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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other licensed dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Fenbi Ltd., you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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Fenbi Ltd.

粉筆有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2469)

**(1) PROPOSED ADOPTION OF
THE 2023 RESTRICTED SHARE UNIT SCHEME;
(2) PROPOSED ADOPTION OF THE 2023 SHARE OPTION SCHEME;
(3) PROPOSED GRANTING OF GENERAL MANDATES TO ISSUE SHARES
AND REPURCHASE SHARES;
(4) PROPOSED RE-ELECTION OF DIRECTORS;
(5) PROPOSED RE-APPOINTMENT OF THE AUDITOR;
AND
(6) NOTICE OF ANNUAL GENERAL MEETING**

Unless the context otherwise requires, capitalized terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this circular.

A notice convening the AGM of Fenbi Ltd. to be held at 10:30 a.m. on Wednesday, 14 June 2023 at Room 6-7, 2/F., Kuntai Hotel Beijing, No.2 Qiyang Road, Chaoyang District, Beijing, PRC, at which, among other things, the above proposals will be considered, which set out on pages 85 to 93 of this circular.

Whether or not you intend to attend the AGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting or any adjournment thereof should you so wish.

22 May 2023

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DEFINITIONS

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

“2023 Restricted Share Unit Scheme” or “2023 RSU Scheme”	the restricted share unit scheme of the Company to be approved and adopted by the Company on the RSU Scheme Adoption Date, in its present form or as amended from time to time in accordance with the RSU Scheme Rules
“2023 Share Option Scheme”	the share option scheme of the Company to be approved and adopted by the Company on the Share Option Scheme Adoption Date, in its present form or as amended from time to time in accordance with the Share Option Scheme Rules
“Acceptance Date of an Option”	the day on which the offer to grant such Option is accepted by the relevant Eligible Participant
“Account”	the bank account opened in the name of the Trustee, managed by the Trustee, and operated solely for the purposes of operating the 2023 RSU Scheme for the benefit of Selected Participants and can be funded by the Company or any of its subsidiaries
“AFRC”	Accounting and Financial Reporting Council
“AGM” or “Annual General Meeting”	the annual general meeting of the Company to be convened and held at 10:30 a.m. on Wednesday, 14 June 2023 at Room 6-7, 2/F., Kuntai Hotel Beijing, No.2 Qiyang Road, Chaoyang District, Beijing, PRC, notice of which is set out on pages 85 to 93 of this circular and any adjournment thereof
“Articles” or “Articles of Association”	the amended and restated articles of association of the Company adopted by special resolution with effect from the Listing Date, as amended, supplemented or otherwise modified from time to time
“associate(s)”	has the meaning as defined under the Listing Rules
“Awarded Share(s)”	Share(s) underlying the RSU(s) granted to the Selected Participants under the RSU Scheme Rules

DEFINITIONS

“Award(s)”	an award of Restricted Share(s) by the Board to a Selected Participant and will not include any options for the Selected Participant to purchase Shares
“Board”	the board of Directors
“Business Day(s)”	any day (excluding Saturdays, Sundays and public holidays) on which the Hong Kong Stock Exchange is open for trading and on which banks are open for normal banking business in Hong Kong
“Companies Act”	the Companies Act (As Revised) of the Cayman Islands, as amended, consolidated or otherwise modified from time to time
“Company”	Fenbi Limited (粉筆有限公司), formerly known successively as Fenbi Education Technology Ltd. and Fenbi Technology Ltd., an exempted company incorporated in the Cayman Islands with limited liability on 14 December 2020, the shares of which are listed on the Main Board of the Hong Kong Stock Exchange (Stock Code: 2469)
“Concert Parties”	Mr. ZHANG Xiaolong, Mr. WEI Liang, Mr. LI Yong and Mr. LI Xin, being parties to the Concert Party Agreement, and each a “Concert Party”
“Concert Party Agreement”	the agreement entered into among the Concert Parties dated 6 September 2021, further information on which is set out in “History, Reorganization and Corporate Structure — Concert Party Arrangement” in the prospectus of the Company dated 23 December 2022
“Director(s)”	director(s) of the Company

DEFINITIONS

“Eligible Participant(s)”	<p>an individual or a corporate entity (as the case may be), being any of the following:</p> <ul style="list-style-type: none"><li data-bbox="667 308 1045 351">(i) an Employee Participant;<li data-bbox="667 393 1141 436">(ii) a Related Entity Participant; and<li data-bbox="667 478 965 521">(iii) a Service Provider, <p>in each case provided that the Board and/or the Remuneration Committee considers, in its absolute and sole discretion, to have contributed or will contribute to the Group</p>
“Employee Participant(s)”	<p>any employee (whether full-time or part-time), a director (including executive directors, non-executive directors and independent non-executive directors) of any member of the Group, and any persons who are granted Awards under the 2023 RSU Scheme or Options under the 2023 Share Option Scheme as an inducement to enter into employment contracts with any member of the Group, in each case until such employee shall cease to be an employee with effect from (and including) the date of termination of his or her employment, and for the avoidance of doubt, a Selected Participant or Option Holder shall not cease to be an Employee Participant in the case of (a) any leave of absence approved by the relevant member of the Group; or (b) transfer or re-designation amongst any member of the Group or any successors thereof</p>
“Grant Date”	<p>in relation to any Restricted Share, the date on which the Restricted Share is, was or is to be granted, which shall be a Business Day</p> <p>in relation to any Option, the day (which must be a trading day) on which the Directors resolve to make an offer of that Option to an Eligible Participant</p>

DEFINITIONS

“Grant Share(s)”	Restricted Shares to be granted by way of share transfer, share allotment or cash settlement of an amount of equivalent value (for the purpose of fulfillment of tax obligation of the relevant Selected Participant) as the Board sees fit
“Group”	the Company, its subsidiaries and consolidated affiliated entities from time to time
“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
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	a general mandate proposed to be granted to the Directors at the AGM to allot, issue and deal with Shares of up to 20% of the total number of Shares in issue as at the date of passing of the relevant resolution granting such mandate
“Latest Practicable Date”	16 May 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Date”	9 January 2023, on which the Shares are listed on the Hong Kong Stock Exchange and from which dealings in the Shares are permitted to commence on the Hong Kong Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited

DEFINITIONS

“Memorandum of Association” or “Memorandum”	the amended and restated memorandum of association of the Company adopted by special resolution with effect from the Listing Date, as amended, supplemented or otherwise modified from time to time
“Option(s)”	an option to subscribe for Shares pursuant to the 2023 Share Option Scheme
“Option Holder(s)”	the holder of any outstanding Option or (where the context so permits) any person who is entitled to such Option in consequence of the death or disability of the original holder, or the legal personal representative of such holder
“Option Period”	in respect of any Option, the period commencing on the Acceptance Date of an Option and expiring at the close of business on a day as determined by the Directors (both days inclusive), which period may, if the Directors so determine, be set at different length for different Eligible Participants provided always that such period shall not be longer than 10 years from the date upon which any Option is granted in accordance with the 2023 Share Option Scheme
“Option Price”	the price per Share payable on the exercise of an Option (in whole or in part) as determined by the Directors (which price may, if the Directors so determine, be set at different levels for different periods during the Option Period) provided always that it shall comply with the provision of the 2023 Share Option Scheme
“PRC”	the People’s Republic of China, for the purpose of this circular, shall exclude Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Pre-IPO Share Option Scheme”	the share option scheme which was adopted by the Company on 31 December 2020

DEFINITIONS

“Related Entity Participant(s)”	the directors, chief executives and employees of the holding companies, fellow subsidiaries and associated companies of the Company, provided that the Board shall have absolute discretion to determine whether or not one falls within such category
“Related Entity(ies)”	the holding companies, fellow subsidiaries and associated companies of the Company
“Remuneration Committee”	the remuneration committee of the Board
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors at the AGM to repurchase Shares of up to 10% of the total number of Shares in issue as at the date of passing of the relevant resolution granting such mandate
“Restricted Existing Share(s)”	in respect of a Selected Participant, such number of Shares determined by the Board and either purchased by the Trustee on the secondary market or transferred, gifted, assigned or conveyed to the Trustee
“Restricted New Share Award”	an award of Restricted New Shares by the Board to a Selected Participant and will not include any options for the Selected Participant to purchase Shares
“Restricted New Share(s)”	in respect of a Selected Participant, such number of Shares determined by the Board and issued by the Company out of its available Scheme Mandate Limit
“Returned Share(s)”	the Shares attributable to the lapsed Award
“RSU(s)” or “Restricted Share(s)”	restricted share unit(s) to be granted under the 2023 RSU Scheme, each of which represents a conditional right for the Selected Participant to obtain Awarded Shares or an equivalent value in cash with reference to the market value of such Awarded Shares on or about the date of vesting, less any tax, stamp duty and other charges applicable, as determined by the Board in its absolute discretion. Each RSU represents one underlying Share

DEFINITIONS

“RSU Scheme Adoption Date”	the date on which the Shareholders approve the 2023 RSU Scheme
“RSU Scheme Rules”	the rules of the 2023 RSU Scheme
“Scheme Mandate Limit”	10% of the total number of issued Shares as of the RSU Scheme Adoption Date or the Share Option Scheme Adoption Date without Shareholders’ approval
“Selected Participant(s)”	any Eligible Participants selected by the Board in accordance with the RSU Scheme Rules
“Service Provider Sublimit”	1% of the total number of Shares in issue on the RSU Scheme Adoption Date or the Share Option Scheme Adoption Date
“Service Provider(s)”	person(s) who provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business which are in the interest of the long-term growth of the Group, as more particularly defined in the paragraphs headed “2.2.1 Service Providers” and “3.2.1 Service Providers” in the Letter from the Board in this circular
“SFO”	Securities and Futures Ordinance (Chapter 571, Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share Option Scheme Adoption Date”	the date on which the Shareholders approve the 2023 Share Option Scheme
“Share Option Scheme Period”	the period commencing on the date on which the stipulated conditions are fulfilled and expiring at the close of business on the tenth anniversary thereof unless terminated pursuant to provisions of the 2023 Share Option Scheme
“Share Option Scheme Rules”	the rules of the 2023 Share Option Scheme

DEFINITIONS

“Share(s)”	ordinary share(s) in the share capital of the Company with a par value of US\$0.00001 each
“Shareholder(s)”	holder(s) of the Shares
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buybacks, as amended, supplemented or otherwise modified from time to time
“Trust”	a trust constituted under the Trust Deed or other trust(s) from which Restricted Shares may be granted to a Selected Participant pursuant to the 2023 RSU Scheme
“Trustee”	ARK Trust (Hong Kong) Limited, the trustee corporation or trustee corporations (which is/are independent of and not connected with the Company) to be appointed by the Company for the administration of the 2023 RSU Scheme or any additional or replacement trustee(s)
“Trustee Deed”	a trust deed to be entered into between the Company and the Trustee (as restated, supplemented and amended from time to time) in respect of the appointment of the Trustee for the administration of the 2023 RSU Scheme
“Trust Period”	has the meaning ascribed to such term in the Trust Deed
“US\$” or “USD”	United States dollars, the lawful currency of the United States
“Vesting Date”	the date or each such date on which the Restricted Shares granted are to vest
“%”	per cent

LETTER FROM THE BOARD



Fenbi Ltd.

粉笔有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2469)

Executive Directors

Mr. ZHANG Xiaolong

Mr. WEI Liang

Non-executive Directors

Mr. LI Yong

Mr. LI Xin

Independent Non-executive Directors

Mr. QIU Dongxiao Larry

Mr. YUEN Kai Yiu Kelvin

Ms. YUAN Jia

Registered office

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George Town

Grand Cayman KY1-9008

Cayman Islands

Principal place of business in Hong Kong

46/F, Hopewell Centre

183 Queen's Road East

Wanchai

Hong Kong

*Head office and principal place
of business in the PRC*

1-6/F, Building 103, No. 10 Courtyard

Jiuxianqiao North Road

Chaoyang District

Beijing, PRC

22 May 2023

To the Shareholders

Dear Sir or Madam,

- (1) PROPOSED ADOPTION OF
THE 2023 RESTRICTED SHARE UNIT SCHEME;
(2) PROPOSED ADOPTION OF THE 2023 SHARE OPTION SCHEME;
(3) PROPOSED GENERAL MANDATES TO ISSUE SHARES AND
REPURCHASE SHARES;
(4) PROPOSED RE-ELECTION OF DIRECTORS;
(5) PROPOSED RE-APPOINTMENT OF THE AUDITOR;
AND
(6) NOTICE OF ANNUAL GENERAL MEETING**

LETTER FROM THE BOARD

1. INTRODUCTION

The purpose of this circular is to provide you with information in respect of the resolutions to be proposed at the AGM to seek approval of the Shareholders in respect of, among other matters, (i) the adoption of the 2023 Restricted Share Unit Scheme; (ii) the adoption of the 2023 Share Option Scheme; (iii) the granting of Issue Mandate and the Repurchase Mandate; (iv) the re-election of the retiring Directors; (v) the re-appointment of the auditor and (vi) to give you notice of the AGM.

2. THE 2023 RESTRICTED SHARE UNIT SCHEME

2.1 Adoption of the 2023 Restricted Share Unit Scheme

In order to provide the Eligible Participants with equity incentives in compliance with the Listing Rules, the Board proposes the adoption of the 2023 Restricted Share Unit Scheme. The 2023 Restricted Share Unit Scheme is conditional upon, amongst others, the passing of an ordinary resolution by the Shareholders to approve the adoption of the 2023 Restricted Share Unit Scheme and to authorise the Board to grant Restricted Shares under the 2023 Restricted Share Unit Scheme and to allot and issue, procure the transfer of and otherwise deal with from time to time such number of Shares as may be required to be issued pursuant to the vesting of the RSUs under the RSU Scheme Rules.

As at the Latest Practicable Date, to the best knowledge of the Directors and having made all reasonable enquiries, no Shareholder has any material interest in the proposed adoption of the 2023 Restricted Share Unit Scheme. As such, no Shareholder is required to abstain from voting on the resolutions in relation thereto.

Subject to the approval of the Shareholders above by an ordinary resolution, the 2023 Restricted Share Unit Scheme shall be valid and effective for a term of 10 years commencing on the RSU Scheme Adoption Date.

The specific objectives of the 2023 Restricted Share Unit Scheme are to:

- (i) recognise the contributions by certain Selected Participants with an opportunity to acquire a proprietary interest in the Company;
- (ii) encourage and retain such individuals for the continual operation and development of the Group;
- (iii) provide additional incentives for them to achieve performance goals;

LETTER FROM THE BOARD

- (iv) attract suitable personnel for further development of the Group; and
- (v) motivate the Selected Participants to maximize the value of the Company for the benefits of both the Selected Participants and the Company, with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the Selected Participants directly to the shareholders of the Company through ownership of Shares.

The Selected Participants shall not be required to bear or pay any price or fee for the acceptance of the grant of Award(s) or subscription for the Awarded Shares upon vesting. Therefore, the Selected Participants do not need to have immediately available funds for the payments of the acceptances of grant of Awards and subscription of Awarded Shares. The Board considers that the adoption of the 2023 Restricted Share Unit Scheme without a prescribed price or fee for the acceptance of the grant of Award or the subscription for the Awarded shares upon vesting provides the Company with an additional tool which is more thrifty, flexible and effective in rewarding the Eligible Participants for their contributions to the Group. It is hence align with the purpose of the 2023 Restricted Share Unit Scheme.

As at the Latest Practicable Date, the Board intends to grant RSUs or Options in the coming 12 months upon the adoption of the 2023 RSU Scheme and the 2023 Share Option Scheme, which are expected to be in aggregate not more than 10% of the Scheme Mandate Limit, however, the Board had not formulated any concrete plan regarding the timing and actual scale of the potential grant(s).

2.2 Eligible Participants

Eligible Participants include an individual or a corporate entity (as the case may be), being any of the following:

- (i) an Employee Participant;
- (ii) a Related Entity Participant; and
- (iii) a Service Provider,

in each case provided that the Board and/or the Remuneration Committee considers, in its absolute and sole discretion, to have contributed or will contribute to the Group.

LETTER FROM THE BOARD

In determining the basis of eligibility of each Eligible Participant, the Board would mainly take into account (a) the experience of the Eligible Participant on the Group's businesses, (b) the length of service of the Eligible Participant with the Group and/or Related Entity(ies) (if the Eligible Participant is an Employee Participant and a Related Entity Participant), (c) the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Eligible Participant has established with the Group (if the Eligible Participant is a Service Provider of any member of the Group), and (d) the amount of support, assistance, guidance, advice, efforts and contributions the Eligible Participant has exerted and given towards the success of the Group and/or the amount of potential support, assistance, guidance, advice, efforts and contributions the Eligible Participant is likely to be able to give or make towards the success of the Group in the future.

In determining whether a person is qualified to be (or, where applicable, continues to qualify to be) an Employee Participant or Related Entity Participant, the Board will take into account various factors that it in its absolute discretion considers relevant in assessing his or her contribution to the long-term growth of the Group, including (a) individual performance, (b) time commitment, (c) responsibilities or employment conditions according to the prevailing market practice and industry standard, (d) the length of engagement with the Group and/or the Related Entity(ies), and (e) the individual contribution or potential contribution to the development and growth of the Group and/or Related Entity(ies).

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2.2.1 Service Providers

Set out below are the detailed description of each type of Service Providers and the specific criteria for determining the eligibility of each type of Service Providers under the 2023 RSU Scheme:

Types of Service Providers	Contributions of the Service Providers	Criteria for determining eligibility under the 2023 RSU Scheme	Reasons that such Service Providers provide services on a continuing and recurring basis in the ordinary and usual course of business of the Group and are akin to the employees of the Group
Suppliers of services	Service Providers under this category are third-party vendors for human resource services, publishing services, printing services, marketing services, public relations services, information technology services, logistics and delivery services, third-party book sellers and e-commerce companies.	<p>The Board will, on a case by case basis, take into account both qualitative and quantitative factors when determining the eligibility of such suppliers of services, including but not limited to:</p> <ol style="list-style-type: none"> (1) the nature, reliability and quality of the services supplied; (2) the value of the services provided by the relevant suppliers; (3) the nature, scope and frequency of services supplied and length of business relationship with the Group; (4) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (5) the background, reputation and track record of the relevant suppliers; (6) the potential and/or actual contribution or significance to the financial performance and business development of the Group, evaluated in terms of the revenue generated from such supply, the aggregate supply volume, the procurement cost, the contract value and the relative concentration in the particular supply category for the relevant engagement period (or the corresponding growth rate compared with that of the preceding period); and (7) the replacement cost of such suppliers and/or the services (including continuity and stability of supply or provision of such services). 	Service Providers under this category are closely connected to and crucial to the Group's day-to-day operations which spans across procurement, sales, marketing and research and development, and their contribution directly impacts the results of operations of the Group. These Service Providers generally have established stable and long-term relation with the Group.

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Types of Service Providers	Contributions of the Service Providers	Criteria for determining eligibility under the 2023 RSU Scheme	Reasons that such Service Providers provide services on a continuing and recurring basis in the ordinary and usual course of business of the Group and are akin to the employees of the Group
Independent contractors, consultants, advisors, agents and/or professional firms	Service Providers under this category are independent contractors, consultants, advisors, agents and/or professional firms that provide support or any advisory, consultancy, professional services to any members of the Group, namely support or services in relation to vocational education and training and technological industries, design, research, development, marketing, innovation upgrading, strategic or commercial planning on corporate image, investor relations, product quality control, regulations and policies.	<p>The Board will, on a case by case basis, take into account both qualitative and quantitative factors when determining the eligibility of such independent contractors, advisors, consultants, agents and/or professional firms, including but not limited to:</p> <ol style="list-style-type: none"> (1) individual performance of the relevant independent contractors, advisors, consultants, agents and/or professional firms, including but not limited to the reliability and quality of the products and/or services supplied; (2) their knowledge, experience and network in the relevant industry; (3) the nature, scope and frequency of products and/or services supplied and length of business relationship with the Group; (4) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (5) the background, reputation and track record of the relevant independent contractors, advisors, consultants, agents and/or professional firms; (6) the potential and/or actual contribution or significance to the financial performance and business development of the Group, evaluated in terms of the revenue generated from such supply, the aggregate supply volume, the contract value and the relative concentration in the particular supply category for the relevant engagement period (or the corresponding growth rate compared with that of the preceding period); (7) the replacement cost of such independent contractors, advisors, consultants, agents and/or professional firms (including continuity and stability of provision of the necessary services); and (8) other factors, including but not limited to the capability, expertise, technical know-how and/or business connections of the relevant independent contractors, advisors, consultants, agents and/or professional firms, and/or the synergy between the relevant independent contractors, advisors, consultants, agents and/or professional firms and the Group. 	Service Providers under this category provide services on a continuing and recurring basis in the ordinary and usual course of business of the Group and are akin to employees of the Group, but they may not be able to serve as full-time or part-time employees of the Group. For example, these Service Providers may have stepped down from position of the Group, or they may be seasoned people in their own fields and professionals with many business connections whom the Group may not be able to recruit them as employees, or they may prefer to be employed on self-employed basis, and the Board considers that it is in line with industry norm to co-operate with such former employees or former management or seasoned professionals by engaging them as service providers instead of employing them as full-time or part-time employees.

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Types of Service Providers	Contributions of the Service Providers	Criteria for determining eligibility under the 2023 RSU Scheme	Reasons that such Service Providers provide services on a continuing and recurring basis in the ordinary and usual course of business of the Group and are akin to the employees of the Group
Business partners	Service Providers under this category are business partners which help maintain or enhance the competitiveness of the Group by way of introducing new customers or business opportunities to the Group or enhancing the publicity of the services of the Group.	<p>The Board will, on a case by case basis, take into account both qualitative and quantitative factors when determining the eligibility of such business partners, including but not limited to:</p> <ol style="list-style-type: none"> (1) individual performance of the relevant business partners, including but not limited to the reliability and quality of the products and/or services supplied; (2) their knowledge, experience and network in the relevant industry; (3) the nature, scope and frequency of the collaborating projects and length of business relationship with the Group; (4) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (5) the background, reputation and track record of the relevant business partners; (6) the potential and/or actual contribution or significance to the financial performance and business development of the Group, evaluated in terms of the revenue generated from such supply, the aggregate supply volume, the contract value and the relative concentration in the particular supply category for the relevant engagement period (or the corresponding growth rate compared with that of the preceding period); (7) the replacement cost of such business partners and/or the goods or services (including continuity and stability of supply or provision of such goods or services); and (8) other factors, including but not limited to the capability, expertise, technical know-how and/or business connections of the relevant business partners, and/or the synergy between the business partners and the Group. 	<p>The Group works closely with its business partners on a continuing and recurring basis for implementation of the marketing strategies and promotion of the corporate and brand image of the Group which enables the Group to have potential business opportunities and new customers to the Group.</p>

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For the avoidance of doubt, Service Providers exclude placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, and professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity.

Service Providers should be, or anticipated to be going forward, significant suppliers of services or business partners, or otherwise significant to the Group's business development. The Board will also consider whether the Service Providers have provided services to the Group on a continuing or recurring basis in its ordinary and usual course of business, taking into account whether the continuity and frequency of the services provided by a Service Provider are akin to those of its employees of the Group based on the following factors:

- (i) the length, type, and nature of services provided by the Service Provider to the Group in the past 12 months, and the recurrences and regularity of such services;
- (ii) the period of engagement of the Service Provider, including whether the Service Provider had entered into an agreement with the Group in the past 12 months with a term of no less than two years;
- (iii) whether such services form part of or are directly ancillary to the business conducted by the Group, as disclosed in the announcements, circulars, interim and annual reports of the Company; and
- (iv) the Service Providers who are either former management or former employees of the Group, since the Group values their familiarity with and understanding of the businesses and operation of the Group, and considers that their contribution to the Group is similar to those of the employees of the Group.

LETTER FROM THE BOARD

The Board (including the independent non-executive Directors) is of the view that, apart from the contributions of employees and directors of the Group, the success of the Group may also come from the efforts and co-operation of non-employees (including Service Providers and Related Entity Participants) who play a part in the development and continued success of the Group's business and operations, and have contributed or may contribute to the Group in the future.

Amongst Service Providers, vendors, suppliers, distributors, and contractors directly contribute to the long-term growth of the Group's business by providing services that are of a continuing and recurring nature in the ordinary and usual course of the Group's business. These Service Providers are closely connected to and crucial to the Group's day-to-day operations which spans across procurement, sales, manufacturing, marketing and research and development, and their contribution directly impacts the results of operations of the Group. Service Providers also include advisors and consultants with relevant expertise in fields related to the vocational education and training and technological industries such as former senior management of prominent industry players which have unique knowledge of market trends and product roadmap during the short to long term, technical consultants which may advise on and assist the company in its product development and improve its production management capabilities. Such Service Providers contribute to the long-term growth of the Group by advising or consulting on a set of specialised skills and knowledge in the business activities of the Group. As these Service Providers possess industry-specific knowledge or expertise and often have extensive experience and understanding of the market, they are able to provide insight on areas such as market development, technological trends and innovations, technical specifications and licensing requirements for products or services, production management, as well as marketing. The strategic advice and guidance provided by engaging these Service Providers benefit the Group in its ordinary and usual course of business and often allows it to more effectively plan its future business strategies for long-term growth.

Apart from Service Providers, the Group also has a close working relationship with the Related Entity Participants. The Group maintains close collaborative relationships with the Related Entity Participants such as senior management of our fellow subsidiaries and associated companies, which have extensive connections in the market and have been providing support to the Group, in the form of providing advice to the Group on formulating medium to long-term business strategy, sharing their knowledge and expertise of up-to-date technologies and assisting the Group to improve production efficiency through the use of information technology. The Related Entity Participants may also contribute to the Group by providing specific knowledge on a wide spectrum of related industries in which it operates, providing guidance with respect to potential expansions into new markets and product categories based on their pre-existing expertise, which allow the Group to capture new opportunities for business development.

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The inclusion of Related Entity Participants and Service Providers as Eligible Participants under the 2023 Restricted Share Unit Scheme is therefore consistent with its purpose. This enables the Group to have the flexibility to utilize RSUs as a means of incentivising or rewarding persons outside of the Group to contribute to its long-term success by aligning the interests with these stakeholders and strengthening their ongoing relationship with the Group.

As mentioned above, the Board will take into account numerous factors when assessing the eligibility of and contribution (or potential contribution) made or to be made by different categories of non-employee Eligible Participants. The Board also has the discretion to impose different terms and conditions (including but not limited to performance targets and vesting conditions) on RSUs to be granted to these Eligible Participants, which allows the Board to have flexibility to impose appropriate conditions in light of the particular circumstances of each grant, corresponding to the relevant non-employee Eligible Participants' contribution or potential contribution.

Based on the above, the Board (including the independent non-executive Directors) considers that (i) the inclusion of the Related Entity Participants and the Service Providers as non-employee Eligible Participants are in line with the Company's business needs and the industry norm of providing equity based payment to stakeholders in order to align interests and incentivise performance and contribution, as it is desirable and necessary to sustain and foster these business relationships on a long-term basis; and (ii) the criteria for selection of Related Entity Participants and Service Providers as set out above and in paragraph 3 of the Appendix I to this circular and the discretion afforded to the Board to impose different terms and conditions (including performance targets and vesting conditions) on RSUs granted to such selected non-employee Eligible Participants, are appropriate and in the long term interest of the Company and the Shareholders as a whole, and align with the purpose of the 2023 RSU Scheme.

2.3 Vesting

The Board is entitled to impose any terms and conditions (including a period of continued employment, engagement and/or service within the Group after the Award shall become entitled and/or vested), as it deems appropriate in its absolute discretion with respect to the entitlement and/or vesting of the RSUs on the Selected Participants and shall inform such Selected Participants the relevant conditions of the RSUs provided that the vesting period for RSUs shall not be less than 12 months. To ensure the practicability in fully attaining the purpose of the 2023 Restricted Share Unit Scheme, the Board and the Remuneration Committee are of the view that (a) there are certain instances where a strict 12 month vesting requirement would not work or would not be fair to the Employee Participant, such as those set out in paragraph 9 of the Appendix I to this circular; (b) there is a need for the Company to retain flexibility to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified; and (c) the Company should

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be allowed discretion to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition, and thus should have flexibility to impose vesting conditions such as performance-based vesting conditions instead of time-based vesting criteria depending on individual circumstances.

The Board (including the independent non-executive Directors) believes that its ability to provide for flexible accelerated vesting of the RSUs under specific circumstances allows it to provide competitive remuneration package to attract and retain Employees Participants to provide services to the Group. Hence, the Board and the Remuneration Committee are of the view that the shorter vesting period prescribed in paragraph 9 of the Appendix I to this circular is in line with the market practice and is appropriate and aligns with the purpose of the 2023 Restricted Share Unit Scheme.

2.4 Performance target and clawback mechanism

The RSU Scheme Rules will not prescribe specific performance targets that must be met before Awards can be vested. However, the RSU Scheme Rules will give the Board the discretion to specify any conditions (including performance targets (if any)) which must be satisfied before the vesting of Awards where appropriate. Such performance targets may comprise a mixture of financial and management targets of the Group and individual pre-determined key performance indicators (including, without limitation, (i) aggregate sales volume of the Group for the relevant financial year (or the corresponding annual growth rate comparing with that of the immediately preceding financial year); (ii) market share of the Group's relevant products or services for the relevant financial year (or the corresponding annual growth rate comparing with that of the immediately preceding financial year); (iii) net profit of the Group for the relevant financial year (or the corresponding annual growth rate comparing with that of the immediately preceding financial year); (iv) the key performance indicators set for the business unit(s) and/or functional department(s) to which the Selected Participants belong, such as publicity brought to the Group in terms of the number of views, followers, the frequency of searches and new businesses brought to the Group; (v) individual position and/or (vi) other targets to be determined in the sole discretion of the Board or the Remuneration Committee) which may vary among the Selected Participants. The satisfaction of the performance targets shall be assessed and determined by the Board at its sole discretion based on periodic performance assessments and review of the quantitative data of the Group and/or the Eligible Participants (where applicable).

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Such performance target will be consistent with the purpose of the 2023 RSU Scheme as it encourages the Eligible Participants to achieve such performance target thereby increasing the value of the Group. However, the Directors consider that it may not always be appropriate to impose such conditions particularly when the purpose of granting the Awards is to remunerate or compensate Eligible Participants for past contributions. The Directors consider it more beneficial to the Company to retain the flexibility to determine whether such conditions are appropriate in light of the particular circumstances of each grant.

The 2023 Restricted Share Unit Scheme will not prescribe specific clawback mechanism to recover or withhold RSUs to be granted. However, the 2023 Restricted Share Unit Scheme will give the Board discretion to prescribe such clawback mechanism where appropriate. The Board considers that it may not always be appropriate to impose such clawback mechanism particularly when the purpose of granting the RSUs is to remunerate or compensate Eligible Participants for past contributions. The Board considers it more beneficial to the Company to retain the flexibility to determine whether such clawback mechanism is appropriate in light of the particular circumstances of each grant.

Although a clawback mechanism has not been adopted in the 2023 Restricted Share Unit Scheme, the vesting of Awards is subject to the Selected Participant remaining at all times after the Grant Date and on the Vesting Date an Eligible Participant. A Selected Participant ceases to be an Eligible Participant if, among others, the Selected Participant's service, employment or engagement with the Group has been terminated by any member of the Group for dishonesty or serious misconduct, incompetence or negligence in the performance of his duties, or doing anything in the conclusive opinion of the Board adversely affects his ability to perform his duties properly.

The Board believes that the aforesaid will provide the Board with more flexibility in setting the terms and conditions of the RSUs under particular circumstances of each grant and facilitate the Board's aim to offer meaningful incentives to attract and retain quality personnel in the Company, Related Entity(ies) and Service Providers that are valuable to the development of the Group and for the benefit of the Group and the Shareholders as a whole, and aligns with the purpose of the 2023 RSU Scheme.

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2.5 Scheme Mandate Limit

As at the Latest Practicable Date, the Company has 2,097,308,000 issued Shares. Subject to the obtaining of Shareholders' approval with respect to the adoption of the 2023 Restricted Share Unit Scheme and assuming that there is no change in the issued Shares between the period from the Latest Practicable Date to the RSU Scheme Adoption Date, the maximum number of Shares issuable pursuant to the 2023 Restricted Share Unit Scheme, together with all other share option and/or award scheme adopted by the Company (excluding the Pre-IPO Share Option Scheme), on the RSU Scheme Adoption Date will be 209,730,800 Shares pursuant to Rule 17.03(3) of the Listing Rules, representing approximately 10% of the existing issued Shares of the Company (i.e. the Scheme Mandate Limit).

Before the listing of the Company, the Company adopted the Pre-IPO Share Option Scheme on 31 December 2020. Given that the Pre-IPO Share Option Scheme was not subject to the provisions of Chapter 17 of the Listing Rules currently in effect as the Pre-IPO Share Option Scheme does not involve the grant of options to subscribe for Shares or the grant of awards involving issuance of new Shares by the Company after the Listing Date, Shares issued pursuant to the Pre-IPO Share Option Plan shall not be taken into account for the compliance purpose of the Scheme Mandate Limit.

Within the Scheme Mandate Limit, the Company also proposes to set a sublimit of the Shares in respect of RSUs that may be granted to Service Providers, assuming there is no change in the issued Shares between the period from the Latest Practicable Date to the RSU Scheme Adoption Date, the maximum number of Shares may be granted to Service Providers pursuant to the 2023 Restricted Share Unit Scheme, together with all other share option and/or award scheme adopted by the Company (excluding the Pre-IPO Share Option Scheme), is 20,973,080 Shares, representing approximately 1% of the existing issued Shares of the Company (i.e. the Service Provider Sublimit). Grant of RSUs to any Service Provider will be subject to the adoption of the 2023 Restricted Share Unit Scheme and the Service Provider Sublimit. For avoidance of doubt, if the adoption of the 2023 Restricted Share Unit Scheme is not approved by the Shareholders at the AGM, no RSUs are allowed to be granted to any Service Provider.

The basis for determining the Service Provider Sublimit (namely, 1% of the total number of issued Shares as at the RSU Scheme Adoption Date or the relevant date of approval of the refreshment of the Service Provider Sublimit) includes (i) the potential dilution effect arising from grants to the Service Providers, (ii) the importance of striking a balance between achieving the purpose of the 2023 Restricted Share Unit Scheme and protecting the Shareholders from the dilution effect from granting a substantial amount of RSUs to the Service Providers, (iii) the nature of the industry, the extent of use of Service Provider in the Group's businesses, the current

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payment and/or settlement arrangement with the Service Providers, (iv) the expected contribution to the development and growth of the Company attributable to the Service Providers and (v) to ensure sufficient amount of awards would be available to be granted to the Employee Participants.

Considering the fact that (i) the individual limit under Rule 17.03D(1) of the Listing Rules is also 1%; (ii) the sublimit of 1% would not lead to excessive dilution of the existing Shareholders' shareholdings; (iii) certain Service Providers, in particular, the independent contractors, agents, consultants and/or advisers, which provide services akin to employees of the Group, may not be able to serve as full-time or part-time employees of the Group. For example, these Service Providers may have stepped down from position of the Group, or they may be seasoned people in their own fields and professionals with many business connections whom the Group may not be able to recruit them as employees, or they may prefer to be employed on self-employed basis, and the Board considers that it is in line with industry norm to co-operate with such former employees or former management or seasoned professionals by engaging them as service providers instead of employing them as full-time or part-time employees. As these Service Providers are either former management or former employees of the Group, or are personnel who have worked for the Group where the continuity and frequency of their services were akin to those of employees, the Group values their familiarity with the businesses and operation of the Group and the industry in general and their deep understanding of the Group, and considers that their contribution to the Group is similar to those of the employees of the Group; (iv) the Service Providers have contributed to the long-term growth of the Company's business, and that the 2023 RSU Scheme could incentivise Service Providers who/which supply reliable and high-quality services to the Group on a long-term basis and (v) the Company expects that a majority of the RSUs will be granted to the Employee Participants and Related Entity Participants and as such there is a need to reserve a larger portion of the Scheme Mandate Limit for grants to the Employee Participants and Related Entity Participants. Given the above, the Board considers that a Service Provider Sublimit of 1% would not lead to an excessive dilution of shareholding of the existing Shareholders and in line with the purpose of the 2023 RSU Scheme, hence is appropriate and reasonable.

Please refer to the summary of the principal terms of the 2023 Restricted Share Unit Scheme set out in Appendix I to this circular for details of the principal terms of the 2023 Restricted Share Unit Scheme. A copy of the 2023 Restricted Share Unit Scheme will be published on the Company's website (www.fenbi.com) and the website of the Stock Exchange (www.hkexnews.hk) for display for a period of not less than 14 days before the date of the AGM and will be made available for inspection at the AGM.

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2.6 Adoption conditions

The adoption of the 2023 Restricted Share Unit Scheme is conditional upon, amongst others, the passing of an ordinary resolution by the Shareholders at a general meeting of the Company approving: (A) the adoption of the 2023 Restricted Share Unit Scheme; (B) the adoption of the Scheme Mandate Limit and the Service Provider Sublimit; and (C) the grant of authorities to the Directors to (I) grant RSUs in accordance with the RSU Scheme Rules and (II) allot, issue, and deal with from time to time such number of Shares as may be required to be issued pursuant to the vesting of the RSUs under the RSU Scheme Rules.

In relation to the conditions set out above, the AGM will be held for the Shareholders to consider and, if thought fit, approve the adoption of the 2023 Restricted Share Unit Scheme. Any Shareholder that has a material interest in the 2023 Restricted Share Unit Scheme will, together with their respective associates, be required to abstain from voting on the resolution to approve the 2023 Restricted Share Unit Scheme at the AGM.

3. THE 2023 SHARE OPTION SCHEME

3.1 Adoption of the 2023 Share Option Scheme

In order to provide the Eligible Participants with equity incentives in compliance with the Listing Rules, the Board proposes the adoption of the 2023 Share Option Scheme. The 2023 Share Option Scheme is conditional upon, amongst others, the passing of an ordinary resolution by the Shareholders to approve the adoption of the 2023 Share Option Scheme and to authorise the Board to grant Options under the 2023 Share Option Scheme and to allot and issue, procure the transfer of and otherwise deal with from time to time such number of Shares as may be required to be issued pursuant to the vesting of the Options under the Share Option Scheme Rules.

As at the Latest Practicable Date, to the best knowledge of the Directors and having made all reasonable enquiries, no Shareholder has any material interest in the proposed adoption of the 2023 Share Option Scheme. As such, no Shareholder is required to abstain from voting on the resolutions in relation thereto.

Subject to the approval of the Shareholders above by an ordinary resolution, the 2023 Share Option Scheme shall be valid and effective for a term of 10 years commencing on the Share Option Scheme Adoption Date.

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The specific objectives of the 2023 Share Option Scheme are to:

- (i) recognise the contribution or future contribution of the Eligible Participants to the Group by granting Options to them as incentives or rewards;
- (ii) to attract, retain and motivate high-calibre Eligible Participants in line with the performance goals of the Group; and
- (iii) strengthen the many long-term relationships that the Eligible Participants may have with the Group.

As at the Latest Practicable Date, the Board intends to grant RSUs or Options in the coming 12 months upon the adoption of the 2023 RSU Scheme and the 2023 Share Option Scheme, which are expected to be in aggregate not more than 10% of the Scheme Mandate Limit, however, the Board had not formulated any concrete plan regarding the timing and actual scale of the potential grant(s).

3.2 Eligible Participants

Eligible Participants include an individual or a corporate entity (as the case may be), being any of the following:

- (i) an Employee Participant;
- (ii) a Related Entity Participant; and
- (iii) a Service Provider,

in each case provided that the Board and/or the Remuneration Committee considers, in its absolute and sole discretion, to have contributed or will contribute to the Group.

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In determining the basis of eligibility of each Eligible Participant, the Board would mainly take into account (a) the experience of the Eligible Participant on the Group's businesses, (b) the length of service of the Eligible Participant with the Group and/or Related Entity(ies) (if the Eligible Participant is an Employee Participant and a Related Entity Participant), (c) the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Eligible Participant has established with the Group (if the Eligible Participant is a Service Provider of any member of the Group), and (d) the amount of support, assistance, guidance, advice, efforts and contributions the Eligible Participant has exerted and given towards the success of the Group and/or the amount of potential support, assistance, guidance, advice, efforts and contributions the Eligible Participant is likely to be able to give or make towards the success of the Group in the future.

In determining whether a person is qualified to be (or, where applicable, continues to qualify to be) an Employee Participant or Related Entity Participant, the Board will take into account various factors that it in its absolute discretion considers relevant in assessing his or her contribution to the long-term growth of the Group, including (a) the individual performance, (b) time commitment, (c) responsibilities or employment conditions according to the prevailing market practice and industry standard, (d) the length of engagement with the Group and/or Related Entity(ies), and (e) the individual contribution or potential contribution to the development and growth of the Group and/or Related Entity(ies).

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3.2.1 Service Providers

Set out below are the detailed description of each type of Service Providers and the specific criteria for determining the eligibility of each type of Service Providers under the 2023 Share Option Scheme:

Types of Service Providers	Contributions of the Service Providers	Criteria for determining eligibility under the 2023 Share Option Scheme	Reasons that such Service Providers provide services on a continuing and recurring basis in the ordinary and usual course of business of the Group and are akin to the employees of the Group
Suppliers of services	Service Providers under this category are third-party vendors for human resource services, publishing services, printing services, marketing services, public relations services, information technology services, logistics and delivery services, third-party book sellers and e-commerce companies.	<p>The Board will, on a case by case basis, take into account both qualitative and quantitative factors when determining the eligibility of such suppliers of services, including but not limited to:</p> <ol style="list-style-type: none"> (1) the nature, reliability and quality of the services supplied; (2) the value of the services provided by the relevant suppliers; (3) the nature, scope and frequency of services supplied and length of business relationship with the Group; (4) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (5) the background, reputation and track record of the relevant suppliers; (6) the potential and/or actual contribution or significance to the financial performance and business development of the Group, evaluated in terms of the revenue generated from such supply, the aggregate supply volume, the procurement cost, the contract value and the relative concentration in the particular supply category for the relevant engagement period (or the corresponding growth rate compared with that of the preceding period); and (7) the replacement cost of such suppliers and/or the services (including continuity and stability of supply or provision of such services). 	Service Providers under this category are closely connected to and crucial to the Group's day-to-day operations which spans across procurement, sales, marketing and research and development, and their contribution directly impacts the results of operations of the Group. These Service Providers generally have established stable and long-term relation with the Group.

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Types of Service Providers	Contributions of the Service Providers	Criteria for determining eligibility under the 2023 Share Option Scheme	Reasons that such Service Providers provide services on a continuing and recurring basis in the ordinary and usual course of business of the Group and are akin to the employees of the Group
Independent contractors, consultants, advisors, agents and/or professional firms	Service Providers under this category are independent contractors, consultants, advisors, agents and/or professional firms that provide support or any advisory, consultancy, professional services to any members of the Group, namely support or services in relation to vocational education and training and technological industries, design, research, development, marketing, innovation upgrading, strategic or commercial planning on corporate image, investor relations, product quality control, regulations and policies.	<p>The Board will, on a case by case basis, take into account both qualitative and quantitative factors when determining the eligibility of such independent contractors, advisors, consultants, agents and/or professional firms, including but not limited to:</p> <ol style="list-style-type: none"> (1) individual performance of the relevant independent contractors, advisors, consultants, agents and/or professional firms, including but not limited to the reliability and quality of the products and/or services supplied; (2) their knowledge, experience and network in the relevant industry; (3) the nature, scope and frequency of products and/or services supplied and length of business relationship with the Group; (4) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (5) the background, reputation and track record of the relevant independent contractors, advisors, consultants, agents and/or professional firms; (6) the potential and/or actual contribution or significance to the financial performance and business development of the Group, evaluated in terms of the revenue generated from such supply, the aggregate supply volume, the contract value and the relative concentration in the particular supply category for the relevant engagement period (or the corresponding growth rate compared with that of the preceding period); (7) the replacement cost of such independent contractors, advisors, consultants, agents and/or professional firms (including continuity and stability of provision of the necessary services); and (8) other factors, including but not limited to the capability, expertise, technical know-how and/or business connections of the relevant independent contractors, advisors, consultants, agents and/or professional firms, and/or the synergy between the relevant independent contractors, advisors, consultants, agents and/or professional firms and the Group. 	Service Providers under this category provide services on a continuing and recurring basis in the ordinary and usual course of business of the Group and are akin to employees of the Group, but they may not be able to serve as full-time or part-time employees of the Group. For example, these Service Providers may have stepped down from position of the Group, or they may be seasoned people in their own fields and professionals with many business connections whom the Group may not be able to recruit them as employees, or they may prefer to be employed on self-employed basis, and the Board considers that it is in line with industry norm to co-operate with such former employees or former management or seasoned professionals by engaging them as service providers instead of employing them as full-time or part-time employees.

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Types of Service Providers	Contributions of the Service Providers	Criteria for determining eligibility under the 2023 Share Option Scheme	Reasons that such Service Providers provide services on a continuing and recurring basis in the ordinary and usual course of business of the Group and are akin to the employees of the Group
Business partners	Service Providers under this category are business partners which help maintain or enhance the competitiveness of the Group by way of introducing new customers or business opportunities to the Group or enhancing the publicity of the services of the Group.	<p>The Board will, on a case by case basis, take into account both qualitative and quantitative factors when determining the eligibility of such business partners, including but not limited to:</p> <ol style="list-style-type: none"> <li data-bbox="628 587 1166 676">(1) individual performance of the relevant business partners, including but not limited to the reliability and quality of the products and/or services supplied; <li data-bbox="628 710 1166 768">(2) their knowledge, experience and network in the relevant industry; <li data-bbox="628 802 1166 859">(3) the nature, scope and frequency of the collaborating projects and length of business relationship with the Group; <li data-bbox="628 893 1166 1017">(4) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); <li data-bbox="628 1051 1166 1108">(5) the background, reputation and track record of the relevant business partners; <li data-bbox="628 1142 1166 1351">(6) the potential and/or actual contribution or significance to the financial performance and business development of the Group, evaluated in terms of the revenue generated from such supply, the aggregate supply volume, the contract value and the relative concentration in the particular supply category for the relevant engagement period (or the corresponding growth rate compared with that of the preceding period); <li data-bbox="628 1385 1166 1474">(7) the replacement cost of such business partners and/or the goods or services (including continuity and stability of supply or provision of such goods or services); and <li data-bbox="628 1508 1166 1627">(8) other factors, including but not limited to the capability, expertise, technical know-how and/or business connections of the relevant business partners, and/or the synergy between the business partners and the Group. 	The Group works closely with its business partners on a continuing and recurring basis for implementation of the marketing strategies and promotion of the corporate and brand image of the Group which enables the Group to have potential business opportunities and new customers to the Group.

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For the avoidance of doubt, Service Providers exclude placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, and professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity.

Service Providers should be, or anticipated to be going forward, significant suppliers of services or business partners, or otherwise significant to the Group's business development. The Board will also consider whether the Service Providers have provided services to the Group on a continuing or recurring basis in its ordinary and usual course of business, taking into account whether the continuity and frequency of the services provided by a Service Provider are akin to those of its employees of the Group based on the following factors:

- (i) the length, type, and nature of services provided by the Service Provider to the Group in the past 12 months, and the recurrences and regularity of such services;
- (ii) the period of engagement of the Service Provider, including whether the Service Provider had entered into an agreement with the Group in the past 12 months with a term of no less than two years;
- (iii) whether such services form part of or are directly ancillary to the business conducted by the Group, as disclosed in the announcements, circulars, interim and annual reports of the Company; and
- (iv) the Service Providers who are either former management or former employees of the Group, since the Group values their familiarity with and understanding of the businesses and operation of the Group, and considers that their contribution to the Group is similar to those of the employees of the Group.

The Board (including the independent non-executive Directors) is of the view that, apart from the contributions of employees and directors of the Group, the success of the Group may also come from the efforts and co-operation of non-employees (including Service Providers and Related Entity Participants) who play a part in the development and continued success of the Group's business and operations, and have contributed or may contribute to the Group in the future.

Amongst Service Providers, vendors, suppliers, distributors, and contractors directly contribute to the long-term growth of the Group's business by providing services that are of a continuing and recurring nature in the ordinary and usual course of the Group's business. These Service Providers are closely connected to and crucial to the Group's day-to-day operations which spans across procurement, sales, manufacturing, marketing and research and development, and their contribution directly impacts the results of operations of the Group. Service Providers also

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include advisors and consultants with relevant expertise in fields related to the vocational education and training and technological industries such as former senior management of prominent industry players which have unique knowledge of market trends and product roadmap during the short to long term, technical consultants which may advise on and assist the company in its product development and improve its production management capabilities. Such Service Providers contribute to the long-term growth of the Group by advising or consulting on a set of specialised skills and knowledge in the business activities of the Group. As these Service Providers possess industry-specific knowledge or expertise and often have extensive experience and understanding of the market, they are able to provide insight on areas such as market development, technological trends and innovations, technical specifications and licensing requirements for products or services, production management, as well as marketing. The strategic advice and guidance provided by engaging these Service Providers benefit the Group in its ordinary and usual course of business and often allows it to more effectively plan its future business strategies for long-term growth.

Apart from Service Providers, the Group also has a close working relationship with the Related Entity Participants. The Group maintains close collaborative relationships with the Related Entity Participants such as senior management of our fellow subsidiaries and associated companies, which have extensive connections in the market and have been providing support to the Group, in the form of providing advice to the Group on formulating medium to long-term business strategy, sharing their knowledge and expertise of up-to-date technologies, and assisting the Group to improve production efficiency through the use of information technology. The Related Entity Participants may also contribute to the Group by providing specific knowledge on a wide spectrum of related industries in which it operates, providing guidance with respect to potential expansions into new markets and product categories based on their pre-existing expertise, which allow the Group to capture new opportunities for business development.

The inclusion of Related Entity Participants and Service Providers as Eligible Participants under the 2023 Share Option Scheme is therefore consistent with its purpose. This enables the Group to have the flexibility to utilize Options as a means of incentivising or rewarding persons outside of the Group to contribute to its long-term success by aligning the interests with these stakeholders and strengthening their ongoing relationship with the Group.

As mentioned above, the Board will take into account numerous factors when assessing the eligibility of and contribution (or potential contribution) made or to be made by different categories of non-employee Eligible Participants. The Board also has the discretion to impose different terms and conditions (including but not limited to performance targets and vesting conditions) on Options to be granted to these Eligible Participants, which allows the Board to have

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flexibility to impose appropriate conditions in light of the particular circumstances of each grant, corresponding to the relevant non-employee Eligible Participants' contribution or potential contribution.

Based on the above, the Board (including the independent non-executive Directors) considers that (i) the inclusion of the Related Entity Participants and the Service Providers as non-employee Eligible Participants are in line with the Company's business needs and the industry norm of providing equity based payment to stakeholders in order to align interests and incentivise performance and contribution, as it is desirable and necessary to sustain and foster these business relationships on a long-term basis; and (ii) the criteria for selection of Related Entity Participants and Service Providers as set out above and in paragraph 3 of the Appendix II to this circular and the discretion afforded to the Board to impose different terms and conditions (including performance targets and vesting conditions) on Options granted to such selected non-employee Eligible Participants, are appropriate and in the long term interest of the Company and the Shareholders as a whole, and align with the purpose of the 2023 Share Option Scheme.

3.3 Vesting

The Board is entitled to impose any terms and conditions (including a period of continued employment, engagement and/or service within the Group after the Option shall become entitled and/or vested), as it deems appropriate in its absolute discretion with respect to the entitlement and/or vesting of the Options on the Option Holders and shall inform such Option Holders the relevant conditions of the Options provided that the vesting period for Options shall not be less than 12 months. To ensure the practicability in fully attaining the purpose of the 2023 Share Option Scheme, the Board and the Remuneration Committee are of the view that (a) there are certain instances where a strict 12 month vesting requirement would not work or would not be fair to the Employee Participants, such as those set out in paragraph 11 of the Appendix II to this circular; (b) there is a need for the Company to retain flexibility to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified; and (c) the Company should be allowed discretion to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition, and thus should have flexibility to impose vesting conditions such as performance-based vesting conditions instead of time-based vesting criteria depending on individual circumstances.

The Board (including the independent non-executive Directors) believes that its ability to provide for flexible accelerated exercising and/or vesting of the Options under specific circumstances allows it to provide competitive remuneration package to attract and retain Employees Participants to provide services to the Group. Hence, the Board and the Remuneration

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Committee are of the view that the shorter vesting period prescribed in paragraph 11 of the Appendix II to this circular is in line with the market practice and is appropriate and aligns with the purpose of the 2023 Share Option Scheme.

3.4 Performance target and clawback mechanism

The Share Option Scheme Rules will not prescribe specific performance targets that must be met before Options can be exercised. However, the Share Option Scheme Rules will give the Board the discretion to specify any conditions (including performance targets (if any)) which must be satisfied before the Options is capable of being exercised by the Option Holder where appropriate. Such performance targets may comprise a mixture of financial and management targets of the Group and individual pre-determined key performance indicators (including, without limitation, (i) aggregate sales volume of the Group for the relevant financial year (or the corresponding annual growth rate comparing with that of the immediately preceding financial year); (ii) market share of the Group's relevant products or services for the relevant financial year (or the corresponding annual growth rate comparing with that of the immediately preceding financial year); (iii) net profit of the Group for the relevant financial year (or the corresponding annual growth rate comparing with that of the immediately preceding financial year); (iv) the key performance indicators set for the business unit(s) and/or functional department(s) to which the Option Holders belong, such as publicity brought to the Group in terms of the number of views, followers, the frequency of searches and new businesses brought to the Group; (v) individual position and/or (vi) other targets to be determined in the sole discretion of the Board or the Remuneration Committee) which may vary among the Option Holders. The satisfaction of the performance targets shall be assessed and determined by the Board at its sole discretion based on periodic performance assessments and review of the quantitative data of the Group and/or the Eligible Participants (where applicable).

Such performance targets will be consistent with the purpose of the 2023 Share Option Scheme as it encourages the Eligible Participants to achieve such performance target thereby increasing the value of the Group. However, the Directors consider that it may not always be appropriate to impose such conditions particularly when the purpose of granting the Options is to remunerate or compensate Eligible Participants for past contributions. The Directors consider it more beneficial to the Company to retain the flexibility to determine whether such conditions are appropriate in light of the particular circumstances of each grant.

The 2023 Share Option Scheme will not prescribe specific clawback mechanism to recover or withhold Options to be granted. However, the 2023 Share Option Scheme will give the Board discretion to prescribe such clawback mechanism where appropriate. The Board considers that it may not always be appropriate to impose such clawback mechanism particularly when the purpose

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of granting the Options is to remunerate or compensate Eligible Participants for past contributions. The Board considers it more beneficial to the Company to retain the flexibility to determine whether such clawback mechanism is appropriate in light of the particular circumstances of each grant.

Although a clawback mechanism has not been adopted in the 2023 Share Option Scheme, the exercise of Options is subject to the Selected Participant remaining at all times after the Grant Date and on the date of exercise of Options an Eligible Participant unless as otherwise provided in the Share Option Scheme Rules. An Option Holder ceases to be an Eligible Participant if, among others, the Option Holder's employment, directorship, office, appointment or engagement with the Group has been terminated for serious misconduct or a material misstatement in the Company's financial statements, or breach of material term of the relevant employment contract, service contract, agency contract or engagement contract.

The Board believes that the aforesaid will provide the Board with more flexibility in setting the terms and conditions of the Options under particular circumstances of each grant and facilitate the Board's aim to offer meaningful incentives to attract and retain quality personnel that are valuable to the development of the Group and for the benefit of the Group and the Shareholders as a whole, and aligns with the purpose of the 2023 Share Option Scheme.

3.5 Scheme Mandate Limit

As at the Latest Practicable Date, the Company has 2,097,308,000 issued Shares. Subject to the obtaining of Shareholders' approval with respect to the adoption of the 2023 Share Option Scheme and assuming that there is no change in the issued Shares between the period from the Latest Practicable Date to the Share Option Scheme Adoption Date, the maximum number of Shares issuable pursuant to the 2023 Share Option Scheme, together with all other share option and/or award scheme adopted by the Company (excluding the Pre-IPO Share Option Scheme), on the Share Option Scheme Adoption Date will be 209,730,800 Shares pursuant to Rule 17.03(3) of the Listing Rules, representing approximately 10% of the existing issued Shares of the Company (i.e. the Scheme Mandate Limit).

Before the listing of the Company, the Company adopted the Pre-IPO Share Option Scheme on 31 December 2020. Given that the Pre-IPO Share Option Scheme was not subject to the provisions of Chapter 17 of the Listing Rules currently in effect as the Pre-IPO Share Option Scheme does not involve the grant of options to subscribe for Shares or the grant of awards involving issuance of new Shares by the Company after the Listing Date, Shares issued pursuant to the Pre-IPO Share Option Plan shall not be taken into account for the compliance purpose of the Scheme Mandate Limit.

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Within the Scheme Mandate Limit, the Company also proposes to set a sublimit of the Shares in respect of Options that may be granted to Service Providers, assuming there is no change in the issued Shares between the period from the Latest Practicable Date to the Share Option Scheme Adoption Date, the maximum number of Shares may be granted to Service Providers pursuant to the 2023 Share Option Scheme, together with all other share option and/or award scheme adopted by the Company (excluding the Pre-IPO Share Option Scheme), is 20,973,080 Shares, representing approximately 1% of the existing issued Shares of the Company (i.e. the Service Provider Sublimit). Grant of Options to any Service Provider will be subject to the adoption of the 2023 Share Option Scheme and the Service Provider Sublimit. For avoidance of doubt, if the adoption of the 2023 Share Option Scheme is not approved by the Shareholders at the AGM, no Options are allowed to be granted to any Service Provider.

The basis for determining the Service Provider Sublimit (namely, 1% of the total number of issued Shares as at the Share Option Scheme Adoption Date or the relevant date of approval of the refreshment of the Service Provider Sublimit) includes (i) the potential dilution effect arising from grants to the Service Providers, (ii) the importance of striking a balance between achieving the purpose of the 2023 Share Option Scheme and protecting the Shareholders from the dilution effect from granting a substantial amount of Options to the Service Providers, (iii) the nature of the industry, the extent of use of Service Provider in the Group's businesses, the current payment and/or settlement arrangement with the Service Providers, (iv) the expected contribution to the development and growth of the Company attributable to the Service Providers and (v) to ensure sufficient amount of awards would be available to be granted to the Employee Participants.

Considering the fact that (i) the individual limit under Rule 17.03D(1) of the Listing Rules is also 1%; (ii) the sublimit of 1% would not lead to excessive dilution of the existing Shareholders' shareholdings; (iii) certain Service Providers, in particular, the independent contractors, agents, consultants and/or advisers, which provide services akin to employees of the Group, may not be able to serve as full-time or part-time employees of the Group. For example, these Service Providers may have stepped down from position of the Group, or they may be seasoned people in their own fields and professionals with many business connections whom the Group may not be able to recruit them as employees, or they may prefer to be employed on self-employed basis, and the Board considers that it is in line with industry norm to co-operate with such former employees or former management or seasoned professionals by engaging them as service providers instead of employing them as full-time or part-time employees. As these Service Providers are either former management or former employees of the Group, or are personnel who have worked for the Group where the continuity and frequency of their services were akin to those of employees, the Group values their familiarity with the businesses and operation of the Group and the industry in general and their deep understanding of the Group, and considers that their contribution to the Group is similar to those of the employees of the Group; (iv) the Service Providers have contributed to the long-term growth of the Company's business, and that the 2023 Share Option Scheme could

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incentivise Service Providers who/which supply reliable and high-quality services to the Group on a long-term basis and (v) the Company expects that a majority of the Options will be granted to the Employee Participants and Related Entity Participants and as such there is a need to reserve a larger portion of the Scheme Mandate Limit for grants to the Employee Participants and Related Entity Participants. Given the above, the Board considers that a Service Provider Sublimit of 1% would not lead to an excessive dilution of shareholding of the existing Shareholders and in line with the purpose of the 2023 Share Option Scheme, hence is appropriate and reasonable.

Please refer to the summary of the principal terms of the 2023 Share Option Scheme set out in Appendix II to this circular for details of the principal terms of the 2023 Share Option Scheme. A copy of the 2023 Share Option Scheme will be published on the Company's website (www.fenbi.com) and the website of the Stock Exchange (www.hkexnews.hk) for display for a period of not less than 14 days before the date of the AGM and will be made available for inspection at the AGM.

3.6 Option Price

Grantees to whom Options shall be granted, are entitled to subscribe for the number of Shares at the Option Price as determined on the Grant Date. The basis for determining the Option Price is also specified precisely in the rules of the 2023 Share Option Scheme, which is summarized under paragraph headed "13. OPTION PRICE" in the Appendix II to this circular. The Directors consider that such basis will serve to preserve the value of the Company and encourage the Eligible Persons to acquire proprietary interests in the Company, and hence in line with the purpose of the 2023 Share Option Scheme. The Option Price shall be such price determined by the Board with absolute discretion from time to time based on considerations such as the prevailing closing price of the Shares, the purpose of the Options and the characteristics and profile of the Selected Participant. Such room for discretion provides the Board with flexibility to stipulate, if necessary, a purchase price for Options, while balancing the purpose of the Options and the interests of Shareholders. However, the Option Price shall be at least the highest of (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Grant Date, which must be a trading day; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) trading days immediately preceding the Date of Grant; and (iii) the nominal value of the Shares on the Grant Date.

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3.7 Adoption conditions

The adoption of the 2023 Share Option Scheme is conditional upon, amongst others, the passing of an ordinary resolution by the Shareholders at a general meeting of the Company approving: (A) the adoption of the 2023 Share Option Scheme; (B) the adoption of the Scheme Mandate Limit and the Service Provider Sublimit; and (C) the grant of authorities to the Directors to (I) grant Options in accordance with the Share Option Scheme Rules and (II) allot, issue, and deal with from time to time such number of Shares as may be required to be issued pursuant to the vesting of the Options under the Share Option Scheme Rules.

In relation to the conditions set out above, the AGM will be held for the Shareholders to consider and, if thought fit, approve the adoption of the 2023 Share Option Scheme. Any Shareholder that has a material interest in the 2023 Share Option Scheme will, together with their respective associates, be required to abstain from voting on the resolution to approve the 2023 Share Option Scheme at the AGM.

4. ISSUE MANDATE

Pursuant to the written resolutions of the then Shareholder passed on 20 December 2022, the Directors were granted by the then Shareholders a general unconditional mandate to exercise all the powers of the Company to allot, issue and deal in Shares not exceeding 20% of the aggregate number of shares of the Company in issue immediately following the completion of the Hong Kong Public offering and the international offering (the “**Global Offering**”).

The above general mandate will expire at the earlier of: (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the Company is required by any applicable law or the Memorandum and the Articles to hold the next annual general meeting; or (iii) the time when such mandate is varied or revoked by an ordinary resolution of the Shareholders in a general meeting. It is therefore proposed to seek your approval by way of ordinary resolutions to be proposed at the AGM to renew Issue Mandate.

As at the Latest Practicable Date, the number of issued Shares was 2,097,308,000 Shares. Assuming there is no change in the issued share capital prior to the AGM, the Issue Mandate will grant the Directors an authority to issue up to 419,461,600 Shares representing not more than 20% of the total number of issued Shares as at the date of passing of the resolution approving the Issue Mandate.

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5. REPURCHASE MANDATE

Pursuant to the written resolutions of the then Shareholders passed on 20 December 2022, the Directors were granted by the then Shareholders a general unconditional mandate to exercise all the powers of the Company to repurchase not more than 10% of the aggregate number of Shares in issue immediately following completion of the Global Offering.

The above general mandate will expire at the earlier of: (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the Company is required by any applicable law or the Memorandum and the Articles to hold the next annual general meeting; or (iii) the time when such mandate is varied or revoked by an ordinary resolution of the Shareholders in a general meeting. It is therefore proposed to seek your approval by way of ordinary resolutions to be proposed at the AGM to renew Repurchase Mandate.

As at the Latest Practicable Date, the number of issued Shares was 2,097,308,000 Shares. Assuming there is no change in the issued share capital prior to the AGM, the Repurchase Mandate will grant the Directors an authority to issue up to 209,730,800 Shares representing not more than 10% of the total number of issued Shares as at the date of passing of the resolution approving the Repurchase Mandate.

In accordance with the requirements of the Listing Rules, an explanatory statement is set out in Appendix III to this circular containing all the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the relevant resolution.

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6. RE-ELECTION OF DIRECTORS

In accordance with Article 108 of the Articles of Association of the Company, at every annual general meeting one-third of the Directors for the time being, or, if their number is not a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall retain office until the close of the meeting at which he retires and shall be eligible for re-election.

Therefore, Mr. ZHANG Xiaolong, Mr. LI Yong and Mr. LI Xin will retire as Directors at the AGM and, being eligible, will offer themselves for re-election at the AGM.

The nomination committee has also reviewed and considered each retiring Director's respective experience, skills and knowledge, and recommended to the Board that the re-election of all retiring Directors be proposed for Shareholders' approval at the AGM.

Details of the Directors who are subject to the re-election at the AGM are set out in Appendix IV to this circular in accordance with the relevant requirements of the Listing Rules. The biography of the retiring Directors set out in Appendix IV to this circular indicates the perspectives, skills and experience each individual can bring to the Board and contribute to the diversity of the Board.

7. RE-APPOINTMENT OF THE AUDITOR

PricewaterhouseCoopers will retire as the auditor of the Company at the Annual General Meeting and being eligible, offer itself for re-appointment. PricewaterhouseCoopers has indicated its willingness to be re-appointed as the auditor of the Company for the year following the close of the AGM.

A resolution will be proposed at the AGM to approve the re-appointment of PricewaterhouseCoopers as the auditor of the Company and authorize the Board to fix the remuneration of the auditor.

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8. NOTICE OF ANNUAL GENERAL MEETING

Set out on pages 85 to 93 of this circular is a notice convening the AGM to consider and, if appropriate, to approve, among others, the ordinary resolutions relating to the proposals for (i) the adoption of the 2023 Restricted Share Unit Scheme; (ii) the adoption of the 2023 Share Option Scheme; (iii) the granting of the Issue Mandate and the Repurchase Mandate; (iv) the re-election of Directors; and (v) the re-appointment of the auditor.

9. FORM OF PROXY

A form of proxy for use at the AGM is enclosed herewith. Such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.fenbi.com). Whether or not you are able to attend the AGM, you are requested to complete the form of proxy and return it to the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the AGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

10. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting must be taken by poll except where the chairman of the general meeting, in good faith, decides to allow a resolution which relates purely to procedural or administrative matter to be voted by a show of hands. Accordingly, each of the resolutions put to vote at the AGM will be taken by way of poll.

On a poll, every Shareholder present in person or by proxy (or being a corporation by its duly authorized representative) shall have one vote for each Share registered in his/her/its name in the register of members. A Shareholder entitled to more than one vote needs not use all his/her/its votes or cast all the votes he/she/it has in the same manner.

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11. CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the identity of the Shareholders entitled to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 9 June 2023 to Wednesday, 14 June 2023 both dates inclusive, during which period no transfer of Shares will be effected. All transfers accompanied by the relevant certificates must be lodged with the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 8 June 2023.

12. RESPONSIBILITY STATEMENT

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

13. RECOMMENDATION

The Board (including the independent non-executive Directors) considers that the ordinary resolutions in relation to (i) the adoption of the 2023 Restricted Share Unit Scheme; (ii) the adoption of the 2023 Share Option Scheme; (iii) the granting of the Issue Mandate and the Repurchase Mandate; (iv) the re-election of Directors; and (v) the re-appointment of auditor to be proposed at the AGM are fair and reasonable and are in the best interests of the Company and the Shareholders. Accordingly, the Board (including the independent non-executive Directors) recommends the Shareholders to vote in favor of such resolutions at the AGM.

Yours faithfully,
By order of the Board
Fenbi Ltd.
ZHANG Xiaolong
Chairman

The following is a summary of the principal terms of the 2023 Restricted Share Unit Scheme but does not form part of, nor was it intended to be, part of the 2023 Restricted Share Unit Scheme nor should it be taken as effecting the interpretation of the 2023 Restricted Share Unit Scheme:

1. PURPOSE OF THE 2023 RESTRICTED SHARE UNIT SCHEME

The objectives of the 2023 RSU Scheme are to: (i) recognise the contributions by certain Selected Participants with an opportunity to acquire a proprietary interest in the Company; (ii) encourage and retain such individuals for the continual operation and development of the Group; (iii) provide additional incentives for them to achieve performance goals; (iv) attract suitable personnel for further development of the Group; and (v) motivate the Selected Participants to maximize the value of the Company for the benefits of both the Selected Participants and the Company, with a view to achieving the objectives of increasing the value of the Group and aligning the interests of the Selected Participants directly to the shareholders of the Company through ownership of Shares.

2. ADMINISTRATION OF THE 2023 RESTRICTED SHARE UNIT SCHEME

The 2023 RSU Scheme shall be subject to the administration of the Remuneration Committee, the Board and the Trustee (in case where the Trustee is appointed) in accordance with the RSU Scheme Rules and the Trust Deed. Unless otherwise specified therein, the decision of the Remuneration Committee, the Board and the Trustee(s) regarding the administration and operation of the 2023 RSU Scheme shall be final and binding on all parties.

3. ELIGIBLE PARTICIPANTS

Participants eligible to participate in the 2023 RSU Scheme are an individual or a corporate entity (as the case may be), being any of an Employee Participant, a Related Entity Participant or a Service Provider who have contributed or will contribute to the Group. The Board may, from time to time, at its absolute discretion select any Eligible Participants to be a Selected Participant and grant to such Selected Participant Restricted Shares by way of share transfer, share allotment or cash settlement of an amount of equivalent value (for the purpose of fulfillment of tax obligation of the relevant Selected Participant) as the Board deems fit. Participation in the 2023 RSU Scheme is limited to Eligible Participants only. The Board is entitled to impose any conditions, as it deems appropriate with respect to the entitlement of the Selected Participant to the Award and the Remuneration Committee will inform such Selected Participant the relevant conditions and the number of the Grant Shares.

In determining the basis of eligibility of each Eligible Participant, the Board would mainly take into account (a) the experience of the Eligible Participant on the Group's businesses, (b) the length of service of the Eligible Participant with the Group and/or Related Entity(ies) (if the Eligible Participant is an Employee Participant or a Related Entity Participant), (c) the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Eligible Participant has established with the Group (if the Eligible Participant is a Service Provider of any member of the Group), and (d) the amount of support, assistance, guidance, advice, efforts and contributions the Eligible Participant has exerted and given towards the success of the Group and/or the amount of potential support, assistance, guidance, advice, efforts and contributions the Eligible Participant is likely to be able to give or make towards the success of the Group in the future.

In determining whether a person is qualified to be (or, where applicable, continues to qualify to be) an Employee Participant or Related Entity Participant, the Board will take into account various factors that it in its absolute discretion considers relevant in assessing his or her contribution to the long-term growth of the Group, including (a) individual performance, (b) time commitment, (c) responsibilities or employment conditions according to the prevailing market practice and industry standard, (d) the length of engagement with the Group and/or the Related Entity(ies), and (e) the individual contribution or potential contribution to the development and growth of the Group and/or Related Entity(ies).

3.1 Service Providers

Set out below are the detailed description of each type of Service Providers and the specific criteria for determining the eligibility of each type of Service Providers under the 2023 RSU Scheme:

Types of Service Providers	Contributions of the Service Providers	Criteria for determining eligibility under the 2023 RSU Scheme	Reasons that such Service Providers provide services on a continuing and recurring basis in the ordinary and usual course of business of the Group and are akin to the employees of the Group
Suppliers of services	Service Providers under this category are third-party vendors for human resource services, publishing services, printing services, marketing services, public relations services, information technology services, logistics and delivery services, third-party book sellers and e-commerce companies.	<p>The Board will, on a case by case basis, take into account both qualitative and quantitative factors when determining the eligibility of such suppliers of services, including but not limited to:</p> <ol style="list-style-type: none"> <li data-bbox="630 868 1129 893">(1) the nature, reliability and quality of the services supplied; <li data-bbox="630 932 1139 957">(2) the value of the services provided by the relevant suppliers; <li data-bbox="630 995 1166 1049">(3) the nature, scope and frequency of services supplied and length of business relationship with the Group; <li data-bbox="630 1087 1166 1204">(4) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); <li data-bbox="630 1242 1166 1295">(5) the background, reputation and track record of the relevant suppliers; <li data-bbox="630 1334 1166 1570">(6) the potential and/or actual contribution or significance to the financial performance and business development of the Group, evaluated in terms of the revenue generated from such supply, the aggregate supply volume, the procurement cost, the contract value and the relative concentration in the particular supply category for the relevant engagement period (or the corresponding growth rate compared with that of the preceding period); and <li data-bbox="630 1608 1166 1693">(7) the replacement cost of such suppliers and/or the services (including continuity and stability of supply or provision of such services). 	Service Providers under this category are closely connected to and crucial to the Group's day-to-day operations which spans across procurement, sales, marketing and research and development, and their contribution directly impacts the results of operations of the Group. These Service Providers generally have established stable and long-term relation with the Group.

Types of Service Providers	Contributions of the Service Providers	Criteria for determining eligibility under the 2023 RSU Scheme	Reasons that such Service Providers provide services on a continuing and recurring basis in the ordinary and usual course of business of the Group and are akin to the employees of the Group
Independent contractors, consultants, advisors, agents and/or professional firms	Service Providers under this category are independent contractors, consultants, advisors, agents and/or professional firms that provide support or any advisory, consultancy, professional services to any members of the Group, namely support or services in relation to vocational education and training and technological industries, design, research, development, marketing, innovation upgrading, strategic or commercial planning on corporate image, investor relations, product quality control, regulations and policies.	<p>The Board will, on a case by case basis, take into account both qualitative and quantitative factors when determining the eligibility of such independent contractors, advisors, consultants, agents and/or professional firms, including but not limited to:</p> <ol style="list-style-type: none"> (1) individual performance of the relevant independent contractors, advisors, consultants, agents and/or professional firms, including but not limited to the reliability and quality of the products and/or services supplied; (2) their knowledge, experience and network in the relevant industry; (3) the nature, scope and frequency of products and/or services supplied and length of business relationship with the Group; (4) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (5) the background, reputation and track record of the relevant independent contractors, advisors, consultants, agents and/or professional firms; (6) the potential and/or actual contribution or significance to the financial performance and business development of the Group, evaluated in terms of the revenue generated from such supply, the aggregate supply volume, the contract value and the relative concentration in the particular supply category for the relevant engagement period (or the corresponding growth rate compared with that of the preceding period); (7) the replacement cost of such independent contractors, advisors, consultants, agents and/or professional firms (including continuity and stability of provision of the necessary services); and (8) other factors, including but not limited to the capability, expertise, technical know-how and/or business connections of the relevant independent contractors, advisors, consultants, agents and/or professional firms, and/or the synergy between the relevant independent contractors, advisors, consultants, agents and/or professional firms and the Group. 	Service Providers under this category provide services on a continuing and recurring basis in the ordinary and usual course of business of the Group and are akin to employees of the Group, but they may not be able to serve as full-time or part-time employees of the Group. For example, these Service Providers may have stepped down from position of the Group, or they may be seasoned people in their own fields and professionals with many business connections whom the Group may not be able to recruit them as employees, or they may prefer to be employed on self-employed basis, and the Board considers that it is in line with industry norm to co-operate with such former employees or former management or seasoned professionals by engaging them as service providers instead of employing them as full-time or part-time employees.

Types of Service Providers	Contributions of the Service Providers	Criteria for determining eligibility under the 2023 RSU Scheme	Reasons that such Service Providers provide services on a continuing and recurring basis in the ordinary and usual course of business of the Group and are akin to the employees of the Group
Business partners	Service Providers under this category are business partners which help maintain or enhance the competitiveness of the Group by way of introducing new customers or business opportunities to the Group or enhancing the publicity of the services of the Group.	<p>The Board will, on a case by case basis, take into account both qualitative and quantitative factors when determining the eligibility of such business partners, including but not limited to:</p> <ol style="list-style-type: none"> <li data-bbox="632 625 1166 715">(1) individual performance of the relevant business partners, including but not limited to the reliability and quality of the products and/or services supplied; <li data-bbox="632 746 1166 804">(2) their knowledge, experience and network in the relevant industry; <li data-bbox="632 836 1166 893">(3) the nature, scope and frequency of the collaborating projects and length of business relationship with the Group; <li data-bbox="632 925 1166 1049">(4) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); <li data-bbox="632 1081 1166 1138">(5) the background, reputation and track record of the relevant business partners; <li data-bbox="632 1170 1166 1389">(6) the potential and/or actual contribution or significance to the financial performance and business development of the Group, evaluated in terms of the revenue generated from such supply, the aggregate supply volume, the contract value and the relative concentration in the particular supply category for the relevant engagement period (or the corresponding growth rate compared with that of the preceding period); <li data-bbox="632 1421 1166 1510">(7) the replacement cost of such business partners and/or the goods or services (including continuity and stability of supply or provision of such goods or services); and <li data-bbox="632 1542 1166 1664">(8) other factors, including but not limited to the capability, expertise, technical know-how and/or business connections of the relevant business partners, and/or the synergy between the business partners and the Group. 	The Group works closely with its business partners on a continuing and recurring basis for implementation of the marketing strategies and promotion of the corporate and brand image of the Group which enables the Group to have potential business opportunities and new customers to the Group.

For the avoidance of doubt, Service Providers exclude placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, and professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity.

Service Providers should be, or anticipated to be going forward, significant suppliers of services or business partners, or otherwise significant to the Group's business development. The Board will also consider whether the Service Providers have provided services to the Group on a continuing or recurring basis in its ordinary and usual course of business, taking into account whether the continuity and frequency of the services provided by a Service Provider are akin to those of its employees of the Group based on the following factors:

- (i) the length, type, and nature of services provided by the Service Provider to the Group in the past 12 months, and the recurrences and regularity of such services;
- (ii) the period of engagement of the Service Provider, including whether the Service Provider had entered into an agreement with the Group in the past 12 months with a term of no less than two years;
- (iii) whether such services form part of or are directly ancillary to the business conducted by the Group, as disclosed in the announcements, circulars, interim and annual reports of the Company; and
- (iv) the Service Providers who are either former management or former employees of the Group, since the Group values their familiarity with and understanding of the businesses and operation of the, and considers that their contribution to the Group is similar to those of the employees of the Group.

4. RESTRICTIONS

No Award shall be made by the Board and no instructions to acquire any Shares shall be given to the Trustee under the 2023 Restricted Share Unit Scheme:

- (i) where the Company or any Selected Participant is in possession of information that must be disclosed under Rule 13.09 of the Listing Rules or where the Company reasonably believes there is Inside Information which must be disclosed under part XIVA of the SFO, until such Inside Information has been published on the websites of the Hong Kong Stock Exchange and the Company;
- (ii) after any Inside Information in relation to the securities of the Company has occurred or has become the subject of a decision, until the Business Day after such Inside Information has been published;
- (iii) within the period commencing 60 days (in the case of yearly results), or 30 days (in the case of results for half-year, quarterly or other interim period) immediately preceding the earlier of (i) the date of a meeting of the Board (as such date is first notified to the Hong Kong Stock Exchange) for the approval of the Company's results for any year, half-year, quarterly or other interim period (whether or not required under the Listing Rules); and (ii) the deadline for the Company to publish its quarterly, interim or annual results announcement for any such period, and ending on the date of such announcement; or
- (iv) in any other circumstances where dealings by Selected Participant are prohibited under the Listing Rules, SFO or any other applicable law or regulation or where the requisite approval from any applicable regulatory authorities has not been granted.

The eligibility of the Eligible Participants shall be determined by the Board or its authorized persons. Any proposed grant of the Awarded Shares under the 2023 RSU Scheme (including but not limited to any connected person of the Company) shall be subject to compliance with the applicable requirements of the Listing Rules.

5. SCHEME MANDATE LIMIT AND SERVICE PROVIDER SUBLIMIT

The Company shall not make any further grant of Restricted New Shares which will result in the aggregate number of Shares underlying all grants of (i) new Shares of the Company; or (ii) options over new Shares made pursuant to the 2023 Restricted Share Unit Scheme and other share and/or award schemes (excluding the Pre-IPO Share Option Scheme) adopted by the Company to exceed 209,730,800 Shares, representing 10% of the total number of issued Shares as of the RSU Scheme Adoption Date without Shareholders' approval.

Within the Scheme Mandate Limit, the total number of Restricted New Shares which may be granted under the 2023 RSU Scheme and grants made under other share schemes of the Company to Service Providers (excluding the Pre-IPO Share Option Scheme) shall not exceed 20,973,080 Shares, representing 1% of the total number of Shares in issue on the RSU Scheme Adoption Date (the "**Service Provider Sublimit**").

The Company may seek the approval of its Shareholders in general meeting to refresh the Scheme Mandate Limit (and the Service Provider Sublimit) after three years from the date of Shareholders' approval for the last refreshment (or the RSU Scheme Adoption Date), such that the aggregate number of Shares underlying all grants made pursuant to the RSU Scheme and other share schemes adopted by the Company (excluding the Pre-IPO Share Option Scheme) shall not exceed 10% of the total number of issued Shares as of the date of approval of the refreshed limit, and the circular to the Shareholders will contain the number of Awards and options that were already granted under the existing Scheme Mandate Limit and Service Provider Sublimit, and the reasons for the refreshment. Awards previously granted under the RSU Scheme or any other share scheme(s) of the Company (excluding the Pre-IPO Share Option Scheme), including Awards outstanding or lapsed in accordance with the relevant share scheme, shall not be counted for the purpose of calculating the limit to be refreshed.

The Company may seek separate approval by its Shareholders in general meeting for granting any Restricted New Share Awards under the 2023 Restricted Share Unit Scheme beyond the Scheme Mandate Limit, provided that the Restricted New Share Awards in excess of the Scheme Mandate Limit are granted only to participants specifically identified by the Company. In such case, the Company will send a circular to the Shareholders containing the name of each specified participant who may be granted the Restricted New Share Awards, the number and terms of the Restricted New Share Awards to be granted to each participant and the purpose of granting Restricted New Share Awards to the Selected Participants with an explanation as to how the terms of the Restricted New Share Awards serve such purpose. Any Restricted New Share Awards lapsed

in accordance with the terms of the 2023 Restricted Share Unit Scheme will not be regarded as utilized for the purpose of calculating the Scheme Mandate Limit (and the Service Provider Sublimit thereunder).

In the event that the Scheme Mandate Limit (and the Service Provider Sublimit thereunder) is refreshed within three years from (i) the date of Shareholders' approval for the last refreshment or (ii) the RSU Scheme Adoption Date (whichever is earlier), the Company may seek the approval of its Shareholders in general meeting, provided that the controlling shareholders of the Company and their associates (or if there is no controlling shareholder, Director (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of such resolutions at the general meeting, and the Company must comply with the relevant requirements under the Listing Rules.

6. MAXIMUM ENTITLEMENT OF SHARES OF EACH ELIGIBLE PARTICIPANT

For any 12-month period up to and including the Grant Date, the aggregate number of Shares issued and to be issued in respect of all Share Awards granted to any Selected Participant and all grants made under any other share scheme(s) of the Company (excluding the Pre-IPO Share Option Scheme and any options and/or awards lapsed in accordance with the share schemes of the Company) shall not exceed 1% of the total number of the Shares in issue as at the Grant Date without Shareholders' approval. Any further grant of Awards must be separately approved by the Shareholders in general meeting with such Eligible Participant and his or her close associates (or his or her associates if the Selected Participant is a connected person) abstaining from voting. Awards lapsed in accordance with the terms of the 2023 RSU Scheme shall not be counted for the purpose of calculating the limit. The Company must then send a circular to its Shareholders and the circular must disclose the identity of the Eligible Participants, the number and terms of the Awards to be granted and Awards previously granted to such Eligible Participant and the information required under the Listing Rules. The number and terms of the Awards to be granted to such Eligible Participant must be fixed before Shareholders' approval.

7. GRANT OF AWARD TO DIRECTORS, CHIEF EXECUTIVES AND SUBSTANTIAL SHAREHOLDERS

Any grant of Award to an Eligible Participant who is a Director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by all independent non-executive Directors excluding any independent non-executive Director who is proposed to be granted the Awards.

Where any grant of Restricted New Shares to a Director (other than an independent non-executive Director), chief executive of the Company, or any of their associates would result in the total number of Shares issued and to be issued in respect of all Restricted New Shares granted under the 2023 RSU Scheme and grants of awards (excluding option grants) under any other share scheme(s) of the Company to such person in the 12-month period up to and including the Grant Date (excluding any awards lapsed in accordance with the terms of the share schemes of the Company and options and/or awards issued pursuant to the Pre-IPO Share Option Scheme), representing in aggregate over 0.1% of the total number of Shares in issue as at the Grant Date, such further grant of Restricted New Shares must be approved by Shareholders in general meeting and shall comply with the requirements of Rule 17.04 of the Listing Rules. The Company will send a circular to the shareholders and the grantee, his/her associates and all core connected persons of the listed issuer must abstain from voting in favour at such general meeting.

Where any grant of Awards to a substantial Shareholder of the Company or an independent non-executive Director, or their respective associates, would result in the total number of Shares issued and to be issued in respect of all awards or options granted and to be granted to such person in the 12-month period up to and including the date of such grant (excluding any awards or options lapsed in accordance with the terms of the share schemes of the Company and options and/or awards issued pursuant to the Pre-IPO Share Option Scheme), representing in aggregate over 0.1% of the total number of Shares in issue, such further grant of Awards must be approved by the Shareholders in general meeting and shall comply with the requirements of Rule 17.04 of the Listing Rules. The Company must send a circular to the Shareholders containing the information required under Rule 17.04(5) of the Listing Rules. The Company will send a circular to the shareholders and the grantee, his/her associates and all core connected persons of the listed issuer must abstain from voting in favour at such general meeting.

Parties that are required to abstain from voting in favour at the general meeting may vote against the resolution at the general meeting of the Company provided that their intention to do so has been stated in relevant circular to Shareholders.

8. SUBSCRIPTION OR PURCHASE OF SHARES

The Board may at any time at its discretion, in respect of each Selected Participant, cause to be paid the Reference Amount (as defined below) from the Company's resources or any subsidiary's resources into the Account for the relevant Selected Participant for the purchase of the Restricted Shares. In the event that the Restricted New Shares are to be allotted and issued as new Shares to the Trustee under the Scheme Mandate Limit for the purpose of the Trust, the Board may cause the subscription price for such new Shares to be allotted and issued be transferred from the Company's or any subsidiary's resources internally. The "**Reference Amount**" is the sum of (X) the estimated awarded amount, being the closing price of the Shares as quoted on the Hong Kong Stock Exchange as at the Grant Date, or as at any other date before the Trustee purchases Shares on the secondary market as instructed by the Board, multiplied by the number of the Shares comprised in the Award; and (Y) the related purchase expenses (including for the time being, the brokerage fee, stamp duty, SFC transaction levy, AFRC transaction levy and Hong Kong Stock Exchange trading fee) and such other necessary expenses required for the completion of the purchase of all the Awarded Shares.

In respect of the acquisition of the Restricted Existing Shares for a Selected Participant, the Trustee will apply the Reference Amount towards the acquisition of the Restricted Shares at the prevailing market price, depending on the financial position of the Company, the cash position of the Company and the market price of the Shares at the relevant time.

The RSUs transferred to the Selected Participant pursuant to the 2023 RSU Scheme will be subject to all the provisions of the articles of association of the Company for the time being in force and will rank *pari passu* in all respects with the existing fully paid Shares in issue on the date on which those Grant Shares are transferred to the Selected Participant and accordingly will entitle the holders to participate in all dividends or other distributions paid or made on or after the date on which Grant Shares are transferred to the Selected Participant other than any dividends or distributions previously declared or recommended or resolved to be paid or made if the record date thereof will be before the date on which the Grant Shares are transferred to the Selected Participant, provided always that when the vesting date of the Award falls on a date upon which the register of members of the Company is closed then the vesting of the Award shall become effective on the first Business Day on which the register of members of the Company is re-opened.

9. VESTING OF SHARES

The vesting period of the Restricted Shares granted shall not be less than 12 months, subject to a shorter vesting period at the discretion of the Remuneration Committee and the Board under specified circumstances in relation to Awarded Shares to the relevant Employee Participants:

- (i) the Awards granted to the Employee Participant are grants of “make-whole” Awards to the Employee Participants upon joining the Group to replace the share awards they forfeited when leaving the previous employer, such that the vesting period of such Awards granted under the 2023 RSU Scheme shall apportion rateably based on the vesting period applicable to such Employee Participant’s unvested outstanding share awards granted by his or her previous employer;
- (ii) the unvested Awards granted to the Employee Participant may vest with the Employee Participant or the legal personal representatives of the Employee Participant (in the case of death) within a period of 12 months from the date of termination of the employment of the Employee Participant if such termination is due to disability or death of the Employee Participant, provided that the Employee Participant had been continuously an employee of any member of the Group from the Grant Date until the date of termination of employment of such Employee Participant;
- (iii) in the event that it is not practicable for the Employee Participant to be granted the Awards in a planned grant period due to legal or regulatory restrictions, such that the Awards which should have been granted earlier (the “**Delayed Grant**”) are granted together with a subsequent batch of Awards to the remaining Selected Participants during a calendar year, the vesting period for the Awards underlying the Delayed Grant can be shorter than 12 months from the date of grant to reflect the time from which such Awards would have been granted;
- (iv) grants with a mixed or accelerated vesting schedule such as where the Restricted New Shares Award may vest evenly over a period of 12 months; or
- (v) grants with performance-based vesting conditions in lieu of time-based vesting criteria.

The RSU Scheme Rules will not prescribe specific performance targets that must be met before Awards can be vested. However, the RSU Scheme Rules will give the Board the discretion to specify any conditions (including performance targets (if any)) which must be satisfied before the vesting of Awards where appropriate. Such performance targets may comprise a mixture of financial and management targets of the Group and individual pre-determined key performance

indicators (including, without limitation, (i) aggregate sales volume of the Group for the relevant financial year (or the corresponding annual growth rate comparing with that of the immediately preceding financial year); (ii) market share of the Group's relevant products or services for the relevant financial year (or the corresponding annual growth rate comparing with that of the immediately preceding financial year); (iii) net profit of the Group for the relevant financial year (or the corresponding annual growth rate comparing with that of the immediately preceding financial year); (iv) the key performance indicators set for the business unit(s) and/or functional department(s) to which the Selected Participants belongs, such as publicity brought to the Group in terms of the number of views, followers, the frequency of searches and new businesses brought to the Group; (v) individual position and/or (vi) other targets to be determined in the sole discretion of the Board or the Remuneration Committee) which may vary among the Selected Participants. The satisfaction of the performance targets shall be assessed and determined by the Board at its sole discretion based on periodic performance assessments and review of the quantitative data of the Group and the Eligible Participants (where applicable).

There is no clawback mechanism to recover or withhold the remuneration to any participants in the event of serious misconduct, a material misstatement in the issuer's financial statements or other circumstances but the vesting of the Restricted Shares is subject to the Selected Participant remaining at all times after the Grant Date and on the Vesting Date an Eligible Participant.

A Selected Participant ceases to be an Eligible Participant if: -

- (i) the Selected Participant's service, employment or engagement with the Group has been terminated by any member of the Group for cause, including dishonesty or serious misconduct, incompetence or negligence in the performance of his duties, or doing anything in the conclusive opinion of the Board adversely affects his ability to perform his duties properly or bring the Company or the Group into disrepute;
- (ii) the Selected Participant has been summarily dismissed by any member of the Group in so far as such Selected Participant is an Employee Participant or a Related Entity Participant;
- (iii) the Selected Participant has been convicted for any criminal offence involving his integrity or honesty;
- (iv) the Selected Participant has been charged, convicted or held liable for any offence under the relevant securities laws in Hong Kong or any other applicable laws or regulations in force from time to time; or

- (v) the Selected Participant retires by agreement with a member of the Group at any time prior to or on the Vesting Date in the case that the Selected Participant is an Employee Participant or a Related Entity Participant.

10. TRANSFERABILITY AND OTHER RIGHTS TO AWARDED SHARES

Any Award is personal to the Selected Participant to whom it is made and is not assignable. No Selected Participants shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest whatsoever in favour of any third party over or in relation to any Awards or enter into any agreement so to do. The Stock Exchange may consider granting a waiver to allow the transfer of the Awards to a vehicle for the benefit of the Selected Participant and any family members of such Selected Participant for estate planning and tax planning purposes that would continue to meet the purpose of the 2023 RSU Scheme and the Listing Rules. Any breach of the foregoing by a Selected Participant shall entitle the Company to cancel any outstanding Awards granted to such Selected Participant.

A Selected Participant may not have any interest or rights (including the right to receive dividend) in the Restricted Shares which are referable to him until such Restricted Shares have been vested as Shares. Trustee shall abstain from voting or exercising any voting rights in respect of any Shares held, whether directly or indirectly, under the Trust or as nominee. No instructions may be given by a Selected Participant to the Trustee in respect of the Restricted Shares that have not vested, and such other properties of the Account managed by the Trustee. The Trustee may not subscribe for any new Shares pertaining to either (i) an open offer of new securities; or (ii) any rights issue or bonus warrants issued in respect of any Shares held by the Trustee.

In the event the Company undertakes a scrip dividend scheme, the Trustee shall elect to receive the scrip Shares. All cash, non-cash income or sale proceeds of non-cash and non-scrip distributions declared in respect of a Share shall belong to the Trustee for satisfying, or subscription for and/or purchase of Shares for the purpose of satisfying, any further Awards by the Board, and upon termination of the 2023 RSU Scheme, shall be treated and dealt with as income of the trust fund under the Trust Deed generally.

11. AMENDMENT

The provisions of the 2023 RSU Scheme may be amended in any respect by a resolution of the Board except that any alteration to (i) any of the provisions of the 2023 RSU Scheme as to the definitions of “Eligible Participants” therein, (ii) the terms and conditions of the 2023 RSU Scheme which are of a material nature and (iii) all such other matters set out in Rule 17.03 of the Listing Rules, to the advantage of the participants or prospective participants must be approved by the Shareholders in a general meeting.

Any change to the terms of any Restricted Shares granted to a Selected Participant shall be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case maybe) if the initial grant of Restricted Shares was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case maybe), except where the alterations take effect automatically under the existing terms of the 2023 Restricted Share Unit Scheme. The terms of the 2023 RSU Scheme or the Awards so altered must comply with Chapter 17 of the Listing Rules and all applicable laws. Any change to the authority of the Directors to alter the RSU Scheme Rules must be approved by the Shareholders in general meeting.

12. DURATION

Unless terminated earlier by the Board pursuant to the RSU Scheme Rules, the 2023 RSU Scheme shall be valid and effective for 10 years commencing from the RSU Scheme Adoption Date, after which period no further Awards will be granted.

13. ADJUSTMENT

In the event of any alteration to the capital structure of the Company, whether by way of capitalisation issue, rights issue, sub-division or consolidation of Shares or reduction of capital of the Company, the Board may, if it considers the same to be appropriate, direct that adjustments be made to:

- (i) the maximum number of Shares subject to the 2023 Restricted Share Unit Scheme;
- (ii) the aggregate number of Shares subject to the Awards so far as unvested; and/or
- (iii) the purchase price (if any) of each unvested Awarded Share,

provided that the maximum number of Shares that may be issued in respect of all options and awards to be granted under all of the schemes of the Company (excluding the Pre-IPO Share Option Scheme) under the Scheme Mandate Limit or the Service Provider Sublimit as a percentage of the total number of issued Shares immediately before and after such alteration to the capital structure of the Company shall be the same, rounded to the nearest whole share.

Where the Board determines that such adjustments are appropriate (other than an adjustment arising from a capitalisation issue), the auditors or independent financial advisors appointed by the Company shall certify in writing to the Board that any such adjustments satisfy the requirement set out in the note to Rule 17.03(13) of the Listing Rules, provided that:

- (i) any such adjustments shall give a Selected Participant the same proportion of equity capital, rounded to the nearest whole share, as that to which that Selected Participant was previously entitled to, but no such adjustments shall be made to the extent that a Share would be issued at less than its normal value (if any). In respect of any such adjustments, other than any made on a capitalisation issue, the auditors or independent financial advisors shall confirm to the Board in writing that the adjustments satisfy the requirement set out in this sub-paragraph (i);
- (ii) any such adjustments shall be made on the basis that the aggregate purchase price payable by the Selected Participant (if any) on the full vesting of any Award shall remain as nearly as practicable the same as (but shall not be greater than) as it was before such event;

- (iii) any such adjustments shall be made in accordance with the provisions as stipulated under Chapter 17 of the Listing Rules and supplementary guidance on the interpretation of the Listing Rules issued by the Stock Exchange from time to time; and
- (iv) the issue of securities as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustments.

The capacity of the auditors or independent financial advisors in this paragraph is that of experts and not arbitrators and their certification shall be final and binding on the Company and the Selected Participants in the absence of manifest error. The costs of the auditors or independent financial advisors shall be borne by the Company.

If there has been any alteration in the capital structure of the Company as referred to in this paragraph, the Company shall, upon receipt of a notice from the Selected Participant, inform the Selected Participant of such alteration and shall either inform the Selected Participant of the adjustment to be made pursuant to the certificate of the auditors or independent financial advisors obtained by the Company for such purpose, or if no such certificate has yet been obtained, inform the Selected Participant of such fact and instruct the auditors or independent financial advisors to issue a certificate in that regard in accordance with this paragraph.

14. LAPSE OF RSU(S)

The RSU(s) will automatically lapse forthwith and the Restricted Shares will not vest on the relevant Vesting Date in the event that prior to or on the Vesting Date in respect of a Selected Participant, (i) the relevant Selected Participant ceases to be an Eligible Participant, or (ii) an order for the winding-up of the Company is made or a resolution is 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).

15. CANCELLATION OF RSU(S) GRANTED

As mentioned in paragraph 10 above, any Award is personal to the Selected Participant to whom it is made and is not assignable. No Selected Participants shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest whatsoever in favour of any third party over or in relation to any Awards or enter into any agreement so to do. The Stock Exchange may consider granting a waiver to allow the transfer of the Awards to a vehicle for the benefit of the Selected Participant and any family members of such Selected Participant for estate planning and tax planning purposes that would continue to meet the purpose of the 2023 RSU Scheme and the Listing Rules. Any breach of the foregoing by a Selected Participant shall entitle the Company to cancel any outstanding Awards granted to such Grantee. Where the Selected Participant is a company, any change of its controlling shareholder or any substantial change in its management (which is to be determined by the Board at its absolute discretion) will be deemed to be a sale or transfer of interest aforesaid. Any breach of the foregoing by a Selected Participant shall entitle the Company to cancel any outstanding Awards or part thereof of such Selected Participant without incurring any liability on the part of the Company. The Awards cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and Service Provider Sublimit.

16. TERMINATION

The 2023 RSU Scheme shall terminate on the earlier of (i) the tenth anniversary date from the RSU Scheme Adoption Date; and (ii) such date of early termination as determined by the Board by a resolution of the Board, provided that such termination does not affect any subsisting rights of any Selected Participant.

Upon termination, (i) no further grant of RSUs may be made under the 2023 RSU Scheme; (ii) all the RSUs referable to the date of expiry of the Trust Period which are not vested shall be vested in the relevant Selected Participants and all the Awarded Shares shall continue to be held by the Trustee and be transferred to the Selected Participants according to the RSU Scheme Rules; and (iii) after all Restricted Shares granted under the 2023 Restricted Share Unit Scheme have either previously lapsed or have vested and been transferred to the relevant Selected Participants, cash remaining in the Account managed by the Trustee in respect of Awards (including interest income derived from deposits maintained with licensed banks in Hong Kong) which has not been applied in the acquisition of the Restricted Shares and such other funds remaining in the Account including the proceeds of sale of any Returned Shares held in the Account (after making appropriate deductions in respect of all disposal costs, liabilities and expenses) will be remitted to the Company forthwith.

In any event, the vesting period of the RSUs granted to the Selected Participants, other than the Employee Participants who are subject to a shorter vesting period under the circumstances stated in paragraph 9 above, shall not be less than 12 months, including but not limited to, liquidation of the Company and the termination of the 2023 RSU Scheme.

**APPENDIX II SUMMARY OF THE PRINCIPAL TERMS OF THE 2023
SHARE OPTION SCHEME**

The following is a summary of the principal terms of the 2023 Share Option Scheme but does not form part of, nor was it intended to be, part of the 2023 Share Option Scheme nor should it be taken as effecting the interpretation of the 2023 Share Option Scheme:

1. PURPOSE OF THE 2023 SHARE OPTION SCHEME

The purpose of the 2023 Share Option Scheme is to recognise the contribution or future contribution of the Eligible Participants to the Group by granting Options to them as incentives or rewards and to attract, retain and motivate high-calibre Eligible Participants in line with the performance goals of the Group. The 2023 Share Option Scheme shall strengthen the many long-term relationships that the Eligible Participants may have with the Group.

2. ADMINISTRATION

The 2023 Share Option Scheme shall be subject to the administration of the Remuneration Committee and the Board in accordance with the Share Option Scheme Rules. Unless otherwise specified therein, the decision of the Remuneration Committee and the Board regarding the administration and operation of the 2023 Share Option Scheme shall be final and binding on all parties.

The Directors shall have power from time to time to make or vary regulations for the administration and operation of the 2023 Share Option Scheme, provided that the same are not inconsistent with the Share Option Scheme Rules and the applicable laws and regulations to which the Company is subject to.

The costs of introducing and administering the 2023 Share Option Scheme shall be borne by the Company. However, an Eligible Participant or Option Holder shall be responsible for obtaining any governmental or other official consent that may be required by any country or jurisdiction in order to permit the grant or exercise of a relevant Option. The Company shall not be responsible for any failure by an Eligible Participant or Option Holder to obtain any such consent or for any tax or other liability to which an Option Holder may become subject as a result of his participation in the 2023 Share Option Scheme.

3. ELIGIBLE PARTICIPANTS

Any Employee Participant, Related Entity Participant or Service Provider as selected by the Board in its absolute discretion from time to time, taking into account, among others, the experience of the Eligible Participant on the Group's businesses, the length of service of the Eligible Participant with the Group (if the Eligible Participant is an Employee Participant or a Related Entity Participant of any member of the Group), the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Eligible Participant has established with the Group (if the Eligible Participant is a Service Provider of any member of the Group).

In determining the basis of eligibility of each Eligible Participant, the Board would mainly take into account (a) the experience of the Eligible Participant on the Group's businesses, (b) the length of service of the Eligible Participant with the Group and/or Related Entity(ies) (if the Eligible Participant is an Employee Participant or a Related Entity Participant), (c) the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Eligible Participant has established with the Group (if the Eligible Participant is a Service Provider of any member of the Group), and (d) the amount of support, assistance, guidance, advice, efforts and contributions the Eligible Participant has exerted and given towards the success of the Group and/or the amount of potential support, assistance, guidance, advice, efforts and contributions the Eligible Participant is likely to be able to give or make towards the success of the Group in the future.

In determining whether a person is qualified to be (or, where applicable, continues to qualify to be) an Employee Participant or Related Entity Participant, the Board will take into account various factors that it in its absolute discretion considers relevant in assessing his or her contribution to the long-term growth of the Group, including (a) individual performance, (b) time commitment, (c) responsibilities or employment conditions according to the prevailing market practice and industry standard, (d) the length of engagement with the Group and (e) the individual contribution or potential contribution to the development and growth of the Group and/or Related Entity(ies).

**APPENDIX II SUMMARY OF THE PRINCIPAL TERMS OF THE 2023
SHARE OPTION SCHEME**

3.1 Service Providers

Set out below are the detailed description of each type of Service Providers and the specific criteria for determining the eligibility of each type of Service Providers under the 2023 Share Option Scheme:

Types of Service Providers	Contributions of the Service Providers	Criteria for determining eligibility under the 2023 Share Option Scheme	Reasons that such Service Providers provide services on a continuing and recurring basis in the ordinary and usual course of business of the Group and are akin to the employees of the Group
Suppliers of services	Service Providers under this category are third-party vendors for human resource services, publishing services, printing services, marketing services, public relations services, information technology services, logistics and delivery services, third-party book sellers and e-commerce companies.	<p>The Board will, on a case by case basis, take into account both qualitative and quantitative factors when determining the eligibility of such suppliers of services, including but not limited to:</p> <ol style="list-style-type: none"> (1) the nature, reliability and quality of the services supplied; (2) the value of the services provided by the relevant suppliers; (3) the nature, scope and frequency of services supplied and length of business relationship with the Group; (4) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (5) the background, reputation and track record of the relevant suppliers; (6) the potential and/or actual contribution or significance to the financial performance and business development of the Group, evaluated in terms of the revenue generated from such supply, the aggregate supply volume, the procurement cost, the contract value and the relative concentration in the particular supply category for the relevant engagement period (or the corresponding growth rate compared with that of the preceding period); and (7) the replacement cost of such suppliers and/or the services (including continuity and stability of supply or provision of such services). 	Service Providers under this category are closely connected to and crucial to the Group's day-to-day operations which spans across procurement, sales, marketing and research and development, and their contribution directly impacts the results of operations of the Group. These Service Providers generally have established stable and long-term relation with the Group.

Types of Service Providers	Contributions of the Service Providers	Criteria for determining eligibility under the 2023 Share Option Scheme	Reasons that such Service Providers provide services on a continuing and recurring basis in the ordinary and usual course of business of the Group and are akin to the employees of the Group
Independent contractors, consultants, advisors, agents and/or professional firms	Service Providers under this category are independent contractors, consultants, advisors, agents and/or professional firms that provide support or any advisory, consultancy, professional services to any members of the Group, namely support or services in relation to vocational education and training and technological industries, design, research, development, marketing, innovation upgrading, strategic or commercial planning on corporate image, investor relations, product quality control, regulations and policies.	<p>The Board will, on a case by case basis, take into account both qualitative and quantitative factors when determining the eligibility of such independent contractors, advisors, consultants, agents and/or professional firms, including but not limited to:</p> <ol style="list-style-type: none"> (1) individual performance of the relevant independent contractors, advisors, consultants, agents and/or professional firms, including but not limited to the reliability and quality of the products and/or services supplied; (2) their knowledge, experience and network in the relevant industry; (3) the nature, scope and frequency of products and/or services supplied and length of business relationship with the Group; (4) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); (5) the background, reputation and track record of the relevant independent contractors, advisors, consultants, agents and/or professional firms; (6) the potential and/or actual contribution or significance to the financial performance and business development of the Group, evaluated in terms of the revenue generated from such supply, the aggregate supply volume, the contract value and the relative concentration in the particular supply category for the relevant engagement period (or the corresponding growth rate compared with that of the preceding period); (7) the replacement cost of such independent contractors, advisors, consultants, agents and/or professional firms (including continuity and stability of provision of the necessary services); and (8) other factors, including but not limited to the capability, expertise, technical know-how and/or business connections of the relevant independent contractors, advisors, consultants, agents and/or professional firms, and/or the synergy between the relevant independent contractors, advisors, consultants, agents and/or professional firms and the Group. 	Service Providers under this category provide services on a continuing and recurring basis in the ordinary and usual course of business of the Group and are akin to employees of the Group, but they may not be able to serve as full-time or part-time employees of the Group. For example, these Service Providers may have stepped down from position of the Group, or they may be seasoned people in their own fields and professionals with many business connections whom the Group may not be able to recruit them as employees, or they may prefer to be employed on self-employed basis, and the Board considers that it is in line with industry norm to co-operate with such former employees or former management or seasoned professionals by engaging them as service providers instead of employing them as full-time or part-time employees.

Types of Service Providers	Contributions of the Service Providers	Criteria for determining eligibility under the 2023 Share Option Scheme	Reasons that such Service Providers provide services on a continuing and recurring basis in the ordinary and usual course of business of the Group and are akin to the employees of the Group
Business partners	Service Providers under this category are business partners which help maintain or enhance the competitiveness of the Group by way of introducing new customers or business opportunities to the Group or enhancing the publicity of the services of the Group.	<p>The Board will, on a case by case basis, take into account both qualitative and quantitative factors when determining the eligibility of such business partners, including but not limited to:</p> <ol style="list-style-type: none"> <li data-bbox="628 625 1166 715">(1) individual performance of the relevant business partners, including but not limited to the reliability and quality of the products and/or services supplied; <li data-bbox="628 746 1166 804">(2) their knowledge, experience and network in the relevant industry; <li data-bbox="628 836 1166 893">(3) the nature, scope and frequency of the collaborating projects and length of business relationship with the Group; <li data-bbox="628 925 1166 1049">(4) the materiality and nature of the business relationship with the Group (such as whether they relate to the core business of the Group and whether such business dealings could be readily replaced by third parties); <li data-bbox="628 1081 1166 1138">(5) the background, reputation and track record of the relevant business partners; <li data-bbox="628 1170 1166 1389">(6) the potential and/or actual contribution or significance to the financial performance and business development of the Group, evaluated in terms of the revenue generated from such supply, the aggregate supply volume, the contract value and the relative concentration in the particular supply category for the relevant engagement period (or the corresponding growth rate compared with that of the preceding period); <li data-bbox="628 1421 1166 1510">(7) the replacement cost of such business partners and/or the goods or services (including continuity and stability of supply or provision of such goods or services); and <li data-bbox="628 1542 1166 1664">(8) other factors, including but not limited to the capability, expertise, technical know-how and/or business connections of the relevant business partners, and/or the synergy between the business partners and the Group. 	The Group works closely with its business partners on a continuing and recurring basis for implementation of the marketing strategies and promotion of the corporate and brand image of the Group which enables the Group to have potential business opportunities and new customers to the Group.

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For the avoidance of doubt, Service Providers exclude placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, and professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity.

Service Providers should be, or anticipated to be going forward, significant suppliers of services or business partners, or otherwise significant to the Group's business development. The Board will also consider whether the Service Providers have provided services to the Group on a continuing or recurring basis in its ordinary and usual course of business, taking into account whether the continuity and frequency of the services provided by a Service Provider are akin to those of its employees of the Group based on the following factors:

- (i) the length, type, and nature of services provided by the Service Provider to the Group in the past 12 months, and the recurrences and regularity of such services;
- (ii) the period of engagement of the Service Provider, including whether the Service Provider had entered into an agreement with the Group in the past 12 months with a term of no less than two years;
- (iii) whether such services form part of or are directly ancillary to the business conducted by the Group, as disclosed in the announcements, circulars, interim and annual reports of the Company; and
- (iv) the Service Providers who are either former management or former employees of the Group, since the Group values their familiarity with and understanding of the businesses and operation of the, and considers that their contribution to the Group is similar to those of the employees of the Group.

4. DURATION OF THE 2023 SHARE OPTION SCHEME

The 2023 Share Option Scheme shall be valid and effective for a period of 10 years commencing on the Share Option Scheme Adoption Date, after which period no further Options will be granted but the provisions of the 2023 Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior to the expiration of the 10-year period or otherwise as may be required in accordance with the 2023 Share Option Scheme Rules.

5. SCHEME MANDATE LIMIT AND SERVICE PROVIDER SUBLIMIT

The total number of Shares which may be issued upon the exercise of all Options to be granted under the 2023 Share Option Scheme and all options and awards to be granted under any other share option scheme(s) and share award scheme(s) of the Company (excluding the Pre-IPO Share Option Scheme) shall not in aggregate exceed 209,730,800 Shares, representing 10% of the number of the total issued Shares on the Share Option Scheme Adoption Date. Within the Scheme Mandate Limit, the total number of Shares which may be issued upon exercise of all Options to be granted under the 2023 Share Option Scheme and all options and awards to be granted under any other share option and award scheme(s) of the Company (excluding the Pre-IPO Share Option Scheme) to the Service Providers, shall not exceed 20,973,080 Shares, representing 1% of the number of the total issued Shares on the Share Option Scheme Adoption Date (the “**Service Provider Sublimit**”). Options or awards lapsed in accordance with the terms of the 2023 Share Option Scheme or other schemes adopted by the Company shall not be counted for the purposes of calculating whether the Scheme Mandate Limit and the Service Provider Sublimit have been exceeded.

The Company may seek the approval of the Shareholders in general meeting to refresh the Scheme Mandate Limit (and the Service Provider Sublimit) after three years from the date of Shareholders’ approval for the last refreshment (or the Share Option Scheme Adoption Date), such that the aggregate number of Shares underlying all grants made pursuant to the Share Option Scheme and other share schemes adopted by the Company (excluding the Pre-IPO Share Option Scheme) shall not exceed 10% of the total number of issued Shares as of the date of approval of the refreshed limit, and the circular to the Shareholders will contain the number of Options that were already granted under the existing Scheme Mandate Limit and the reasons for the refreshment. Options previously granted under the Share Option Scheme or any other share scheme, including Options lapsed in accordance with the relevant share scheme, shall not be counted for the purpose of calculating the limit to be refreshed.

Any refreshment within any three-year period must be approved by Shareholders subject to that:

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

The requirements above do not apply if the refreshment is made immediately after an issue of securities by the Company to 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 the Scheme Mandate Limit (as a percentage of the total issued Shares) 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.

The Company may seek separate approval by its Shareholders in general meeting for granting any Options under the 2023 Share Option Scheme beyond the Scheme Mandate Limit, provided that the Options in excess of the Scheme Mandate Limit are granted only to the Eligible Participants specifically identified by the Company. In such case, the Company will send a circular to the Shareholders containing the name of each specified Eligible Participant who may be granted the Options, the number and terms of the Options to be granted to each Eligible Participant and the purpose of granting Options to the specified Eligible Participants with an explanation as to how the terms of the Options serve such purpose. Any Options lapsed in accordance with the 2023 Share Option Scheme Rules will not be regarded as utilized for the purpose of calculating the Scheme Mandate Limit (and the Service Provider Sublimit thereunder).

6. MAXIMUM ENTITLEMENT OF EACH GRANTEE

No Option may be granted to any one person such that the total number of Shares issued and to be issued upon exercise of Options and any other options and/or awards over the Shares (including exercised, cancelled and outstanding options but excluding options/awards issued pursuant to the Pre-IPO Share Option Scheme) granted and to be granted to such person in any 12-month period up to the date of the latest grant exceeds 1% of the Shares in issue from time to time, unless such grant has been approved by the Shareholders in general meeting in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules with the prospective Option Holders and his or her associates abstaining from voting. The Company must then send a circular to the Shareholders and the circular must disclose the identity of the Eligible Participants, the number and terms of the Options to be granted and the Options previously granted to such Eligible Participant and the information required under the Listing Rules. The number and terms of the Options to be granted to such Eligible Participant must be fixed before Shareholders' approval and the date of the Board meeting for proposing such further grant should be taken as the Grant Date for the purpose of calculating the Option Price.

7. ADJUSTMENT

In the event of any alteration in the capital structure of the Company while any Option remains exercisable, and such event arises from, including a capitalisation issue, rights issue, sub-division or consolidation of Shares, or reduction of capital of the Company, the Board may, if it deems appropriate, direct that such corresponding adjustments (if any) be made in:

- (a) the number of Shares subject to the Options so far as unexercised; and/or
- (b) the Option Price.

Any adjustments required under this paragraph shall be made in accordance with the following requirements:

- (a) the adjustments shall give an Option Holder the same proportion of the equity capital, rounded to the nearest whole Share, as that to which that Option Holder was previously entitled, but no such adjustments may be made to the extent that Shares would be issued at less than their nominal value; and
- (b) the adjustments shall be made in accordance with the Listing Rules and any other requirements or guidance by the Stock Exchange from time to time (including the supplementary guidance attached to the letter from the Stock Exchange dated 5 September 2005 relating to share option schemes), if applicable.

The capacity of the auditors or independent financial advisors in this paragraph is that of experts and not arbitrators and their certification shall be final and binding on the Company and the Option Holders in the absence of manifest error. The costs of the auditors or independent financial advisors shall be borne by the Company.

If there has been any alteration in the capital structure of the Company as referred to in this paragraph, the Company shall, upon receipt of a notice from the Option Holders, inform the Option Holders of such alteration and shall either inform the Option Holders of the adjustment to be made pursuant to the certificate of the auditors or independent financial advisors obtained by the Company for such purpose, or if no such certificate has yet been obtained, inform the Option Holders of such fact and instruct the auditors or independent financial advisors to issue a certificate in that regard in accordance with this paragraph.

8. CANCELLATION OF OPTIONS GRANTED BUT NOT EXERCISED

Options granted and accepted but not exercised may not be cancelled without the consent of the relevant Option Holder thereof and any new Options (or any other options) issued in replacement of Options cancelled may only be issued under the 2023 Share Option Scheme (or any other share schemes adopted by the Company other than the Pre-IPO Share Option Scheme) with available Scheme Mandate Limit and Service Provider Sublimit approved by the Shareholders. The Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and Service Provider Sublimit.

9. GRANT OF OPTIONS TO DIRECTORS, CHIEF EXECUTIVES AND SUBSTANTIAL SHAREHOLDERS

Any grant of Options to an Eligible Participant who is a Director, chief executive or substantial shareholder of the Company or any of their respective associates must be approved by all independent non-executive Directors excluding any independent non-executive Director who is proposed to be granted Options.

Where Options are proposed to be granted to an independent non-executive Director or a substantial shareholder of the Company, or any of their respective associates and if such grant would result in the total number of Shares issued and to be issued in respect of all options and awards (excluding any options and awards lapsed in accordance with the terms of the 2023 Share Option Scheme or issued pursuant to the Pre-IPO share Option Scheme) granted to such person in the 12-month period up to and including the Grant Date to such person representing in aggregate over 0.1% of the relevant class of Shares, then the proposed grant must be subject to the approval of Shareholders taken on a poll in a general meeting. The Company will send a circular to the shareholders and the grantee, his/her associates and all core connected persons of the listed issuer must abstain from voting in favour at such general meeting.

Parties that are required to abstain from voting in favour at the general meeting may vote against the resolution at the general meeting of the Company provided that their intention to do so has been stated in relevant circular to Shareholders.

10. GRANT OF SHARE OPTIONS

Subject to the 2023 Share Option Scheme Rules, the Board may at any time and from time to time during the Share Option Scheme Period at their absolute discretion and subject to such terms, conditions, restrictions or limitations as they may think fit offer, at the consideration of HK\$1 per Option, to grant Options to the Eligible Participants to subscribe at the Option Price for such numbers of Shares as they may determine, taking into account, among others, the experience of the Eligible Participant on the Group's businesses, the length of service of the Eligible Participant with the Group (if the Eligible Participant is an Employee Participant or a Related Entity Participant of any member of the Group), the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Eligible Participant has established with the Group (if the Eligible Participant is a Service Provider of any member of the Group).

Any such terms, conditions, restrictions or limitations so imposed in relation to any Option shall be notified to the Eligible Participant to whom the offer to grant such Option has been made by way of writing in the letter or document containing the offer of grant of the Option (the "**Offer Letter**"). In particular, the Directors may specify minimum performance targets (if any) that must be reached before an Option is capable of being exercised by the Option Holder.

An Option shall be deemed to have been accepted and to have taken effect when the duplicate comprising acceptance of the offer is duly signed by the Eligible Participant together with a payment to the Company and/or any other member of the Group of HK\$1 by way of consideration for the grant thereof is received by the Company within the time period specified in the offer of the grant of the Option.

To the extent that the offer of the grant of an Option is not accepted within 21 Business Days after the date of offer, it will be deemed to have been irrevocably declined and will lapse, unless the Board in its absolute discretion determines otherwise.

11. EXERCISE OF OPTIONS AND LAPSE OF OPTIONS

Options for the time being outstanding may be exercised in whole or in part at any time during the Option Period. An Option must be held by the Option Holder for at least 12 months before the Option can be exercised. However, a shorter vesting period may be granted to Employee Participants at the discretion of the Board or a committee or any other authorised agent(s) as deemed appropriate at the sole discretion of the Board. Such discretion provides flexibility to grant Options (i) as part of competitive terms and conditions to induce valuable talent to join the Group; (ii) reward past contribution which may otherwise be neglected due to administrative or technical reasons; (iii) reward exceptional performers with accelerated vesting to motivate exceptional performers based on performance metrics rather than time and (iv) in exceptional circumstances where justified, which is consistent with the purpose of the 2023 Share Option Scheme.

A shorter vesting period may be granted to Employee Participants at the discretion of the Board or a committee or any other authorised agent(s) as deemed appropriate at the sole discretion of the Board in any of the following circumstances:

- (i) grants of “make-whole” Options to new joiners to replace the share awards or options they forfeited when leaving the previous employer;
- (ii) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out of control event;
- (iii) grants that are made in batches during a year for administrative and compliance reasons, which include Options 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 Option would have been granted;
- (iv) grants with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of 12 months; and
- (v) grants with performance-based vesting conditions in lieu of time-based vesting criteria.

A Share allotted upon the exercise of an Option for the time being outstanding shall not carry voting rights until completion of the registration of the Option Holder (or any other person) as the holder thereof. If under the terms of a resolution passed or an announcement made by the Company prior to the date of exercise of an Option, a dividend is to be or is proposed to be paid, or Shares are to be issued or proposed to be issued by way of the capitalisation of profits or

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reserves or by way of rights under an offer made pro rata to Shareholders on the register of members of the Company on a date prior to such date of exercise, the Shares to be issued upon such exercise will not rank for such dividend or such Shares. Subject as aforesaid, Shares to be allotted upon the exercise of an outstanding Option will be subject to all the provisions of the articles of association of the Company for the time being in force and will rank pari passu in all respects with the fully paid Shares in issue on the date of allotment and accordingly will entitle the holders thereof to participate in all dividends or other distributions paid or made on or after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made.

An Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of, among others, the date on which the Option Holder commits a breach referred to in the Share Option Scheme Rules (including unauthorized transfer of Options), the date on which the Option is cancelled by the Directors, and the expiry of the Option Period.

Unless otherwise imposed by the Directors pursuant to the Share Option Scheme Rules, there is no performance targets required to be achieved by any Option Holder before an Option is capable of being exercised by the Option Holder. The Share Option Scheme Rules will not prescribe specific performance targets that must be met before Options can be exercised. However, the Share Option Scheme Rules will give the Board the discretion to specify any conditions (including performance targets (if any)) which must be satisfied before the Options are capable of being exercised by the Option Holder where appropriate. Such performance targets may comprise a mixture of financial and management targets of the Group and individual pre-determined key performance indicators (including, without limitation, (i) aggregate sales volume of the Group for the relevant financial year (or the corresponding annual growth rate comparing with that of the immediately preceding financial year); (ii) market share of the Group's relevant products or services for the relevant financial year (or the corresponding annual growth rate comparing with that of the immediately preceding financial year); (iii) net profit of the Group for the relevant financial year (or the corresponding annual growth rate comparing with that of the immediately preceding financial year); (iv) the key performance indicators set for the business unit(s) and/or functional department(s) to which the Option Holders belong, such as publicity brought to the Group in terms of the number of views, followers, the frequency of searches and new businesses brought to the Group; (v) individual position and/or (vi) other targets to be determined in the sole discretion of the Board or the Remuneration Committee) which may vary among the Option Holders. The satisfaction of the performance targets shall be assessed and determined by the Board at its sole discretion based on periodic performance assessments and review of the quantitative data of the Group and the Eligible Participants (where applicable).

There is no clawback mechanism under the 2023 Share Option Scheme for the Company to recover or withhold any remuneration (which may include Options granted to any Option Holder) to any Eligible Participants in the event of serious misconduct, a material misstatement in the Company's financial statements or other circumstances. However, in the event that the Option Holder ceases to be an Eligible Participant by reason of the termination of his or her employment, directorship, office, appointment or engagement on the grounds, among others, that he or she has been guilty of serious misconduct or a material misstatement in the Company's financial statements, or has been in breach of material term of the relevant employment contract, service contract, agency contract or engagement contract (as the case may be), all his or her outstanding Options shall lapse and determine on the date he or she so ceases.

12. RESTRICTIONS ON THE TIME OF GRANT OF OPTIONS

No Option shall be offered or granted:

- (i) to any Eligible Participant after a price sensitive event has occurred or a price sensitive matter has been the subject of a decision or inside information has come to the Company's knowledge until such price sensitive information or inside information has been publicly disseminated in accordance with the Listing Rules or during any period of time which is prohibited from any such offer and/or grant under the Listing Rules or any applicable law;
- (ii) to any Eligible Participant during the period commencing one month immediately before the earlier of:
 - (a) the date of the meeting of the Board (such date to first be notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
 - (b) the last day on which the Company shall publish an announcement of its results for any year, half-year or quarterly under the Listing Rules, or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement.

- (iii) to a Director on any day on which financial results of the Company are published **and**
- (a) during the period of 60 days immediately preceding the publication of the annual results of the Company or, if shorter, the period from the end of the relevant financial year up to the publication of the results; or
 - (b) during the period of 30 days immediately preceding the publication of the quarterly (if any) or half-yearly results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication of the results.

13. OPTION PRICE

The Option Price shall be determined on the Grant Date at the absolute discretion of the Directors as an amount per Share which shall be at least the highest of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Grant Date, which must be a trading day;
- (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the Grant Date; and
- (iii) the nominal value of the Shares on the Grant Date.

14. TRANSFERABILITY OF SHARE OPTIONS

An Option (whether vested or not) shall be personal to the Option Holder and shall not be assignable and no Option Holder shall in any way sell, transfer, charge, mortgage, encumber or create any interest (whether legal or beneficial) in favour of any third party over or in relation to any Option. The Stock Exchange may consider granting a waiver to allow the transfer of the Option to a vehicle for the benefit of the Option Holder and any family members of such Option Holder for estate planning and tax planning purposes that would continue to meet the purpose of the 2023 Share Option Scheme and the Listing Rules. Any breach of the foregoing by a Option Holder shall entitle the Company to cancel any Option granted to such Option Holder to the extent not already exercised.

15. ALTERATION OF THE 2023 SHARE OPTION SCHEME

The provisions of the 2023 Share Option Scheme may be altered in any respect by a resolution of the Directors except that any alteration to (i) any of the provisions of the 2023 Share Option Scheme as to the definitions of “Eligible Participants”, “Option Period” and “Scheme Period” therein, (ii) the terms and conditions of the 2023 Share Option Scheme which are of a material nature and (iii) all such other matters set out in Rule 17.03 of the Listing Rules, to the advantage of Option Holders or prospective Option Holders must be approved by the Shareholders in a general meeting.

Any change to the terms of any Options granted (including those granted to a substantial shareholder of the Company or an independent non-executive Director, or any of their respective associates), shall be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case maybe) if the initial grant of Options was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case maybe), except where the alterations take effect automatically under the existing Share Option Scheme Rules. The Share Option Scheme Rules or the Options so altered must comply with Chapter 17 of the Listing Rules.

The powers and authority of the Board or administrator of the 2023 Share Option Scheme in relation to the alteration of the 2023 Share Option Scheme Rules shall not be changed except with prior sanction of a resolution of the Company in general meeting.

16. LIQUIDATION

If notice is given of a general meeting of the Company at which a resolution will be proposed for the members’ voluntary winding-up of the Company, the Company shall forthwith give notice thereof to the Option Holders and each Option Holder shall be entitled, at any time not later than two Business Days prior to the proposed resolution being duly passed, to exercise his outstanding Options in whole or in part, but only so far as such Options shall be subsisting immediately prior to the passing of such a resolution and the Company shall, as soon as possible and in any event no later than the day immediately prior to the passing of such a resolution, allot and issue such number of Shares to the Option Holders which falls to be issued on such exercise. Subject thereto, all Options then outstanding shall lapse and determine on the commencement of the winding-up.

17. TERMINATION

The Company by resolution in the general meeting may at any time terminate the operation of the 2023 Share Option Scheme before the expiry of the Share Option Scheme Period and in such event, no further offer to grant an Option shall be made but in all other respects the provisions of the 2023 Share Option Scheme shall remain in force. Upon such termination, details of the Options granted (including options exercised or outstanding) and (if applicable) Options that become void or non-exercisable as a result of the termination under the 2023 Share Option Scheme are required under the Listing Rules to be disclosed in the circular to the Shareholders seeking their approval of the first new scheme established thereunder or refreshment of any scheme mandate limit under any other existing share schemes of the Company after such termination. All Options granted and accepted prior to such termination shall continue to be valid and exercisable in accordance with their terms and the Share Option Scheme Rules, and accordingly no relevant disclosure in relation to Options that become void or non-exercisable as a result of the termination will be included in the circular to the Shareholders as such disclosure is not applicable.

In no circumstances shall a person ceasing to be an Eligible Participant for any reason be entitled to any compensation for or in respect of any consequent diminution or extinction of his rights or benefits (actual or prospective) under any Options then held by him or otherwise in connection with the 2023 Share Option Scheme and by accepting an Option under the 2023 Share Option Scheme, such person shall be deemed to have irrevocably waived any such entitlement (to the extent there is any).

In any event, the vesting period of the Options granted to the Option Holders, other than the Employee Participants who are subject to a shorter vesting period under the circumstances stated in paragraph 11 above, shall not be less than 12 months, including but not limited to, liquidation of the Company and the termination of the 2023 Share Option Scheme.

APPENDIX III EXPLANATORY STATEMENT ON REPURCHASE MANDATE

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide the Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution to approve the Repurchase Mandate.

1. LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions, the most important of which are summarized below:

- (i) the shares to be repurchased by a company must be fully paid-up; and
- (ii) all on market repurchase of shares by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of a specific approval in relation to specific transactions or by a general mandate to the directors of the company to make such repurchase, and a copy of such resolution together with the necessary documentation have been delivered to the Stock Exchange in accordance with the Listing Rules.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,097,308,000 Shares. Subject to the passing of the ordinary resolution for repurchase of Shares and on the basis that no further new Shares are issued or repurchased up to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 209,730,800 Shares, representing 10% of the aggregate number of the total issued Shares as at the date of the passing of the ordinary resolution for repurchase of Shares during the period ending on the earlier of (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the Company is required by any applicable law or the Memorandum and the Articles to hold the next annual general meeting; or (iii) the time when such mandate is varied or revoked by an ordinary resolution of the Shareholders in a general meeting.

3. REASONS FOR REPURCHASE

Repurchase of Shares will only be made when the Directors believe that such repurchase will benefit the Company and the Shareholders. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets of the Company and/or its earnings per Share.

APPENDIX III EXPLANATORY STATEMENT ON REPURCHASE MANDATE

4. FUNDING OF REPURCHASE OF SHARES

Any repurchase of the Shares would be funded entirely from the cash flow or working capital facilities available to the Company, and will, in any event be made out of funds legally available for the purpose in accordance with the Articles and the applicable laws of the Cayman Islands and the Listing Rules. Such funds include, but are not limited to, profits available for distribution and/or the proceeds of a new issue of Shares made for the purpose of the repurchase or out of capital, if the Company can, immediately following such payment, pay its debts as they fall due in the ordinary course of business. The Company may not purchase securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

5. GENERAL

There might be a material adverse impact on the working capital or gearing position as compared with the position disclosed in the audited financial statements of the Company for the year ended 31 December 2022 in the event that the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period.

However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

6. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange during the period from the Listing Date up to the Latest Practicable Date were as follows:

2023	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
January (since the Listing Date)	12.10	9.76
February	15.04	10.38
March	12.80	10.30
April	13.30	10.94
May (up to and including the Latest Practicable Date)	13.72	12.00

APPENDIX III EXPLANATORY STATEMENT ON REPURCHASE MANDATE

7. DIRECTORS, THEIR CLOSE ASSOCIATES AND THE COMPANY'S CORE CONNECTED PERSONS

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

No core connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she/it has any present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

8. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate pursuant to the proposed resolution in accordance with the Listing Rules and the applicable laws of Cayman Islands.

9. TAKEOVERS CODE

If on exercise of the powers of repurchase pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, the Concert Parties, namely Mr. ZHANG Xiaolong, Mr. WEI Liang, Mr. LI Yong and Mr. LI Xin, acting in concert pursuant to the Concert Party Agreement, directly as well as through their respective controlled intermediary entities held 733,957,000 Shares, representing approximately 35.00% of the issued share capital of the Company. In the event that the Directors exercise the power in full to repurchase the Shares pursuant to the Repurchase Mandate, if so approved, in accordance with the terms of resolution no. 9 as set out in the notice of the AGM, the shareholding of the Concert Parties in the Company will be increased to approximately 38.88%. Such increase will give rise to an obligation on the part of the Concert Parties, namely Mr. ZHANG Xiaolong, Mr. WEI Liang, Mr. LI Yong and Mr. LI Xin, to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as the aforesaid, the Directors are not aware of any other consequences which may arise under the Takeovers Code as a result of any repurchase if made in

APPENDIX III EXPLANATORY STATEMENT ON REPURCHASE MANDATE

full under the Repurchase Mandate. The Board currently has no intention to exercise the Repurchase Mandate to the extent which will trigger a mandatory offer under Rule 26 of the Takeovers Code.

The Listing Rules prohibit a company from making repurchase on the Stock Exchange if the result of the repurchase would be that less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the total number of issued shares of the Company would be in public hands. The Directors do not propose to repurchase Shares which would result in less than the prescribed minimum percentage of Shares in public hands.

10. SHARE REPURCHASE MADE BY THE COMPANY

The Company has not repurchased any of the Shares (whether on the Stock Exchange or otherwise) during the period from the Listing Date and up to the Latest Practicable Date.

APPENDIX IV DETAILS OF THE DIRECTORS PROPOSED FOR RE-ELECTION

The following are the particulars of the retiring Directors (as required by the Listing Rules) proposed for re-election.

EXECUTIVE DIRECTORS

Mr. ZHANG Xiaolong

Mr. ZHANG Xiaolong (張小龍, “Mr. Zhang”), aged 39, is the executive Director, chief executive officer and chairman of the Board. He is primarily responsible for the overall strategic planning and business development and operation, as well as overall technological and curriculum development of our Group. Mr. Zhang started the business of our Group in February 2015 and has served as a director and chief executive officer of Fenbi Bluesky since then. He has also served as director and general manager of certain of our subsidiaries, including serving as the chairman of the board and general manager of Tianxia Education since November 2016 and as the executive director and general manager of Tianxia Culture from March 2016 to April 2019.

Prior to joining our Group, Mr. Zhang served as the director of operation of civil servants examination products at YLBJ, a subsidiary of YUAN Inc, from August 2013 to February 2015. Prior to that, he worked at Beijing Huatu Hongyang Education & Culture Corp., Ltd. (北京華圖宏陽教育文化發展股份有限公司) since August 2011.

Mr. Zhang obtained his bachelor’s degree in philosophy from Guizhou University (貴州大學) in July 2005.

As at the Latest Practicable Date, Mr. Zhang was deemed to be interested in 733,957,000 Shares and 27,500,000 underlying Shares within the meaning of Part XV of the SFO through, among others, the Concert Parties as well as their respective controlled intermediary entities.

Mr. Zhang entered into a service contract with the Company for a term of three years commencing from the 20 December 2022, which may be terminated in accordance with respective terms or by either party giving to the other not less than three-month prior written notice. Mr. Zhang is entitled to receive Director’s fees of RMB200,000 per month, plus bonuses, allowances, benefits in kind and pension scheme contributions. The remuneration of Mr. Zhang was determined by the Board upon recommendation from remuneration committee of the Company with reference to his duties and responsibilities in the Company.

APPENDIX IV DETAILS OF THE DIRECTORS PROPOSED FOR RE-ELECTION

Save as disclosed above, as at the Latest Practicable Date, Mr. Zhang (i) does not have any interests in the shares of the Company within the meaning of Part XV of the SFO; (ii) did not hold any directorships in the last three years in any public companies the securities of which are listed on any securities market in Hong Kong or overseas; (iii) does not hold any other positions with the Company or other members of the Group; and (iv) does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company.

Save as disclosed above, there are no other matters related to the appointment that need to be brought to the attention of the Shareholders of the Company in connection with Mr. Zhang's re-election and there is no other information that should be disclosed pursuant to paragraph 13.51(2)(h) to (v) of the Listing Rules.

NON-EXECUTIVE DIRECTORS

Mr. LI Yong

Mr. LI Yong (李勇, "Mr. Li"), aged 48, is our non-executive Director and is primarily responsible for providing guidance and advice on the business strategies of our Group. He has also served as a director of Fenbi Bluesky since February 2015.

Mr. Li is a co-founder and chief executive officer of YUAN Inc since May 2012 and is primarily responsible for the strategic planning and overall operation of YUAN Inc. Prior to that, Mr. Li worked at NetEase, Inc., a company listed on NASDAQ (symbol: NTES) and the Stock Exchange (stock code: 9999), where he was primarily responsible for the operation of portal business since May 2005. Mr. Li is also a co-founder of HELLO GROUP INC., a company listed on NASDAQ (symbol: MOMO), where he previously served as a director from April 2012 to December 2015, and as an independent director from December 2015 to September 2022.

Mr. Li obtained a bachelor's degree in law from Renmin University in China in July 1996, and an MBA degree from Peking University in January 2006.

As at the Latest Practicable Date, Mr. Li was deemed to be interested in 733,957,000 Shares and 27,500,000 underlying Shares within the meaning of Part XV of the SFO through, among others, the Concert Parties as well as their respective controlled intermediary entities.

Mr. Li entered into a letter of appointment with the Company for a term of three years commencing from the 20 December 2022, which may be terminated in accordance with respective terms or by either party giving to the other not less than three-month prior written notice. Mr. Li is not entitled to any director's fee under the letter of appointment.

APPENDIX IV DETAILS OF THE DIRECTORS PROPOSED FOR RE-ELECTION

Save as disclosed above, as at the Latest Practicable Date, Mr. Li (i) does not have any interests in the shares of the Company within the meaning of Part XV of the SFO; (ii) did not hold any directorships in the last three years in any public companies the securities of which are listed on any securities market in Hong Kong or overseas; (iii) does not hold any other positions with the Company or other members of the Group; and (iv) does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company.

Save as disclosed above, there are no other matters related to the appointment that need to be brought to the attention of the Shareholders of the Company in connection with Mr. Li's re-election and there is no other information that should be disclosed pursuant to paragraph 13.51(2)(h) to (v) of the Listing Rules.

Mr. LI Xin

Mr. LI Xin (李鑫), aged 39, is our non-executive Director and is primarily responsible for providing guidance and advice on the business strategies of our Group. He has also served as a director of Fenbi Bluesky since February 2015.

Mr. LI Xin is a co-founder of YUAN Inc since May 2012 and is primarily responsible for the overall management of branding and marketing of YUAN Inc. Prior to that, he worked at NetEase, Inc., a company listed on NASDAQ (symbol: NTES) and the Stock Exchange (stock code: 9999), where he was successively responsible for the development of financial information business and portal business during the period from June 2005 to February 2007 and from February 2010 to April 2012.

Mr. LI Xin obtained a bachelor's degree in urban planning from Southwest University of Science and Technology (西南科技大學) in June 2005.

As at the Latest Practicable Date, Mr. LI Xin was deemed to be interested in 733,957,000 Shares and 27,500,000 underlying Shares within the meaning of Part XV of the SFO through, among others, the Concert Parties as well as their respective controlled intermediary entities.

Mr. LI Xin entered into a letter of appointment with the Company for a term of three years commencing from the 20 December 2022, which may be terminated in accordance with respective terms or by either party giving to the other not less than three-month prior written notice. Mr. LI Xin is not entitled to any director's fee under the letter of appointment.

APPENDIX IV DETAILS OF THE DIRECTORS PROPOSED FOR RE-ELECTION

Save as disclosed above, as at the Latest Practicable Date, Mr. LI Xin (i) does not have any interests in the shares of the Company within the meaning of Part XV of the SFO; (ii) did not hold any directorships in the last three years in any public companies the securities of which are listed on any securities market in Hong Kong or overseas; (iii) does not hold any other positions with the Company or other members of the Group; and (iv) does not have any relationships with any directors, senior management or substantial or controlling shareholders of the Company.

Save as disclosed above, there are no other matters related to the appointment that need to be brought to the attention of the Shareholders of the Company in connection with Mr. LI Xin's re-election and there is no other information that should be disclosed pursuant to paragraph 13.51(2)(h) to (v) of the Listing Rules.

NOTICE OF ANNUAL GENERAL MEETING



Fenbi Ltd.

粉笔有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2469)

NOTICE IS HEREBY GIVEN THAT an annual general meeting of Fenbi Ltd. (the “**Company**”) will be held at 10:30 a.m. on Wednesday, 14 June 2023 at Room 6–7, 2/F., Kuntai Hotel Beijing, No.2 Qiyang Road, Chaoyang District, Beijing, PRC for the following purposes:

AS ORDINARY RESOLUTIONS

1. To receive, consider and adopt the audited consolidated financial statements and the reports of the directors (the “**Directors**”) and the auditor of the Company for the year ended 31 December 2022.
2.
 - (i) To re-elect Mr. ZHANG Xiaolong as an executive Director.
 - (ii) To re-elect Mr. LI Yong as a non-executive Director.
 - (iii) To re-elect Mr. LI Xin as a non-executive Director.
 - (iv) To authorize the board of Directors (the “**Board**”) to fix the remuneration of the Directors of the Company.
3. To re-appoint PricewaterhouseCoopers as the auditor of the Company and to authorize the Board to fix its remuneration.

To consider and, if thought fit, pass the following resolutions as ordinary resolutions of the Company (with or without amendments):

4. “**THAT:**
 - (a) subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) granting the approval for the listing of, and the permission to deal in, the shares in the capital of the Company (“**Shares**”) to be issued in respect of the restricted share unit(s) (“**RSU(s)**”) to be granted

NOTICE OF ANNUAL GENERAL MEETING

under the 2023 restricted share unit scheme, a copy of which is tabled at the meeting and marked “A” and initialled by the chairman of the meeting for identification purpose (the “**2023 Restricted Share Unit Scheme**”), the 2023 Restricted Share Unit Scheme be and is hereby approved and adopted; and any director of the Company or his/her delegate(s) be and are hereby authorized to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the 2023 Restricted Share Unit Scheme, including but without limitation:

- (i) to administer the 2023 Restricted Share Unit Scheme under which RSUs will be granted to the eligible participants under the 2023 Restricted Share Unit Scheme to subscribe for Shares, including but not limited to determining and granting the RSUs in accordance with the terms of the 2023 Restricted Share Unit Scheme;
- (ii) to modify and/or amend the 2023 Restricted Share Unit Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the 2023 Restricted Share Unit Scheme relating to the modification and/or amendment and subject to Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”);
- (iii) to grant RSUs under the 2023 Restricted Share Unit Scheme and to allot and issue from time to time such number of Shares in the capital of the Company as may be required to be allotted and issued in respect of the RSUs to be granted under the 2023 Restricted Share Unit Scheme and subject to the Listing Rules and the Companies Act of the Cayman Islands (the “**Companies Act**”);
- (iv) to make application at appropriate time or times to the Stock Exchange and any other stock exchanges upon which the issued Shares may for the time being be listed, for listing of, and permission to deal in, any Shares which may hereafter from time to time be allotted and issued in respect of the RSUs to be granted under the 2023 Restricted Share Unit Scheme and subject to the Listing Rules and the Companies Act; and

NOTICE OF ANNUAL GENERAL MEETING

- (v) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the 2023 Restricted Share Unit Scheme and subject to the Listing Rules and the Companies Act;
- (b) the total number of Shares which may be issued in respect of all options and awards to be granted under the 2023 Restricted Share Unit Scheme and any other schemes of the Company (excluding the share option scheme which was adopted by the Company on 31 December 2020 (the “**Pre-IPO Share Option Scheme**”)) must not in aggregate exceed 10% (or such other percentage which may be specified by the Stock Exchange from time to time) of the total number of Shares in issue as at the date on which the Shareholders approve the 2023 Restricted Share Unit Scheme or the relevant date of approval of the refreshment of the Scheme Mandate Limit (as defined in the 2023 Restricted Share Unit Scheme).”
5. “**THAT:**
- conditional on the passing of the ordinary resolution no. 4 set out in this notice and the adoption of the 2023 Restricted Share Unit Scheme, within the Scheme Mandate Limit, the number of Shares which may be issued in respect of all options and awards to be granted to the service providers under the 2023 Restricted Share Unit Scheme and any other schemes of the Company (excluding the Pre-IPO Share Option Scheme) must not in aggregate exceed 1% of the total number of Shares in issue as at the date on which the Shareholders approve the 2023 Restricted Share Unit Scheme or the relevant date of approval of the refreshment of the Service Provider Sublimit (as defined in the 2023 Restricted Share Unit Scheme).”
6. “**THAT:**
- (a) subject to and conditional upon the Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Shares (or such shares as shall result from a capitalization issue, rights issue, Subdivision, consolidation, re-classification, reconstruction or reduction of share capital of the Company from time to time) which may be issued in respect of the share options to be granted under the 2023 share option scheme, a copy of which is tabled at the meeting and marked “B” and initialled by the chairman of the meeting for identification purpose (the “**2023 Share Option Scheme**”), the 2023 Share Option Scheme be and is hereby approved and adopted; and any director of the Company and/or his/her delegate(s) be and are hereby authorized to do all such acts and to

NOTICE OF ANNUAL GENERAL MEETING

enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the 2023 Share Option Scheme, including but without limitation:

- (i) to administer the 2023 Share Option Scheme under which share options will be granted to the eligible participants under the 2023 Share Option Scheme to subscribe for Shares, including but not limited to determining and granting the share options in accordance with the terms of the 2023 Share Option Scheme;
- (ii) to modify and/or amend the 2023 Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the 2023 Share Option Scheme relating to the modification and/or amendment and subject to Chapter 17 of the Listing Rules;
- (iii) to grant share options under the 2023 Share Option Scheme and to allot and issue from time to time such number of Shares in the capital of the Company as may be required to be allotted and issued in respect of the share options to be granted under the 2023 Share Option Scheme and subject to the Listing Rules and the Companies Act;
- (iv) to make application at appropriate time or times to the Stock Exchange and any other stock exchanges upon which the issued Shares may for the time being be listed, for listing of, and permission to deal in, any Shares which may hereafter from time to time be allotted and issued in respect of the share options to be granted under the 2023 Share Option Scheme and subject to the Listing Rules and the Companies Act; and
- (v) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the 2023 Share Option Scheme and subject to the Listing Rules and the Companies Act;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the total number of Shares which may be issued in respect of all options and awards to be granted under the 2023 Share Option Scheme and any other schemes of the Company (excluding the Pre-IPO Share Option Scheme) must not in aggregate exceed 10% (or such other percentage which may be specified by the Stock Exchange from time to time) of the total number of Shares in issue as at the date on which the Shareholders approve the 2023 Share Option Scheme or the relevant date of approval of the refreshment of the Scheme Mandate Limit; and”

7. **“THAT:**

conditional on the passing of the ordinary resolution no. 6 set out in this notice and the adoption of the 2023 Restricted Share Unit Scheme, within the Scheme Mandate Limit, the number of Shares which may be issued in respect of all options and awards to be granted to the service providers under the 2023 Share Option Scheme and any other schemes of the Company (excluding the Pre-IPO Share Option Scheme) must not in aggregate exceed 1% of the total number of Shares in issue as at the date on which the Shareholders approve the 2023 Share Option Scheme or the relevant date of approval of the refreshment of the Service Provider Sublimit.”

8. **“THAT:**

- (a) subject to the following provisions of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of US\$0.00001 each in the Shares, and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares) which would or might require the exercise of such powers, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into Shares) which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) and issued by the Directors pursuant to the approval in paragraph (a) of this resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); (ii) the exercise of the conversion rights attaching to any convertible securities issued by the Company or any existing securities of the Company which carry rights to subscribe for or are

NOTICE OF ANNUAL GENERAL MEETING

convertible into Shares of the Company; (iii) the exercise of warrants to subscribe for Shares; (iv) the exercise of options granted under any share option scheme or the issue of shares which may be awarded under any share award scheme or similar arrangement for the time being adopted by the Company; or (v) any scrip dividend scheme or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles of Association of the Company in force from time to time; shall not exceed 20% of the aggregate number of Shares of the Company in issue as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and

(d) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law of the Cayman Islands to be held; or
- (iii) the date on which such mandate is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.

“Rights Issue” means an offer of Shares open for a period fixed by the Directors to the holders of Shares or any class of Shares whose names appear on the registers of members of the Company on a fixed record date in proportion to their then holdings of such Shares as at that date (subject to such exclusions or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the expense or delay which may be involved in determining the exercise or extent of any restrictions or obligations under the laws of, or the requirements of any recognized regulatory body or any stock exchange in, any territory applicable to the Company).”

NOTICE OF ANNUAL GENERAL MEETING

9. “THAT:

- (a) subject to paragraph (c) of this resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase the Shares on the Stock Exchange or any other stock exchange on which Shares may be listed and recognized by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or those of any other recognized stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this resolution above shall be in addition to any other authorization given to the Directors and shall authorize the Directors on behalf of the Company during the Relevant Period (as hereinafter defined) to procure the Company to repurchase its Shares at a price determined by the Directors;
- (c) the aggregate number of Shares of the Company in issue, which may be repurchased by the Company pursuant to the approval in paragraph (a) of this resolution shall not exceed 10% of the aggregate number of Shares of the Company in issue as at the date of the passing of this resolution, and the said approval shall be limited accordingly; and
- (d) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or any applicable law of the Cayman Islands to be held; or
 - (iii) the date on which such mandate is revoked or varied by an ordinary resolution of the shareholders of the Company in general meeting.”

NOTICE OF ANNUAL GENERAL MEETING

10. “**THAT** conditional upon resolutions numbered 8 and 9 above being passed, the general mandate granted to the Directors to allot, issue and deal with additional Shares and to make or grant offers, agreements, and options which might require the exercise of such powers pursuant to resolution numbered 8 above be and is hereby extended by the additional thereto of an amount representing the aggregate number of Shares repurchased by the Company under the authority granted pursuant to resolution numbered 9 above, provided that such amount shall not exceed 10% of the aggregate number of Shares of the Company in issue as at the date of passing the resolution.”

By order of the Board
Fenbi Ltd.
ZHANG Xiaolong
Chairman

Hong Kong, 22 May 2023

Notes:

1. For the purpose of determining the identity of the shareholders entitled to attend and vote at the meeting, the register of members of the Company will be closed from Friday, 9 June 2023 to Wednesday, 14 June 2023, both dates inclusive, during which period no transfer of shares will be effected. All transfers accompanied by the relevant certificates must be lodged with the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 8 June 2023.
2. A member of the Company entitled to attend and vote at the meeting is entitled to appoint one or, if he is the holder of two or more shares, more proxies to attend and vote instead of him. A proxy need not be a member of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
3. In the case of joint holders of shares in the Company, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote(s) of the other joint holder(s), seniority being determined by the order in which names stand in the register of members.
4. In order to be valid, the form of proxy must be in writing under the hand of the appointor or of his attorney duly authorized in writing, or if the appointor is a corporation, either under seal, or under the hand of an officer or attorney or other person duly authorized, and must be deposited with the Hong Kong branch share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (together with the power of attorney or other authority, if any, under which it is signed or a certified copy thereof) not less than 48 hours before the time (i.e. Monday, 12 June 2023 at 10:30 a.m.) fixed for holding of the meeting. The completion and return of the form of proxy shall not preclude shareholders of the Company from attending and voting in person at the above meeting (or any adjourned meeting thereof) if they so wish.

NOTICE OF ANNUAL GENERAL MEETING

5. With respect to resolution numbered 2 of this notice, Mr. ZHANG Xiaolong, Mr. LI Yong and Mr. LI Xin shall retire from the office of directorship and shall offer themselves for re-election in accordance with the articles of association of the Company. Details of their information which are required to be disclosed under the Listing Rules are set out in Appendix IV to the circular of the Company dated 22 May 2023.
6. With respect to resolution numbered 8 of this notice, the directors of the Company wish to state that they have no immediate plans to issue any new shares of the Company. Approval is being sought from the shareholders of the Company as a general mandate for the purposes of the Listing Rules.
7. With respect to resolution numbered 9 of this notice, the directors of the Company wish to state that they will exercise the powers conferred by the general mandate to repurchase shares of the Company in circumstances which they deem appropriate for the benefits of shareholders of the Company. The explanatory statement containing the information necessary to enable shareholders to make an informed decision on whether to vote for or against the resolution to approve the repurchase by the Company of its own shares, as required by the Listing Rules, is set out in Appendix III to the accompanied circular dated 22 May 2023.
8. Pursuant to Rule 13.39(4) of the Listing Rules, voting for all the resolutions set out in this notice will be taken by poll at the above meeting. On a poll, votes may be given either personally or by proxy.

As at the date of this notice, the Board of Directors of the Company comprises Mr. ZHANG Xiaolong and Mr. WEI Liang as executive Directors, Mr. LI Yong and Mr. LI Xin as non-executive Directors, and Mr. QIU Dongxiao Larry, Mr. YUEN Kai Yiu Kelvin and Ms. YUAN Jia as independent non-executive Directors.