue (excluding any treasury shares) as at the Adoption Date (the "**Scheme Mandate Limit**") or the date of approval of the Refreshed Scheme Mandate Limit, whichever is the latest. Share awards or share options lapsed in accordance with the terms of the Scheme or the other schemes will not be counted for the purpose of calculating the Scheme Mandate Limit.

11.2 Subject to sub-clause 11.1 above and sub-clauses 11.3, 11.4 and 11.5 below, within the Scheme Mandate Limit, the maximum number of new Shares which may be allotted and issued in respect of all Share Awards (involving issue of new Shares (or transfer of treasury shares, as the case may be)) that may be granted under the Scheme and all share options and share awards which may be granted under any other share schemes for the time being of the Company to the Service Providers shall not, in aggregate, exceed 1% of the Shares in issue (excluding any treasury shares) as at the Adoption Date (the "**Service Provider Sublimit**") or the date of approval of the Refreshed Service Provider Sublimit, whichever is the latest. Share options or share awards which have lapsed in accordance with the terms of the Scheme or the other schemes will not be counted for the purpose of calculating the Service Provider Sublimit.

11.3 The Company may seek approval of the Shareholders in general meeting for "refreshing" the Scheme Mandate Limit and the Service Provider Sublimit after three (3) years from the date of shareholders' approval for the last refreshment (or the Adoption Date). Any "refreshment" within any three (3) year period must be approved by the Shareholders subject to the following provisions:

(i) any Controlling Shareholders and their associates (or if there is no Controlling Shareholder of the Company, 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 general meeting; and

(ii) 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 under sub-clauses (i) and (ii) above do not apply if the refreshment is made immediately after an issue of securities by the Company to the 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 each of the Scheme Mandate Limit and the Service Provider Sublimit (as a percentage of total number of Shares in issue) upon refreshment is the same as the unused part of each of the Scheme Mandate Limit and the Service Provider Sublimit immediately before the issue of securities, rounded to the nearest whole Share.

11.4 Subject to sub-clause 11.5 below, the total number of new Shares which may be issued in respect of all Share Awards (involving issue of new Shares (or transfer of treasury shares, as the case may be)) to be granted under the Scheme and all share options and share awards to be granted under any other schemes under the Scheme Mandate Limit and the Service Provider Sublimit as "refreshed" must not, in aggregate, exceed 10% and 1% of the total number of Shares in issue (excluding any treasury shares) as at the date of approval of the refreshed Scheme Mandate Limit (the "**Refreshed Scheme**

Mandate Limit") and the refreshed Service Provider Sublimit (the "**Refreshed Service Provider Sublimit**"), respectively. Upon such renewal, all Share Awards granted under the Scheme and all share options and share awards granted under any other schemes (including those exercised, outstanding, cancelled, lapsed in accordance with the terms of the Scheme or other schemes) prior to the approval of such renewal shall not be counted for the purpose of calculating the Refreshed Scheme Mandate Limit or the Refreshed Service Provider Sublimit. A circular must be sent to the Shareholders containing such relevant information as required by the Listing Rules in connection with the general meeting at which their approval is sought.

11.5 The Company may seek separate approval by the Shareholders at general meeting to grant Share Awards beyond the Scheme Mandate Limit, the Refreshed Scheme Mandate Limit, the Service Provider Sublimit or the Refreshed Service Provider Sublimit provided that the Share Awards in excess of the Scheme Mandate Limit, the Refreshed Scheme Mandate Limit, the Service Provider Sublimit or the Refreshed Service Provider Sublimit are granted only to the Eligible Participants specifically identified by the Company before such approval is sought and the Company must issue a circular to the Shareholders containing such relevant information as required by the Listing Rules in relation to any such proposed grant to such Eligible Participants.

11.6 The maximum number of new Shares granted or to be granted to each Eligible Participant under the Scheme and all share options and share awards granted under any other schemes to such Eligible Participant (excluding any share options or share awards lapsed in accordance with the terms of the Scheme or any other schemes) in any twelve (12) month period up to and including the date of such grant shall not exceed 1% in aggregate of the Shares in issue (excluding any Treasury Shares) as at the date of such grant. Any grant of further Share Awards above this limit shall be subject to the following requirements:

(a) such grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by resolution of the Shareholders in general meeting, at which such person and his/her close associates (as defined under the Listing Rules) (or his/her associates if such person is a Connected Person) shall abstain from voting;

(b) a circular regarding the grant has been dispatched 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 Award Share are fixed before the general meeting of the Company at which the same are approved.

11.7 Any grant of Share Awards to a Director, chief executive or Substantial Shareholder of the Company, or any of their respective associates must be approved by the independent non-executive Directors (provided that no independent non-executive Director can participate in approving any grant of Share Awards to himself or herself).

(a) If the Board is to grant Share Awards of new Shares to a Director (other than an independent non-executive Director) or chief executive of the Company, or any of their respective associates which would result in the number of new Shares issued and to be issued and treasury shares transferred or to be transferred in respect of all share awards granted (regardless of under the Scheme or any other schemes but excluding any options and/or awards lapsed in accordance with the terms of the relevant schemes) to such person in the twelve (12) month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue (excluding any treasury shares) or such percentage as prescribed by the Listing Rules; or

(b) if the Board is to grant Share Awards of new Shares to a Substantial Shareholder of the Company or an independent non-executive Director or their respective associates which would result in the number of new Shares issued and to be issued and treasury shares transferred or to be transferred in respect of all Share Awards and all share options and share awards under any other schemes granted (excluding any share options and share awards lapsed in accordance with the terms of the relevant schemes) to such person in any twelve (12) month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue (excluding any Treasury Shares) or such percentage as prescribed by the Listing Rules,

such further grant of Share Awards of new Shares must be approved by the Shareholders. The Company must send a circular to the Shareholders containing such information as required under any applicable laws and regulations of Hong Kong or other relevant jurisdictions (including but not limited to Rule 17.04 of the Listing Rules). The relevant Grantee, his/her associates and all core connected persons of the Company must abstain from voting in favour at such general meeting. Any vote taken at the meeting to approve the grant of such Share Awards must be taken by poll in accordance with the Listing Rules. The requirements for the grant to a Director or chief executive of the Company set out in Rule 17.04 of the Listing Rules do not apply where the Eligible Participant is only a proposed Director or chief executive of the Company.

12. RIGHTS ATTACHING TO THE SHARES

Share Awards granted but unvested under the Scheme will not entitle the Grantees to any voting, dividend, transfer and other rights (including those arising on liquidation of the Company). Award Shares vested pursuant to the Scheme will be subject to all the provisions of the Articles for the time being in force and will rank pari passu in all respects with other Shares in issue on the date they are transferred to the Grantee and accordingly, will entitle the holders to the same voting, dividend, transfer and other rights (including those arising on liquidation of the Company) as the existing fully paid Shares in issue on the date on which they are transferred upon vesting of a Share Award. Without prejudice to the generality of the foregoing, Award Shares vested pursuant to the Scheme shall entitle their holders to participate in all dividends or other distributions paid or made on or after the date on which the Shares are transferred to the Grantee.

13. RIGHTS UPON CHANGE IN CONTROL

If an event of change in control of the Company occurs, whether by way of offer, merger or privatisation by way of a scheme of arrangement, in respect of Award Shares, all the outstanding Share Awards will immediately vest on the date when such change of control event becomes or is declared unconditional or at an earlier date as determined by the Board at its sole discretion.

14. REORGANIZATION OF CAPITAL STRUCTURE

If the Company conducts any capitalisation issue, rights issue, share consolidation, share subdivision or capital reduction, corresponding adjustments (if any) shall be made to the maximum number of Shares that may be issued by the Company in respect of all the Awards and other share awards and share options to be granted pursuant to all the Share schemes of the Company under the Scheme Mandate Limit (or the Refreshed Scheme Mandate Limit) with reference to the total number of issued Shares as at the date immediately before and after such event and rounded to the nearest whole Share, such that each Grantee will be entitled to the same proportion of the Company's share capital as that to which such Grantee was previously entitled, provided that no such adjustment may be made to the extent that any Share would be issued at less than its nominal value. In respect of any such adjustments, other than any made on a capitalization issue, an independent financial adviser or the Company's auditors must confirm to the Directors in writing that the adjustments satisfy the requirements under the note to Rule 17.03(13) of the Listing Rules.

15. TRANSFERABILITY AND OTHER RIGHTS TO AWARD SHARES

Any Share Award granted hereunder but not yet vested shall be personal to the Grantee to whom it is made and shall not be assignable or transferable and no Grantee 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 Share Award, or enter into any agreement to do so. Any breach of this Clause 15 and any of the restrictions on transfer and assignment of Share Awards hereunder shall cause the relevant Share Award to lapse automatically.

16. DISPUTE

Any dispute arising under or in connection with the Scheme shall be referred to the decision of the Board or the Committee who shall act as experts and not as arbitrators and whose decisions shall, in the absence of manifest error, be final, conclusive and binding on all persons who may be affected thereby.

17. ALTERATION

17.1 Any material amendment to the terms of the Scheme or any amendment to the provisions relating to the matters set out in Rule 17.03 of the Listing Rules (to the benefit of the participants) shall be subject to the approval of the Shareholders at a general meeting. Any change in the authority of the Board and/or its delegatees to amend the terms of this Scheme shall be subject to the approval of the Shareholders at a general meeting.

17.2 Subject to the Scheme Mandate Limit and the foregoing provisions, the Scheme may be amended or supplemented in any respect by resolution of the Board. If any amendment is made to the terms of the Scheme, the Company must promptly provide all Grantees with full details of such amendments upon its effectiveness. Any change to the terms of Awards granted to a Grantee must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Awards was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be). This requirement does not apply where the alterations take effect automatically under the existing terms of the Scheme.

17.3 The amended terms of the Scheme must continue to comply with the relevant provisions of Chapter 17 of the Listing Rules.

17.4 When the Board amends the Scheme, the independent non-executive Directors shall oversee whether such amendments contribute to the Company's sustainable development and whether they harm the interests of the Company and its Shareholders as a whole.

18. TERMINATION

Save as upon the expiry of the term of the Scheme, the Company may by resolution at a general meeting terminate the operation of the Scheme at any time under the circumstances where the Shareholders determine appropriate, such as but not limited to where the Shareholders are of the view that the Scheme can no longer serve its designated purposes or when a scheme is proposed to be adopted to replace the Scheme. In such event, no further Share Awards may be offered or granted under the Scheme but the provisions of the Scheme shall remain in full force and effect to the extent necessary to give effect to the vesting of any Share Awards granted prior to the termination or otherwise as may be required in accordance with the terms and conditions of the Scheme.

19. MISCELLANEOUS

19.1 The Company shall be responsible for the costs of establishing and administering the Scheme. All other expenses including but not limited to transaction levy, brokerage, tax or expenses of whatsoever nature payable on the part of any Grantee in respect of any sale, purchase or transfer of Shares pursuant to the Scheme shall be borne by the relevant Grantee.

19.2 The Scheme shall not form part of any contract for service or contract of employment (as the case may be) between the Company or any Subsidiary and any Eligible Participant, and the rights and obligations of any Eligible Participant under the terms of his/her office or employment shall not be affected by his/her participation in the Scheme or any right which he/she/it may have to participate in it; and the Scheme shall afford such Eligible Participant no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.

19.3 A Grantee shall pay all taxes and discharge all liabilities to which he may become subject or liable as a result of or in connection with his participation in the Scheme, acceptance of any Award made hereunder, the vesting of the Award in him, and the allotment and issue or transfer (as the case may be) of the related Award Shares to him, or any of the foregoing.

19.4 Save as specifically provided herein, the Scheme shall not confer on any person any legal or equitable rights against the Company directly or indirectly or give rise to any cause of action at law or in equity against the Company.

19.5 Any notice to be given to the Company shall be faxed, delivered or posted to the Company at its principal place of business in Hong Kong for the attention of the Company Secretary of the Company and shall be effected upon receipt by the Company.

19.6 Any notice or other communication served by post:

(i) by the Company shall be deemed to have been served 24 hours after the same was put in the post to any Eligible Participant or Grantee or Awardee at his/her/its last known address in Hong Kong; and

(ii) by an Eligible Participant or Grantee or Awardee shall not be deemed to have been received until the same shall have been received by the Company.

19.7 The Company shall not be responsible for any failure by any Grantee to obtain any consent or approval required for such Grantee to participate in the Scheme or for any tax, duty, expenses, fees or any other liability to which he/she/it may become subject as a result of his/her/its participation in the Scheme.

19.8 Each provision of these rules of the Scheme shall be treated as a separate provision and shall be severally enforceable as such in the event of any provision(s) being or becoming unenforceable in whole or in part. To the extent that any provision(s) hereof are unenforceable they shall be deemed to be deleted from these rules of the Scheme, and any such deletion does not affect the enforceability of these rules of the Scheme as remain not so deleted.

19.9 By accepting an Award and participating in the Scheme, each Grantee consents to the holding, processing, storage and use of personal data or information concerning the Grantee by any member of the Group or any other third party contractors or personnel, in Hong Kong or elsewhere, for the purpose of the administration, management and operation of the Scheme.

20. GOVERNING LAW

20.1 The Scheme shall operate subject to the Articles and any applicable law, rules and regulations to which the Company is subject.

20.2 The Scheme and all Awards granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong.

<u>EXECUTION PAGE</u>

IN WITNESS whereof the Company has executed this document as a deed on the [*] day of [*] 2026.

SEALED with the **COMMON SEAL** of	)
EDVANCE INTERNATIONAL	)
HOLDINGS LIMITED	)
and SIGNED by	)
LIU YUI TING RAYMOND	)
in the presence of:	)