Zhejiang Laifual Drive Co., Ltd.

2026 H SHARE AWARD SCHEME

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1. DEFINITIONS AND INTERPRETATION

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

"Actual Selling Price"	the amount received from the sale of the vested RSUs and/or exercised Share Options at the actual price under the Scheme upon vesting of the RSUs and/or exercising of the Share Options (after deducting brokerage commission, Hong Kong Stock Exchange trading fee, transaction levy, the Purchase Price and/or the Exercise Price and other applicable costs); or in the case where vesting/exercising is triggered by a change of control or privatization event of the Company pursuant to Rule 19, the consideration to be received under the relevant offer or scheme of arrangement;
"Adoption Date"	the date on which this Scheme is adopted by the Shareholders in general meeting or if applicable, the date on which any other requisite approval(s) for the adoption of the Scheme as required under the Listing Rules is obtained, whichever is later;
"Applicable Laws"	all applicable laws, regulations, ordinances or requirements of the relevant regulatory authorities including without limitation the PRC Company Law, the PRC Securities Law, the SFO, the Listing Rules and the relevant provisions of the Articles;
"Articles"	the articles of association of the Company, as amended from time to time;
"associate"	shall have the meaning ascribed to it in the Listing Rules;
"Award"	an award granted under the H Share Award Scheme by the Board to a Grantee, which may take the form of a Share Option or an RSU, as determined in the sole discretion of the Board;
"Award Letter"	shall have the meaning as set out in Rule 9.1;
"Award Shares"	Shares underlying an Award, and includes (i) Treasury Shares, (ii) the new Shares allotted and issued by the Company to the trustee(s) under the Trust, or (iii) existing H Shares purchased or acquired on-market or off-market by the trustee(s) under the Trust, as determined at the sole discretion of the Board;
"Auditors"	the auditors for the time being of the Company;
"Authorized Person(s)"	the any committee of the Board or other person(s) to whom the Board has delegated its authority in accordance with Rule 6.2;
"Board"	the board of directors of the Company, from time to time;

"Business Day"	any day on which the Stock Exchange is open for the business of dealing in securities;
"Chief executive"	shall have the meaning given to it in the Listing Rules;
"Company" or "the Company"	Zhejiang Laifual Drive Co., Ltd. (浙江來福諧波傳動股份有限公司), incorporated under the PRC laws on November 26, 2013 as a joint stock company;
"Company Law"	the Company Law of the People's Republic of China (中華人民共和國公司法);
"connected person"	shall have the meaning given to it in the Listing Rules;
"CSRC"	the China Securities Regulatory Commission;
"Director"	a director of the Company;
"Eligible Participant(s)"	any person who is an employee (whether full-time or part-time), director (excluding the independent non-executive Directors) or officer of any member of the Group on the Grant Date;
"**Employee Participant(s)**"	any person who, as at the date of grant, is an employee (whether full-time or part-time), Director (other than an independent non-executive Director) or officer of any member of the Group;
"**Employee Share Ownership Plan System" or "ESOP System"**	the employee share ownership plan management platform/system established and implemented to facilitate the operation of the Scheme;
"**Exercise Period"**	in respect of any Share Option, the period during which the Grantee may exercise the Share Option;
"Exercise Price"	in respect of any Share Option, the price per Share at which a Grantee may subscribe for Shares upon the exercise of a Share Option awarded under this Scheme;
"Grant Date"	the date on which the grant of an Award is made to a Grantee, being the date of the Award Letter in respect of such Award, which must be a Business Day;
"Grantee"	any Eligible Participant approved for participation in the Scheme and who has been granted any Award pursuant to Rule 8.1;
"Group"	the Company and its Subsidiaries from time to time, and the expression "**member of the Group**" shall be construed accordingly;

"H Share(s)"	overseas-listed foreign shares in the share capital of our Company with nominal value of RMB1.00 each, which are H share listed or to be listed;
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong;
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China;
"Hong Kong Stock Exchange" or "Stock Exchange"	The Stock Exchange of Hong Kong Limited;
"Listing Committee"	the Listing Committee of the Stock Exchange;
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
"PRC" or "China"	the People's Republic of China (for the purpose of this Scheme only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan);
"Purchase Price"	in respect of an RSU, the price per share a Grantee is required to pay for obtaining the H Shares comprising the RSU (if any), which will be stated in the Award Letter;
"Remuneration and Appraisal Committee"	the remuneration and appraisal committee of the Board of Directors of the Company (as updated from time to time);
"RMB" or "Renminbi"	Renminbi, the lawful currency of the People's Republic of China;
"RSU" or "Restricted Share Units"	an award which subject to fulfilment of the conditions as may be specified in the Award Letter, vests such number of H Shares as the Board may determine on the specified Eligible Participant in accordance with the terms of the Scheme Rules;
"Scheme"	this 2026 H Share Award Scheme constituted by the Scheme Rules;
"Scheme Mandate Limit"	shall have the meaning set out in Rule 5.1, as increased, refreshed or renewed or altered from time to time in accordance with the Scheme Rules, subject to compliance with any Applicable Laws, rules and regulations;
"Scheme Period"	the period of 10 years commencing on the Adoption Date and ending on the tenth anniversary of the Adoption Date, unless terminated earlier in accordance with the Scheme Rules;
"Scheme Rules"	the rules set out herein relating to the Scheme as amended from time to time;
"SFC"	the Securities and Futures Commission of Hong Kong;

"SFO"	the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong);
"Shareholders"	holders of Shares;
"Share Option"	an award which vests in the form of the right to subscribe for such number of H Shares as the Board may determine during the Exercise Period at the Exercise Price in accordance with the terms of the Scheme Rules;
"Share(s)"	ordinary share(s) in the capital of our Company with a nominal value of RMB1.00 each, including Unlisted Shares and H Shares, or, if there has been a sub-division, consolidation, re-classification or re-construction of the share capital of the Company, shares forming part of the ordinary share capital of the Company of such other nominal amount as shall result from such sub-division, consolidation, re-classification or re-construction;
"Subsidiary" or "Subsidiaries"	any subsidiary (as such term is defined in the Listing Rules) of the Company;
"substantial shareholder(s)"	shall have the meaning given to it in the Listing Rules;
"Taxes"	shall have the meaning as set out in Rule 14;
"Treasury shares"	shall have the meaning ascribed to it in the Listing Rules;
"Trust"	shall have the meaning as set out in Rule 7;
"Trustee"	means the professional trustee from time to time of this Scheme appointed by the Company pursuant to Rule 7;
"Unlisted Shares"	ordinary Shares in the share capital of our Company with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB and are unlisted Shares not currently listed or traded on any stock exchange;
"Vesting Date"	the date or dates, as determined from time to time by the Board, on which an Award (or part thereof) is to vest in the relevant Grantee and upon which the Grantee may exercise the Award as determined by the Board pursuant to Rule 11.1, unless a different Vesting Date is deemed to occur in accordance with Rule 18.1;
"**Vesting Period**"	in respect of any Award(s), the period commencing on the date of grant and ending on the date on which the relevant Award(s) (or any tranche thereof) vest in the Grantee in accordance with the vesting schedule and conditions specified in the relevant Award Letter, during which the Grantee has no right to the Award(s) (or any portion thereof that has not yet vested) ;
"%"	per cent.

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

(a) references to Rules are to rules of the Scheme Rules;

(b) references to times of the day are to Hong Kong time;

(c) if a period of time is specified as from a given day, or from the day of an act or event, it shall be calculated exclusive of that day;

(d) a reference to "**dollars**" or to "**$**" shall be construed as a reference to the lawful currency for the time being of Hong Kong;

(e) a reference to statutes, statutory provisions or the Listing Rules shall be construed as references to those statutes, provisions or rules as respectively amended or re-enacted and shall include any orders, regulations, instruments, subsidiary legislation, other subordinate legislation or practice notes under the relevant statute, provision or Listing Rule;

(f) unless otherwise indicated, the Board can make determinations in its absolute discretion and if the Board delegates its authority to administer the Scheme to its Authorized Persons, such Authorized Persons shall enjoy the same absolute discretion;

(g) a reference to "**include**", "**includes**" and "**including**" shall be deemed to be followed by the words "**without limitation**";

(h) words importing the singular include the plural and vice versa, and words importing a gender include every gender;

(i) headings are included in the Scheme Rules for convenience only and do not affect its interpretation;

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

(k) references to persons include any individual, corporation, partnership, limited partnership, proprietorship, association, limited liability company, firm, trust, estate or other enterprise or entity; and

(l) references to new Shares shall include Treasury Shares, and references to the allotment and issuance of Shares shall include the transfer of Treasury Shares.

2. CONDITIONS OF THE SCHEME

2.1 The Scheme shall become effective upon fulfilment of the following conditions:

(a) the passing of a resolution by the Shareholders to approve the adoption of the Scheme; and

(b) the Listing Committee granting approval of the listing of, and permission to deal in, the H Shares to be allotted and issued pursuant to Awards.

3. PURPOSE OF THE SCHEME

3.1 The purpose of the Scheme is:

(a) to provide the Company with a flexible means of attracting, remunerating, incentivising, retaining, rewarding, compensating and/or providing benefits to Eligible Participants;

(b) to align the interests of Eligible Participants with those of the Company and Shareholders by providing such Eligible Participants with the opportunity to acquire proprietary interests in the Company and become Shareholders; and

(c) to encourage Eligible Participants to contribute to the long-term growth, performance and profits of the Company and to enhance the value of the Company and its Shares for the benefit of the Company and Shareholders as a whole.

4. ELIGIBLE PARTICIPANTS AND BASIS OF DETERMING ELIGIBILITY

4.1 Eligible Participants as determined by the Board from time to time shall be eligible to participate in the Scheme.

4.2 No person who is:

(a) resident in a place where the grant, acceptance or exercise of an Award pursuant to the Scheme is not permitted under, or contrary to, the laws and regulations of such place; or

(b) where, in the view of the Board, compliance with Applicable Laws and regulations in such place makes it necessary or expedient to exclude such person,

shall be entitled to participate in the Scheme and such person shall therefore not be an Eligible Participant for the purposes of this Scheme.

4.3 The eligibility of any of the Eligible Participants for a grant of Awards shall be determined by the Board from time to time on the basis of the Board's opinion as to the Eligible Participant's contribution to the development and growth of the Group. Without limiting the generality of the foregoing: in assessing the eligibility of Eligible Participants, the Board will consider, among other things, educational background, professional experience, qualifications, skills, knowledge, length of service, job position, job duties, contribution to the Group and performance evaluation results of the Eligible Participant.

5. SCHEME LIMITS

Scheme Mandate Limit

5.1 The Shares under the Scheme Rules shall be satisfied by (i) new H Shares allotted and issued by the Company (including the transfer of Treasury Shares), or (ii) existing H Shares purchased or acquired on-market or off-market by the trustee(s) under the Trust. The total number of new Shares which may be issued and allotted under this Scheme being 10,413,518 H Shares (representing approximately 10.00% of the total number Shares in issue (excluding Treasury Shares) on the Adoption Date (the "**Scheme Mandate Limit**")). In any event, the total number of Shares which may be issued pursuant to all Awards to be granted under this Scheme and awards to be granted under any other share schemes of the Company is 10% of the total number of the relevant class of Shares in issue (excluding Treasury Shares) on the Adoption Date. The Scheme Mandate Limit may be adjusted or refreshed from time to time in accordance with the Scheme Rules, subject to compliance with any Applicable Laws, rules and regulations.

5.2 Shares which may be issued pursuant to Awards which have lapsed in accordance with the terms of the Scheme Rules (or the terms of any other share schemes of the Company) shall not

be counted for the purpose of calculating the Scheme Mandate Limit. For the avoidance of doubt, Awards which have been cancelled shall be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

5.3 For the avoidance of doubt, Awards which will be settled by existing Shares, whether funded by purchase or acquisition on-market or off-market by the trustee(s) under the Trust, in accordance with the terms of the Scheme Rules shall not be counted for the purpose of calculating the Scheme Mandate Limit.

Refreshing the Scheme Mandate Limit

5.4 The Company may refresh the Scheme Mandate Limit:

(a) from the later of three years after the Adoption Date or three years after the date of the previous shareholder approval for refreshment of the Scheme Mandate Limit (as the case may be) pursuant to this Rule with the prior approval of Shareholders in general meeting by way of resolution; or

(b) at any time, with the prior approval of the Shareholders in general meeting (with the controlling shareholder (as defined under the Listing Rules) and their associates, or if there is no controlling shareholder, with the Directors (excluding the independent non-executive Directors) and the Chief executive of the Company and their respective associates, abstaining from voting in favour of the relevant resolution at the general meeting) and subject to compliance with any additional requirements set out in the Listing Rules including but not limited to Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules.

Awards already granted under the Scheme and any other share schemes of the Company (including those outstanding or lapsed in accordance with its terms or exercised) shall not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed. Provided that, Rule 5.4 (a) and (b) above do not apply if the refreshment is made immediately after an issue of securities by the Company to its 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 (as a percentage of the Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of securities rounded to the nearest whole Share.

5.5 The total number of Shares which may be issued in respect of all Awards to be granted under this Scheme and awards to be granted under all other schemes of the Company under the Scheme Mandate Limit as refreshed pursuant to Rule 5.4 shall not exceed 10% of the Shares in issue (excluding Treasury Shares) as at the date of the aforesaid approval to refresh the Scheme Mandate Limit by the Shareholders in general meeting.

Grants beyond the Limit

5.6 The Company may seek separate approval of the Shareholders in general meeting to grant Awards beyond the Scheme Mandate Limit to Eligible Participants specifically identified by the Company, subject to compliance with the requirements set out in the Listing Rules.

6. ADMINISTRATION

Administration of the Scheme

6.1 The Board shall be responsible for administering the Scheme in accordance with the Scheme Rules.

6.2 The authority to administer the Scheme may be delegated by the Board to any committee or other persons deemed appropriate at the sole discretion of the Board, including its powers to offer or grant Awards and to determine the terms and conditions of such Awards, *provided that* nothing in this Rule 6.2 shall prejudice the Board's power to revoke such delegation at any time or derogate from the discretion vested in the Board as contemplated in Rule 6.1.

6.3 Decisions of any such duly established committee or duly appointed person(s) in relation to the operation of the Scheme or the interpretation of the Scheme Rules shall be final and binding on all parties. In the event of any disagreement or ambiguity, the decision of the Board shall prevail.

6.4 The Board may from time to time appoint one or more administrators, who may be independent third-party contractors, to assist in the administration of the Scheme, and may, in its sole discretion, delegate to them such functions relating to the administration of the Scheme as it may think fit. The duration of office, terms of reference and remuneration (if any) of such administrator(s) shall be determined by the Board in its sole discretion from time to time.

Powers of the Board and/or the Authorized Persons

6.5 Subject to the Scheme Rules and any Applicable Laws, rules and regulations, the Board and/or the Authorized Persons shall have the power from time to time to:

(a) construe and interpret the Scheme Rules and the terms of the Awards granted from time to time;

(b) make or vary such arrangements, guidelines, procedures and/or regulations for the administration, interpretation, implementation and operation of the Scheme, provided that they are not inconsistent with the Scheme Rules;

(c) perform all acts necessary to implement the Scheme, including but not limited to: (i) the appointment of qualified Trustees; (ii) the execution of all trust instruments; (iii) the issuance of new H Shares pursuant to the Scheme Rules; and (iv) directing Trustee(s) to subscribe for such H Shares on behalf of participants;

(d) grant Awards to those Eligible Participants whom they shall select from time to time;

(e) determine the terms and conditions of Awards granted under the Scheme, including but not limited to the list of Eligible Participants, number of Awards, Purchase Price, Exercise Price, Vesting Dates, vesting criteria, performance targets, clawback arrangements and other conditions;

(f) approve the form of Award Letters;

(g) decide how the vesting of Award Shares will be settled pursuant to Rule 12.7;

(h) make such appropriate and equitable adjustments to the terms of Awards granted under the Scheme as they deem necessary;

(i) determine the commencement or termination date of the Award subject to the commencement or termination of a Grantee's employment with any member of the Group;

(j) upon completion of the allotment and issuance of new Shares under the Scheme, to increase the registered capital of the Company and make such appropriate and necessary amendments to the Articles in accordance with the manner, class, number of new Shares so allotted and issued and the equity structure of the Company at the time

of completion of such allotment and issuance, and to handle the relevant registration matters with the competent registration authorities in accordance with applicable domestic and overseas laws, regulations and normative documents; and

(k) take such other steps or actions as they deem necessary or prudent to give effect to the terms and intent of the Scheme Rules and/or Awards.

6.6 In respect of the administration of the Scheme, the Company shall comply with all applicable shareholders' approval, announcement, circular and reporting requirements imposed by the Listing Rules from time to time.

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

7. IMPLEMENTATION BY TRUST

7.1 The Company may establish one or more trusts and appoint one or more trustees to hold H Shares for the purposes of: (i) holding Award Shares and reserved for specified Eligible Participants; (ii) settling Awards under Rule 12; and (iii) taking other actions for the purposes of administering and implementing the Scheme ("**Trust(s)**"). The trustee(s) of the Trust shall be instructed by the Company, and unless otherwise agreed between the Company and the trustee(s), the Board shall act on behalf of the Company to give instructions to and direct the trustee(s).

7.2 Where a Trust has been established under Rule 7.1, the administration and implementation of the Scheme through the Trust shall be governed by a trust deed or such other governing documents of such Trust or custodian arrangements between the Company and the respective trustee(s), which may include but is not limited to:

(a) requirements relating to notifying the trustee about the granting, vesting, exercise, cancellation or lapse of Awards or Award Shares;

(b) acquisition of H Shares (including but not limited to, subscribe new Shares, or existing Shares purchased or acquired on-market or off-market by the trustee(s) under the Trust) or other methods for settling Awards;

(c) voting, dividends, distributions and other rights associated with vested Award Shares;

(d) holding and transferring H Shares; and

(e) holding and transferring any related income generated from the H Shares or proceeds derived from dealings in the H Shares.

7.3 The trustee(s) holding unvested H Shares under the Trust shall abstain from voting on matters that require shareholders' approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given.

8. GRANT OF AWARDS

Grants and Types of Awards

8.1 The Board may, from time to time, in its absolute discretion select any Eligible Participant to be a Grantee and, subject to these Scheme Rules, grant an Award, the nature and amount of which shall be determined by the Board, to such Grantee during the Scheme Period.

8.2 An Award may take the form of an RSU, a Share Option, or a combination of both.

Additional Approvals for Grants Beyond Individual Limits

8.3 Grants of Awards funded by new Shares to an individual Eligible Participant shall be subject to the following additional rules:

(a) Any grant of Awards (including Share Options or RSUs) to each Eligible Participant would result in the H Shares issued and to be issued in respect of all options and awards granted to such Participant (excluding any Share Options and RSUs lapsed in accordance with the terms of the scheme of the Company) in the 12-month period up to and including the date of such grant representing in aggregate over 1% of the total issued shares of the Company (excluding Treasury Shares), such grant shall be subject to separate approval of the Shareholders in general meeting with the relevant Eligible Participant and their close associates (or associates if the Eligible Participant is a connected person of the Company) abstaining from voting. A circular shall be sent to the Shareholders disclosing the information required to be disclosed under the Listing Rules. The number and terms of the Awards to be granted to such Eligible Participant shall be fixed before the Shareholders' approval is sought.

(b) For any Share Options to be granted in circumstances under Rule 8.3(a), the date of the Board meeting for proposing such further grant shall be the Grant Date for the purpose of calculating the Exercise Price.

8.4 Grants of Awards funded by new Shares to any Director (excluding independent non-executive directors), Chief executive or substantial shareholder of the Company, or any of their respective associates shall be subject to the following additional rules:

(a) Such grant shall be subject to the prior approval of the Board and/or the Authorized Persons (excluding any member who is a proposed recipient of the grant of the Award) and the independent non-executive Directors of the Company.

(b) Grants to any Director or Chief executive of the Company, which are made on terms with a Vesting Period less than 12 months or without a performance target or without a clawback mechanism (each of which, a "**Unique Term**"), shall be reviewed by the Remuneration and Appraisal Committee of the Board as to why the Unique Term is appropriate and how the grant nevertheless aligns with the purpose of the Scheme.

(c) In addition:

(i) where any grant of Awards (i.e., excluding grant of Share Options) to any Director or 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 awards lapsed in accordance with the terms of the relevant Scheme Rules) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% ofthe total

number of the relevant class of Shares in issue at the date of such grant (excluding Treasury Shares, if any); or

(ii) where any grant of Awards to a substantial shareholder of the Company (or any of their respective associates) would result in the number of Shares issued and to be issued in respect of all options and awards granted (excluding any options and awards lapsed in accordance with the terms of the relevant Scheme Rules) to such person 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 in issue (excluding Treasury Shares, if any).

such further grant of Awards must be approved by the Shareholders in general meeting in the manner required by, and subject to the requirements set out in, the Listing Rules, and such Grantee, his/her associates and all core connected persons of the Company must abstain from voting in favour of the relevant resolution at such general meeting.

Restrictions on Grants

8.5 No Award shall be granted to any Eligible Participant during the following time periods, and no instructions to purchase any Shares shall be given to the Trustee under the Scheme:

(a) in circumstances prohibited by the Listing Rules or at a time when the relevant Eligible Participant would be prohibited from dealing in the Shares by the Listing Rules (including the Model Code for Securities Transactions by Directors of Listed Issuers, set out in Appendix C3 to the Listing Rules) or by any applicable rules, regulations or law;

(b) where the Company has come to its knowledge or is in possession of any unpublished inside information in relation to the Company, until (and including) the trading day after such inside information has been announced; and

(c) during the period commencing thirty (30) days immediately preceding the earlier of (including any period of delay in publishing the results announcement): (i) the date of the board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for approving the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement.

8.6 Additionally, no Award shall be granted to any Eligible Participant under the following circumstances:

(a) if any member of the Group is required under Applicable Laws, rules or regulations to issue a prospectus or other offer documents in respect of such grant or the Scheme;

(b) where such grant or dealing in the Shares in respect of such grant would result in a breach by any member of the Group or any of its directors of any Applicable Laws, rules, regulations or codes in any jurisdiction from time to time (including but not limited the PRC Company Law, the PRC Securities Law and the Articles of Association);

(c) in circumstances where the requisite approval from any applicable governmental or regulatory authority has not been obtained, provided that to the extent permissible in

accordance with Applicable Laws, rules and regulations an Award may be made conditional upon such approval being obtained;

(d) in circumstances which would result in a breach of the Scheme Mandate Limit, provided that to the extent permissible in accordance with Applicable Laws, rules and regulations an Award may be made conditional upon the Scheme Mandate Limit being refreshed or approval of Shareholders being otherwise obtained;

(e) where such Award is to a connected person and, under the Listing Rules, requires the specific approval of Shareholders, until such approval of Shareholders is obtained provided that to the extent permissible in accordance with Applicable Laws, rules and regulations an Award may be made conditional upon such specific shareholder approval being obtained;

(f) Upon the occurrence of any of the following circumstances:

(i) the certified public accountant issues an adverse opinion or a disclaimer of opinion in respect of the latest fiscal year's financial and accounting report thereof; or

(ii) the Company is subject to administrative punishment imposed by CSRC due to a material violation of laws and regulations in the latest year.

(g) Any of the following circumstances occurs to the Grantee:

(i) who is publicly censured or declared as an inappropriate candidate by the CSRC or the Stock Exchange within three years before the Date of the Grant;

(ii) personnel who have committed any material violation of laws or regulations within three years before the date of granting being determined as inappropriate personnel by the Stock Exchange, the CSRC or their local offices or imposed with an administrative penalty or prohibition of the market access;

(iii) disqualification from acting as a director, supervisor or senior officer of a company under the Company Law of the PRC; or

(iv) other circumstances as recognized by the CSRC or the Stock Exchange in which participation in any share schemes is prohibited.

8.7 To the extent that an Award shall be settled by the delivery of new Shares, the grant of such Award shall be conditional upon the Listing Committee of the Stock Exchange granting approval to the listing of, and permission to deal in, such Shares and the satisfaction of any other conditions as may be considered necessary or appropriate by the Board.

9. AWARD LETTER

9.1 The Company shall, in respect of each grant of Awards, on the Grant Date issue a letter to the Grantee in such form as the Board may from time to time determine setting out the terms and conditions of the Award (an "**Award Letter**"), which may include the number of Award Shares in respect of which the Award relates, the Purchase Price or Exercise Price (as applicable), the vesting criteria and conditions, the Vesting Date, any minimum performance targets that must be achieved and any such other details as the Board may consider necessary, and requiring the Grantee to undertake to hold the Award on the terms of the Award Letter and be bound by the provisions of this Scheme.

9.2 The following Rules of this Scheme are subject to, and shall be modified to the extent specified in, the Award Letter:

(a) Rule 10.2 (Acceptance);

(b) Rule 12 (Settlement of Awards);

(c) Rule 14 (Taxation);

(d) Rule 18 (Disqualification as an Eligible Participant); and

(e) Rule 23 (Notices).

10. ACCEPTANCE, PURCHASE PRICE AND EXERCISE PRICE

Acceptance

10.1 No consideration is payable by a Grantee to the Company for acceptance of the Awards under this Scheme.

10.2 Unless otherwise specified in the Award Letter, the Grantee shall have 30 Business Days from the Grant Date to accept the Award. A Grantee may accept an Award by giving written notice of their acceptance to the Board. An Award may be accepted in whole or in part *provided that* it must be accepted in respect of a board lot for dealing in Shares or a multiple thereof. To the extent that an Award or part thereof is not accepted within the time and in the manner indicated in this Rule, the portion not accepted shall be deemed to have been irrevocably declined and shall automatically lapse.

Purchase Price and Exercise Price

10.3 For Awards which take the form of RSUs, the Purchase Price for such RSUs shall be determined by the Board and/or the Authorized Persons in its absolute discretion and notified to the Grantee in the Award Letter, having regard to the current closing price of H Shares, the purpose of the Scheme and the characteristics of the relevant Grantee.

10.4 For Awards which take the form of Share Options, the Exercise Price for such Share Options shall be such price as may be determined by the Board and/or the Authorized Persons in their absolute discretion and notified to the Eligible Participant in the Award Letter, *provided that* the Exercise Price shall in any event be no less than the higher of:

(a) the nominal value of each H Share;

(b) the closing price of the H Shares as stated in the daily quotations sheet issued by the Stock Exchange on the Grant Date; and

(c) the average closing price of the H Shares as stated in the daily quotations sheets issued by the Stock Exchange for the five Business Days immediately preceding the Grant Date.

11. VESTING OF AWARDS

11.1 The Board may in respect of each Award and subject to all Applicable Laws, rules and regulations determine such vesting criteria and conditions or periods for vesting of the Award in its sole and absolute discretion. The relevant Vesting Date of any Award shall be set out in the Award Letter.

11.2 The Vesting Date in respect of any Awards to be satisfied by the issue of new Shares shall be not less than 12 months from the Grant Date, *provided that* for Eligible Participants, the Vesting Date may be less than 12 months from the Grant Date (including on the Grant Date) in the following circumstances:

(a) grants of "make whole" Awards to new Employee Participants to replace Share Awards such Employee Participants forfeited when leaving their previous employers;

(b) grants to an Eligible Participant whose employment is terminated due to death or disability or occurrence of any out of control event, where the vesting of the Awards may accelerate based on the discretion of the Board or the Scheme Administrator, as the case may be;

(c) performance-based vesting conditions provided in the scheme document under Rule 11.6, in lieu of time-based vesting criteria;

In particular, such circumstances may include (i) the Company achieves a major strategic or financial target which are also included as the performance-based vesting conditions of the relevant Eligible Participant; and (ii) the Eligible Participant delivers results and therefore fulfill the performance-based vesting conditions.

(d) grants of Awards that are made in batches during a year for administrative and compliance reasons. They may include Awards that should have been granted earlier but had to wait for a subsequent batch. In such cases the Vesting Periods may be shorter to reflect the time from which an Award would have been granted;

In particular, such circumstances may include (i) the Company may need to report to the regulators or relevant exchanges in consolidated batches prior to the grant of the Awards; (ii) the administrative timing may depend on the schedules board meetings and Remuneration and Appraisal Committee reviews; (iii) the Company may intend to align grants with reporting cycles including annual and interim reporting cycles; and (iv) the ESOP System may only process grants in batches for efficiency and audit control. Such Vesting Period has to be shortened as by preventing dissatisfaction of the Employee Participants who have demonstrated value and such delay is solely unrelated to the performance of Employee Participants but only out of administrative and compliance reasons. The mechanism ensures fairness without undermining the principle that rewards are tied to Company success, thereby maintaining alignment between Employee Participants, the Company, and Shareholders.

Awards that should have been granted earlier but had to wait for a subsequent batch typically arise due to administrative and compliance requirements that prevent immediate issuance. For example, grants may need to be synchronized with regulatory filings, Board approvals, or disclosure obligations, which are often scheduled at fixed intervals. In addition, equity management systems or internal controls may only process grants in consolidated batches to ensure accuracy, auditability, and consistency across Employee Participants. As a result, some Awards that were intended to be granted earlier are delayed until the next batch cycle.

The Board is of the view that such arrangement complies with the purpose of the Scheme particularly when the Company has control of the timing of grants in the above circumstances as shortening vesting for delayed batch grants ensures Eligible Participants are not disadvantaged simply due to administrative or compliance matters and the proactiveness of the Company in preserving fairness and safeguarding the interests of the Eligible Participants reinforce trust and make the Scheme more attractive to outstanding talents.

(e) grants of Awards with a mixed or accelerated vesting schedule such as where the Awards may vest evenly over a period of 12 months; or

In particular, such circumstances may include (i) the monthly vesting allows the Eligible Participants keep engaged for a full year; and (ii) tying a significant portion to product R&D progress or milestone.

(f) grants of Awards with a total vesting and holding period of more than 12 months.

In particular, such circumstances may include (i) retaining participants for long-term service by way of phased vesting throughout the extended vesting and holding period and (ii) tying a significant portion to completion of a specific project or milestone.

11.3 If a Vesting Date is not a Business Day, such Vesting Date shall, subject to any trading halt or suspension of dealings in the Shares on the Stock Exchange, be deemed to be the next Business Day immediately thereafter.

Performance Targets

11.4 The Board may, in respect of each Award and subject to all Applicable Laws, rules and regulations, determine such performance targets, criteria or conditions for vesting of Awards in its sole and absolute discretion. Any such performance targets, criteria or conditions shall be set out in the Award Letter. For the avoidance of doubt, an Award shall not be subject to any performance targets, criteria or conditions if none are set out in the relevant Award Letter.

11.5 The Board (or body designated by the Board) shall specify in the Award Letter the person(s) of the Company that will assess how and whether such targets, criteria or conditions are satisfied.

11.6 Performance targets, criteria or conditions are to be specified in the relevant Award Letter. Performance targets may combine qualitative and quantitative requirements and include an annual assessment of a Participant (e.g., skills, expertise, key performance indicators of his or her division and contribution to the Company) and/or the performance of the Company (e.g., achievement of financial indicators and progress in relation to products, business and market capitalization milestones). From time to time, the Board will conduct an assessment to compare performance against pre-established targets in order to determine whether and to what extent such targets have been achieved. Following such assessment, if the Board determines that any of the specified performance targets have not been achieved, the unvested Awards will automatically lapse.

Vesting of the Awards

11.7 Prior to each Vesting Date, the Board (or such institution designated by the Board) shall confirm the extent to which the vesting conditions of the final Grantees have been achieved. Upon assessment, if the Board determines that any prescribed performance targets or other conditions have not been achieved, the unvested awards shall automatically lapse.

11.8 The Board may, in its sole and absolute discretion, determine whether all or any H Shares subject to any Awards granted or to be granted under the Scheme shall be satisfied upon vesting by: (i) allotment and issuance of new Shares (including the transfer of Treasury Shares); (ii) transfer of existing Shares; (iii) cash payment obtained by instructing the Trustee to sell the Shares corresponding to the vested RSUs or exercised Share Options; and/or (iv) a combination of the foregoing.

12. SETTLEMENT OF AWARDS

Exercise of an Option

12.1 The Exercise Period for any vested Share Option shall be such period as the Board may in its absolute discretion determine and notify to the Grantee in the Award Letter, *provided that* the Exercise Period shall not exceed 10 years from the Grant Date. A Share Option shall automatically lapse and shall not be exercisable (to the extent not already exercised) on the expiry of the tenth anniversary of the Grant Date.

12.2 A Grantee may exercise a vested Share Option in whole or in part on or after the applicable Vesting Date by giving written notice to the Company in such form as the Board may from time to time determine, specifying the exercise of such Share Option and the number of H Shares in respect of which the Share Option is being exercised. Such notice must be accompanied by a remittance in an amount equal to the Exercise Price multiplied by the number of H Shares to which the notice relates. Such remittance may be made to the Company by way of (i) cash; (ii) non-cash means, including but not limited to instructing the Trustee; or (iii) any combination thereof.

12.3 In respect of Share Options exercised by a Grantee, within [20] Business Days after receipt of the notice and remittance, the Company shall arrange for settlement of the exercise of the Share Options in the manner set forth in Rule 12.7.

Allotment of the vested RSUs

12.4 Subject to the terms and conditions of the Scheme and satisfaction of all vesting conditions applicable to the vesting of the RSUs of the relevant Grantee, the Board shall instruct and procure the Trustee, within such reasonable period as may be agreed between the Trustee and the Board from time to time prior to any Vesting Date, to issue a vesting notice to the relevant Grantee. Such notice shall include confirmation of the satisfaction of the Grantee's vesting conditions and the Vesting Date, confirmation of the manner of payment of the Purchase Price, and confirmation of the manner of settlement of the H Shares corresponding to the Grantee's vested RSUs.

12.5 The Grantee shall confirm the vesting of the RSUs in the manner specified in the written notice issued by the Board and shall pay to the Company the corresponding Purchase Price (if any) to complete the subscription for the H Shares corresponding to such vested RSUs. The payment amount shall equal the Purchase Price multiplied by the number of H Shares corresponding to the vested RSUs to which the notice relates. Such remittance may be made to the Company by way of (i) cash payment; (ii) non-cash payment; or (iii) any combination thereof.

12.6 Upon receipt by the Trustee of the Company's confirmation of the satisfaction of the vesting conditions, the Grantee's written confirmation of vesting, and confirmation of the manner of payment of the Purchase Price, the Trustee shall procure the transfer of H Shares to the Grantee and/or an entity controlled by and established for the benefit of the Grantee (subject to the Board's approval), in each case for the benefit of the Grantee, in accordance with Rule 12.7. The Board may require any Grantee to return duly executed transfer documents or other documents for the purposes of vesting and transfer of the relevant Share Options or H Shares within a specified period. If the Grantee fails to return such documents, the Awards shall automatically lapse, unless the Board in its absolute discretion otherwise determines.

Settlement of Exercised Share Options and/or Allotment of Vested RSUs

12.7 Subject to Rule 12.8, within 20 Business Days after receipt of the notice and remittance (if any), the Company shall arrange for the exercised Share Options or vested RSUs or cash payment to

be satisfied by one or more of the following methods, as determined by the Board in its sole discretion:

(a) allot and issue the corresponding number of H Shares or transfer the corresponding number of Treasury Shares to the Grantee or to the nominee account established by the Trustee, and such newly allotted and issued H Shares shall be recorded as fully paid;

(b) instruct the Trustee to transfer existing Shares to the Grantee or to the custodian account established by the Trustee, and the Grantee shall enjoy the rights and interests in the corresponding H Shares held in such nominee account; or

(c) instruct the Trustee to pay cash to the Grantee. The amount of such payment shall be determined by reference to the number of H Shares corresponding to the Grantee's vested RSUs or exercised Share Options on or after the date of allotment and/or the date of exercise, valued at the closing price of the H Shares as quoted in the daily quotation sheet published by the Stock Exchange on the relevant date of allotment and/or exercise, after deducting any stamp duty, Taxes, transaction levies and other direct costs and expenses (if any) that would have been payable had the H Shares been sold on the market at the aforesaid closing price on such date.

For the purposes of distribution, transfer, issuance and sale of Award Shares, or cash payment to the Grantee, the Trustee shall receive no later than ten (10) Business Days prior to the date of allotment and/or the date of exercise: (i) a copy of the relevant vesting notice together with written instructions from the Board directing the Trustee to transfer the Award Shares to the Grantee; (ii) the original transfer documents (if any) as required by the Trustee and duly executed by the Grantee; (iii) the Grantee's client due diligence documents submitted no later than ten (10) business days prior to the date of allotment and/or the date of exercise in accordance with the Trustee's client due diligence policy requirements; and (iv) such other documents as the Company may require for such purpose. The Trustee shall, in accordance with the instructions of the Board, transfer the relevant Shares to the relevant Grantee or to the nominee account designated by the Grantee as soon as practicable on or after the date of allotment and/or the date of exercise, and in any event no later than ten (10) Business Days thereafter. If the Trustee has not received the necessary documents referred to in sub-paragraphs (i), (ii), (iii) and (iv) of this clause on or before the relevant date of allotment and/or the date of exercise, the relevant Awards shall lapse on that date and no allotment or issuance shall be made, and the Grantee shall not be entitled to make any claim whatsoever against the Trust or the Trustee in respect of such or any other Shares or any rights or interests therein. The Company shall refund to the Grantee the Exercise Price and/or Purchase Price (if any) paid by the Grantee in respect of such lapsed Award Shares in accordance with the terms and conditions of the Scheme and the Award Letter.

12.8 Where the Board in their sole discretion determines that it is not practicable for the Grantee to receive Award Shares or for the Company (whether or not through a trustee or other third party) to settle the Award due to applicable legal or regulatory restrictions (including under the Listing Rules), the settlement of the Award shall be postponed and shall take place within 20 Business Days from the date that the Board subsequently determines it will be practicable to proceed with the settlement of the Award.

12.9 The Award Shares shall be identical to all issued H Shares and (in respect of new Shares) shall be allotted and issued subject to all the provisions of the Articles for the time being in force and will rank *pari passu* with the other fully paid H Shares in issue on the date the name of the Grantee is registered on the register of members of the Company or, if that date falls on a day when the register of members of the Company is closed, the first day of the re-opening of the register of members, *save that* the Grantee shall not have any voting rights, or rights to participate in any dividends or distributions (including those arising on a liquidation of the

Company) declared or recommended or resolved to be paid to the Shareholders on the register on a date prior to such registration.

Expenses

12.10 Any direct costs and expenses arising on the vesting and issue of the Award Shares to or for the benefit of a Grantee as contemplated by Rule 12.7(a) shall be borne by the Company.

12.11 Any stamp duty, Taxes, trading fee and other, if any, direct costs and expenses arising on the sale of the Award Shares and cash payment as contemplated by Rule 12.7(c) shall be borne by the Grantee and deducted by the Board from the amount payable to the Grantee pursuant to Rule 12.7(c).

13. RESTRICTIONS ON AWARDS

13.1 Awards do not carry any right to vote at general meetings of the Company, nor any right to dividends, transfer or other rights. No Grantee shall have any right to any cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions from any H Shares underlying the Awards. No Grantee shall enjoy any rights of a Shareholder by virtue of the grant of an Award unless and until the H Shares underlying that Award are delivered to the Grantee pursuant to the vesting and exercise of such Award. New H Shares allotted and issued pursuant to the Scheme shall be identical to all existing issued Shares and shall be allotted and issued in accordance with the Articles as in effect from time to time, and shall rank *pari passu* with other issued fully paid Shares. Unvested RSUs and unexercised Share Options shall not carry any right to vote at general meetings of the Company, nor any right to dividends, transfer or other rights (including those arising upon the winding-up of the Company). Upon the vesting and exercise of an Award and delivery of the H Shares relating to such Award to the Grantee, the Grantee shall be entitled to the corresponding shareholder rights in respect of the vested RSUs and/or exercised Share Options.

13.2 Awards shall be personal to the Grantee to whom they are made and shall not be assignable or transferable, except in circumstances where the written consent of the Company has been obtained and a waiver has been granted by the Stock Exchange for such transfer in compliance with the requirements of the Listing Rules and provided that any such transferee shall be bound by the Rules of this Scheme and all applicable Award Letters as if the transferee were the Grantee.

13.3 Any breach of Rule 13.2 shall cause the applicable outstanding Award to lapse. For this purpose, a determination by the Board to the effect that a breach of Rule 13.2 has occurred shall be final and conclusive.

Other Restrictions on Awards or Award Shares

13.4 The Board may, in its sole discretion, grant any Award with additional restrictions attached to the Award or Award Shares as further set out in the Award Letter, including contractually restricting the voting or transferability of the Award Shares after vesting of the Award.

14. TAXATION

14.1 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 Grantee's participation in the Scheme or in relation to the H Shares, Award Shares or cash payment (the "**Taxes**") received by a Grantee shall be borne by such Grantee, and neither the Company nor any designated third party shall be liable for any Taxes. Each Grantee, by accepting any grant of Awards agrees to indemnify each

member of the Group, the trustee(s) and any designated third party against any liability they may have to pay or account for in respect of such Taxes, including any withholding liability in connection with any Taxes. To give effect to this, the Company (or designated third party) may, notwithstanding anything else in these Scheme Rules (but subject to Applicable Laws):

(a) reduce or withhold such number of the H Shares delivered upon exercise of any Options or allotment of any RSUs or the cash payment to be paid to the Grantee as may be necessary to settle any Taxes (the number of H Shares that may be reduced or withheld shall be limited to the number of H Shares that have a fair market value on the date of withholding that, in the reasonable opinion of the Board (or the trustee or designated third party) is sufficient to cover any such liability);

(b) sell, on the Grantee's behalf, such number of H Shares to which the Grantee becomes entitled and retain the proceeds and/or pay them to the relevant authorities or government agency;

(c) deduct or withhold, without notice to the Grantee, the amount of any such liability from any payment to the Grantee made under the Scheme or from any payments due from a member of the Group to the Grantee, including from the salary payable to the Grantee by any member of the Group; and/or

(d) require the Grantee to remit to any member of the Group, in the form of cash or a certified or bank cashier's check, an amount sufficient to satisfy any Taxes or other amounts required by any governmental authority to be withheld and paid over to such authority by any member of the Group on account of the Grantee or to otherwise make alternative arrangements satisfactory to the Company for the payment of such amounts.

The Company shall not be obliged to issue any H Shares or pay any Actual Selling Price to a Grantee unless and until the Grantee satisfies the Company (in the opinion of the Board) that such Grantee's obligations for Taxes under this Rule have been met.

15. CANCELLATION OF AWARDS

15.1 Any Awards granted but not delivered or exercised may be cancelled by the Board at any time with the prior consent of the Grantee.

15.2 The Board may in its sole discretion determine to buyout an Award from a Grantee at a price, and on such terms as, deemed fair and communicated to the Grantee, following which, the purchased Award shall be cancelled.

15.3 Issuance of new Awards to the same Grantee whose Awards have been cancelled pursuant to Rule 15.1 may only be made if there are unissued Awards available under the Scheme Mandate Limit and in compliance with the terms of the Scheme. Awards cancelled pursuant to the terms of the Scheme Rules (or the terms of any other share schemes of the Company) shall be counted as utilised for the purpose of calculating the Scheme Mandate Limit.

16. LAPSE OF AWARDS

16.1 Without prejudice to the authority of the Board to provide additional situations when an Award shall lapse in the terms of any Award Letter, an Award shall lapse automatically (to the extent not already vested and exercised) on the earliest of:

(a) the expiry of any applicable Exercise Period;

(b) the date on which the Board makes a determination under Rule 17;

(c) the expiry of any of the periods for accepting the Award as referred to in Rule 10.2;

(d) the expiry of any of the periods for exercising the Award as referred to in Rule 18;

(e) the date on which the Grantee commits a breach of Rule 13.2;

(f) the date on which the Grantee gives written notice to the Board that such Award is forfeited by the Grantee; and

(g) the date on which the Board determines that any specified performance targets have not been achieved.

16.2 The Board shall have the power to decide whether an Award shall lapse and its decision shall be binding and conclusive on all parties. The Company shall not owe any liability to any Grantee for the lapse of any Award under this Rule 16.

17. CLAWBACK

17.1 In the event that:

(a) the Board reasonably considers that the Grantee has, by reason of negligence, fraud or gross misconduct, caused or is reasonably likely to cause：

(i) material reputational damage to any member of the Group；

(ii) a material adverse effect on the financial condition of any member of the Group；

(iii) a material adverse effect on the business opportunities, ongoing performance or profitability prospects of any member of the Group;

(iv) a breach of the terms of the Scheme in any material respect; or

(v) the Award granted to such Grantee ceasing to be appropriate and consistent with the purposes of the Scheme.

(b) the Grantee is charged with, sanctioned for or convicted of an offence, where such charge, sanction or conviction involves the integrity or honesty of the Grantee;

(c) a Grantee has committed a serious breach of any Applicable Laws or regulations in any relevant jurisdiction or of an internal policy, guidelines or code of any member of the Group or agreement with any member of the Group;

(d) without prejudice to the generality of Rule17.1 (c), the Grantee commits any act of professional misconduct, disclosure of the Group's confidential information, dereliction of duty, bribery or solicitation, misappropriation, theft, fraud, breach of a non-compete undertaking, or any other act prejudicial to the interests of the Group;

(e) where the Company is required to exercise a clawback in accordance with the Applicable Laws, rules and regulations and/or pursuant to a request from any regulatory authority (including without limitation the Stock Exchange),;

then the Board may make a determination at its absolute discretion that: (A) any Awards granted but not yet exercised shall immediately lapse, regardless of whether such Awards have vested or not, and (B) with respect to any H Shares delivered, or cash payment paid, to the Grantee pursuant to any Awards granted under this Scheme, the Grantee shall be required to transfer

back to the Company or its nominee (1) the equivalent number of H Shares, (2) an amount in cash equal to the market value of such H Shares or the cash payment , or (3) a combination of (1) and (2).

18. DISQUALIFICATION AS AN ELIGIBLE PARTICIPANT

18.1 **Work-related Death or Permanent Incapacity:** If a Grantee ceases to be an Eligible Participant by reason of (i) work-related death of the Grantee; or (ii) termination of the Grantee's employment or contractual engagement with any member of the Group by reason of the Grantee's work-related permanent physical or mental incapacity:

(a) in the case of Share Options, any granted but unexercised Share Option may be exercised within the Exercise Period by the personal representatives of the Grantee. Where a Grantee no longer has legal capacity to exercise the Share Option, the granted but unexercised Share Option may be exercised within that period by the persons charged with the duty of representing the Grantee under the Applicable Laws. If the granted but unexercised Share Option is not exercised within the period mentioned above, the Share Option shall lapse. If any performance assessment indicators are attached to the corresponding granted but unexercised Share Option, such performance assessment indicators shall no longer serve as conditions for the vesting or exercise of the Share Option; and

(b) in the case of RSUs, any outstanding RSUs not yet vested shall immediately vest. If any performance assessment indicators are attached to an RSU, such performance assessment indicators shall no longer serve as conditions of vesting. The Company shall deliver such number of RSUs as are equal to the vested RSUs or the cash payment (hereinafter referred to as the "**Benefits**") to the legal personal representatives of the Grantee or the persons charged with the duty of representing the Grantee under the Applicable Laws, as the case may be, as soon as practicable following the death of the Grantee or, if the Benefits would otherwise become *bona vacantia*, the Benefits shall be forfeited, cease to be transferable and lapse.

The Board may, in its sole discretion, determine that such outstanding Share Options and RSUs shall: (i) be subject to accelerated vesting and/or become immediately exercisable; or (ii) continue to vest and/or become exercisable in accordance with the original vesting schedule and/or exercise period.

18.2 **Other Reasons:** unless otherwise determined by the Board: (i) if a Grantee ceases to be an Eligible Participant, or where the Grantee's employment or contractual engagement with the Group is terminated, for reasons other than those set out in Rule 17 or the preceding provisions of Rule 18.1, including but not limited to negotiated departure, retirement, dismissal or non-work-related death or permanent incapacity; or (ii) where the Grantee's employment or contractual engagement with the Group has been suspended, or the Grantee's position within or in relation to the Group has been vacated, for more than six months:

(a) a Grantee may exercise any vested Share Options within 1 month of such cessation or within the Exercise Period, whichever is the shorter, or such other period as the Board may decide in its sole discretion. If a Share Option is not exercised within the time mentioned above, the Share Option shall lapse; and

(b) any outstanding Awards not yet vested shall be immediately forfeited and shall lapse, unless the Board determines otherwise in its absolute discretion.

19. ALTERATIONS IN SHARE CAPITAL OR CORPORATE TRANSACTIONS

Alterations in Share Capital

19.1 In the event of any alteration in the capital structure of the Company by way of capitalisation of profits or reserves, rights issue subdivision or consolidation of H Shares or reduction of the share capital of the Company (other than any alteration in the capital structure of the Company as a result of an issue of H Shares as consideration in a transaction to which the Company is a party) after the Adoption Date, the Board shall make such corresponding adjustments, if any, as the Board in its discretion may deem appropriate to reflect such change with respect to:

(a) the number of H Shares subject to any Share Option or RSUs granted under the Scheme (to the extent such Share Options remain unexercised or such RSUs remain unvested and the underlying H Shares have not been issued);

(b) the Exercise Price of any Share Option or Purchase Price of any RSUs,

provided that: any adjustments must give each Grantee the same proportion of the equity capital, rounded to the nearest whole Share, as that to which that Grantee was previously entitled but no such adjustments may be made to the extent that a Share would be issued at less than its nominal value. The issue of securities as consideration in a transaction may not be regarded as a circumstance requiring adjustment. In respect of any such adjustments, other than any made on a capitalization issue, an independent financial adviser or the Auditors of the Company must confirm to the Directors in writing that the adjustments satisfy the requirements set out in the note to Listing Rule 17.03(13) of the Listing Rules in respect of the adjustable number of Awards, exercise price or purchase price under this Rule 19 is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on the Company and the Grantees.

Corporate Transactions

19.2 If there is an event of change in control of the Company as the result of a merger, scheme of arrangement or general offer, or in the event of a dissolution or liquidation of the Company, the Board shall at its sole discretion determine whether the vesting conditions or criteria of any Awards will be amended or waived, and notify the Grantees accordingly. Any amendment or waiver of the vesting conditions or vesting criteria of any Awards shall be subject to, and carried out in compliance with, the applicable requirements of Chapter 17 of the Listing Rules, including note 2 to Rule 17.03(18), and any applicable approval, disclosure and/or consent requirements.

19.3 For the purpose of Rule 19.2, "control" shall have the meaning as specified in The Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC from time to time.

Adjustment methods of the number of H Share(s) subject to the Awards

19.4 In the event of any alteration in the capital structure of the Company by way of capitalisation of profits or reserves, rights issue subdivision or consolidation of Shares or reduction of the share capital of the Company (other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party) during the period from the acceptance date by the participants to the date the participants vesting of the RSUs or exercising of the Share Options , the number of H Shares comprised in each Award to the extent any Award(s) shall be adjusted accordingly. The adjustment methods are as follows:

(i) Capitalization of capital reserves, bonus issue, share subdivision

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

Where: Q_0 represents the number of the Awards prior to the adjustment; n represents the ratio of increase per share resulting from capitalization of capital reserves, bonus issue or share subdivision (i.e. the number of increased share(s) per share upon capitalization of capital reserves, bonus issue or share subdivision); and Q represents the number of the Shares after the adjustment.

(ii) Rights issue

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

Where: Q_0 represents the number of the Awards prior to the adjustment; P_1 represents the closing price of the H Shares as at the registration date; P_2 represents the subscription price in respect of the rights issue; n represents the ratio of the right issue (i.e. the number of shares to be issued under the rights issue in proportion to the total share capital of the Company prior to the rights issue); and Q represents the number of the H Shares after the adjustment.

(iii) Share consolidation or reduction of the share capital

$Q=Q_0\times n$

Where: Q_0 represents the number of the Awards prior to the adjustment; n represents the ratio of consolidation of shares or reduction of the share capital (i.e. one share of the Company shall be consolidated into n shares); and Q represents the number of the H Shares after the adjustment.

(iv) Dividend distribution, new issue

In the event of distribution of dividends or issue of new shares by the Company, the number of the H Shares will not be adjusted.

Adjustment methods of the Exercise Price or Purchase Price

19.5 In the event of any alteration in the capital structure of the Company by way of capitalisation of profits or reserves, rights issue, subdivision or consolidation of Shares or reduction of the share capital of the Company (other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party) during the period from the acceptance date by the participants to the date the participants vesting of RSUs or exercising of the Share Options, the Exercise Price/Purchase Price of H Shares comprised in each Award to the extent any Award(s) shall be adjusted accordingly. The adjustment methods are as follows:

(i) Capitalization of capital reserves, bonus issue, share subdivision

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

Where: P_0 represents the Purchase Price prior to the adjustment; n represents the ratio of increase per share resulting from the capitalization of capital reserves, bonus issue or share subdivision; and P represents the Exercise Price/Purchase Price after the adjustment.

(ii) Rights issue

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

Where: P_0 represents the Purchase Price prior to the adjustment; P_1represents the closing price of the H Shares as at the record date; P_2 represents the subscription price in respect of the rights issue; n represents the ratio of the rights issue (i.e. the number of shares to be issued under the rights issue in proportion to the total share capital of the Company prior to the rights issue); and P represents the Exercise Price/Purchase Price after the adjustment.

(iii) Share consolidation or reduction of the share capital

$P = P_0 \div n$

Where: P_0 represents the Exercise Price/Purchase Price prior to the adjustment; n represents the ratio of share consolidation or reduction of the share capital; and P represents the Exercise Price/Purchase Price after the adjustment.

(iv)Dividend distribution, new issue

In the event of distribution of dividend or issue of new shares by the Company, the Exercise Price/Purchase Price of the Awards will not be adjusted.

20. AMENDMENT OF THE SCHEME OR AWARDS

20.1 Subject to the provisions of this Rule 20 and Rule 17.03(18) of the Listing Rules, the Board may amend any of the provisions of this Scheme or any Awards granted under this Scheme at any time and in any respect, provided that the terms of this Scheme or Awards so altered must comply with the relevant requirements of Chapter 17 of the Listing Rules. Any alterations to the terms and conditions of the Scheme which are of a material nature or any alterations to the provisions relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of participants must be approved by Shareholders in general meeting.

20.2 Any change to the authority of the Board or the Authorized Persons, including under this Scheme Rules, to alter the terms of this Scheme shall be subject to the approval of the Shareholders in general meeting. The altered or amended terms of the Scheme and the Awards thereunder must comply with Chapter 17 of the Listing Rules.

20.3 The consent of the relevant Grantee is required for any change to the provisions of this Scheme or any Awards granted under this Scheme to the extent that such amendment or alteration has a material adverse effect on any subsisting rights of that Grantee at that date in respect of Awards already granted to that Grantee and to the extent that such Awards have not vested or lapsed or been forfeited, *provided that* no such consent shall be required if the Board determines in its sole discretion that such amendment or alteration either:

(a) is necessary or advisable in order for the Company, this Scheme or the Award to satisfy any Applicable Laws or Listing Rules or to meet the requirements of, or avoid adverse consequences under, any accounting standard; or

(b) is not reasonably likely to diminish materially the benefits provided under such Award, or that any such diminishment has been adequately compensated.

20.4 Any change to the terms of Share Options or RSUs granted to a Grantee must be approved by the Board, the Remuneration and Appraisal Committee, the independent nonexecutive Directors and/or the Shareholders in general meeting (as the case may be) if the initial grant of such Share Options or RSUs was approved by the Board, the Remuneration and Appraisal Committee, the independent non-executive Directors and/or the Shareholders in general meeting (as the case may be). This requirement does not apply where the alterations take effect automatically under the existing terms of the Scheme.

20.5 Any dispute arising out of or in connection with the Scheme shall be determined by the Board, whose decision shall be final and binding on all parties.

21. SCHEME LIFE AND TERMINATION

21.1 Subject to Rule 21.2, the Scheme shall be valid and effective for the Scheme Period.

21.2 The Scheme shall terminate on the earlier of:

(a) the expiry of the Scheme Period; and

(b) such date of early termination as determined by the Board,

following which no further Awards will be offered or granted under this Scheme, *provided that* notwithstanding such termination, the Scheme and the Scheme Rules shall continue to be valid and effective to the extent necessary to give effect to the vesting and exercise of any Awards granted prior to the termination of the Scheme and such termination shall not affect any subsisting rights already granted to any Grantee hereunder.

21.3 Awards complying with the provisions of Chapter 17 of the Listing Rules which are granted during the life of the Scheme and remaining unexercised and unexpired immediately prior to the termination of the operation of the Scheme in accordance with Rule 21.2 shall continue to be valid and exercisable in accordance with their terms of issue after the termination of the Scheme.

22. MISCELLANEOUS

Governing Law and Third Party Rights

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

22.2 The Scheme shall operate subject to the Articles and to any restrictions under any Applicable Laws, rules and regulations (including the Listing Rules). All allotments and issuances of H Shares pursuant to this Scheme will be subject to all necessary consents under any relevant legislation and Listing Rules for the time being in force in Hong Kong and in the Company's place of incorporation or domicile.

22.3 Save as otherwise expressly provided in the Scheme Rules, no third party (which for the purposes of this Rule 22.3 means any person other than the Company and Grantees) shall have the right to enforce any of the terms of the Scheme or the Scheme Rules or otherwise enjoy any benefits under the Scheme pursuant to the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong) or otherwise. Alteration of the Scheme, the Scheme Rules, Awards, or Award Letter may be effected in accordance with Rule 20 without requiring the consent of any third party.

No Rights or Liability to Grantee

22.4 This Scheme shall not form part of any contract of employment or other contract between the Company or any Subsidiary and any Eligible Participant or Grantee, and the rights and obligations of any Eligible Participant or Grantee under the terms of the Grantee's office or employment or engagement shall not be affected by the Grantee's participation in this Scheme or any right which the Grantee may have to participate in it, and this Scheme shall afford such Eligible Participant or Grantee no additional rights to compensation or damages in consequence of the termination of such office or employment or engagement for any reason.

22.5 The Company shall not be responsible to: (i) any Eligible Participant or Grantee for any failure by the Company or any person involved in the management or administration of the Scheme; (ii) any person (including any Eligible Participant and Grantee) to obtain any consent or approval required for such person to participate in the Scheme; or (iii) any Eligible Participant or Grantee for any Taxes, expenses, fees or any other liability to which such Eligible Participant or Grantee may become subject as a result of participation in the Scheme.

22.6 Save as specifically provided herein, this Scheme shall not confer on any person any legal or equitable rights against any member of the Group directly or indirectly or give rise to any cause of action at law or in equity against any member of the Group. No person shall, under any circumstances, hold the Board, the Company or any other member of the Group, any administrator or any trustee or designated third party liable for any costs, losses, expenses and/or damages whatsoever arising from or in connection with the Scheme or the administration thereof.

22.7 In the event that an Award lapses or is forfeited in accordance with the Scheme Rules, no Grantee shall be entitled to any compensation for any loss or any right or benefit or prospective right or benefit under the Scheme which the Grantee might otherwise have enjoyed.

22.8 A Grantee shall be responsible for obtaining any governmental or other official consent or approval that may be required by any country or jurisdiction in order to permit the grant, holding or exercise of any Award. By accepting an offer of the grant of an Award or exercising an Award, the Grantee thereof is deemed to have represented to the Company that the Grantee has obtained all such consents and approvals. Compliance with this Rule shall be a condition precedent to an acceptance of an Award by a Grantee and an exercise by a Grantee of their Awards. Each Grantee, by their acceptance of any Award, shall thereby agree to indemnify each member of the Group fully against all claims, demands, liabilities, actions, proceedings, fees, costs and expenses which they may suffer or incur (whether alone or jointly with other party or parties) for or in respect of any failure on the part of the Grantee to obtain any necessary consent or approval or to pay tax or other liabilities referred therein. No member of the Group shall be responsible for any failure by a Grantee to obtain any such consent or approval or for any tax or other liability to which a Grantee may become subject as a result of the Grantee's participation in the Scheme.

Severability

22.9 Each provision hereof shall be treated as a separate provision and shall be severally enforceable as such in the event that any provision or provisions become unenforceable in whole or in part. To the extent that any provision or provisions hereof are unenforceable, they shall be deemed to be deleted from the Scheme Rules, and any such deletion shall not affect the enforceability of the remaining provisions of the Scheme Rules.

Personal Data

22.10 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 other third party service provider, in Hong Kong or elsewhere, for the purpose of the administration, management or operation of the Scheme. Such consent permits, but is not limited to, the following:

(a) the administration and maintenance of records of the Grantee;

(b) the provision of data or information to, without limitation, members of the Group, trustees, registrars, brokers or third party administrators or managers of the Scheme, in Hong Kong or elsewhere;

(c) the provision of data or information to future purchasers or merger partners of the Company or any other member of the Group, the Grantee's employing company, or the business in which the Grantee works;

(d) the transfer of data or information about the Grantee to a country or territory outside China, Hong Kong or the Grantee's home country which may not provide the same statutory protection for the information about the Grantee as in China, Hong Kong or the Grantee's home country; and

(e) in the case where an announcement or other disclosure document is required to be made pursuant to the Listing Rules in connection with this Scheme (including but not limited to the adoption of this Scheme and the grant of an Award), the disclosure of the identity of such Grantee, the number of Award Shares and the terms of the Award granted and/or to be granted, and all other information required under the Listing Rules.

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

23. NOTICES

23.1 Any notice or other communication between the Company and any Eligible Participant or Grantee may be given by sending the same by prepaid post or by personal delivery to:

(a) in the case of the Company, its principal place of business in China or such other address as notified to the Eligible Participant or Grantee from time to time; and

(b) in the case of an Eligible Participant or Grantee, their address as notified to the Company from time to time or by hand delivery.

In addition, any notice or other communication from the Company to any Eligible Participant or Grantee may be given by any electronic means, as the Board considers appropriate.

23.2 Any notice or other communication served by post shall be deemed to have been served 24 hours after the same was put in the post. Any notice or other communication served by electronic means shall be deemed to have been received on the day following that on which it was sent. Any notice or other communication served by personal delivery shall be deemed to have been received when delivered. Any notice or other communication if sent by the Grantee shall be irrevocable and shall not be effective until actually received by the Company.