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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 your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other independent professional adviser.

If you have sold or transferred all your shares in **Asymchem Laboratories (Tianjin) Co., Ltd.** (凱萊英醫藥集團(天津)股份有限公司), you should at once hand this circular and the accompanying form(s) of proxy to the purchaser(s) or transferee(s) or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).



Asymchem Laboratories (Tianjin) Co., Ltd.

凱萊英醫藥集團(天津)股份有限公司

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

(Stock Code: 6821)

- (1) PROPOSED ADOPTION OF THE 2026 H SHARE SCHEME AND RELATED MATTERS;**
- (2) PROPOSED ADOPTION OF THE 2026 A SHARE SCHEME AND RELATED MATTERS;**
- (3) CONNECTED TRANSACTION IN RELATION TO THE PROPOSED CAPITAL CONTRIBUTION IN SHANGHAI ASYMCHEM BIOTECHNOLOGY DEVELOPMENT; AND**
- (4) NOTICE OF THE THIRD EXTRAORDINARY GENERAL MEETING OF 2026**

A letter from the Board is set out on pages 10 to 63 of this circular. Notices convening the EGM on Thursday, 20 August 2026 at 2:00 p.m. to be held at physically at No. 71, 7th Street, Economic – Technological Development Area, Tianjin, PRC are set out on pages 119 to 121 of this circular and published and available for downloading on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and of the Company (www.asymchem.com).

Whether or not you are able to attend the EGM, you are reminded to complete, sign and return the corresponding form(s) of proxy in accordance with the instructions printed thereon and return it to the Company's H Shares Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 24 hours before the time fixed for holding the EGM (i.e. not later than 2:00 p.m. on Wednesday, 19 August 2026 (Hong Kong time)) or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof (as the case may be) and voting in person if you so wish.

Reference to times and dates in this circular is to Hong Kong local times and dates.

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DEFINITIONS

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

“2026 A Share Scheme”	the 2026 A Share Restricted Share Incentive Scheme of the Company to be adopted by the Company as proposed by the resolution of the Board dated 8 July 2026
“2026 H Share Scheme” or “2026 H Share Restricted Share Scheme”	the 2026 H Share Restricted Share Scheme of the Company
“2026 H Share Scheme Rules” or “Scheme Rules”	the rules governing the operation of the 2026 H Share Scheme as well as the implementation procedure (as amended from time to time)
“A Share(s)”	ordinary share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed on the Shenzhen Stock Exchange and traded in Renminbi (stock code: 002821)
“Actual Selling Price”	the actual price at which the relevant Incentive Shares are sold upon vesting by the Trustee (net of brokerage, stamp duty, any taxes, Stock Exchange trading fee, SFC transaction levy and any other applicable costs and expenses) in accordance with the relevant Scheme Rules
“Administrative Measures”	the Administrative Measures on Equity Incentives of Listed Companies (《上市公司股權激勵管理辦法》)
“Adoption Date”	being the date on which the Company adopted the 2026 H Share Scheme Rules
“Articles of Association”	the articles of association of the Company, as amended, supplemented or otherwise modified from time to time
“Assessment Management Measures”	the assessment management measures for the 2026 A Share Restricted Shares Incentive Scheme of Asymchem Laboratories (Tianjin) Co., Ltd. (《凱萊英醫藥集團(天津)股份有限公司2026年A股限制性股票激勵計劃實施考核管理辦法》)
“associate(s)”	has the meaning ascribed thereto under the Listing Rules

DEFINITIONS

“Asymchem Biotechnology”	Shanghai Asymchem Biotechnology Co., Ltd., a limited liability company incorporated in the PRC and a subsidiary of the Group
“AsymCore”	Asymchem Tongxin (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership), a limited partnership incorporated in the PRC. As of the date of the Capital Contribution Announcement, Ms. Yang Rui, an executive Director, is the general partner of AsymCore and holding 99.00% of its interests, and therefore a connected person of the Company pursuant to Chapter 14A of the Listing Rules
“Award(s)”	has the meaning given to it in the 2026 H Share Scheme
“Board”	the board of directors of the Company, from time to time
“Business Day”	the days, excluding Saturdays, Sundays or public holidays on which the Hong Kong Stock Exchange is open for trading of the Company’s H Shares and banks in Hong Kong are open for business
“Capital Contribution”	the proposed capital contribution to the Target Company pursuant to the Capital Increase Agreement
“Capital Increase Agreement”	the capital increase agreement dated 30 July 2026 entered into among the Company, the Target Company, Asymchem Biotechnology, Gao Ling Qirui, Zhuhai Daiheng, Dr. Hao Hong, AsymCore and Haihe Asymchem Fund
“Change in Control”	the occurrence of any of the following events: (a) Change in Ownership of the Company: a change in the ownership of the Company which occurs on the date that any one person, or more than one person acting as a group (“Person”), acquires ownership of the stock of the Company that, together with the stock held by such Person, constitutes more than 30% of the total voting power of the stock of the Company, except that any change in the ownership of the stock of the Company as a result of private financing of the Company that is approved by the Board will not be considered a Change in Control; or

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	(b) Change in Ownership of a substantial portion of the Company's Assets: a change in the ownership of a substantial portion of the Company's assets which occurs on the date that any Person acquires (or has acquired during the 12-month period ending on the date of the most recent acquisition by such person or persons) assets from the Company that have a total gross fair market value equal to or more than 50% of the total gross fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions. For the purposes of this subsection (b), gross fair market value means the value of the assets of the Company, or the value of the assets being disposed of, determined without regard to any liabilities associated with such assets
"Company"	Asymchem Laboratories (Tianjin) Co., Ltd. (凱萊英醫藥集團(天津)股份有限公司), a company established under the PRC laws on 8 October 1998, the A Shares of which are listed on the Shenzhen Stock Exchange and the H Shares of which are listed on the Hong Kong Stock Exchange
"Company Law"	the Company Law of the People's Republic of China (《中華人民共和國公司法》)
"Competing Business"	any business in the same kind of, similar to or competitive with the Main Business of the Target Group
"connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"core connected person(s)"	has the meaning ascribed thereto under the Listing Rules
"CSRC"	China Securities Regulatory Commission
"Delegatee(s)"	the committee of the Board or person(s) to which the Board has delegated its authority
"Director(s)"	the director(s) of the Company, from time to time
"EGM"	The third extraordinary general meeting of the Company to be held physically at 2:00 p.m. on Thursday, 20 August 2026 at No. 71, 7th Street, Economic – Technological Development Area, Tianjin, PRC, and any adjournment thereof (as the case may be)

DEFINITIONS

“Eligible Participant(s)”	Eligible participant(s) as determined by the Board from time to time who are eligible to participate under the 2026 H Share Scheme including Employee Participant(s)
“Employee Participant(s)”	any individual, being a director, senior management or employee of any members of the Group
“Excluded Participant(s)”	in respect of the 2026 H Share Scheme, any Eligible Participant who is resident in a place where the grant of an Incentive Share and/or the vesting and transfer of the Incentive Shares pursuant to the terms of the 2026 H Share Scheme is not permitted under the laws or regulations of such place or where in the view of the Board or the Trustee(s) (as the case may be), compliance with applicable laws or regulations in such place makes it necessary or expedient to exclude such Eligible Participant
“Gao Ling”	Gao Ling Qirui and Zhuhai Daiheng, collectively
“Gao Ling Qirui”	Suzhou Gao Ling Qirui Healthcare Investment, L.P., a limited partnership established under PRC laws and an independent third party of the Company
“Grant Date”	the date (which shall be a Business Day) on which the grant is made to an Eligible Participant, being the date of the Grant Instrument
“Grant Instrument”	after the Board and/or its Delegatee(s) has decided to make a grant of Incentive Shares to any Eligible Participant, the Board and/or its Delegatee(s) shall procure the Company and the Eligible Participant to execute a written instrument which sets out details of the Incentive Shares so granted and the conditions (if any, including but not limited to such performance targets as the Board and/or its Delegatee(s) may determine from time to time) upon which such Incentive Shares were granted
“Grant Price”	in respect of the 2026 A Share Scheme, the price of each Restricted Share to be granted to the Incentive Participants

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“Group”	the Company and its subsidiaries, from time to time
“Haihe Asymchem Fund”	Tianjin Haihe Asymchem Biomedical Industry Innovation Investment Fund (Limited Partnership), a limited partnership established under PRC laws and its general partner is Haiyingchuang (Tianjin) Investment Management Co., Ltd. As of the date of the Capital Contribution Announcement, Haiyingchuang Investment is owned as to approximately 44.38% by Yunqi (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) which is in turn owned as to 60% and 40% by Ms. Yang Rui and Mr. Zhang Da (both being executive Directors), respectively
“H Share(s)”	the ordinary Share(s) with a nominal value of RMB1.00 each in the share capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, reclassification, reduction or reconstruction of the share capital of the Company from time to time), which are listed on the Main Board of the Stock Exchange
“H Shareholder(s)”	holder(s) of H Shares
“H Shares Registrar”	Computershare Hong Kong Investor Services Limited
“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
“Incentive Participants”	in respect of the 2026 A Share Scheme, key personnel in technology and business roles of the Company (including its subsidiaries), and directors, supervisors and general managers of the Company’s subsidiaries (excluding independent non-executive Directors, and Shareholders and actual controllers holding individually or collectively more than 5% of the Company’s Shares, along with their spouses, parents and children), who obtain the Restricted Shares in accordance with the 2026 A Share Scheme

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“Incentive Share(s)”	in respect of an Eligible Participant, such number of restricted shares as granted to him/her by the Board and/or its Delegatee(s) under the 2026 H Share Scheme, subject to the vesting conditions set out in the Grant Instrument
“Independent Shareholders”	Shareholders other than any Shareholder who has a material interest in the adoption of the 2026 H Share Scheme and the 2026 A Share Scheme and any of his/her/its associates
“Investors”	the Company, Gao Ling Qirui and Dr. Hao Hong, being the parties subscribing for new registered capital in this Capital Contribution
“Latest Practicable Date”	30 July 2026, being the latest practicable date for the purpose of ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Hong Kong Stock Exchange
“Lock-up Period”	in respect of the 2026 A Share Scheme, the period during which the Unlocking Conditions on the Incentive Participants under the 2026 A Share Scheme have not yet been met, and the Restricted Shares cannot be transferred, used as guarantee or for repayment of debts, starting from the date of completion of the registration for the grant of Restricted Shares to the Incentive Participants
“Main Business”	the contract development and manufacturing organization business of macromolecule drugs, antibody-drug conjugates and mRNA drugs, etc.
“PRC” or “China”	the People’s Republic of China
“Prior Investment Agreement”	the investment agreement dated 25 March 2022 entered into among the Company, Asymchem Biotechnology, the Target Company and the investors in connection with the capital contributions disclosed in the Company’s announcement dated 25 March 2022

DEFINITIONS

“Purchase Price”	the consideration payable by a Selected Participant to the Company for acceptance of an Incentive Share, which is RMB1.00 per Share
“Put Options”	the put options/repurchase rights granted to Gao Ling, Haihe Asymchem Fund and/or Gao Ling Qirui under the Capital Increase Agreement, as described in the section headed “Major Shareholders’ Special Rights under the Capital Increase Agreement”
“Qualified IPO”	the Target Company’s initial public offering and listing of the shares on the Hong Kong Stock Exchange, the Shanghai Stock Exchange, the Shenzhen Stock Exchange, the New York Stock Exchange or NASDAQ (including but not limited to initial public offering, backdoor listing or mergers and acquisitions, etc., but excluding a listing on the NEEQ)
“Remuneration and Examination Committee”	the remuneration and examination committee of the Board of the Company
“Reserved Shares”	in respect of the 2026 A Share Scheme, a portion of Restricted Shares set aside by the Company for future grants to incentivize and retain key talents as well as to attract new talents
“Restricted Shares”	in respect of an Incentive Participant, such number of Restricted Shares as granted to him/her by the Board and/or its Delegatee(s) under the 2026 A Share Scheme, subject to the vesting conditions set out in the Grant Instrument
“Returned Shares”	such Incentive Shares that are not vested and have lapsed or are forfeited in accordance with the terms of the 2026 H Share Scheme, or such H Shares being deemed to be Returned Shares under the terms of the 2026 H Share Scheme
“RMB”	Renminbi, the lawful currency of the PRC
“Scheme Mandate Limit”	has the meaning ascribed to it in the section headed “Scheme Mandate Limit” in this circular
“Securities Law”	the Securities Law of the People’s Republic of China

DEFINITIONS

“Selected Participant(s)”	Eligible Participant(s) (or his/her legal personal representative or legal heirs as the case may be) selected by the Board pursuant to the 2026 H Share Scheme for participation in the Scheme
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	shares with a nominal value of RMB1.00 each in the share capital of the Company, consisting of A Shares and H Shares
“Shareholder(s)”	holder(s) of the Share(s)
“Share Scheme(s)”	all effective share schemes of the Company which are governed by Chapter 17 of the Listing Rules, including the 2026 H Share Scheme and the 2026 A Share Scheme
“Shenzhen Listing Rules”	the Rules Governing the Listing of Shares on Shenzhen Stock Exchange
“Shenzhen Stock Exchange”	The Shenzhen Stock Exchange
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Target Company” or “Shanghai Asymchem Biotechnology Development”	Shanghai Asymchem Biotechnology Development Co., Ltd., a limited liability company incorporated in the PRC. It is a non-wholly owned subsidiary of the Company as at the date of the Capital Contribution Announcement
“Target Group”	the Target Company together with its subsidiaries
“Trust(s)”	in respect of the 2026 H Share Scheme, the trust(s) constituted by the Trust Deed(s)
“Trust Deed(s)”	in respect of the 2026 H Share Scheme, trust deed(s) to be entered into between the Company as settlor and the Trustee(s) as trustee(s) of the Trust(s) (as restated, supplemented and amended from time to time)
“Trustee(s)”	in respect of the 2026 H Share Scheme, trustee(s) as the Board may from time to time appoint for the purpose of the Trust(s)

DEFINITIONS

“Unlocking Conditions”	in respect of the 2026 A Share Scheme, the conditions required to be satisfied for the unlocking of the Restricted Shares granted to the Incentive Participants under the 2026 A Share Scheme
“Unlocking Period”	in respect of the 2026 A Share Scheme, the period during which the Restricted Shares held by the Incentive Participants are unlocked and become tradable on the market upon the fulfilment of the Unlocking Conditions under the 2026 A Share Scheme
“Validity Period”	in respect of the 2026 A Share Scheme, from the date of the completion of the registration for the initial grant of the Restricted Shares and ends on the date when all the Restricted Shares granted to the Incentive Participants are unlocked or repurchased and cancelled, which shall be no more than 72 months
“Vesting Date”	in respect of a Selected Participant under the 2026 H Share Scheme, the date on which his/her entitlement to the Incentive Shares is vested in such Selected Participant
“Vesting Instrument”	in respect of the 2026 H Share Scheme, a written instrument to confirm the vesting of the Incentive Shares
“Warrantors”	the Target Company and Asymchem Biotechnology
“Zhuhai Daiheng”	Zhuhai Daiheng Investment Partnership (Limited Partnership) (formerly Zhuhai Daiheng Equity Investment Partnership (Limited Partnership)), a limited partnership established under PRC laws and an independent third party of the Company
“%”	per cent

LETTER FROM THE BOARD



Asymchem Laboratories (Tianjin) Co., Ltd.

凱萊英醫藥集團(天津)股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 6821)

Executive Directors:

Dr. Hao Hong
Ms. Yang Rui (楊蕊)
Mr. Zhang Da (張達)
Mr. Hong Liang (洪亮)

Registered Office and Head Office in the PRC:

No. 6 Dongting 3rd Street
Economic – Technological Development Area
Tianjin, PRC

Non-executive Directors:

Dr. Ye Song
Ms. Zhang Ting (張婷)

Principal Place of Business in Hong Kong:

40th Floor, Dah Sing Financial Centre
248 Queen's Road East
Wanchai, Hong Kong

Independent Non-executive Directors:

Dr. Sun Xuejiao (孫雪嬌)
Dr. Hou Xinyi (侯欣一)
Mr. Xie Weikai (謝維愷)

3 August 2026

To the Shareholders

Dear Sir or Madam,

- (1) PROPOSED ADOPTION OF THE 2026 H SHARE SCHEME AND
RELATED MATTERS;**
- (2) PROPOSED ADOPTION OF THE 2026 A SHARE SCHEME AND
RELATED MATTERS;**
- (3) CONNECTED TRANSACTION IN RELATION TO THE
PROPOSED CAPITAL CONTRIBUTION IN SHANGHAI ASYMCHEM
BIOTECHNOLOGY DEVELOPMENT; AND**
- (4) NOTICE OF THE THIRD EXTRAORDINARY GENERAL
MEETING OF 2026**

1. INTRODUCTION

Reference is made to (i) the announcement of the Company dated 30 July 2026 in relation to the proposed adoption of the 2026 H Share Scheme and the proposed authorization to the Board and/or its Delegatee(s) to handle matters pertaining to the 2026 H Share Scheme (the

LETTER FROM THE BOARD

“**Announcement**”); (ii) the announcement of the Company dated 8 July 2026 in relation to the proposed adoption of the 2026 A Share Scheme and the proposed authorization to the Board and/or its Delegatee(s) to handle matters pertaining to the 2026 A Share Scheme (the “**2026 A Share Scheme Announcement**”); and (iii) the connected transaction announcement of the Company dated 30 July 2026 in relation to the proposed capital contribution in Shanghai Asymchem Biotechnology Development (the “**Capital Contribution Announcement**”). Unless otherwise specified, capitalized terms used in this circular shall have the same meanings as those defined in the Announcement, the 2026 A Share Scheme Announcement and the Capital Contribution Announcement.

The Company has adopted the H share restricted share scheme (the “**2025 H Share Restricted Share Scheme**”) and the 2025 A share restricted share incentive scheme (the “**2025 A Share Scheme**”). For details, please refer to the Company’s circular dated 18 March 2025.

In respect of the 2025 H Share Restricted Share Scheme, the scheme mandate limit approved was 2,085,000 H Shares; as at the Latest Practicable Date, there were 2,085,000 outstanding and vested incentive Shares granted under the 2025 H Share Restricted Share Scheme (satisfied by 1,125,000 newly issued H Shares and 960,000 existing H Shares acquired by the trustee through on-market transactions at the prevailing market price pursuant to the 2025 H Share Restricted Share Scheme). No Shares were available for future grant under the 2025 H Share Restricted Share Scheme. In respect of the 2025 A Share Scheme, the scheme mandate limit approved was 5,196,000 A Shares; as at the Latest Practicable Date, 5,196,000 Restricted Shares had been granted and 4,353,200 Restricted Shares granted thereunder remain within their validity period. No Restricted Shares were available for future grant under the 2025 A Share Scheme.

During the three years immediately preceding and as at the Latest Practicable Date, the total number of new Shares which have been issued, and which may be issued, under all share incentive schemes of the Company is 6,143,326 Shares (including the maximum number of new Shares that may be issued under the 2026 H Share Restricted Share Scheme and the 2026 A Share Scheme, the adoption of each of which remains subject to the approval of the Shareholders at the EGM), representing approximately 1.71% of the total issued share capital of the Company (excluding treasury shares) of 359,629,670 Shares as at the Latest Practicable Date.

The purpose of this circular is to provide you with, among other things, the notices of the EGM, and to provide relevant details for you to make informed decisions on certain resolutions proposed for voting at the EGM.

2. PROPOSED ADOPTION OF THE 2026 H SHARE SCHEME

The Board has resolved to propose the adoption of the 2026 H Share Scheme for the approval by the Shareholders. In approving the adoption of the 2026 H Share Scheme, the Board has considered the factors including the demands for the Group to attract, motivate and retain talents.

LETTER FROM THE BOARD

Operation of the 2026 H Share Scheme is conditional upon:

- (1) the passing of the special resolution by the shareholders at the EGM to approve and adopt the 2026 H Share Scheme and to authorize the Board to grant Incentive Shares to the Eligible Participants and to allot, issue and deal with the Shares which fall to be issued by the Company in respect of the Incentive Shares granted under the 2026 H Share Scheme; and
- (2) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in the H Shares to be allotted and issued as the source of the Incentive Shares under the 2026 H Share Scheme (to the extent such grants are to be satisfied by new H Shares).

Application will be made to the Stock Exchange for the approval of the listing of, and permission to deal in the H Shares to be allotted and issued as the source of the Incentive Shares under the 2026 H Share Scheme.

Summary of the principal terms of the 2026 H Share Scheme

A summary of the principal terms of the 2026 H Share Scheme is set out in Appendix I to this circular. This serves as a summary of the terms of the 2026 H Share Scheme but does not constitute the full terms of the same.

Purposes of the 2026 H Share Scheme

The specific objectives of the 2026 H Share Scheme are: (a) to promote the Company's long-term sustainable development and achievement of performance objectives; (b) to refine the Company's incentive mechanism to attract, motivate and retain qualified individuals who make significant contributions to the Company's ongoing operations, development and long-term growth; and (c) to effectively align the interests of the Shareholders, the Company and Eligible Participants, fostering a shared focus on the Company's long-term development, and driving the continuous achievement of the Company's strategic and operational goals.

Source of the Incentive Shares

The source of the Incentive Shares under the 2026 H Share Scheme shall be either (i) existing H Shares purchased by the Trustee(s) from the secondary market; (ii) H Shares allotted and issued by the Company to the Trustee(s); or (iii) treasury Shares (if any). In case of H Shares purchased from the secondary market, the Company shall make sufficient funds available to the Trustee for such purchase, and the Board may instruct the Trustee on the terms and conditions of such acquisition, subject to applicable laws, regulations and the Listing Rules. In case of new H Shares to be allotted and issued by the Company, the Company shall allot and issue sufficient new H Shares to the Trustee for the administration and operation of the 2026 H Share Scheme, subject to the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, such new H Shares.

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As of the Latest Practicable Date, no Trustee has been appointed under the 2026 H Share Scheme yet. None of the Directors will be the Trustee of the 2026 H Share Scheme or will have direct or indirect interest in the Trustee (if any).

Eligible Participants and Basis of Determining Eligibility

The Eligible Participants for the 2026 H Share Scheme include any individual, being a director, senior management or employee of any members of the Group.

The basis of eligibility of any Eligible Participant shall be determined by the Board and/or its Delegate(s) at its sole discretion from time to time on the basis of the Eligible Participant's contribution to the development and growth of the Company in accordance with the rules of the 2026 H Share Scheme.

Scheme Mandate Limit

Subject to the limit refreshment and separate approval of the Shareholders as stipulated in the 2026 H Share Scheme Rules, (i) the total number of H Shares which may be issued in respect of all options and awards to be granted under all Share Schemes must not exceed 2,755,326 H Shares, representing 10% of the total number of issued H Shares (excluding treasury Shares) as at the date of the approval from the Shareholders of such limit on 3 April 2025 and approximately 9.90% of the total number of issued H Shares (excluding treasury Shares) as at the Latest Practicable Date (the “**10% Mandate Limit**”); and (ii) the total number of H Shares underlying all Incentive Shares to be granted under the 2026 H Share Scheme shall not exceed 4,314,900 H Shares, comprising 1,630,326 new H Shares to be allotted and issued by the Company under the 10% Mandate Limit and 2,684,574 existing H Shares to be purchased by the Trustee(s) from the secondary market (the “**Scheme Mandate Limit**”).

In summary, for the avoidance of doubt, the Scheme Mandate Limit for the total number of H Shares which may be issued in respect of all the Awards to be granted under the 2026 H Share Scheme is 1,630,326 H Shares, representing approximately 5.86% of the total number of issued H Shares (excluding treasury Shares) as at the Latest Practicable Date.

The Company will comply with the applicable requirements under Chapter 14A of the Listing Rules if any grants to connected persons will be satisfied by existing H shares.

Individual Limit

Where any grant to an Eligible Participant would result in H Shares issued and to be issued in respect of all options and awards under all Share Schemes granted to such Eligible Participant (excluding those lapsed in accordance with the terms of all Share Schemes) in the 12-month period up to and including the date of such grant exceeds 1% of the total number of issued H Shares (excluding treasury Shares) as at the date of such grant, such grant shall be subject to relevant requirements under Chapter 17 of the Listing Rules.

LETTER FROM THE BOARD

Any grant of Incentive Shares to Directors, chief executives or substantial Shareholders of the Company, or any of their respective associates shall be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed Eligible Participant of the Incentive Shares). Where any grant of the Incentive Shares to Directors (other than an independent non-executive Director), chief executives of the Company or any of their respective associates, would result in the H Shares issued and to be issued in respect of all awards (excluding any awards lapsed in accordance with the terms of the relevant scheme) granted to such proposed Eligible Participant in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the total number of issued H Shares of the Company (excluding treasury Shares), such further grant will not be effective unless it has complied with the relevant requirements under Chapter 17 of the Listing Rules.

Performance Targets

After the Board has decided to make a grant of Incentive Shares to any Eligible Participant, the Board shall procure the Company and the Eligible Participant to execute a Grant Instrument which sets out details of the Incentive Shares so granted and the conditions (if any, including but not limited to any performance targets as the Board may determine from time to time based on the considerations as stipulated in the 2026 H Share Scheme Rules) upon which such Incentive Shares were granted. The exact proportion of the Incentive Shares to be vested for each vesting period shall be determined with reference to the fulfilment of the performance targets, if any.

Vesting of the Incentive Shares is subject to performance assessment at both the Company and individual levels, with the specific performance targets applicable to each grant to be set out in the relevant Grant Instrument. The Directors are of the view that it is not practicable to expressly set out a generic set of performance targets in the 2026 H Share Scheme Rules, as each Selected Participant will play different roles and contribute in different ways to the Group. Instead, the 2026 H Share Scheme Rules include factors to be considered by the Board for determining individual performance targets, if any, from time to time. By conditioning vesting on the fulfilment of performance targets determined by reference to the Company's and the relevant participant's performance, the arrangement incentivises sustained contribution and drives the continuous achievement of the Company's strategic and operational goals. The Board shall have regard to the purpose of the 2026 H Share Scheme in making such determinations and ensure that appropriate specific performance targets will be set under particular circumstances of the relevant Selected Participant(s). Accordingly, the Directors consider that the performance targets align with, and give effect to, the purpose of the 2026 H Share Scheme.

For Employee Participants, the Board may take into consideration business/financial milestones, transaction milestones, and historical/current/anticipated contributions.

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Purchase Price of Incentive Shares

A Selected Participant to whom an Incentive Share shall be granted under the 2026 H Share Scheme is required to pay RMB1.00 per Incentive Share to the Company, being the nominal value of the H Shares.

Considering that the Selected Participant(s) have contributed or will contribute to the Group, the Board is of the view that the nominal consideration of RMB1.00 (instead of any lower or higher amount) to be paid by each Selected Participant for purchasing each Incentive Share is fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Board considers that such arrangement aligns with the purpose of the 2026 H Share Scheme where the Incentive Shares are intended to be granted to Eligible Participants to reward their contributions to the Group.

Vesting Period

Subject to the vesting schedule set out in the Grant Instrument, the vesting of the Incentive Shares shall be over a four (4)-year period, with 25% of the Incentive Shares vesting each year. No vesting period shall be less than twelve (12) months from the Grant Date unless specific circumstances determined by the Board. The Directors are of the view that the vesting period and the authority of the Board in determining performance targets, as detailed in the terms of the 2026 H Share Scheme, enable the Company to offer competitive reward packages and to retain human resources valuable to the growth and development of the Group. In particular, the requirement that no vesting period be less than 12 months promotes long-term commitment and stability among the Selected Participants. Accordingly, the Directors consider that a vesting period of no less than 12 months would allow the Group to promote long-term commitment and stability among Selected Participants, which aligns with the purpose of the 2026 H Share Scheme.

Save as otherwise disclosed in this circular (including any lock-up period applicable to the vested H Shares), any Incentive Shares to be transferred to a Selected Participant and/or a vehicle controlled by him/her (e.g. a trust or private company) upon vesting of Incentive Shares granted pursuant to the Scheme shall rank *pari passu* in all respects with the fully-paid Shares in issue then existing on the date of transfer, and are accordingly not required to be separately designated under Rule 17.03(15) of the Listing Rules.

Clawback Mechanism

Notwithstanding the terms and conditions of the 2026 H Share Scheme, the Board has the authority to provide that any Incentive Shares shall be subject to a clawback if any of the following events occurs in relation to a Selected Participant: (a) the Selected Participant has failed to perform his or her duties effectively or has committed a serious breach or dereliction of his or her duties; (b) the Selected Participant has not performed or duly performed his or her duties, causing the Company to suffer a material loss of assets or other material adverse impact; (c) the Selected Participant has engaged in the acceptance or solicitation of bribes, corruption,

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theft, leaking of the Company's commercial and technological secrets, conducting related party transactions to the prejudice of the interests and reputation of the Company, or other illegal behaviours having a material adverse impact on the image of the Company, and has been sanctioned; (d) the Selected Participant has contravened the relevant laws and regulations of any applicable jurisdiction or the provisions of the articles of association of any member of the Group; (e) the Selected Participant has failed to comply with any non-compete covenants or any terms and conditions of a similar effect under his or her contract with the Group; or (f) any other conduct which, as the Board determines in good faith, would justify the termination of his or her contract.

For the avoidance of doubt, a material misstatement in the Company's financial statements shall constitute an event triggering clawback of Incentive Shares under the 2026 H Share Scheme.

Upon the occurrence of any of the above events (and whether an event is to be regarded as having occurred is subject to the sole determination of the Board) in relation to a Selected Participant, the Board may (but is not obliged to) by notice in writing to the relevant Eligible Participant to claw back such number of Incentive Shares granted (to the extent not already vested) as the Board may consider appropriate. The Incentive Shares that are clawed back shall automatically lapse and be forfeited forthwith and become Returned Shares.

The Directors are of the view that such clawback mechanism in the 2026 H Share Scheme Rules provides a choice for the Company to claw back the equity incentives granted to Eligible Participants culpable of misconduct, ensuring that Incentive Shares are granted only to those who act in the Company's best interests, which aligns with the purpose of the 2026 H Share Scheme. It provides the Board with more flexibility in setting the terms and conditions of the Incentive Shares under particular circumstances of each grant, which would facilitate the objective to offer meaningful incentives to attract and retain quality personnel that are valuable to the development of the Group, and is in line with the purpose of the 2026 H Share Scheme and the interests of Shareholders.

In conclusion, the Directors are of the view that the clawback terms of the 2026 H Share Scheme align with the purpose of the 2026 H Share Scheme.

Amendments to the terms of the 2026 H Share Scheme

Details of the alteration provisions are set out in the section headed "Alteration of the H Share Restricted Share Scheme" in Appendix I to this circular.

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Listing Rules Implications

Pursuant to Chapter 17 of the Listing Rules, the 2026 H Share Scheme will constitute a share scheme of the Company involving the issuance of new Shares and therefore the adoption of the 2026 H Share Scheme is subject to the approval of the Shareholders. The terms of the 2026 H Share Scheme are in accordance with the relevant requirements under Chapter 17 of the Listing Rules.

The above resolution in relation to the proposed adoption of the 2026 H Share Scheme has been approved by the Board and is hereby proposed at the EGM for Shareholders' consideration and approval.

To the best of the Directors' knowledge, as at the date of this circular, the Company is still considering the proposed grantees and the proposed grants under the 2026 H Share Restricted Share Scheme, and the relevant grant arrangements have not yet been determined. Any future grant of Incentive Shares under the 2026 H Share Restricted Share Scheme will be made in accordance with the terms of the Scheme Rules and the applicable requirements of the Listing Rules, and the Company will comply with the relevant disclosure and other requirements under Chapter 17 of the Listing Rules as and when any such grant is made.

3. PROPOSED AUTHORIZATION TO THE BOARD AND/OR ITS DELEGATEE(S) TO HANDLE MATTERS PERTAINING TO THE 2026 H SHARE SCHEME

In order to ensure the successful implementation of the 2026 H Share Scheme, the Board proposed that, subject to the approval of the 2026 H Share Scheme by the Shareholders at the EGM, the Shareholders also grant an authorization to the Board and/or its Delegatee(s) to deal with matters to approve and execute on behalf of the Company such documents as are necessary, appropriate or expedient for the purpose of giving effect to and implementation of the 2026 H Share Scheme and to handle matters in relation to the 2026 H Share Scheme with full authority, including but not limited to the following:

- (1) to manage and operate the 2026 H Share Scheme, and to grant Incentive Shares to Eligible Participants under the 2026 H Share Scheme;
- (2) to modify and/or amend the 2026 H Share Scheme from time to time, provided that (i) such modification and/or amendment shall be made in accordance with the provisions of the 2026 H Share Scheme relating to such modification and/or amendment; (ii) any alteration and/or amendment of a material nature shall be approved by the Shareholders in general meeting; and (iii) such modification and/or amendment shall comply with Chapter 17 of the Listing Rules;
- (3) to grant Incentive Shares under the 2026 H Share Scheme, and to allot and issue from time to time such number of shares as required to be allotted and issued pursuant to the Incentive Shares granted under the terms and conditions of the 2026 H Share Scheme and the Listing Rules;

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- (4) to make an application at the appropriate time or period to the Stock Exchange for listing and permission to trade any Shares which may be allotted and issued in connection with the Incentive Shares granted under the terms and conditions of the 2026 H Share Scheme;
- (5) to consent to such conditions, modifications and/or changes as may be required or imposed in relation to the 2026 H Share Scheme as deemed appropriate and expedient;
- (6) to increase the registered capital of the company and to make appropriate and necessary amendments to the Articles of Association after completion of the allotment and issuance of new shares under the 2026 H Share Scheme according to the method, type and number of new shares allotted and issued by the company, as well as the shareholding structure of the Company at the time of completion of the allotment and issuance; and
- (7) to authorize and permit the Board to further delegate the relevant authority to Mr. Zhang Da, an executive Director, during the authorization period granted under this resolution, to handle all matters necessary for the implementation of the 2026 H Share Scheme.

The aforementioned authorization to the Board and/or its Delegatee(s) shall be valid for the period of the 2026 H Share Scheme.

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

4. PROPOSED ADOPTION OF THE 2026 A SHARE SCHEME

Reference is made to the 2026 A Share Scheme Announcement, in relation to, among others, the proposed adoption of the 2026 A Share Scheme. This letter from the Board aims to provide a brief summary of the 2026 A Share Scheme to the Shareholders. Full text of the 2026 A Share Scheme is set out in Appendix II to this circular. The 2026 A Share Scheme was prepared in the Chinese language. In the event of any discrepancy between the English translation and the Chinese version of the 2026 A Share Scheme, the Chinese version shall prevail.

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Summary of the 2026 A Share Scheme

The principal terms of the 2026 A Share Scheme are as follows:

Purposes and Objectives

The purpose of the 2026 A Share Scheme is to further establish and enhance the Company's long-term incentive mechanism, attract and retain exceptional talent, and fully engage the enthusiasm of the Company's core team. The 2026 A Share Scheme aims to effectively align the interests of the Shareholders, the Company, and the core team, fostering a collective focus on the Company's long-term development. On the premise of fully safeguarding the interests of Shareholders and in accordance with the principle of equivalence between returns and contributions, the 2026 A Share Scheme has been formulated pursuant to the Company Law, the Securities Law, the Administrative Measures, the Guidelines No. 1 for Self-Regulation, the Listing Rules and other relevant laws, regulations and normative documents, as well as the Articles of Association.

Administration

The Shareholders' general meeting, as the highest authority of the Company, shall be responsible for reviewing and approving the implementation, amendments, and termination of the 2026 A Share Scheme. It may delegate certain matters related to the 2026 A Share Scheme to the Board within the scope of its authority.

The Board shall serve as the executive and administrative body for the 2026 A Share Scheme and be responsible for its implementation. The Remuneration and Examination Committee, established under the Board, shall be responsible for drafting and revising the 2026 A Share Scheme and submitting it to the Board for review and approval. Upon review and approval of the 2026 A Share Scheme by the Board, it will be submitted to the Shareholders' general meeting for consideration and approval, after which the Board will handle matters related to the 2026 A Share Scheme within the scope authorised by the Shareholders' general meeting.

The Remuneration and Examination Committee shall serve as the supervisory body for the 2026 A Share Scheme, providing opinions on whether the scheme benefits the Company's sustainable development and whether it poses any significant risk to the interests of the Company and all Shareholders.

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Scope and List of Incentive Participants

The Incentive Participants of the 2026 A Share Scheme comprise key personnel in technology and business roles of the Company (including its subsidiaries) and directors, supervisors and general managers of the Company's subsidiaries. The Remuneration and Examination Committee shall draft a list of eligible Incentive Participants within the defined scope, which shall be verified and confirmed by the Remuneration and Examination Committee.

The total number of Incentive Participants for the initial grant under the 2026 A Share Scheme is 622, including: (a) key personnel in technology and business roles of the Company (including its subsidiaries) as at the date of the 2026 A Share Scheme Announcement; and (b) directors, supervisors and general managers of the Company's subsidiaries as at the date of the 2026 A Share Scheme Announcement.

The above Incentive Participants do not include independent non-executive Directors, or Shareholders and actual controllers who individually or collectively hold more than 5% of the Shares, along with their respective spouse, parents and children. All Incentive Participants must maintain employment with the Company (including its subsidiaries) and have entered into an employment contract during the grant and assessment period of the 2026 A Share Scheme.

The Company's implementation of incentives for these individuals aligns with practical conditions and developmental needs. The benefit amounts granted to these individuals are commensurate with their job responsibilities and comply with the relevant provisions of the Rules Governing the Listing of Stocks on the Shenzhen Stock Exchange and Shenzhen Stock Exchange Self-Regulatory Guidelines for Listed Companies No. 1 – Business Handling Guidelines, ensuring their reasonableness and necessity.

Source, Number of the Grant, and Grant Price of Target Shares

(1) Source and Type of Target Share

The target Shares under the 2026 A Share Scheme are (i) ordinary A Shares repurchased by the Company from the secondary market and/or (ii) new ordinary A Shares to be issued by the Company.

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(2) Number of Restricted Shares to be Granted and Proportion of Total Shares

The total number of Restricted Shares proposed to be granted to the Incentive Participants under the 2026 A Share Scheme is 3,388,000, representing approximately 1.02% of the Company's total A share capital (excluding treasury Shares) of 331,795,160 as at the date of the 2026 A Share Scheme Announcement. Among them, the initial batch will grant 2,711,000 Shares, accounting for approximately 0.82% of the Company's total A share capital (excluding treasury Shares) and approximately 80.02% of the total Restricted Shares to be granted under the 2026 A Share Scheme as at the date of the 2026 A Share Scheme Announcement; 677,000 Restricted Shares are reserved, representing approximately 0.20% of the Company's total A share capital (excluding treasury Shares) and approximately 19.98% of the total Restricted Shares to be granted under the 2026 A Share Scheme as at the date of the 2026 A Share Scheme Announcement.

As at the date of the 2026 A Share Scheme Announcement, 4,353,200 restricted shares of the Company under the 2025 A Share Scheme remain within their validity period. Together with the 3,388,000 Restricted Shares proposed to be granted under the 2026 A Share Scheme, the aggregate of 7,741,200 restricted shares of the Company represents approximately 2.33% of the Company's total A share capital (excluding treasury Shares) as at the date of the 2026 A Share Scheme Announcement.

The total number of target Shares involved in all share incentive schemes of the Company within their validity period shall not exceed 10% of the Company's total share capital (excluding treasury Shares) as at the date when the 2026 A Share Scheme is proposed to the Shareholders' general meetings. The total number of Shares granted under all share incentive schemes during the validity period of the 2026 A Share Scheme to any one of the Incentive Participants of the 2026 A Share Scheme shall not exceed 1% of the Company's total share capital (excluding treasury Shares).

In summary, for the avoidance of doubt, the scheme mandate limit for the total number of A Shares which may be issued under the 2026 A Share Scheme is 3,388,000 new A Shares, representing approximately 1.02% of the total number of issued A Shares (excluding treasury Shares) as at the Latest Practicable Date.

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The list of Incentive Participants and their allocation for the initial grant are as follows:

Type of Incentive Participant	Number of Restricted Shares to be Granted	Percentage to Total Restricted Shares to be Granted under the 2026 A Share Scheme	Percentage to Total A Share Capital as at the date of the 2026 A Share Scheme Announcement
Key personnel in technology and business roles of the Company (including its subsidiaries), and directors, supervisors and general managers of the Company's subsidiaries (622)	2,711,000	80.02%	0.81%
Reserved Shares	677,000	19.98%	0.20%
Total	<u>3,388,000</u>	<u>100.00%</u>	<u>1.02%</u>

Note: Any discrepancies between the totals and individual figures in the 2026 A Share Scheme are due to rounding of the above percentages.

(3) Grant Price of the Initially Granted Restricted Shares and Determination Method

The Grant Price of the initially granted Restricted Shares is set at RMB76.70 per Share. Once the grant conditions are met, the Incentive Participants may acquire ordinary A Shares of the Company at a price of RMB76.70 per Share.

The Grant Price of the Restricted Shares shall not be less than the nominal value of the A Shares, and shall not be less than the higher of the following prices:

- a. 50% of RMB153.39 per Share of the average trading price of the A Shares on the trading day immediately preceding the announcement of the proposal of the 2026 A Share Scheme draft (i.e. 8 July 2026), calculated as the total trading amount of the Shares on the preceding trading day (i.e. 8 July 2026) divided by the total trading volume of the Shares on the preceding trading day (i.e. 8 July 2026), which is RMB76.70 per Share; and
- b. 50% of RMB121.87 per Share of the average trading price of the A Shares over the past 120 trading days immediately preceding the announcement of the proposal of the 2026 A Share Scheme draft, calculated as the total trading amount of the Shares over the preceding 120 trading days divided by the total trading volume of the Shares over the preceding 120 trading days, which is RMB60.94 per Share.

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Validity Period, Grant Date, Lock-up Period and Black-out Period, Conditions on the Grant of the Restricted Shares and Unlocking Arrangement

(1) Validity Period of the 2026 A Share Scheme

The validity period of the 2026 A Share Scheme commences from the date of completion of registration for the initial grant of the Restricted Shares and ends on the date when all the Restricted Shares granted to the Incentive Participants are unlocked or repurchased and cancelled, which shall be no more than 72 months.

(2) Grant Date of the 2026 A Share Scheme

Within 60 days from the date on which the 2026 A Share Scheme is considered and approved at the Shareholders' general meeting of the Company, the Company shall convene a Board meeting to make the initial grant of the Restricted Shares to the Incentive Participants, and complete relevant procedures such as registration and announcement pursuant to the relevant provisions, the Grant Date must be a trading day. The period during which the Company is not allowed to grant Restricted Shares shall not be counted within 60 days. If the Company fails to complete the tasks above within 60 days, it shall terminate the implementation of the 2026 A Share Scheme, the ungranted portion shall lapse, and the Board shall disclose the reason for such failure in a timely manner. The reserved portion shall be granted within 12 months upon the approval of the 2026 A Share Scheme by the Shareholders' general meeting of the Company.

The Company shall not grant Restricted Shares to the Incentive Participants during the following periods:

- a. 60 days prior to the announcement of the Company's annual report, including the date of announcement of the annual report, or the period from the last day of the financial year to the date of announcement of the annual report (the shorter one prevails);
- b. 30 days prior to the review of the announcement of the Company's interim report or quarterly report, including the date of announcement of the interim report or the quarterly report, or the period from the last day of the quarter or the half year to the date of announcement of the periodic report (the shorter one prevails);
- c. 5 days prior to the publication of the announcement of results forecast and preliminary results of the Company;
- d. the period commencing from the date of occurrence of any significant event which may have significant effect on the trading prices of the Company's Shares and their derivatives or the date on which relevant decision making procedures start and ending on the publication date in accordance with laws; and
- e. such other periods as prescribed by the CSRC, the Shenzhen Stock Exchange and the Hong Kong Stock Exchange.

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(3) Lock-up Period and Black-out Period of the 2026 A Share Scheme

The locking period of the Restricted Shares granted under the 2026 A Share Scheme shall be 12, 24, 36 or 48 months from the date of completion of the registration for the grant of Restricted Shares to the Incentive Participants (the “**Lock-up Period**”).

Restricted Shares granted to the Incentive Participants under the 2026 A Share Scheme shall not be transferred, used to guarantee or repay debts during the Lock-up Period.

The Shares obtained by the Incentive Participants due to the grant of the Restricted Shares arising from the conversion of capital reserve into share capital, bonus issue or share sub-division, etc. shall be locked simultaneously, shall not be sold in the secondary market or otherwise transferred, and the expiration date of the Lock-up Period of such Shares is the same as that of the Restricted Shares.

Upon expiry of the Lock-up Period, the Company shall proceed with the unlocking for the Incentive Participants who satisfy the Unlocking Conditions, and the Restricted Shares held by the Incentive Participants who do not satisfy the Unlocking Conditions shall be repurchased and cancelled by the Company.

Pursuant to the terms of the 2026 A Share Scheme, no Incentive Participant shall transfer the relevant Restricted Shares to any third party in any form, within the three months from the expiration date of each Lock-up Period (the “**Black-out Period**”). Any holder of the Restricted Shares (including those who have acquired Shares through non-trading transfer) shall, upon the expiry of three months following the end of each Lock-up Period, be subject to a determination by the Board, based on the overall market capitalization performance of the Company, as to whether to extend the Black-out Period for the relevant Restricted Shares. During the Black-out Period, such holder shall not transfer to any third party in any form the Restricted Shares of the relevant tranche that have satisfied the Unlocking Conditions. The black-out requirements for Restricted Shares granted to the Incentive Participants under the 2026 A Share Scheme shall be implemented by the Board, taking into account the market capitalization performance of the Company and in accordance with the Company Law, the Securities Law and other relevant laws, administrative regulations, normative documents and the Articles of Association.

The Restricted Shares granted under the 2026 A Share Scheme are subject to a Lock-up Period of 12, 24, 36 or 48 months from the date of completion of the registration for the grant, followed by unlocking in tranches only upon fulfilment of the applicable Unlocking Conditions, and to a further Black-out Period following each Lock-up Period. The Directors are of the view that this multi-year, staggered lock-up and unlocking arrangement promotes long-term commitment and stability among the Incentive Participants and ties their retention to the Company’s sustained performance, thereby aligning their interests with the Company’s long-term development. Accordingly, the Directors are of the view that the Lock-up Period and unlocking arrangement align with, and give effect to, the purpose of the 2026 A Share Scheme.

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(4) Conditions on the Grant of the Restricted Shares

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

- a. None of the following has occurred on the part of the Company:
 - (a) issuance of an auditor's report with adverse opinion or disclaimer of opinion by a certified public accountant with respect to the financial accounting report for its most recent accounting year;
 - (b) issuance of an auditor's report with adverse opinion or disclaimer of opinion by a certified public accountant with respect to the internal control of the financial report for its most recent accounting year;
 - (c) failure to conduct profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings during the last 36 months after listing;
 - (d) prohibition from implementation of share incentives by laws and regulations; or
 - (e) other circumstances determined by the CSRC.
- b. None of the following has occurred on the part of the Incentive Participants:
 - (a) he or she has been determined by the Shenzhen Stock Exchange as an ineligible person in the last 12 months;
 - (b) he or she has been determined by the CSRC and its delegated agencies as an ineligible person in the last 12 months;
 - (c) he or she has been imposed by the CSRC and its delegated agencies with administrative penalties or measures prohibiting access into the market in the last 12 months due to material non-compliance with laws or regulations;
 - (d) he or she is prohibited from acting as a Director or a member of the senior management of the Company as required by the Company Law;
 - (e) he or she is prohibited from participating in share incentives of listed companies as required by laws and regulations; or
 - (f) other circumstances determined by the CSRC.

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(5) *Unlocking Arrangement under the 2026 A Share Scheme*

The unlocking arrangement of the initially granted and reserved Restricted Shares is set out in the table below:

Unlocking Arrangement	Unlocking Period	Percentage of Unlocking
First Unlocking Period	From the first trading day upon the expiry of 12 months from the date of completion of registration for the grant of Restricted Shares to the last trading day upon the expiry of 24 months from such date	25%
Second Unlocking Period	From the first trading day upon the expiry of 24 months from the date of completion of registration for the grant of Restricted Shares to the last trading day upon the expiry of 36 months from such date	25%
Third Unlocking Period	From the first trading day upon the expiry of 36 months from the date of completion of registration for the grant of Restricted Shares to the last trading day upon the expiry of 48 months from such date	25%
Fourth Unlocking Period	From the first trading day upon the expiry of 48 months from the date of completion of registration for the grant of Restricted Shares to the last trading day upon the expiry of 60 months from such date	25%

For the Restricted Shares that failed to meet the Unlocking Conditions during the aforesaid agreed periods, the Company shall repurchase and cancel the corresponding Restricted Shares at the Grant Price.

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

- a. None of the following has occurred on the part of the Company:
 - (a) issuance of an auditor's report with adverse opinion or disclaimer of opinion by a certified public accountant with respect to the financial accounting report for its most recent accounting year;

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- (b) issuance of an auditor's report with adverse opinion or disclaimer of opinion by a certified public accountant with respect to the internal control of the financial report for its most recent accounting year;
- (c) failure to conduct profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings during the last 36 months after listing;
- (d) prohibition from implementation of share incentives by laws and regulations; or
- (e) other circumstances determined by the CSRC.

In case the Company has any of the circumstances specified in the sub-paragraph (a) above, the Restricted Shares that have been granted to the Incentive Participants but have not been unlocked shall be repurchased and cancelled by the Company at the Grant Price.

b. None of the following has occurred on the part of the Incentive Participants:

- (a) he or she has been determined by the Shenzhen Stock Exchange as an ineligible person in the last 12 months;
- (b) he or she has been determined by the CSRC and its delegated agencies as an ineligible person in the last 12 months;
- (c) he or she has been imposed by the CSRC and its delegated agencies with administrative penalties or measures prohibiting access into the market in the last 12 months due to material non-compliance with laws or regulations;
- (d) he or she is prohibited from acting as a Director or a member of the senior management of the Company as required by the Company Law;
- (e) he or she is prohibited from participating in share incentives of listed companies as required by laws and regulations; or
- (f) other circumstances determined by the CSRC.

In case any Incentive Participant has any of the circumstances specified in the sub-paragraph (b) above, the Restricted Shares that have been granted to such Incentive Participant but have not been unlocked shall be repurchased and cancelled by the Company at the Grant Price.

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c. Performance appraisal requirements at the Company level.

The performance appraisal objectives of the initially granted Restricted Shares under the 2026 A Share Scheme are set out in the table below:

	Year	Unlocking Period	Annual revenue growth rate based on 2025 revenue (Performance appraisal indicator A) ⁽¹⁾		Annual net profit growth rate based on 2025 net profit (Performance appraisal indicator B) ⁽²⁾		Proportion of Unlocking
			Am	An	Bm	Bn	
First Unlocking Period	2026	from the first trading day after 12 months from the grant date of the initial grant of Restricted Shares to 24 months from the grant date of the initial grant of Restricted Shares	15%	10%	15%	10%	25%
Second Unlocking Period	2027	from the first trading day after 24 months from the grant date of the initial grant of Restricted Shares to 36 months from the grant date of the initial grant of Restricted Shares	30%	20%	30%	20%	25%
Third Unlocking Period	2028	from the first trading day after 36 months from the grant date of the initial grant of Restricted Shares to 48 months from the grant date of the initial grant of Restricted Shares	40%	30%	40%	30%	25%
Fourth Unlocking Period	2029	from the first trading day after 48 months from the grant date of the initial grant of Restricted Shares to 60 months from the grant date of the initial grant of Restricted Shares	50%	40%	50%	40%	25%

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Notes:

- (1) The above “revenue” is calculated based on revenue at constant exchange rates and excluding the impact on revenue arising from any changes in the scope of consolidation caused by mergers, acquisitions, restructurings or asset disposals (constant exchange rates refer to the average exchange rate of revenue in 2025). The same applies hereafter.
- (2) The “2025 net profit” and “net profit growth rate” are calculated based on the net profit attributable to the shareholders of the listed company, after deducting non-recurring gains and losses, and excluding the impact of exchange gains and losses as well as the incentive costs arising from the implementation of the 2026 A Share Scheme and other equity incentive plans or employee shareholding plans, the same hereinafter.

If the reserved Shares are granted before the disclosure of the Company’s third quarterly report of 2026, the company-level performance appraisal objectives of the grant of the Reserved Shares shall be the same as those of the initial grant. If the reserved Shares are granted after the disclosure of the Company’s third quarterly report of 2026, the performance appraisal objectives of the grant of the reserved Shares under the 2026 A Share Scheme are set out in the table below:

	Year	Unlocking Period	Annual revenue growth rate based on 2025 revenue (Performance appraisal indicator A) ⁽¹⁾		Annual net profit growth rate based on 2025 net profit (Performance appraisal indicator B) ⁽²⁾		Proportion of Unlocking
			Am	An	Bm	Bn	
First Unlocking Period	2027	from the first trading day after 12 months from the grant date of the reserved Restricted Shares to 24 months from the grant date of the reserved Restricted Shares	30%	20%	30%	20%	25%
Second Unlocking Period	2028	from the first trading day after 24 months from the grant date of the reserved Restricted Shares to 36 months from the grant date of the reserved Restricted Shares	40%	30%	40%	30%	25%
Third Unlocking Period	2029	from the first trading day after 36 months from the grant date of the reserved Restricted Shares to 48 months from the grant date of the reserved Restricted Shares	50%	40%	50%	40%	25%

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Year	Unlocking Period	Annual revenue growth rate based on 2025 revenue (Performance appraisal indicator A) ⁽¹⁾		Annual net profit growth rate based on 2025 net profit (Performance appraisal indicator B) ⁽²⁾		Proportion of Unlocking
		Am	An	Bm	Bn	
Fourth Unlocking Period	2030 from the first trading day after 48 months from the grant date of the reserved Restricted Shares to 60 months from the grant date of the reserved Restricted Shares	60%	50%	60%	50%	25%

Note (1) (2): same as above.

Based on the completion of the performance appraisal objectives at the company level in each appraisal year, the Company determines the proportion of the unlocking at the Company level according to the following table:

Performance appraisal indicators	Completion rate of performance	Corresponding unlock portion (X)
Annual revenue growth rate of the appraisal year (A) or	$A \geq Am$ or $B \geq Bm$	$X=100\%$
	$An \leq A < Am$ or	$X=75\%$
Annual net profit growth rate of the appraisal year (B)	$Bn \leq B < Bm$	
	$A < An$ and $B < Bn$	$X=0$

d. Performance appraisal requirements at the Incentive Participant level

Based on the Company's management approach to performance/KPI appraisal, each unlock assesses the Incentive Participant's performance appraisal results for the previous year, corresponding to four grades of A, B, C and D, resulting in an unlocking factor:

Individual performance evaluation results	Outstanding	Exceeding	Qualified	Unqualified
Grade	A	B	C	D
Individual unlocking factor	100%	80%	60%	0%

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Unlocking of the Restricted Shares is subject to performance appraisal at both the Company level and the Incentive Participant level in each appraisal year, with the proportion available for unlocking determined by reference to the achievement of the prescribed company-level appraisal objectives and the participant's individual appraisal grade. The Directors are of the view that these performance appraisal requirements are consistent with the Group's business needs and industry norm, and that conditioning unlocking on the fulfilment of appraisal objectives at both levels incentivises sustained contribution and drives the continuous achievement of the Company's strategic and operational goals. Accordingly, the Board is of the view that the above performance targets set out in the 2026 A Share Scheme are consistent with the Group's business needs and industry norms, and are also in line with the purpose of the 2026 A Share Scheme and the interests of Shareholders.

Repurchase and Cancellation of Restricted Shares

When the Company repurchases and cancels the Restricted Shares in accordance with the provisions of the 2026 A Share Scheme, the repurchase price will be the Grant Price, unless otherwise specified in the 2026 A Share Scheme.

Upon completion of the registration for the grant of the Restricted Shares to the Incentive Participants, in the event of any conversion of capital reserve into share capital, bonus issue, share sub-division, rights issue, share consolidation or dividend distribution, the Restricted Shares which have been granted to the Incentive Participants but not yet unlocked and the Shares of the Company obtained based on such Restricted Shares shall be repurchased by the Company based on the quantity after the adjustment.

Methods and Procedures for Adjustment of the 2026 A Share Scheme

(1) Methods of Adjusting the Number of the Restricted Shares

In the event of any conversion of capital reserve into share capital, bonus issue, share sub-division, rights issue, share consolidation, etc. made by the Company during the period from the announcement date of this Scheme to the completion of the registration for the Restricted Shares of the Incentive Participants, the number of the Restricted Shares shall be adjusted accordingly. The adjustment methods are as follows:

- a. Conversion of capital reserve into share capital, bonus issue and share sub-division

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

Where: Q_0 represents the number of Restricted Shares before adjustment; n represents the ratio of conversion of capital reserve into share capital, bonus issue or share sub-division (i.e. the increase in number of shares after conversion of capital reserve into share capital, bonus issue and share sub-division per share); Q represents the number of Restricted Shares after adjustment.

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b. Rights issue

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

Where: Q_0 represents the number of the Restricted Shares before adjustment; P_1 represents the closing price on the date of share registration; P_2 represents the price of the rights issue; n represents the ratio of the rights issue (i.e., the ratio of the number of shares issued under the rights issue to the Company's total share capital before the rights issue); Q represents the number of the Restricted Shares after adjustment.

c. Share consolidation

$$Q = Q_0 \times n$$

Where: Q_0 represents the number of the Restricted Shares before adjustment; n represents the share consolidation ratio (i.e., 1 share of the Company will be consolidated into n shares); Q represents the number of the Restricted Shares after adjustment.

d. Issuance of new shares

In case of issuance of new Shares, no adjustment will be made by the Company to the number of the Restricted Shares.

(2) *Methods of Adjusting the Grant Price of the Restricted Shares*

During the period from the announcement date of this Scheme to the completion of the registration for the Restricted Shares of the Incentive Participants, in the event of any dividend distribution, conversion of capital reserve into share capital, bonus issue, share sub-division, rights issue, share consolidation, etc. made by the Company, the Grant Price of the Restricted Shares shall be adjusted accordingly. The adjustment methods are set out below:

a. Conversion of capital reserve into share capital, bonus issue and share sub-division

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

Where: P_0 represents the Grant Price before adjustment; n represents the ratio of conversion of capital reserve into share capital, bonus issue or share sub-division; P represents the Grant Price after adjustment.

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b. Rights issue

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

Where: P_0 represents the Grant Price before adjustment; P_1 represents the closing price on the date of share registration; P_2 represents the price of the rights issue; n represents the ratio of the rights issue (i.e., the ratio of the number of shares issued under the rights issue to the Company's total share capital before the rights issue); P represents the Grant Price after adjustment.

c. Share consolidation

$$P = P_0 \div n$$

Where: P_0 represents the Grant Price before adjustment; n represents the share consolidation ratio; P represents the Grant Price after adjustment.

d. Dividend distribution

$$P = P_0 - V$$

Where: P_0 represents the Grant Price before adjustment; V represents the dividend per share; P represents the Grant Price after adjustment. P shall remain greater than 1 after the adjustment for dividend distribution.

e. Issuance of new shares

In case of issuance of new Shares, no adjustment will be made by the Company to the Grant Price of the Restricted Shares.

Respective Rights and Obligations of the Company and the Incentive Participants

(1) Rights and Obligations of the Company

- a. The Company shall have the rights to construe and execute the 2026 A Share Scheme and shall appraise the performance of the Incentive Participants based on the requirements under the 2026 A Share Scheme. If the Incentive Participants fail to fulfil the unlocking conditions required under the 2026 A Share Scheme, the Company will repurchase and cancel the Restricted Shares which have not been unlocked by the Incentive Participants in accordance with the principles under the 2026 A Share Scheme.
- b. The Company undertakes not to provide loans and financial support in any other forms, including providing guarantees for loans, to the Incentive Participants for acquiring the Restricted Shares under the 2026 A Share Scheme.

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- c. The Company shall discharge its obligations in a timely manner in relation to report and information disclosure under the 2026 A Share Scheme in accordance with the relevant requirements.
- d. The Company shall actively support the Incentive Participants who have fulfilled the unlocking conditions to unlock the Restricted Shares in accordance with the relevant requirements including those of the 2026 A Share Scheme, the CSRC, the Shenzhen Stock Exchange, and China Securities Depository and Clearing Corporation Limited. However, the Company disclaims any liability for losses incurred by the Incentive Participants who fail to unlock the Restricted Shares at their own will due to reasons caused by the CSRC, the Shenzhen Stock Exchange and China Securities Depository and Clearing Corporation Limited.
- e. The Company confirms that the eligibility of the Incentive Participants under the 2026 A Share Scheme does not represent the right of such Incentive Participants to continue to serve the Company (including its subsidiaries) and does not constitute a commitment of employment for a fixed term by the Company (including its subsidiaries). The employment relationship between the Company (including its subsidiaries) and the Incentive Participants is still governed by the employment contract between the parties.

(2) Rights and Obligations of the Incentive Participants

- a. An Incentive Participant shall comply with the requirements of his/her position as stipulated by the Company (including its subsidiaries), and shall work diligently and responsibly, strictly observe professional ethics, and make contributions to the development of the Company (including its subsidiaries).
- b. Incentive Participants shall lock up the Restricted Shares granted to them in accordance with the provisions of the 2026 A Share Scheme.
- c. Source of funds shall be self-financed by the Incentive Participants.
- d. Upon completion of registration by China Securities Depository and Clearing Corporation Limited, the Restricted Shares granted to the Incentive Participants shall have the same rights as Shares, including but not limited to the rights to vote, the rights to dividend, the rights to rights issue. When the Company distributes cash dividends, the cash dividends attributable to the Restricted Shares granted to an Incentive Participant shall, after withholding and payment of individual income tax, be enjoyed by such Incentive Participant; if such Restricted Shares fail to be released from the lock-up, the Company shall, when repurchasing such Restricted Shares in accordance with the provisions of the 2026 A Share Scheme, deduct the portion of such cash dividends already enjoyed by the Incentive Participant and make the corresponding accounting treatment.

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The Restricted Shares granted to the Incentive Participants under the Scheme shall not be transferred or used as a guarantee or for repayment of debt before unlocking of the Restricted Shares.

- e. Any gains of the Incentive Participants generated from the 2026 A Share Scheme are subject to individual income tax and other taxes according to PRC tax laws.
- f. The Incentive Participants undertake, where false statements or misleading statements in or material omissions from the information disclosure documents of the Company result in non-compliance with condition of grant or arrangements for exercise of the entitlements, the Incentive Participants concerned shall return to the Company all interests gained through the 2026 A Share Scheme calculated from the date when it is confirmed that the relevant information disclosure documents of the Company contain false statements or misleading representations or material omissions.
- g. Upon consideration and approval of the 2026 A Share Scheme at the Shareholders' general meeting, the Company will sign an agreement on the grant for the Restricted Shares with each Incentive Participant in order to define their respective rights and obligations under the 2026 A Share Scheme and other relevant matters.
- h. Other relevant rights and obligations under the laws, regulations and the 2026 A Share Scheme.

Save as otherwise disclosed in this circular (including the lock-up, black-out and unlocking arrangements applicable to the Restricted Shares), the Restricted Shares granted under the 2026 A Share Scheme are, and upon completion of the relevant registration will rank *pari passu* in all respects with, the other A Shares of the Company in issue, and are accordingly not required to be separately designated under Rule 17.03(15) of the Listing Rules.

Termination

If the Company intends to terminate the 2026 A Share Scheme before it is considered and approved at the Shareholders' general meeting, such termination shall be considered and approved by the Board.

If the Company intends to terminate the implementation of the 2026 A Share Scheme after it is considered and approved at the Shareholders' general meeting, such termination shall be considered and approved at the Shareholders' general meeting.

The legal advisers of the Company shall express their professional opinions as to whether the Company's termination of the implementation of the 2026 A Share Scheme is in compliance with the requirements of this scheme and relevant laws and regulations and whether there are any circumstances that clearly harm the interests of the Company and all Shareholders.

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In case of termination of the 2026 A Share Scheme, the Restricted Shares that have been granted to the Incentive Participants under the 2026 A Share Scheme but have not yet been unlocked shall not be unlocked and shall lapse; and the Restricted Shares which have not been granted will lapse.

Where the Company needs to repurchase Restricted Shares, it shall convene a Board meeting in a timely manner to consider the share repurchase plan, submit the share repurchase plan to the general meeting for approval in accordance with the laws, and make an announcement in a timely manner. When the Company implements the repurchase in accordance with the provisions of this Scheme, China Securities Depository and Clearing Corporation Limited shall handle the registration and clearing matters upon confirmation by the Shenzhen Stock Exchange.

Clawback/Lapse Mechanism

(1) In the Event of any Unusual Changes Occurred at the Company Level

- a. If any of the following circumstances occurs to the Company, the implementation of the 2026 A Share Scheme shall be terminated, and the Restricted Shares that have been granted to the Incentive Participants but have not yet been unlocked shall not be unlocked and shall be repurchased and cancelled by the Company at the Grant Price:
 - (a) an audit report on the financial and accounting report for the most recent financial year in which a certified public accountant issued an adverse opinion or was unable to express an opinion;
 - (b) an audit report on internal control over financial reporting for the most recent financial year in which a certified public accountant issued an adverse opinion or was unable to express an opinion;
 - (c) in the most recent 36 months upon listing, there have been cases of failure to distribute profits according to laws and regulations, the Articles of Association and public undertakings;
 - (d) laws and regulations stipulate that equity incentives shall not be implemented; or
 - (e) other circumstances where the 2026 A Share Scheme should be terminated as determined by the CSRC.
- b. If the Company fails to meet the conditions for granting or unlocking the Restricted Shares due to false records, misleading statements or major omissions in the information disclosure documents, the Restricted Shares that have been granted to the Incentive Participants but have not yet been unlocked shall not be unlocked and

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shall lapse. If the Restricted Shares that have been granted to the Incentive Participants have already been unlocked, the Incentive Participants shall return all the granted rights and interests. If an Incentive Participant who is not responsible for the above matters suffers from losses due to the return of rights and interests, such Incentive Participant can recover such losses from the Company or the responsible parties.

The Board shall recover the proceeds from the Incentive Participants in accordance with the requirements under the preceding paragraph.

- c. In the event that any of the circumstances below occurs, the 2026 A Share Scheme shall remain unchanged:
 - (a) there is a change of control of the Company; and
 - (b) there is a merger or division of the Company.

(2) In the Event of any Changes Occurred at the Individual Level

- a. If an Incentive Participant undergoes a change of position but remains employed within the Company, or is employed within a branch or subsidiary of the Company, the Restricted Shares granted to him/her shall proceed entirely in accordance with the procedures set out in the Scheme prior to the change of position; however, where the change of position results from the Incentive Participant's inability to perform his/her role, contravention of law, breach of professional ethics, leakage of the Company's secrets, dereliction or malfeasance of duty or other conduct that damages the interests or reputation of the Company, or where the Company terminates its labour relationship with the Incentive Participant for any of the foregoing reasons, the Board may determine that, as at the date of occurrence of such circumstance, the Restricted Shares that have been granted to the Incentive Participant under the Scheme but have not yet been unlocked shall not be unlocked and shall be repurchased and cancelled by the Company at the Grant Price in accordance with the provisions of the Scheme.
- b. If an Incentive Participant loses his/her eligibility to participate in the Scheme as a result of any of the following circumstances, the Restricted Shares already unlocked shall remain valid, and the Restricted Shares not yet unlocked shall be repurchased and cancelled by the Company at the Grant Price:
 - (a) he or she has been determined by the Shenzhen Stock Exchange as an ineligible person in the last 12 months;
 - (b) he or she has been determined by the CSRC and its delegated agencies as an ineligible person in the last 12 months;

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- (c) he or she has been imposed by the CSRC and its delegated agencies with administrative penalties or measures prohibiting access into the market in the last 12 months due to material non-compliance with laws or regulations;
- (d) he or she is prohibited from acting as a Director or a member of the senior management of the Company as required by the Company Law;
- (e) he or she is prohibited from participating in share incentives of listed companies as required by laws and regulations; or
- (f) other circumstances determined by the CSRC.

For the avoidance of doubt, a material misstatement in the Company's financial statements shall constitute an event triggering clawback of Restricted Shares under the 2026 A Share Scheme.

- c. If an Incentive Participant leaves employment due to resignation or redundancy by the Company (including its subsidiaries), the Restricted Shares that have been granted to the Incentive Participant under the Scheme but have not yet been unlocked shall not be unlocked and shall be repurchased and cancelled by the Company at the Grant Price.
- d. If an Incentive Participant leaves employment due to retirement, the Restricted Shares granted to him/her shall proceed entirely in accordance with the procedures set out in the 2026 A Share Scheme prior to retirement, and the Board may determine that his/her individual performance appraisal conditions shall no longer be included as the Unlocking Conditions.
- e. Incapacity of the Incentive Participants will be handled in the following two manners:
 - (a) If the Incentive Participants are incapacitated due to work injury and leave the Company, the Restricted Shares granted to the Incentive Participants shall be carried out in accordance with the procedures stipulated in the 2026 A Share Scheme which took effect before the occurrence thereof, and the Board has the right to decide that the personal performance evaluation results will no longer be included in the Unlocking Conditions.
 - (b) If the Incentive Participants leave the Company, which is not due to the incapability arising from work injury, the Restricted Shares that have been granted to such Incentive Participant but have not yet been unlocked, shall not be unlocked and shall be repurchased and cancelled by the Company in accordance with the provisions of the 2026 A Share Scheme.
- f. Death of the Incentive Participants will be handled in the following two manners:
 - (a) If the Incentive Participants are deceased in the course of performing their duty, the Restricted Shares granted to them shall be held by the designated property heir or legal heir on their behalf, and shall be carried out in

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accordance with the procedures stipulated in the 2026 A Share Scheme which took effect before their death, and the Board has the right to decide that the results of their personal performance evaluation shall not be included in the Unlocking Conditions.

- (b) If the Incentive Participants are deceased for other reasons, the Restricted Shares that have been granted to such Incentive Participant but have not yet been unlocked, shall not be unlocked and shall be repurchased and cancelled by the Company in accordance with the provisions of the 2026 A Share Scheme.
- g. If an Incentive Participant is employed by a subsidiary of the Company, and the Company loses control of that subsidiary while the Incentive Participant remains employed by the subsidiary, the Restricted Shares that have been granted but have not yet been unlocked shall not be unlocked and shall be repurchased and cancelled by the Company at the Grant Price in accordance with the provisions of the 2026 A Share Scheme.
- h. Any other circumstances not described above shall be determined by the Remuneration and Examination Committee, which shall also decide the manner in which they are to be dealt with.

Under the 2026 A Share Scheme, in the event of specified circumstances occurring at the Company level or at the Incentive Participant level, the Restricted Shares that have been granted but not yet unlocked shall not be unlocked and shall be repurchased and cancelled by the Company at the Grant Price, or shall lapse, as applicable. The Board is of the view that this clawback/lapse mechanism provides the Company with the means to recover or withhold equity incentives from Incentive Participants culpable of the specified misconduct, thereby ensuring that Restricted Shares are unlocked only for those who act in the Company's best interests and safeguarding the interests of the Shareholders. Accordingly, the Directors consider that the clawback/lapse mechanism aligns with, and gives effect to, the purpose of the 2026 A Share Scheme.

Purpose of, Reasons for and Benefits of the Adoption of the 2026 A Share Scheme

The purpose of the 2026 A Share Scheme is to further establish and enhance the Company's long-term incentive mechanism, to attract and retain the management backbone and core technology and business talent who are critical to the Group's operations and long-term growth, to fully engage their enthusiasm and cohesion, and to effectively align the interests of the Shareholders, the Company and the Incentive Participants, fostering a collective focus on the Company's long-term development.

The Company is of the view that the adoption and implementation of the 2026 A Share Scheme is beneficial to the Company and its Shareholders as a whole, and that the terms and conditions of the 2026 A Share Scheme are fair and reasonable and in the interests of the Company and the Shareholders as a whole. The implementation of the 2026 A Share Scheme will further enhance the Company's long-term incentive mechanism, improve the distribution

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mechanism that integrates incentives with constraints, foster a community of shared interests between employees and Shareholders, and is conducive to the sustainable development of the Company. The 2026 A Share Scheme is considered an important component of the Company's employee appraisal system and effectively aligns the achievements of the Incentive Participants at an individual level with the Company's overall performance.

Listing Rules Implications

Pursuant to Chapter 17 of the Listing Rules, the source of the target Shares under the 2026 A Share Scheme comprises (i) A Shares repurchased by the Company from the secondary market and (ii) new A Shares to be issued by the Company to the Incentive Participants. As the 2026 A Share Scheme involves the issuance of new A Shares by the Company, it constitutes a share scheme involving the issuance of new A Shares, and the adoption of the 2026 A Share Scheme is therefore subject to the approval of the Shareholders. The Company will comply with the applicable requirements under Chapter 17 of the Listing Rules in relation to the 2026 A Share Scheme in due course.

Rule 17.03(13) of the Listing Rules requires that the scheme document must include a provision for adjustment of the exercise or purchase price and/or the number of shares subject to options or awards granted under the scheme in the event of a capitalization issue, rights issue, sub-division or consolidation of shares or reduction of capital. Note to Rule 17.03(13) of the Listing Rules states that any adjustments required under Rule 17.03(13) must give a participant the same proportion of the equity capital, rounded to the nearest whole share, as that to which that person was previously entitled. The Company has applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements under Rule 17.03(13) of the Listing Rules so as to enable the adjustments to Grant Price of the Restricted Shares granted under the 2026 A Share Scheme in the event of dividend distribution on the basis that, among other things:

1. the Company is a PRC issuer with its A Shares listed on the Shenzhen Stock Exchange, and the 2026 A Share Scheme involves issue of new A Shares instead of H Shares. Therefore, the 2026 A Share Scheme must comply with the PRC laws. Article 46 of the Administrative Measures issued by CSRC provides that, if the equity price or quantity needs to be adjusted due to share dividends, share splits or other reasons, the board of directors of the listed company shall make the adjustment in accordance with the principles, methods and procedures specified in the share incentive plan. As advised by the Company's PRC legal advisers for the 2026 A Share Scheme, DeHeng Law Offices, the adjustments to the Grant Price of Restricted Shares granted under the 2026 A Share Scheme in the event of dividend distribution are required by Article 46 of the Administrative Measures. As such, the Grant Price of Restricted Shares granted under the 2026 A Share Scheme shall be adjusted in the event of any dividend distribution to be conducted by the Company, in order to fully comply with the abovementioned rule;

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2. the proposed adoption of the 2026 A Share Scheme will be subject to the approval of the Shareholders at the EGM, whereby the H Shareholders will have the opportunity to fully consider and evaluate the terms of the 2026 A Share Scheme at the EGM based on its merits and the interests of the H Shareholders will not be prejudiced;
3. the maximum number of A Shares proposed to be granted under the 2026 A Share Scheme is 3,388,000 Shares, representing only approximately 0.94% of the total Shares as of the date of the 2026 A Share Scheme Announcement, and the dilution effect, if any, of the 2026 A Share Scheme is minimal;
4. the adjustment to the Grant Price of the Restricted Shares in the event of dividend distribution under the 2026 A Share Scheme is in line with the market practice in the PRC; and
5. the Company believes that the adjustment to the Grant Price of Restricted Shares in the event of dividend distribution will not adversely affect interests of the Shareholders.

Any grant of Restricted Shares to a Director, chief executive or substantial Shareholder of the Company, or any of their respective associates (as defined under the Listing Rules), shall first be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed grantee).

If any grant of Restricted Shares to a Director (other than an independent non-executive Director) or chief executive of the Company, or any of their associates, would result in the A Shares issued and to be issued in respect of all awards granted (excluding any awards lapsed in accordance with the terms of the relevant scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the total number of issued A Shares of the Company (excluding treasury Shares), such further grant will not be effective unless it has complied with the relevant requirements under Chapter 17 of the Listing Rules and been approved by the Shareholders. If any grant of Restricted Shares to an independent non-executive Director or a substantial Shareholder of the Company, or any of their associates, would result in the A Shares issued and to be issued in respect of all options (if any) and awards granted (excluding any lapsed in accordance with the terms of the relevant scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the total number of issued A Shares of the Company (excluding treasury Shares), such further grant will not be effective unless it has complied with the relevant requirements under Chapter 17 of the Listing Rules and been approved by the Shareholders. At the relevant Shareholders' general meeting, the grantee, his/her associates and all core connected persons of the Company must abstain from voting in favour.

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In accordance with Chapter 14A of the Listing Rules, directors or chief executives of the Company's subsidiaries are connected persons of the Company. Therefore, the participation of such persons in the 2026 A Share Scheme may constitute a connected transaction. Pursuant to Rule 14A.92(3)(a) of the Listing Rules, the grant of Restricted Shares under the 2026 A Share Scheme to connected persons under a share scheme which has been approved by the Shareholders in compliance with Chapter 17 of the Listing Rules is fully exempt from the reporting, announcement, annual review and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

The proposed adoption of the 2026 A Share Scheme is subject to the approval of Shareholders at EGM.

The above resolution has been approved by the Board and is hereby proposed at the EGM for Shareholders' consideration and approval. None of the Directors is an Incentive Participant or has a connected relationship with any Incentive Participant under the 2026 A Share Scheme and is required to abstain from voting on the resolution in the Board meeting.

5. PROPOSED ASSESSMENT MANAGEMENT MEASURES FOR THE IMPLEMENTATION AND APPRAISAL OF THE 2026 A SHARE SCHEME

In order to ensure the smooth implementation of the 2026 A Share Scheme, in accordance with the Company Law, the Securities Law, the Administrative Measures and other relevant laws, administrative regulations, regulatory documents and relevant provisions of the Articles of Association of the Company, and taking into account the actual situation of the Company, the Assessment Management Measures were formulated by the Company. The full text of the Assessment Management Measures will be set out in Appendix III to this circular to be published in due course.

The above resolution has been approved by the Board and is hereby proposed at the EGM for Shareholders' consideration and approval. None of the Directors is an Incentive Participant or has a connected relationship with any Incentive Participant under the 2026 A Share Scheme and is required to abstain from voting on the resolution in the Board meeting.

6. PROPOSED AUTHORIZATION TO THE BOARD TO HANDLE MATTERS PERTAINING TO THE 2026 A SHARE SCHEME

To ensure the implementation of the 2026 A Share Scheme, the Board intends to submit a proposal to the Shareholders' general meeting to authorize the Board to handle all matters related to the 2026 A Share Scheme, including but not limited to the following:

- (1) to determine the Grant Date of the 2026 A Share Scheme;
- (2) in the event that the Company has any conversion from capital reserves to share capital, bonus issue, sub-division or consolidation of shares, rights issue, dividend distribution and other matters, to make corresponding adjustments to the number, Grant Price and repurchase price of Restricted Shares in accordance with the provisions of the 2026 A Share Scheme;

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- (3) upon satisfaction of the necessary conditions by the Incentive Participants, to grant Restricted Shares to the Incentive Participants and handle all related matters necessary for the granting of Restricted Shares;
- (4) to review and confirm the qualifications and conditions for unlocking of the Restricted Shares granted to the Incentive Participants, and authorize the Board to delegate this right to the Remuneration and Examination Committee;
- (5) to decide whether the Incentive Participants can unlock the Restricted Shares;
- (6) to handle the relevant matters concerning the unlocking of the Incentive Participants, including but not limited to submitting an application for lifting the sales restriction to the Shenzhen Stock Exchange, applying to the registration and clearing companies for relevant registration and clearing business;
- (7) to handle the sale restrictions on the Restricted Shares that have not yet been unlocked;
- (8) to handle any alteration of the 2026 A Share Scheme, including but not limited to revoking the qualification of Incentive Participants to unlock shares, repurchasing and cancelling Restricted Shares of Incentive Participants that have not been unlocked, handling matters relating to Restricted Shares that were not unlocked due to the death of the Incentive Participants;
- (9) to manage the 2026 A Share Scheme;
- (10) to handle all other necessary matters related to the implementation of the 2026 A Share Scheme, except for those rights which are explicitly required to be exercised by the Shareholders' general meeting;
- (11) to go through the formalities of approval, registration, filing, authorization and consent with the relevant governments and institutions for the 2026 A Share Scheme; signing, executing, revising and completing documents submitted to relevant governments, institutions and individuals; handle the registration of the change of the registered capital of the Company; and to do all actions that it deems necessary, appropriate or suitable in connection with this 2026 A Share Scheme; and
- (12) to appoint financial consultants, receiving banks, accountants, law firms, securities companies and other intermediaries for the implementation of the 2026 A Share Scheme.

The period of authorization given to the Board shall be consistent with the period of the 2026 A Share Scheme upon the approval of the Shareholders' general meeting.

The above resolution has been approved by the Board and is hereby proposed at the EGM for Shareholders' consideration and approval. None of the Directors is an Incentive Participant or has a connected relationship with any Incentive Participant under the 2026 A Share Scheme and is required to abstain from voting on the resolution in the Board meeting.

LETTER FROM THE BOARD

7. PROPOSED CAPITAL CONTRIBUTION IN SHANGHAI ASYMCHEM BIOTECHNOLOGY DEVELOPMENT

On 30 July 2026, the Company, the Target Company, Asymchem Biotechnology, Gao Ling Qirui, Zhuhai Daiheng, Dr. Hao Hong, AsymCore and Haihe Asymchem Fund entered into the Capital Increase Agreement, pursuant to which the Company and the Investors agreed to contribute an aggregate amount of RMB1,239,700,000 to the equity capital of the Target Company.

As at the Latest Practicable Date, the Target Company is a non-wholly owned subsidiary of the Company (held as to approximately 83.00%). Upon completion of the Capital Contribution, the Target Company will be held as to approximately 83.50% by the Company and will remain a non-wholly owned subsidiary of the Company.

Principal Terms of the Capital Increase Agreement

The principal terms of the Capital Increase Agreement are set out as below:

Date: 30 July 2026

Place: Tianjin, the PRC

Parties:

- (1) The Company, as an existing shareholder and the controlling shareholder of the Target Company;
- (2) The Target Company, as the issuer;
- (3) Asymchem Biotechnology, as a warrantor;
- (4) Gao Ling Qirui, as an Investor;
- (5) Zhuhai Daiheng, as an existing shareholder of the Target Company;
- (6) Dr. Hao Hong, as an Investor;
- (7) AsymCore, as an existing shareholder of the Target Company; and
- (8) Haihe Asymchem Fund, as an existing shareholder of the Target Company.

Parties (2)-(3), collectively, the “**Warrantors**”, each a “**Warrantor**”.

Parties (1), (4) and (6), collectively, the “**Investors**”, each an “**Investor**”.

Subject Matter: The Investors and the Company have agreed to make a cash contribution in an aggregate amount of RMB1,239,700,000 to the equity capital of the Target Company at a subscription price of RMB13.1053 per RMB1.00 of registered capital.

LETTER FROM THE BOARD

Consideration: The aggregate consideration for the Capital Contribution is RMB1,239,700,000, the details of which are set out in the section headed “Consideration to be Paid by Each Investor” below.

Payment Arrangement: The consideration for the Capital Contribution shall be paid by the Investors on or before the fifth business day after the satisfaction or waiver of the Conditions Precedent under the Capital Increase Agreement (the “**Closing Date**”), or such other date as agreed by all parties to the Capital Increase Agreement (except as otherwise expressly provided in this Agreement).

Conditions Precedent: The following conditions precedent (the “**Conditions Precedent**”) shall be satisfied or waived in writing by the Investors on or before the Closing Date:

(a) The representations and warranties of the Warrantors are true, accurate and complete and not misleading in all respects on each of the date of the Capital Increase Agreement and the Closing Date. The covenants and agreements to be executed by the Warrantors on or before the Closing Date in the Capital Increase Agreement have been executed.

(b) No governmental body has formulated, issued, promulgated, implemented or passed any law or governmental order that would make any proposed transactions under the Capital Increase Agreement unlawful, or otherwise restrict or prohibit any proposed transactions under the Capital Increase Agreement.

(c) There is no claim, existing or potential, against the Target Group, Dr. Hao Hong, or the business of the Target Group, which may restrict, or result in changes to the terms of the proposed transactions under the Capital Increase Agreement, or have any material adverse effect to the Target Group, Dr. Hao Hong, or the business of the Target Group.

LETTER FROM THE BOARD

(d) All authorizations and approvals of governmental bodies or the Target Company and all relevant third party consents necessary to complete the proposed transactions under the Capital Increase Agreement have been obtained and such authorizations and approvals do not substantially change any business conditions under the Capital Increase Agreement (including the Company's waiver of its pre-emptive right, and the Target's shareholders' meeting having resolved to approve (i) the Capital Increase Agreement and the transactions contemplated thereunder, (ii) the Company's execution and performance of the Capital Increase Agreement, and (iii) the amendment of the Target Company's articles of association).

(e) The Company and the Target Company have signed and delivered the Capital Increase Agreement and other transaction documents (including but not limited to the articles of association of the Target Company), and the format and content of such documents are satisfactory to the Investors.

(f) All approvals or authorizations of the Investors of their internal investment committee or other competent authorities (if applicable) for the transactions proposed under the Capital Increase Agreement have been obtained, and the Company's Board approval has been obtained.

(g) The Investors have completed all business, financial, legal and tax due diligence on the Target Group, the results of which are satisfactory to the Investors.

(h) The core employees of the Target Company have executed labour contracts, non-compete agreements (during employment and for 2 years post-departure) and confidentiality agreements.

(i) The Investors have received the unaudited consolidated balance sheet, income statement and cash flow statement of the Target Company as of the end of the one month before the Closing Date, prepared in accordance with PRC GAAP and fairly presented.

(j) No material adverse changes have occurred.

LETTER FROM THE BOARD

(k) The Investors have received the closing certificates issued by the Target Company certifying that the Conditions Precedent under the Capital Increase Agreement have been satisfied (unless such items have been waived by the Investors in writing).

**Major
Shareholders’
Special Rights
under the Capital
Increase
Agreement**

**Put Options/
Repurchase
Rights**

Gao Ling and Haihe Asymchem Fund were granted put options under the Prior Investment Agreement, pursuant to which, Gao Ling and/or Haihe Asymchem Fund are entitled to require the Target Company and/or the Company to repurchase all or part of their equity interests in the Target Company acquired under the Prior Investment Agreement upon occurrence of any of the following triggering events: (i) the Company and/or Dr. Hao Hong fails to comply with their non-compete obligations; or (ii) Target Group companies involved in any connected transactions which were not approved in accordance with the terms of the Prior Investment Agreement. The Capital Increase Agreement provides that the above put options shall continue to apply to the equity interests acquired under the Prior Investment Agreement. In addition, the Capital Increase Agreement extends such put options to the equity interests acquired under the Capital Increase Agreement (if any), and adds a new triggering event applicable only to equity interests acquired under the Capital Increase Agreement, being the failure by the Company and/or Dr. Hao Hong to fulfil their payment obligations for the capital increase in the Target Company in accordance with the terms of the Capital Increase Agreement. The repurchase price shall be calculated based on the investment amount corresponding to the repurchased equity plus an IRR at 8% simple interest per annum from the payment date to the date the repurchase price is paid in full (with the IRR component capped at an IRR period of 15 years).

LETTER FROM THE BOARD

In addition, Gao Ling Qirui was granted put options under the Capital Increase Agreement in respect of the registered capital subscribed by Gao Ling Qirui in the Capital Contribution, pursuant to which Gao Ling Qirui shall be entitled to require the Target Company and/or the Company to repurchase all or part of the registered capital subscribed by Gao Ling Qirui in the Capital Contribution within two (2) months after the Target Company and/or the Company receives notice from Gao Ling Qirui (or such other period as may be agreed between the parties) upon occurrence of any of the following triggering events: (i) upon the expiry of two (2) years from the date of completion of the Capital Contribution, the Target Company has not achieved all of the following conditions: (a) at least one director appointed by the Company works full-time at the Target Company and holds a management position, and such director does not hold concurrent positions at, or actually participate in the affairs of, the controlling shareholder, the actual controller or other enterprises controlled by them, to meet the independence requirements for a spin-off listing; and (b) the Target Company has formulated and adopted an equity incentive or share option plan; or (ii) upon the expiry of four (4) years from the date of completion of the Capital Contribution, the Target Company has not completed a Qualified IPO. The repurchase price payable to Gao Ling Qirui shall be calculated based on the investment amount corresponding to the repurchased registered capital plus an IRR at 8% simple interest per annum from the payment date to the date the repurchase price is paid in full.

LETTER FROM THE BOARD

Non-Compete The Company, Dr. Hao Hong and AsymCore undertake, without the prior written permission of Gao Ling and Haihe Asymchem Fund, not to engage directly or indirectly in any business in the same kind of, similar to or competitive with the Main Business of the Target Group that constitutes a substantial obstacle to the Target Company's spin-off listing (the "**Competing Business**") or to hold an interest in a Competing Business during the period when they directly or indirectly hold any interest in the Target Company and for a period of 2 years from the date on which they no longer hold any interest in the Target Group.

Pre-emptive Rights If the Target Company proposes any additional increase of its registered capital (except for the transactions contemplated under the Capital Increase Agreement) with unanimous consent of all parties, each of the then shareholders of the Target Company shall have the pre-emptive rights to purchase such proposed additional increase of registered capital upon receipt of a notice given by the Target Company. Pursuant to the Capital Increase Agreement, where Gao Ling's pro rata entitlement calculated in accordance with the agreed subscription procedures would otherwise exceed 30% of the total proposed new registered capital in any such future capital increase, Gao Ling has agreed to waive its entitlement in excess of such 30% cap, and the waived portion will not be available for further pre-emptive subscription by Gao Ling.

LETTER FROM THE BOARD

**Transfer
Restriction
and Right of
First
Refusal**

From completion of the Capital Contribution to the Qualified IPO, unless unanimous consent of the Company, Gao Ling and Haihe Asymchem Fund is obtained in advance, the Company, Dr. Hao Hong and AsymCore shall not directly or indirectly sell, gift, pledge, encumber or otherwise dispose of any equity interest in the Target Company held by them. Other shareholders have a right of first refusal upon receipt of a transfer notice, provided that no transfer shall be made to the competitors of the Target Company as set out in the Capital Increase Agreement.

**Tag-along
Rights**

In the event that any of the Company, Dr. Hao Hong and/or AsymCore proposes to transfer its equity interests in the Target Company, other shareholders of the Target Company who do not exercise their right of first refusal shall have the right to sell their respective equity interest in the Target Company together with such transferring party on the same terms to the proposed buyer.

In the event that any of Gao Ling or Haihe Asymchem Fund proposes to transfer its equity interests in the Target Company, and other shareholders of the Target Company have not exercised the right of first refusal, either Gao Ling or Haihe Asymchem Fund shall have the right (but not the obligation) to sell its respective equity interest in the Target Company together with the other party on the same terms to the proposed buyer.

LETTER FROM THE BOARD

Anti-dilution Rights	From completion of the Capital Contribution to the date of the Qualified IPO, unless unanimously agreed by all parties, the Target Company shall not introduce any new investors at a price lower than any party's subscription price under the Capital Contribution (except as otherwise expressly provided in this Agreement). In case of a subsequent lower-priced capital increase, existing shareholders shall have the right to subscribe for additional registered capital at the nominal value to restore their percentage interest.
Liquidation Priority	The Investors shall have certain priorities in the entitlements to the residual assets of the Target Company during liquidation process, which shall be subject to certain restrictions and conditions.
Right to Information	The Target Company shall provide the Company and the Investors with certain of its financial information within agreed periods. Gao Ling, if they deem necessary, shall have the right to conduct their supplementary audits or legal due diligence on the Target Group.
Most Preferential Rights	Unless otherwise agreed in the Capital Increase Agreement, in the event that the Target Company grants more favourable rights or investment conditions to any other shareholders, Gao Ling shall automatically be entitled to such rights or investment conditions.

LETTER FROM THE BOARD

Shareholders' Meeting and Protective Matters From completion of the Capital Contribution until the date of a Qualified IPO or such other date as agreed by all parties, the following matters in respect of any Target Group company require the prior approval of both the Company and Gao Ling: (i) save for matters contemplated under the Capital Increase Agreement, any initial public offering and listing, increase in registered capital, issuance of shares or bonds, or repurchase or redemption of any shares/equity interests (other than pursuant to a pre-approved annual budget or development plan), provided that where any Target Group company raises financing by way of issuance of shares or bonds at a valuation that secures Gao Ling an annualised book investment return of not less than 8.0% (calculated by reference to the valuation under the Capital Increase Agreement), Gao Ling shall be deemed to have consented to such financing and the resulting increase in registered capital and may not exercise any veto right in respect thereof; (ii) save for matters contemplated under the Capital Increase Agreement, the acquisition or disposal of equity or other interests, or debt securities, of another entity (including another Target Group company) exceeding 20% of the Target Company's total consolidated assets, or any event resulting in a change of control of a Target Group company through the sale of all or substantially all of its assets; (iii) cessation of or any material change to the Main Business; (iv) approval of profit distribution plans and loss-recovery plans; (v) resolutions to liquidate, cease business, dissolve, terminate or restructure any Target Group company; and (vi) granting any person rights more favourable than those enjoyed by Gao Ling, or amending or changing Gao Ling's rights or priorities.

LETTER FROM THE BOARD

**Nomination
Rights**

The board of directors of the Target Company shall consist of three directors. The Company shall be entitled to nominate two directors, and Gao Ling shall be entitled to nominate one director.

The following matters of the Target Company shall require the approval of both the director(s) nominated by the Company and the director nominated by Gao Ling: (i) establishing or amending the overall profit-sharing mechanism or employee equity incentive/shareholding scheme; (ii) making any material change to accounting policies; (iii) providing any guarantee outside the ordinary course of business; (iv) any Target Group company (other than the Target Company) incurring payable registered capital, acquisition consideration or similar amounts equal to or exceeding 10% of the Target Company's total assets; (v) incurring borrowings, debts or financial liabilities equal to or exceeding 20% of the Target Company's total assets in a single transaction or cumulatively within any rolling 12-month period; (vi) disposing of, or creating encumbrances over, assets with a cumulative value equal to or exceeding 20% of the Target Company's total assets within any rolling 12-month period; (vii) entering into connected transactions with a cumulative value equal to or exceeding RMB1,000,000 within any rolling 12-month period; and (viii) establishing any new subsidiary, joint venture or partnership, or any major asset acquisition, capital expenditure or investment, in each case involving an amount exceeding 20% of the Target Company's total assets in a single transaction or cumulatively within any rolling 12-month period.

**Termination
and
Restoration
of Special
Rights**

The special rights described above shall be terminated for spin-off/listing purposes as required. If the listing application is terminated, withdrawn or rejected within 18 months, the special rights shall automatically be restored.

LETTER FROM THE BOARD

Termination: The Capital Increase Agreement may be terminated by the Investors if the Capital Contribution fails to be completed within ninety (90) calendar days or other period as agreed by the parties after the execution of the Capital Increase Agreement, or by either party to the Capital Increase Agreement under customary circumstances as set out in the Capital Increase Agreement.

Indemnity: The Warrantors agreed to indemnify the Investors from certain losses suffered in the event of occurrence of any indemnity events as set out in the Capital Increase Agreement.

Basis and Factors to Determine the Considerations

The consideration payable by the Investors for the Capital Contribution and the subscription price of RMB13.1053 per RMB1.00 of registered capital were determined after arm's length negotiations between the parties with reference to the following:

The parties agreed on a pre-money valuation (on a fully-diluted basis) of the Target Company of RMB3,000,000,000 as of the date of the Capital Increase Agreement. The pre-money valuation was determined by applying the market approach using the comparable companies method. The cost approach was not adopted as it is based on historical costs and does not reflect the market value of the Target Company's existing assets and earning potential. The income approach was not adopted as the preparation of the Target Company's financial projections involves multiple assumptions and the relevant projected data are difficult to objectively verify; reliance on the income approach may result in an overestimation of the valuation. The market approach was adopted because there are a sufficient number of listed companies with business nature and operating models similar to those of the Target Company.

The following companies were selected as comparable companies based on the criteria that they are principally engaged in CDMO business for biologics: WuXi Biologics (Cayman) Inc. (stock code: 2269.HK) and WuXi XDC Cayman Inc. (stock code: 2268.HK). In addition, the Company, as the parent company of the Target Company and one of the market leaders in the PRC CDMO industry, was also referenced. Given the current development stage of the Target Company, the parties agreed to adopt the price-to-sales ratio ("**P/S Ratio**") as the key pricing multiple, as the Target Company is in a growth stage and has not yet achieved profitability, making price-to-earnings ratio inapplicable.

As of 20 July 2026 (being the reference date), the P/S Ratios of the comparable companies (calculated based on market capitalisation divided by revenue for the year ended 31 December 2025) ranged from 5.67x to 10.27x.

LETTER FROM THE BOARD

Based on the P/S Ratio range of the- above comparable companies (5.67x to 10.27x), and taking into account: (a) a liquidity discount to reflect the lack of marketability of the Target Company's equity interests as a private company; and (b) the Target Company's significant growth potential in the PRC CDMO market for biologics, ADC and mRNA drugs as well as its strong prospects for rapid future growth, the parties agreed to apply a P/S Ratio of 6.4x for the valuation of the Target Company. Based on the applied P/S Ratio of 6.4x and the Target Company's revenue for the year ended 31 December 2025 (as extracted from the audited consolidated financial information of the Target Company) of approximately RMB469.64 million, the pre-money valuation of the Target Company was determined to be RMB3 billion, and the subscription price was RMB13.1053 per RMB1.00 of registered capital.

The Directors have also considered the economic value of the special rights granted to the Investors (including the Put Options and expanded protective matters), and consider that such rights are typical investor protections commonly found in private equity investments and do not render the terms unfair or unreasonable, noting that: (i) the Put Options are conditional on specified triggering events; (ii) similar rights were granted under the Prior Investment Agreement; and (iii) such rights are expected to be terminated upon the Target Company achieving a Qualified IPO.

No independent valuation was commissioned for this transaction. The Directors consider that: (i) the market approach using comparable companies is a well-established methodology; (ii) there is sufficient publicly available information on the comparable companies; and (iii) the Target Company is a subsidiary of the Company and the Directors have good knowledge of its business.

The Directors (including the independent non-executive Directors) consider that the terms of the Capital Increase Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Consideration to be Paid by Each Investor

The aggregate consideration payable by the Company and the Investors for the Capital Contribution is RMB1,239,700,000, the details of which are set out below:

Investor	Cash Consideration	New Registered Capital Subscribed	Balance to Capital Reserve
	(RMB)	(RMB)	(RMB)
The Company	1,050,000,000	80,120,481.93	969,879,518.07
Gao Ling Qirui	177,000,000	13,506,024.10	163,493,975.90
Dr. Hao Hong	12,700,000	969,076.30	11,730,923.70
Total	1,239,700,000	94,595,582.33	1,145,104,417.67

LETTER FROM THE BOARD

Change in the Shareholding Structure of the Target Company

The shareholding structures of the Target Company as at the date of the Capital Contribution Announcement and upon the completion of the Capital Contribution are set out below:

As at the date of the Capital Contribution Announcement:

Shareholder	As at the date of the Capital Contribution Announcement Registered Capital	As at the date of the Capital Contribution Announcement % of the total equity capital
	(RMB)	
The Company	190,000,000	83.00%
Gao Ling Qirui	11,445,783	5.00%
Zhuhai Daiheng	11,445,783	5.00%
AsymCore	9,156,627	4.00%
Haihe Asymchem Fund	4,578,313	2.00%
Dr. Hao Hong	2,289,157	1.00%
Total	228,915,663	100.00%

Upon completion of the Capital Contribution:

Shareholder	Upon completion Registered Capital	Upon completion % of the total equity capital
	(RMB)	
The Company	270,120,481.93	83.4965%
Gao Ling Qirui	24,951,807.13	7.7128%
Zhuhai Daiheng	11,445,783.23	3.5380%
AsymCore	9,156,626.51	2.8304%
Haihe Asymchem Fund	4,578,313.25	1.4152%
Dr. Hao Hong	3,258,232.93	1.0071%
Total	323,511,244.98	100.00%

LETTER FROM THE BOARD

Financial Information

Set out below is the audited consolidated financial information of the Target Company for the years ended 31 December 2024 and 31 December 2025, respectively, extracted from its management accounts prepared in accordance with Generally Accepted Accounting Principles of the People's Republic of China (中國企業會計準則):

	As of/for the year ended 31 December 2024 (RMB,000)	As of/for the year ended 31 December 2025
Net loss before taxation	(114,002.8)	(51,347.4)
Net loss after taxation	(97,431.7)	(43,774.1)
Net assets	206,388.3	160,995.6

Upon the completion of the Capital Contribution, the Target Company will remain as a subsidiary of the Company.

Reasons for and Benefits of the Capital Contribution

Through the entering into of the Capital Increase Agreement, the Target Company will be able to bring in external investment by way of capital increase and injection, which is in line with the Group's future development strategy. The Capital Contribution is conducive to enhancing the Target Company's financial strength, meeting its subsequent capital needs for capital expenditure and operating expenditure, enhancing its overall competitiveness and promoting the development of its CDMO business (including macromolecular drugs, antibody-drug conjugates, mRNA drugs and other advanced therapies).

The terms of the Capital Increase Agreement were arrived at after arm's length negotiations among the parties. The Directors (including the independent non-executive Directors) consider that the terms of the Capital Increase Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

Each of Dr. Hao Hong (being an executive Director and an Investor), Dr. Ye Song (being a non-executive Director and the spouse of Dr. Hao Hong), Ms. Yang Rui (being an executive Director and the general partner of AsymCore) and Mr. Zhang Da (being an executive Director and a limited partner of AsymCore) has abstained from voting at the relevant Board meeting approving the transactions contemplated under the Capital Increase Agreement. Save as disclosed above, none of the Directors has a material interest in the Capital Contribution, and therefore none of them abstained from voting on the relevant Board meeting approving the transactions contemplated under the Capital Increase Agreement, or is required to abstain from voting at the extraordinary general meeting of the Company approving the transactions contemplated under the Capital Increase Agreement.

LETTER FROM THE BOARD

Financial Impact of the Company

As at the date of the Capital Contribution Announcement, the Target Company is a non-wholly owned subsidiary of the Company (held as to approximately 83.00%). After the completion of the Capital Contribution, the Target Company will be held as to approximately 83.50% by the Company. The Target Company will continue to be a non-wholly owned subsidiary of the Company. The results of operations and financial position of the Target Company will continue to be recorded in the Group's consolidated financial statements.

As the Capital Contribution will not cause a loss of the Group's control over the Target Company (indeed, the Company's interest marginally increases from 83.00% to approximately 83.50%), the Capital Contribution will be accounted for as an equity transaction that will not result in the recognition of any gain or loss in profit or loss.

In addition, the Put Options would be recognised as obligations of the Group to repurchase own equity, and presented as a liability in the consolidated statements of financial position.

Use of Proceeds

The proceeds raised from the Capital Contribution will be used for production and capacity building of Contract Development and Manufacturing Organization (CDMO) solutions (including macromolecular drugs, antibody-drug conjugates and mRNA drugs), including but not limited to general operating expenses, R&D expenses, capital expenditures, etc.

The Company's own contribution may be used to repay intra-group current accounts to facilitate the Target Company's independent development. Without the prior consent of the Investors, proceeds shall not be used to repay any shareholder or connected-party liabilities.

Listing Rules Implications

As of the Latest Practicable Date, one of the Investors, namely, Dr. Hao Hong is the chairperson of the Board, executive Director and chief executive officer of the Company. As of the Latest Practicable Date, Dr. Hao Hong directly holds approximately 3.95% interests of the Company and indirectly holds approximately 31.91% interests of the Company through his controlled entity and is a controlling shareholder of the Company and hence a connected person of the Company pursuant to Chapter 14A of the Listing Rules. Further, as of the Latest Practicable Date, one of the parties to the Capital Increase Agreement, namely, AsymCore is 99.00% owned by Ms. Yang Rui who is an executive Director, and therefore AsymCore is a connected person of the Company pursuant to Chapter 14A of the Listing Rules. Accordingly, the transactions contemplated under the Capital Increase Agreement constitute connected transactions of the Company.

LETTER FROM THE BOARD

The grant of the Put Options under the Capital Increase Agreement would be treated as a transaction and classified by reference to the percentage ratios pursuant to Rules 14.04(1)(b) and 14.73 of the Listing Rules. The exercise of the Put Options is not at the discretion of the Company or the Target Company. According to Rule 14.74(1) of the Listing Rules, on the grant of the Put Options, the transactions will be classified as if the Put Options had been exercised.

As the highest applicable percentage ratio in respect of the Capital Contribution and the grant of Put Options exceeds 0.1% but is less than 5%, the Capital Contribution and the grant of Put Options are subject to reporting and announcement requirements but exempt from the circular and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. As none of the applicable percentage ratios in respect of the Capital Contribution and the grant of Put Options exceeds 5%, the Capital Contribution and the grant of Put Options are not subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

Information of the Parties Involved

The Company

The Company is a leading, technology-driven CDMO providing comprehensive solutions throughout the drug development and manufacturing process. The Company provides process development and manufacturing services throughout the pre-clinical, clinical and commercial stages, and has become an integral part of the global value chain for innovative drugs.

The Target Company

The Target Company, Shanghai Asymchem Biotechnology Development Co., Ltd., is a limited liability company incorporated in the PRC. It is a non-wholly owned subsidiary of the Company as at the Latest Practicable Date (held as to approximately 83.00% by the Company). The Target Company operates the Group's contract development and manufacturing organization (CDMO) business for macromolecule drugs, antibody-drug conjugates, mRNA and other advanced therapies.

Asymchem Biotechnology

Shanghai Asymchem Biotechnology Co., Ltd. is a limited liability company incorporated in the PRC, a subsidiary within the Group. Asymchem Biotechnology is a global leading enterprise in the field of CDMO for biologics and advanced therapies, providing macromolecular drugs, antibody-drug conjugates and mRNA drugs.

LETTER FROM THE BOARD

Gao Ling Qirui

Suzhou Gao Ling Qirui Healthcare Investment, L.P. is a limited partnership incorporated in the PRC which principally engages in equity investment. Its general partner is Suzhou Gao Ling Qirui Healthcare Investment Management Co., Ltd. (“**Qirui Management**”) which is owned as to 55% ultimately by Ms. Zhu Xiuhua. Save as disclosed above, no other ultimate beneficial owner holds 30% or more of the interests in Gao Ling Qirui. To the best knowledge of the Directors, having made reasonable enquiry, Gao Ling Qirui and its ultimate beneficial owners are independent of, and are not connected with, the Company and its connected persons.

Zhuhai Daiheng

Zhuhai Daiheng Investment Partnership, L.P. (formerly known as Zhuhai Daiheng Equity Investment Partnership, L.P.) is a limited partnership incorporated in the PRC, principally engaged in equity investment. Its general partner is Shenzhen Gao Ling Tiancheng Investment III Co., Ltd. (“**Gao Ling Tiancheng III**”). Zhuhai Daiheng is owned as to approximately 50.12% and 36.42%, respectively, by Shenzhen Gao Ling Muqi Equity Investment Fund, L.P. (“**Gao Ling Muqi**”) and Xiamen Gao Ling Ruiqi Equity Investment Fund, L.P. (“**Gao Ling Ruiqi**”) as limited partners, both of which have Gao Ling Tiancheng III as their respective general partner. Gao Ling Tiancheng III is held as to 55% by Ms. Zhang Haiyan. Save as disclosed above, no other ultimate beneficial owner holds 30% or more of the interests in Zhuhai Daiheng. To the best knowledge of the Directors, after making all reasonable enquiries, Zhuhai Daiheng and its ultimate beneficial owners are independent of and not connected with the Company or its connected persons.

Dr. Hao Hong

Dr. Hao Hong is a United States citizen, the chairperson of the Board, executive Director and chief executive officer of the Company. As of the Latest Practicable Date, Dr. Hao Hong directly holds approximately 3.95% interests of the Company and indirectly holds approximately 31.91% interests of the Company through his controlled entity and is a controlling shareholder of the Company, hence a connected person of the Company pursuant to Chapter 14A of the Listing Rules.

AsymCore

AsymCore is Asymchem Tongxin (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership), a limited partnership incorporated in the PRC. Its primary business includes business management consulting, marketing planning and information consulting services, etc. As of the Latest Practicable Date, Ms. Yang Rui, an executive Director and the co-chief executive officer of the Company, is the general partner of AsymCore and holding 99.00% of its interests, and therefore a connected person of the Company. Mr. Zhang Da, an executive Director, the chief financial officer and chief operating officer of the Company, is a limited partner of AsymCore and holding 1.00% of its interests, and therefore a connected person of the Company. Thus, AsymCore is a connected person of the Company pursuant to Chapter 14A of the Listing Rules.

LETTER FROM THE BOARD

Haihe Asymchem Fund

Tianjin Haihe Asymchem Biomedical Industry Innovation Investment Fund (Limited Partnership) (“**Haihe Asymchem Fund**”) is a limited partnership incorporated in the PRC and its general partner is Haiyingchuang (Tianjin) Investment Management Co., Ltd. (“**Haiyingchuang Investment**”). Its primary business includes equity investment and investment management and consulting. As of the Latest Practicable Date, Haiyingchuang Investment is owned as to approximately 44.38% by Trinity Innovation (Beijing) Investment Management Co., Ltd. (“**Trinity Innovation**”), which is in turn owned as to 90% by Mr. Yin Zheng (a natural person who is an independent financial investor); and approximately 44.38% by Yunqi (Tianjin) Enterprise Management Consulting Partnership (Limited Partnership) (“**Yunqi Management**”) which is in turn owned as to 60% and 40% by Ms. Yang Rui and Mr. Zhang Da (both being executive Directors), respectively. As of the Latest Practicable Date, Haihe Asymchem Fund is owned as to approximately 39.60% by Tianjin Haihe Industrial Fund Partnership (Limited Partnership) (“**Haihe River Industry Fund**”) and approximately 26% by the Company both as limited partners, and by three other limited partners with each holding less than 20% of interest. As of the Latest Practicable Date, Haihe River Industry Fund is owned as to approximately 99.75% by Tianjin Finance Bureau as a limited partner. The general partner of Haihe River Industry Fund is Tianjin Haihe Industrial Fund Management Co., Ltd., which is in turn owned by fourteen (14) independent entities with each holding no more than 15% of interest. The largest limited partner (holding 15% of interest) of Tianjin Haihe Industrial Fund Management Co., Ltd. is the Tianjin Finance Bureau Fiscal Investment Business Center.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, other than the Company itself (holding approximately 26% of the interests in Haihe Asymchem Fund as a limited partner), Haihe Asymchem Fund itself (controlled by Haiyingchuang Investment as its general partner which is in turn owned as to 44.38% by Yunqi Management, a company which is in turn owned as to 60% and 40% by Ms. Yang Rui and Mr. Zhang Da (both being executive Directors), respectively), Ms. Yang Rui and Mr. Zhang Da (both being executive Directors), the ultimate beneficial owners of Haihe Asymchem Fund are all third parties independent of the Company and its connected persons.

Save as disclosed above, to the best of the Directors’ knowledge, information and belief, and having made all reasonable enquiries, each of the Investors and their respective ultimate beneficial owners is an independent third party of the Company.

General

Pursuant to the Shenzhen Listing Rules and the Articles of Association of the Company, the Company is required to seek the independent Shareholders’ approval for the connected transactions contemplated under the Capital Increase Agreement.

LETTER FROM THE BOARD

8. EGM AND PROXY ARRANGEMENT

The notice convening the EGM is set out on pages 119 to 121 of this circular and will be published and available for downloading on the websites of the Hong Kong Stock Exchange (www.hkexnews.hk) and of the Company (www.asymchem.com). The form of proxy for use at the EGM is enclosed with this circular.

To be valid, whether or not you are able to attend the EGM, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not less than 24 hours before the time appointed for the EGM (i.e., not later than 2:00 p.m. on Wednesday, 19 August 2026 (Hong Kong time)) or the adjourned meeting (as the case may be). Completion and delivery of the form of proxy will not preclude you from attending and voting at the EGM if you so wish.

For the purpose of determining the H Shareholders entitled to attend and vote at the EGM, the register of members of the H Shares has been scheduled to close from Monday, 17 August 2026 to Thursday, 20 August 2026 (both days inclusive), during which no transfer of H Shares will be registered. H Shareholders whose names appear on the register of members of the Company on Thursday, 20 August 2026 shall be entitled to attend and vote at the EGM.

In order to be eligible to attend and vote at the EGM, holders of H Shares whose transfer documents have not been registered are required to deposit all properly completed share transfer forms together with the relevant share certificates to the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (for holders of H shares) for registration no later than 4:30 p.m. on Friday, 14 August 2026.

In accordance with the Hong Kong Listing Rules, any votes of Shareholders at the EGM will be taken by poll. The Company will announce the results of the poll after the EGM in the manner prescribed under Rule 13.39(5) of the Hong Kong Listing Rules.

9. VOTING AT THE EGM

Pursuant to Chapter 17 of the Listing Rules, the resolutions relating to the adoption of the 2026 H Share Scheme and the adoption of the 2026 A Share Scheme shall be subject to the approval of the Shareholders at the EGM.

LETTER FROM THE BOARD

Any Shareholder with a material interest in the relevant resolutions and his/her/its associates shall abstain from voting on the relevant resolutions. Accordingly, at the EGM, each of the proposed grantees under the 2026 A Share Scheme, together with their respective associates, shall abstain from voting on the resolution(s) pertaining to the adoption of the 2026 A Share Scheme.

Each of Dr. Hao Hong (being an executive Director and an Investor), Dr. Ye Song (being a non-executive Director and the spouse of Dr. Hao Hong), Ms. Yang Rui (being an executive Director and the general partner of AsymCore) and Mr. Zhang Da (being an executive Director and a limited partner of AsymCore) shall abstain from voting at the EGM of the Company approving the transactions contemplated under the Capital Increase Agreement.

As at the Latest Practicable Date, to the best of the Director's knowledge, information and belief, having made all reasonable enquiries, and according to applicable PRC and Hong Kong laws, regulations and regulatory requirements, no Shareholder is required to abstain from voting on the resolutions to be proposed at the EGM.

10. RECOMMENDATION

The Directors (including the independent non-executive Directors) are of the view that all the resolutions as set out in the notices of EGM for the Shareholders' consideration and approval are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of all the resolutions to be proposed at the EGM.

11. DOCUMENTS AVAILABLE ON DISPLAY

A copy of the 2026 H Share Scheme and the 2026 A Share Scheme will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.asymchem.com) for a period of not less than 14 days before the date of the EGM.

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.

By order of the Board
Asymchem Laboratories (Tianjin) Co., Ltd.
Dr. Hao Hong
*Chairperson of the Board, Executive Director and
Chief Executive Officer*

The following is a summary of the principal terms of the 2026 H Share Scheme to be adopted at the EGM. It does not form part of, nor is it intended to be part of the terms of the 2026 H Share Scheme. The Directors reserve the right at any time prior to the EGM to make such amendments to the 2026 H Share Scheme as they may consider necessary or appropriate provided that such amendments do not conflict with any material aspects with the summary in this Appendix.

PURPOSES AND OBJECTIVES

The purposes of the Scheme are to promote the Company's long-term sustainable development and achievement of performance objectives, to refine the Company's incentive mechanism to attract, motivate and retain qualified individuals who make significant contributions to the Company's ongoing operations, development and long-term growth, and to effectively align the interests of the Shareholders, the Company and the Eligible Participants in order to foster a shared focus on the Company's long-term development and drive the continuous achievement of the Company's strategic and operational goals.

SOURCE OF THE INCENTIVE SHARES, PURCHASE PRICE AND PERIOD

The source of the Incentive Shares under the Scheme shall be either existing H Shares purchased by the Trustee(s) from the secondary market, H Shares allotted and issued by the Company to the Trustee(s), or treasury Shares, if any. In the case of existing H Shares acquired by the Trustee(s) on the secondary market, the Company shall cause sufficient funds to be made available to the Trustee(s) for the proper administration and operation of the Scheme, and the Board may give instructions to the Trustee(s) for the acquisition of H Shares, provided that such instructions comply with all applicable laws and regulations and the Listing Rules. In the case of new H Shares allotted and issued to the Trustee(s) by the Company, the Company shall cause sufficient new H Shares to be allotted and issued to the Trustee(s), and any such allotment and issue shall be subject to and conditional upon the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, such new H Shares.

The Purchase Price shall be RMB1.00 per Share and shall be paid by the Selected Participants either by direct cash payment or by the Trustee(s) withholding and selling a number of Incentive Shares with a market value equivalent to the Purchase Price to satisfy the payment obligation. The specific payment method applicable to each Selected Participant shall be set out in the relevant Grant Instrument. Unless earlier terminated by the Board pursuant to the Scheme Rules, the Scheme shall remain in effect for a period of ten years commencing from the Adoption Date, after which no further Incentive Shares shall be granted under the Scheme, provided that the Scheme and the Scheme Rules shall remain in full force and effect to give effect to the vesting of Awards granted and accepted prior to expiry.

ELIGIBLE PARTICIPANTS

Eligible Participants, as determined by the Board from time to time, comprise any individual who is a Director, senior management member or employee, whether full-time or part-time, of any member of the Group.

In assessing the contribution of an Eligible Participant, the Board may take into account factors it considers relevant, including the nature and extent of the participant's contributions to the Company, the special skills or technical knowledge possessed by the participant which are beneficial to the Company's continuing development, the positive impact which the participant has brought to the Company's business and development, and whether granting Incentive Shares to the participant is an appropriate incentive to motivate continued contribution to the interests of the Company and its Shareholders. In assessing the eligibility of an Employee Participant, the Board will consider relevant factors including skills, knowledge, experience, expertise and other personal qualities, performance, time commitment, responsibilities or employment conditions, prevailing market practice, contribution to the growth of the Company, educational and professional qualifications, and industry knowledge.

EXCLUDED PARTICIPANTS

Excluded Participants are any Eligible Participants who are resident in a place where the grant, vesting or transfer of Incentive Shares pursuant to the Scheme is not permitted under applicable laws or regulations, or where, in the view of the Board or the Trustee, compliance with applicable laws or regulations in such place makes it necessary or expedient to exclude such Eligible Participant.

ADMINISTRATION

The Scheme shall be administered by the Board and the Trustee(s) in accordance with the Scheme Rules and the Trust Deed(s). The decision of the Board with respect to any matter arising under the Scheme, including the interpretation of any provision, shall be final and binding. As permitted under the Listing Rules and other applicable laws and regulations, the Board may delegate any or all of its rights, duties and powers, including the power to grant Awards under the Scheme, to a committee of the Board or to any other person(s) deemed appropriate by the Board pursuant to the Scheme Rules. The Company shall indemnify each member of the Board and any authorised person against costs, expenses and liabilities arising out of acts or omissions in connection with the Scheme, except where arising from such person's own willful default, fraud or bad faith.

OPERATION OF THE H SHARE RESTRICTED SHARE SCHEME**(1) Granting of Incentive Shares to Selected Participants**

Subject to the terms of the Scheme, the Board may, from time to time and at its sole and absolute discretion, select any Eligible Participant, excluding any Excluded Participant, as a Selected Participant and make a grant of Incentive Shares to such Selected Participant at such consideration and subject to such terms and conditions as the Board may determine. Vesting of Incentive Shares granted under the Scheme is subject to satisfaction of the vesting conditions and any other relevant conditions set out in the Grant Instrument. The Board may determine standards and conditions for vesting during the life of the Scheme, including performance of the Company or its subsidiaries, individual performance and such other criteria as the Board considers appropriate, subject to compliance with all applicable laws, regulations and ordinances.

The Board may impose conditions, restrictions or limitations in relation to any grant, including lock-up periods or restrictions on disposal of H Shares after the Vesting Date, performance targets and special terms necessary or appropriate to accommodate differences in applicable laws, tax policy or custom in the jurisdiction where an Eligible Participant resides, is employed or provides services. Following each Vesting Date, vested Incentive Shares shall be subject to an initial lock-up period of three months, and upon expiry of that initial lock-up period, the Board and/or its authorised person(s) may, in their sole and absolute discretion based on the market capitalization of the Company and other relevant factors, determine whether to impose an additional lock-up period of three months. The specific performance targets applicable to each grant shall be set out in the relevant Grant Instrument.

Where any grant of Incentive Shares is proposed to be made to any Selected Participant, the Company shall comply with applicable Listing Rules provisions, including any disclosure, reporting, announcement and/or Shareholders' requirements, unless otherwise exempted under the Listing Rules. After the Board has decided to make a grant of Incentive Shares to an Eligible Participant, the Board shall procure the Company and the Eligible Participant to execute a Grant Instrument setting out details of the Incentive Shares granted and the conditions, including any performance targets, upon which such Incentive Shares are granted. Upon due execution of the Grant Instrument and payment of the Purchase Price, the Incentive Shares are considered to have been granted to and accepted by the Eligible Participant, who shall become the Selected Participant. The Board shall notify the Trustee(s) of the terms and conditions of such grant, including the name of the Selected Participant, details of the granted Incentive Shares, the vesting schedule and any conditions. If an Eligible Participant fails to execute the Grant Instrument within ten Business Days after the Grant Date, or such other period as the Board may specify, the relevant Award shall automatically lapse forthwith and the Incentive Shares shall remain as part of the trust fund.

(2) Granting of Incentive Shares to Directors, Chief Executives or Substantial Shareholders of the Company, or any of Their Respective Associates

Any grant of Incentive Shares to Directors, chief executives or any substantial Shareholders of the Company, or any of their respective associates, shall be valid only upon approval by the independent non-executive Directors of the Company, excluding any independent non-executive Director who is the proposed Selected Participant.

Where any grant of Incentive Shares to Directors, excluding independent non-executive Directors, chief executives of the Company, or any of their respective associates would result in the Shares issued and to be issued in respect of all awards granted to such proposed Selected Participant in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the total number of issued H Shares of the Company, excluding treasury Shares, such further grant will not be effective unless the applicable Chapter 17 requirements are complied with, including Shareholders' approval, dispatch of a compliant circular and fixing of the number and terms of such Incentive Shares before the relevant Shareholders' general meeting.

Where any grant of Incentive Shares to an independent non-executive Director, substantial Shareholder or any of their respective associates would result in the Shares issued and to be issued in respect of all options and awards granted to such proposed Selected Participant in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the total number of issued H Shares, excluding treasury Shares, such further grant will not be effective unless the applicable Chapter 17 requirements are complied with, including Shareholders' approval, dispatch of a compliant circular and fixing of the number and terms of such Incentive Shares before the relevant Shareholders' general meeting. Any change to the terms of a grant to a Director, chief executive or substantial Shareholder, or any of their respective associates, shall be subject to the relevant approval and circular requirements if such grant was approved under the Scheme Rules or if the proposed change would cause the grant to become subject to such requirements.

(3) Vesting of Incentive Shares

Subject to the terms and conditions of the Scheme and the Grant Instrument, and upon satisfaction of all applicable vesting conditions, the relevant Shares held by the Trustee on behalf of the Selected Participants shall vest in accordance with the applicable vesting schedules. For Incentive Shares that are properly vested and free from lock-up arrangement, if any, the Trustee(s) shall, as instructed by the relevant Selected Participant, either transfer the Incentive Shares to such person and/or vehicles controlled by such person, or sell all or part of the vested Incentive Shares and pay the cash corresponding to the Actual Selling Price to such Selected Participant. The Board may determine the vesting criteria, conditions and

schedule applicable to each grant in its sole and absolute discretion, subject to all applicable laws, rules and regulations. Subject to the vesting schedule set out in the Grant Instrument, vesting of the Incentive Shares shall be over a four-year period, with 25% of the Incentive Shares vesting each year.

No vesting period shall be less than twelve months from the Grant Date unless otherwise determined by the Board in specific circumstances, including make-whole awards to new joiners, awards to participants whose employment is terminated due to retirement, death, disability or reasons other than resignation or cause, awards subject to performance targets, awards whose timing is determined by administrative or compliance requirements unrelated to the participant's performance, awards with a mixed or accelerated vesting schedule that vest evenly over twelve months, or awards with a total vesting and holding period of more than twelve months. Upon vesting and subject to the conditions set out in the Grant Instrument, the Board shall procure the Company and the Selected Participant to execute a Vesting Instrument unless otherwise agreed between the Board and the Trustee(s). If the Selected Participant fails to execute the Vesting Instrument at least ten Business Days prior to the Vesting Date, the Incentive Shares that would otherwise have vested shall automatically lapse and be forfeited and shall become Returned Shares. Subject to receipt of the relevant Vesting Instrument, transfer documents and client due diligence documents, the Trustee(s) shall transfer the relevant Incentive Shares to the Selected Participant and/or a vehicle controlled by the Selected Participant as soon as practicable on or after the Vesting Date and in any event not later than ten Business Days after the Vesting Date.

Prior to the Vesting Date, any Award shall be personal to the Selected Participant and shall not be assignable or transferable except for transmission on death or incapacity to legal personal representative(s) or lawful successors, and no Selected Participant may sell, transfer, charge, mortgage, encumber or otherwise create an interest in favour of any other person over such Incentive Shares unless and until such Incentive Shares are actually vested and transferred. Any Incentive Shares transferred upon vesting shall rank *pari passu* in all respects with the fully paid Shares in issue then existing on the date of transfer. All dividends or other distributions received prior to vesting will be disposed of at the sole discretion of the Board pursuant to the Scheme, and the Selected Participant will not have any Shareholder interest and will be required to waive any voting rights associated with the Shares that he or she may hold until the Incentive Shares are vested.

(4) Disqualification of Selected Participants and Clawback

If, prior to or on the Vesting Date, a Selected Participant is found to be an Excluded Participant or is deemed to cease to be an Eligible Participant, the unvested Incentive Shares granted to such Selected Participant shall automatically lapse and be forfeited forthwith, shall not vest on the relevant Vesting Date and shall become Returned Shares. The Board has authority to provide that Incentive Shares shall be subject to clawback if certain events occur, including failure to perform duties effectively, serious breach or dereliction of duties, conduct causing the Company material loss or other material adverse impact, bribery, corruption, theft,

leakage of commercial or technological secrets, related party transactions prejudicial to the Company's interests or reputation, other illegal conduct materially adversely affecting the Company's image, contravention of applicable laws or constitutional documents of any member of the Group, breach of non-compete covenants or similar terms, or any other conduct which the Board determines in good faith would justify termination of the participant's contract. Upon occurrence of any such event, the Board may, but is not obliged to, claw back such number of Incentive Shares granted, to the extent not already vested, as the Board considers appropriate, and the Incentive Shares clawed back shall automatically lapse and be forfeited and become Returned Shares.

If a Selected Participant dies or is legally declared dead on or before the Vesting Date, and the death is due to the performance of duties during work, the vesting of the Selected Participant's rights shall remain unchanged and the Board may vest outstanding unvested Awards in accordance with the vesting schedule or accelerate vesting of all outstanding Awards. If such death is for other reasons, the Board may, in its sole and absolute discretion, decide that Incentive Shares granted but not vested shall lapse and be forfeited and become Returned Shares. If a Selected Participant leaves the Company due to major illness or disability leading to loss of working capacity and termination of employment with the Group, the same treatment applies depending on whether such loss of working capacity is due to the performance of duties during work or for other reasons. If a Selected Participant leaves the Group due to retirement or reassignment by the Company, the vesting of the Selected Participant's rights shall remain unchanged and the Board may vest in accordance with the vesting schedule or accelerate vesting of all unvested Incentive Shares granted to the Selected Participant.

OTHER TERMS AND CONDITIONS

A Selected Participant shall not have any interest or rights, including voting rights, dividend rights, transfer rights and rights arising from liquidation of the Company, in the Incentive Shares by virtue of the grant unless and until the Incentive Shares are actually transferred to the Selected Participant and/or a vehicle controlled by him or her upon vesting. Prior to the expiry of any lock-up period described in the Vesting Instrument, a Selected Participant shall not have any right to transfer the vested H Shares to any third party. No instructions, including voting instructions, shall be given by a Selected Participant to the Trustee(s) in respect of unvested Incentive Shares or other trust fund property, and the Trustee(s) shall abstain from exercising voting rights in respect of any H Shares held directly or indirectly by it under the Trust. Unless otherwise determined by the Board, if vesting conditions specified in the Grant Instrument are not fully satisfied prior to or on the relevant Vesting Date, the relevant Incentive Shares shall not vest, shall lapse and be forfeited, and shall become Returned Shares.

No Awards shall be granted where dealings in the Shares are prohibited under any code or requirement of the Listing Rules or applicable laws. In particular, no grant may be made after inside information has come to the Company's knowledge until and including the trading day after announcement of such information, during the prescribed blackout period before results-related board meetings or announcement deadlines and ending on the date of the results announcement, where dealing by the Selected Participant is prohibited, where any required governmental or regulatory approval has not been granted, or where granting the Incentive Shares is prohibited by or would result in a breach of the Listing Rules, the SFO or other applicable laws or regulations. Unless otherwise instructed by the Board, the Trustee(s) shall hold Returned Shares and all income derived therefrom for the benefit of the Scheme for possible re-grant, or the Board may instruct the Trustee(s) to sell Returned Shares on the secondary market with the proceeds remaining part of the trust fund.

TAKEOVER, RIGHTS ISSUE, OPEN OFFER, SCRIP DIVIDEND SCHEME

If a Change in Control of the Company occurs, whether by way of general offer, takeover, merger, scheme of arrangement or otherwise in which a person or group of persons acting in concert acquires control of the Company within the meaning of the Codes on Takeovers and Mergers and Share Buy-backs, the Board shall determine at its sole and absolute discretion whether vesting of any Incentive Shares shall be accelerated and/or whether vesting conditions of any Awards shall be amended or waived. If the Board determines that vesting shall be accelerated, the procedures for vesting under the Scheme Rules shall apply. Unless otherwise determined by the Board, the Trustee(s) shall transfer the Incentive Shares or pay the Actual Selling Price in cash to the Selected Participant in accordance with the Vesting Instrument.

If there occurs a change in the capital structure of the Company, including capitalization of profits or reserves, capitalization issue, rights issue, consolidation, sub-division or reduction of share capital, while any Incentive Shares are not yet vested, the Board may make equitable adjustments as it considers appropriate, including adjustments to the maximum number of H Shares subject to the Scheme, the number of H Shares that may be offered pursuant to Incentive Shares already granted but not vested, and/or the Purchase Price. Such adjustments are subject to conditions, including that they must preserve the Selected Participants' same proportion of the Company's share capital, rounded to the nearest whole Share, must not reduce the Purchase Price below RMB1.00, must not be made to the advantage of Selected Participants without prior Shareholders' approval, and must comply with the Listing Rules and relevant Stock Exchange guidance. If such change in capital structure occurs, the Company shall notify each relevant Selected Participant, with a copy to the Trustee(s), of the adjustment to be made.

To the extent not otherwise determined by the Board in accordance with the above, the default method of adjustment for various alterations in share capital events are set out below:

Capitalization issue*Adjustment of number of Incentive Shares underlying outstanding Awards*

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

Where: Q_0 represents the number of outstanding Incentive Shares prior to adjustment; n represents the rate of increase per Share resulting from the capitalization issue; Q represents the number of outstanding Incentive Shares after adjustment.

Adjustment of Purchase Price of outstanding Awards

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

Where: P_0 represents the Purchase Price before the adjustment; n represents the rate of increase per Share resulting from the capitalization issue; P represents the Purchase Price after the adjustment.

Rights issue*Adjustment of number of Incentive Shares underlying outstanding Awards*

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

Where: Q_0 represents the number of outstanding Incentive Shares prior to adjustment; P_1 represents the closing price of H Shares on the record date; P_2 represents the subscription price of the rights issue or open offer; n represents the ratio of the rights issue or open offer; Q represents the number of outstanding Incentive Shares after adjustment.

Adjustment of Purchase Price of outstanding Awards

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

Where: P_0 represents the Purchase Price before the adjustment; P_1 represents the closing price of H Shares as at the record date; P_2 represents the subscription price of the rights issue or open offer; n represents the rights issue or open offer; P represents the Purchase Price after the adjustment.

Share consolidation, share subdivision or reduction of share capital*Adjustment of number of Incentive Shares underlying outstanding Awards*

$$Q=Q_0 \times n$$

Where: Q_0 represents the number of outstanding Incentive Shares prior to adjustment; n represents the ratio of share consolidation, share subdivision or reduction of share capital; Q represents the number of outstanding Incentive Shares after adjustment.

Adjustment of Purchase Price of outstanding Awards

$$P=P_0 \div n$$

Where: P_0 represents the Purchase Price before the adjustment; n represents the ratio of share consolidation, share subdivision or reduction of share capital; P represents the Purchase Price after the adjustment.

Such adjustments will be made in according with the requirements under Appendix 1 to Frequently Asked Questions FAQ13 – No. 16 published by the Stock Exchange.

Unless otherwise determined by the Board, the Trustee(s) shall not subscribe for new H Shares under an open offer in respect of H Shares held by the Trustee(s) under the Scheme, and in the event of a rights issue, the Trustee(s) shall sell an appropriate amount of nil-paid rights on the market with the net proceeds held as part of the trust fund. Unless otherwise determined by the Board, bonus warrants shall be sold on the market and the net proceeds held as part of the trust fund, bonus Shares shall be held as part of the trust fund, scrip H Shares allotted under a scrip dividend scheme shall be held as part of the trust fund, and other non-cash and non-scrip distributions shall be disposed of with net proceeds treated as cash income of Shares held as part of the trust fund. If the Company convenes a Shareholders' general meeting to consider voluntary winding-up, other than for certain amalgamation or reconstruction purposes, or if a winding-up order is made, the Board shall determine in its sole and absolute discretion whether any Incentive Shares shall vest and the time at which they shall vest.

2026 H SHARE SCHEME MANDATE AND INDIVIDUAL LIMIT

Subject to limit refreshment and separate Shareholders' approval, the total number of H Shares which may be issued in respect of all options and awards to be granted under all Share Schemes must not exceed 2,755,326 H Shares, representing 10% of the total number of issued H Shares, excluding treasury Shares, as at the date of approval from the Shareholders of such limit (the "**10% Mandate Limit**"). The total number of H Shares underlying all Incentive Shares to be granted under the Scheme shall not exceed 4,314,900 H Shares, comprising 1,630,326 new H Shares to be allotted and issued by the Company and 2,684,574 existing H Shares to be purchased by the Trustee(s) from the secondary market (the "**Scheme Mandate**").

Limit”). For the avoidance of doubt, the Scheme Mandate Limit for the total number of H Shares which may be issued in respect of all Awards to be granted under the Scheme is 1,630,326 H Shares, representing approximately 5.86% of the total number of issued H Shares (excluding treasury Shares) as at the Adoption Date.

For the purposes of calculating the Scheme Mandate Limit, options or awards that have already lapsed in accordance with the terms of the relevant Share Scheme(s) shall not be regarded as utilised. If the Company conducts a share consolidation or sub-division after the Scheme Mandate Limit has been approved by Shareholders, the maximum number of Shares that may be issued in respect of all options and Incentive Shares to be granted under all relevant Share Scheme(s) under such limit as a percentage of the total number of issued Shares immediately before and after such consolidation or sub-division shall be the same, rounded to the nearest whole Share.

Refreshment of the 2026 H Share Scheme Mandate

The Scheme Mandate Limit may be refreshed by Shareholders at a Shareholders’ general meeting after three years from the later of the date of Shareholders’ approval for the last refreshment and the date of adoption of the Scheme, provided that the total number of H Shares which may be issued in respect of all options and awards to be granted under the refreshed limit shall not exceed 10% of the total number of H Shares in issue, excluding treasury Shares, as at the date of approval of the refreshed limit and a compliant circular has been sent to Shareholders. The Scheme Mandate Limit may also be refreshed within three years from the later of the date of Shareholders’ approval for the last refreshment and the date of adoption of the Scheme, provided that the relevant abstention and Listing Rules requirements are satisfied, unless the refreshment is made immediately after a pro rata issue of securities by the Company in circumstances permitted under the Listing Rules.

The Company may seek separate Shareholders’ approval for granting Incentive Shares beyond the Scheme Mandate Limit, provided that the excess Incentive Shares will only be granted to Eligible Participants specifically identified by the Company before approval is sought, a compliant circular containing the required grant details has been sent to Shareholders, and the number and terms of the Incentive Shares are fixed before the relevant Shareholders’ general meeting. No options or awards may be granted to any Eligible Participant if, at the time of grant, the H Shares issued and to be issued in respect of all options and awards under all Share Scheme(s) granted to that participant in the 12-month period up to and including the Grant Date represent in aggregate over 1% of the total number of H Shares, excluding treasury Shares, in issue as at the Grant Date, unless the relevant Chapter 17 requirements are complied with.

CANCELLATION OF INCENTIVE SHARES

The Board may at its discretion cancel any Award that has not vested with the prior consent of the relevant Selected Participant. Where a Selected Participant dies, is legally declared dead, loses work capacity due to major illness or disability, retires, leaves the Company for other reasons or is transferred due to the Company's needs and no longer maintains an employment relationship with the Company, subject to the relevant Scheme Rules provisions, the unvested portion shall remain unchanged and the Board has the right to vest in accordance with the vesting schedule or accelerate vesting of all unvested Incentive Shares, while no change will be made to the vested portion. Where any Award is not accepted within the stipulated time or does not vest in accordance with the Scheme Rules, including due to failure to satisfy vesting conditions in the Grant Instrument, the Incentive Shares shall become Returned Shares and remain available as part of the trust fund for re-grant under the Scheme, and lapsed Incentive Shares shall not be regarded as utilised for the purposes of calculating the Scheme Mandate Limit.

If a Selected Participant falls under the relevant disqualification and clawback circumstances, the Selected Participant will be an Excluded Participant, the unvested portion shall have its eligibility for vesting cancelled, no change will be made to the vested portion, and the Company reserves the right to reclaim any actual benefits the employee has received due to any loss caused. Where the Board cancels an Award and makes a new grant to the same Selected Participant, whether under the Scheme or any other Share Scheme, such new grant may only be made within the available Scheme Mandate Limit approved by the Shareholders, excluding the Awards of the relevant Selected Participant cancelled for this purpose. Cancelled Incentive Shares shall be regarded as utilised for the purposes of calculating the Scheme Mandate Limit, while Incentive Shares that have lapsed in accordance with the Scheme shall not be regarded as utilised for the purposes of calculating those limits.

ALTERATION OF THE H SHARE RESTRICTED SHARE SCHEME

The Scheme may be amended in any respect by a resolution of the Board, provided that: (i) unless with the prior written consent of the Trustee(s), no amendment or modification shall impose additional or more onerous duties, responsibilities or liabilities on the Trustee(s); (ii) no amendment or alteration may be made to any Scheme provision or Award to the extent it has a material adverse effect on subsisting rights of any Selected Participant in respect of Awards already granted and not yet vested, lapsed or forfeited without such Selected Participant's consent, unless the Board determines that the amendment or alteration either (a) is necessary or advisable in order for the Company, this Scheme or the Award to satisfy any applicable law or Listing Rules or to meet the requirements of, or avoid adverse consequences under, any accounting standard, or (b) is not reasonably likely to materially diminish the benefits provided under the Award, or any such diminishment has been adequately compensated; and (iii) any material alteration to the terms and conditions of the Scheme, any alteration to the Board's authority to alter the Scheme, or any alteration to specific Scheme terms relating to matters set out in Rule 17.03 of the Listing Rules to the advantage of Selected

Participants or proposed Selected Participants must be approved by Shareholders in general meeting, with the relevant Selected Participants or proposed Selected Participants and their associates abstaining from voting. The Board's determination as to whether any proposed alteration to the terms and conditions of the Scheme is material shall be conclusive.

Any change to the terms of Incentive Shares granted to a Selected Participant must be approved by the Board, the remuneration and examination committee of the Company, the independent non-executive Directors and/or the Shareholders, as applicable, if the initial grant was approved by such body or persons, except where alterations take effect automatically under the existing terms of the Scheme. The Board may amend the Scheme to reflect amendments to the relevant Listing Rules made by the Stock Exchange after the Adoption Date so that the Scheme continues to comply with the relevant provisions of the Listing Rules. Any change to the authority of the Board to alter the terms of this Scheme shall be subject to the approval of the Shareholders in Shareholders' general meeting. Written notice of all details relating to any change in the terms of the Scheme during the life of the Scheme shall be given to all Selected Participants and the Trustee(s) immediately upon the changes taking effect.

TERMINATION

The Scheme shall terminate on the earlier of the tenth anniversary of the Adoption Date and such date of early termination as the Board may determine by Board resolution, provided that such termination shall not affect any subsisting rights of any Selected Participant and that the Scheme and Scheme Rules shall continue to be valid and effective to the extent necessary to give effect to the vesting of Awards granted prior to termination. Upon termination, no further grant of Incentive Shares shall be made, and all Incentive Shares granted to Selected Participants shall continue to be held by the Trustee(s) and become vested in the Selected Participants according to the conditions of the Award, subject to receipt by the Trustee(s) of required documents. Temporary suspension of the grant of any Incentive Shares shall not be construed as a decision to terminate the operation of the Scheme.

DECLARATION

Asymchem Laboratories (Tianjin) Co., Ltd. (hereinafter referred to as the “Company” or “Our Company”) and all the directors warrant that this Scheme and its summary are free from false representations, misleading statements or material omissions, and shall assume joint and several liabilities for truthfulness, accuracy and completeness thereof.

SPECIAL NOTE

1. The Scheme is formulated in accordance with the Company Law of the PRC, the Securities Law of the PRC, the Administrative Measures for Equity Incentives of Listed Companies, the Shenzhen Stock Exchange Self-regulatory Guidelines for Listed Companies No. 1 – Business Handling, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and other relevant laws, regulations, rules and normative documents, and the Articles of Association of Asymchem Laboratories (Tianjin) Co., Ltd.
2. None of the following circumstances occurred to the Company where equity incentives are forbidden to be implemented as stipulated in Article 7 of the Administrative Measures for Equity Incentives of Listed Companies:
 - (1) The financial accounting report for the most recent fiscal year has been issued an audit report by a certified public accountant with an adverse opinion or a disclaimer of opinion;
 - (2) The internal control over financial reporting for the most recent fiscal year has been issued an audit report by a certified public accountant with an adverse opinion or a disclaimer of opinion;
 - (3) The Company has failed to distribute profits in compliance with laws and regulations, the Articles of Association or public commitments within the latest 36 months after its listing;
 - (4) Circumstances where equity incentives are prohibited for implementation as stipulated in laws and regulations;
 - (5) Other circumstances as determined by the CSRC.

3. The Participants of the Scheme do not include the Company's independent non-executive directors, and exclude shareholders or de facto controllers who individually or in aggregate holding more than 5% of the Company's shares and their spouses, parents and children. None of the following circumstances occurred to the Participants of this Scheme where they shall not be eligible to be the Participants as stipulated in Article 8 of the Administrative Measures for the Equity Incentives of Listed Companies:
 - (1) Being deemed an unfit person by the stock exchanges within the preceding 12 months;
 - (2) Being deemed an unfit person by the CSRC or its local offices within the preceding 12 months;
 - (3) Being subject to administrative penalties or market ban measures imposed by the CSRC or its local offices due to serious violations of laws and regulations within the preceding 12 months;
 - (4) Being disqualified from serving as a director or senior management personnel of the Company as stipulated in the Company Law;
 - (5) Being prohibited from participating in equity incentives of listed companies as stipulated by laws and regulations;
 - (6) Other circumstances as determined by the CSRC.
4. The incentive instruments adopted in this Scheme are Restricted Shares. The source of the shares is the ordinary A Shares of Asymchem Laboratories (Tianjin) Co., Ltd. (the "Company" or our "Company") denominated in Renminbi and repurchased by the Company from the secondary market and the ordinary A Shares of the Company to be issued by the Company to the Incentive Participants.
5. 3,388,000 Restricted Shares may be granted under the Incentive Scheme, with Ordinary A Shares denominated in Renminbi as the underlying shares, representing approximately 1.02% of the total A-share capital of the Company as at the date of the announcement of the draft Scheme, among which, 2,711,000 Restricted Shares will be granted under the initial grant, which accounts for approximately 0.81% of the total A-share capital of the Company as at the date of the announcement of the draft Scheme and approximately 80.02% of the total Restricted Shares to be granted under the Incentive Scheme; 677,000 Restricted Shares are reserved for grant, which accounts for approximately 0.20% of the total A-share capital of the Company as at the date of the announcement of the draft Scheme and the reserved portion represents 19.98% of the total Restricted Shares to be granted under the Scheme.

As of the announcement date of the draft Scheme, 4,353,200 Restricted Shares of the Company are still within the validity period under the 2025 A Share Restricted Share Incentive Scheme, together with the 3,388,000 Restricted Shares to be granted under the Scheme, amount to a total of 7,741,200 Restricted Shares, representing approximately 2.33% of the Company's total A-share capital as at the announcement date of the draft Scheme. The total number of underlying shares involved in the equity incentive schemes of the Company during all effective periods does not exceed 10% of the total share capital of the Company. The cumulative number of shares of the Company granted under equity incentive schemes within all validity periods to any of the Incentive Participants under this Scheme does not exceed 1% of the total share capital of the Company.

6. The total number of Incentive Participants for the initial grant under this Scheme is 622 persons, including: (1) the core technical (business) personnel of the Company (including subsidiaries) holding their positions at the time of the Company's announcement of this Scheme, (2) the directors, supervisors and general managers of the Company's subsidiaries at the time of the Company's announcement of this Scheme.

Reserved Incentive Participants refer to those Incentive Participants not yet identified at the time when this Scheme was approved by the shareholders' general meeting but are included in the Incentive Scheme during the duration of this Scheme. They shall be identified within 12 months after this Scheme is considered and approved by the shareholders' general meeting. The criteria for identifying reserved Incentive Participants shall be determined with reference to the criteria for the initial grant.

7. The grant price of the Restricted Shares for the initial grant under this Scheme is RMB76.70 per share.
8. During the period from the announcement date of this Scheme until the completion of the registration of the Restricted Shares granted to the Incentive Participants, if conversion of capital reserve into share capital, bonus issue, share sub-division or consolidation, rights issue, or distribution of cash dividends, and other matters occur in the Company, the number and price of the Restricted Shares to be granted shall be adjusted according to this scheme.
9. The Validity Period of this Scheme shall be from the date when the registration of the initial grant of Restricted Shares is completed to the date when all the Restricted Shares granted to the Incentive Participants are released from lock-up or the date of the completion of repurchase and cancellation of the Restricted Shares, with a maximum term not exceeding 72 months.
10. The Company undertakes not to provide loans or any other forms of financial assistance, including provision of guarantees for loans to the Incentive Participants for acquiring Restricted Shares under the Incentive Scheme.

11. The Incentive Participants undertake that if the Company does not comply with the arrangements for granting rights or exercising rights due to false records, misleading statements or material omissions in the information disclosure documents, the Incentive Participants shall return all benefits obtained under the equity incentive scheme to the Company after it is confirmed that the relevant information disclosure documents contain any misrepresentation, misleading statement or material omission.
12. The implementation of this Scheme shall be subject to consideration and approval at the shareholders' general meeting of the Company.
13. Within 60 days from the date of consideration and approval of this Scheme at the shareholders' general meeting, the Company shall, in accordance with relevant requirements, convene a Board meeting for the grant to the Incentive Participants under the initial grant and complete relevant procedures of registration and announcement. If the Company fails to complete the above procedures within 60 days, this Scheme shall be terminated and any Restricted Shares not yet granted shall become void. The Board shall timely disclose the reason for such failure and the equity incentive scheme shall not be considered again in the following three months. The period in which listed companies are not allowed to grant interest in accordance with relevant laws and regulations is not included in the 60 days. The reserved portion shall be granted within 12 months after this Scheme is considered and approved at the shareholders' general meeting of the Company.
14. The implementation of this Scheme shall not result in the shareholding distribution of the Company failing to meet requirements of the listing conditions.

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Chapter 1 Interpretation

The following terms shall have the following meanings in this text unless otherwise stated:

Asymchem, the Company, Company	Asymchem Laboratories (Tianjin) Co., Ltd.
Equity Incentive Scheme, the Scheme	The 2026 A Share Restricted Share Incentive Scheme
Restricted Share(s)	The Company may grant a certain number of Company shares to the Incentive Participants according to conditions and prices stipulated in this scheme. A certain period of lock-up period is set for these shares. The shares may be released for circulation only after the unlocking conditions stipulated in this scheme are met
Incentive Participant(s)	Core technical (business) personnel serving in the Company (including subsidiaries), as well as the directors, supervisors and general managers serving in the Company's subsidiaries, who have obtained Restricted Shares in accordance with the requirements of this Scheme
Validity period	From the date on which the registration for the initial grant of Restricted Shares is completed to the date when all Restricted Shares are released from lock-up or are repurchased and cancelled
Grant Date	The date on which the Company grants interests to the Participants, which must be on a trading day
Grant Price	The price of each Restricted Share granted to the Incentive Participants by the Company
Lock-up period	Period during which the Restricted Shares granted to the Incentive Participants under this Scheme are prohibited from being transferred, used as guarantees, or repayment of debts
Unlocking Period	the period during which the Restricted Shares held by the Incentive Participants are unlocked and become tradable on the market upon the fulfilment of the Unlocking Conditions under this scheme
Unlocking Conditions	the conditions required to be satisfied for the unlocking of the Restricted Shares granted to the Incentive Participants under this scheme

Company Law	the Company Law of the PRC
Securities Law	the Securities Law of the PRC
Administrative Measures	the Administrative Measures on Equity Incentives of Listed Companies
Self-Regulatory Guidelines No. 1	the Self-Regulatory Guidelines No. 1 for the Companies Listed on the Shenzhen Stock Exchange – Business Handling
Articles of Association	The Articles of Association of Asymchem Laboratories (Tianjin) Co., Ltd., Ltd.
Hong Kong Listing Rules	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
subsidiaries	Having the meaning ascribed to subsidiary under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the meaning of subsidiary under the Company Law
CSRC	China Securities Regulatory Commission
stock exchange	the Shenzhen Stock Exchange
Hong Kong Stock Exchange	The Stock Exchange of Hong Kong Limited
CSDC	China Securities Depository and Clearing Corporation Limited Shenzhen Branch
RMB	Renminbi

Notes:

1. Financial data and financial indicators quoted in this draft refer to financial data on a consolidated basis and financial indicators calculated based on such financial data unless otherwise stated.
2. Any discrepancy between the mantissa of some total numbers and the direct sum of each detail number in this draft is due to rounding.

Chapter 2 Purpose and Principles of Implementing the Incentive Scheme

In order to further establish and enhance the Company's long-term incentive mechanism, attract and retain exceptional talent, fully engage the enthusiasm of the Company's core team, effectively align the interests of the shareholders, the Company and the core team, and foster a collective focus on the Company's long-term development, on the premise of fully safeguarding the interests of shareholders, this scheme has been formulated on a compensation-matches-contribution basis, in accordance with the Company Law, the Securities Law, the Administrative Measures, the Self-Regulatory Guidelines No. 1, the Hong Kong Listing Rules and other relevant laws, regulations and normative documents, as well as provisions of the Articles of Association.

Chapter 3 Administrative Body of this Scheme

1. As the highest authority of the Company, the shareholders' general meeting shall be responsible for reviewing and approving implementation, amendment and termination of this Scheme. The shareholders' general meeting may delegate certain matters related to this scheme to the Board within the scope of its authority.
2. The Board shall serve as the executive and administrative body for this scheme and be responsible for its implementation. The Remuneration and Examination Committee established under the Board shall be responsible for drafting and revising this Scheme and submitting this Scheme to the Board for review and approval. Upon review and approval of the Incentive Scheme by the Board, it will be submitted to the shareholders' general meeting for deliberation, after which the Board may handle other matters related to this Scheme within the scope authorized by the shareholders' general meeting.
3. The Remuneration and Examination Committee of the Board shall be the supervisory body for this Scheme, providing opinions on whether this Scheme is conducive to the Company's sustainable development and whether there exists any circumstances significantly detrimental to the interests of the Company and the Shareholders as a whole. The Remuneration and Examination Committee of the Board shall supervise the implementation of this Scheme as to whether it is in compliance with the relevant laws, regulations, normative documents and the business rules of the stock exchange and the Hong Kong Stock Exchange, and shall be responsible for verifying the list of the Incentive Participants.

Where amendments have been made to the Incentive Scheme before the Incentive Scheme is considered and passed at the shareholders' general meeting, the Remuneration and Examination Committee of the Board shall issue verification opinions as to whether the amended Incentive Scheme is beneficial to the sustainable development of the Company or whether there exists any circumstances significantly detrimental to the interests of the Company and the Shareholders as a whole.

Before any entitlement is granted to an Incentive Participant, the Remuneration and Examination Committee of the Board shall issue clear opinions on the conditions to be fulfilled for the Incentive Participant to receive such entitlements stipulated under this Scheme. In the event of any discrepancy between the entitlements granted to an Incentive Participant and the arrangement under this Scheme, the Remuneration and Examination Committee of the Board (where there is a change of the Incentive Participants) shall simultaneously express clear opinions thereon.

Before the exercise by an Incentive Participant, the Remuneration and Examination Committee of the Board shall express clear opinions as to whether the conditions stipulated under this Scheme for the Incentive Participant to exercise such entitlements have been fulfilled.

Chapter 4 Basis for Determination and the Scope of Incentive Participants***I. Basis for Determining Incentive Participants******(1) Legal basis for Determining Incentive Participants***

The Incentive Participants under the Scheme are determined in accordance with the Company Law, the Securities Law, the Administrative Measures, the Self-Regulatory Guidelines No. 1, the Hong Kong Listing Rules and other relevant laws, regulations, normative documents as well as provisions of the Articles of Association with reference to the actual situations of the Company.

(2) Positional Basis for Determining Incentive Participants

The Incentive Participants under the Scheme are core technical (business) personnel serving in the Company (including subsidiaries), and directors, supervisors and general managers serving in the Company's subsidiaries (excluding the independent non-executive Directors and Shareholders or actual controllers individually or collectively holding more than 5% of the Shares of the Company, along with their spouses, parents and children).

The Remuneration and Examination Committee of the Board of the Company shall draft a list of eligible Incentive Participants within the defined scope, which shall be verified and confirmed by the Remuneration and Examination Committee.

II. The Scope of Incentive Participants

- (1) The total number of Incentive Participants for the initial grant under this Scheme is 622, including (1) key personnel in technology and business roles of the Company (including its subsidiaries) at the time of the Company's announcement of this Scheme; and (2) directors, supervisors and the general managers of the Company's subsidiaries at the time of the Company's announcement of this Scheme.

All of the above Incentive Participants must maintain employment and sign labor contract with the Company (including the subsidiaries) at the time of granting Restricted Shares by the Company and during the assessment period of this Scheme.

- (2) The Incentive Participants of the reserved grant portion shall be determined within 12 months after this Scheme is considered and approved by the general meeting. Upon proposal by the Board, and after the Remuneration and Examination Committee of the Board expresses unequivocal opinion and the legal advisors express professional opinions and issue legal opinions, the Company shall disclose relevant information of the current Incentive Participants on the designated website in a timely and accurate manner. If the Incentive Participants are not determined within 12 months, the reserved entitlements shall lapse. The basis for determining the eligible Incentive Participants of the reserved portion shall be referred to that of the initial grant.

- (3) The Incentive Participants of this Scheme do not include the Company's independent non-executive directors, or Shareholders or actual controllers individually or collectively holding more than 5% of Shares, along with their spouses, parents and children. The Incentive Participants do not have the following circumstances which prohibit them from becoming an Incentive Participant:
1. he or she has been determined by stock exchanges as an ineligible person in the last 12 months;
 2. he or she has been determined by the CSRC and its delegated agencies as an ineligible person in the last 12 months;
 3. he or she has been imposed by the CSRC and its delegated agencies with administrative penalties or measures prohibiting access into the market in the last 12 months due to material non-compliance with laws or regulations;
 4. he or she is prohibited from acting as a Director or a member of the senior management of the Company as required by the Company Law;
 5. he or she is prohibited from participating in share incentives of listed companies as required by laws and regulations;
 6. such other circumstances determined by the CSRC.

If there are changes in the requirements of laws, regulations, or relevant regulatory bodies regarding the scope of the Incentive Participants, the Board may adjust the relevant content of this Scheme with the authorization of the shareholders' general meeting.

III. Verification of Incentive Participants

- (1) After the Board has reviewed and approved the Scheme, the Company shall internally publish the names and positions of the Incentive Participants for a period of no less than 10 days.
- (2) The Remuneration and Examination Committee of the Board of the Company shall verify the list of Incentive Participants and thoroughly consider opinions from the public. The Company shall publish the opinions of the Remuneration and Examination Committee on the verification and the public opinions in relation to the list of Incentive Participants 5 days before the Scheme is considered at the general meeting of the Company. Any adjustments to the list of Incentive Participants made by the Board shall also be verified by the Remuneration and Examination Committee.

Chapter 5 Source, Number and Allocation of Restricted Shares***I. Source Shares of this Scheme***

The target Shares under this Scheme are ordinary A Shares denominated in RMB repurchased by the Company from the secondary market and new ordinary A Shares to be directly issued to the Incentive Participants.

II. Number of Restricted Shares to be Granted

The number of Restricted Shares proposed to be granted under this Scheme is 3,388,000 shares, which involves A Shares denominated in RMB as the target share class, representing approximately 1.02% of the Company's total A Share capital as at the announcement date of the proposal of this Scheme. Among them, the initial batch will grant 2,711,000 Shares, accounting for approximately 0.81% of the Company's total A share capital as at the announcement date of the proposal of this Scheme and 80.02% of the total Restricted Shares to be granted under this Scheme; 677,000 Shares are reserved, accounting for approximately 0.20% of the Company's total A share capital of the Company as at the announcement date of the proposal of this Scheme, and the reserved portion accounts for 19.98% of the total Restricted Shares to be granted.

As of the announcement date of the proposal of this Scheme, 4,353,200 restricted shares of the Company under the 2025 A Share Restricted Share Incentive Scheme remain within their validity period. Together with the 3,388,000 Restricted Shares proposed to be granted under this Scheme, the aggregate of 7,741,200 restricted shares of the Company represents approximately 2.33% of the Company's total A share capital as at the announcement date of the proposal of this Scheme. The total number of target Shares involved in all share incentive schemes during the validity period shall not exceed 10% of the Company's total share capital. The total number of Shares granted under all share incentive schemes during the validity period to any one of the Incentive Participants of the Scheme shall not exceed 1% of the Company's total share capital.

III. The Allocation of the Restricted Shares Granted to the Incentive Participants

The allocation of the Restricted Shares to be granted among the Incentive Participants under the initial grant of this Scheme is set out in the table below:

Participants	Number of Restricted Shares to be Granted (10,000 Shares)	Percentage to Total Restricted Shares to be Granted	Percentage to Total current A Share Capital of the Company
Key personnel in technology and business roles; directors, supervisors and the general manager of subsidiaries (622 persons)	271.10	80.02%	0.81%
Reserved portion	67.70	19.98%	0.20%
Total	338.80	100.00%	1.02%

Chapter 6 Validity Period, Grant Date, Lock-up Period, Unlocking Arrangement and Black-out Period of this Scheme***I. Validity Period of this Scheme***

The Validity Period of this Scheme commences from the date of completion of registration for the initial grant of the Restricted Shares and ends on the date when all the Restricted Shares granted to the Incentive Participants are unlocked or repurchased and cancelled, which shall be no more than 72 months.

II. Grant Date of this Scheme

The Grant Date shall be determined by the Board after this Scheme is considered and approved at the general meeting of the Company. The Grant Date must be a trading day. Within 60 days from the date on which this Scheme is considered and approved at the Shareholders' general meetings of the Company, the Company shall make the initial grant to the Incentive Participants, and complete registration and announcement procedures. If the Company fails to complete the tasks above within 60 days, it shall terminate the implementation of this Scheme, the unvested Restricted Shares shall be lapsed. The reserved portion shall be granted within 12 months upon the approval of this Scheme by the Shareholders' general meeting of the Company.

Listed companies are not allowed to grant Restricted Shares to the Incentive Participants during the following periods:

- (1) 60 days prior to the announcement of the Company's annual report, including the date of the announcement of the annual report, or the period from the last day of the financial year to the date of announcement of the annual report (the shorter one prevails);
- (2) 30 days prior to the review of the announcement of the Company's interim report or quarterly report, including the date on which the interim report or quarterly report, or the period from the last day of the quarter or the half year to the date of announcement of the periodic report (the shorter one prevails);
- (3) 5 days prior to the publication of the announcement of results forecast and preliminary results of the Company;
- (4) the period commencing from the date of occurrence of any significant event which may have significant effect on the trading prices of the Company's Shares and their derivatives or the date on which relevant decision-making procedures start and ending on the publication date in accordance with laws;
- (5) such other periods as stipulated by the CSRC, the Shenzhen Stock Exchange, and the Hong Kong Stock Exchange.

The above-mentioned period during which the Company is not allowed to grant Restricted Shares shall not be counted within the 60-day period.

III. Lock-up Period and Unlocking Arrangement of this Scheme

The locking period of the initially granted and reserved Restricted Shares of this Scheme shall be 12, 24, 36 or 48 months from the date of completion of the registration for the grant of Restricted Shares. Restricted Shares granted to the Incentive Participants according to this Scheme shall not be transferred, used to guarantee or repay debts before being unlocked.

The Shares obtained by the Incentive Participants due to the grant of the Restricted Shares arising from the conversion of capital reserve into share capital, bonus issue, share subdivision, etc. shall be locked simultaneously, and shall not be sold in the secondary market or otherwise transferred. The expiration date of the Lock-up Period of such Shares is the same as that of the Restricted Shares.

Upon expiry of the Lock-up Period, the Company shall proceed with the unlocking for the Incentive Participants who have satisfied the Unlocking Conditions, and for the Restricted Shares that failed to meet the Unlocking Conditions, the Company shall repurchase and cancel the corresponding Restricted Shares of the Incentive Participants. The related entitlements may not be deferred to a subsequent period if the Unlocking Conditions for the Restricted Shares are not met.

The Unlocking Period and the unlocking arrangement for each period for the initially granted and reserved Restricted Shares of this Scheme is set out in the table below:

Unlocking Arrangement	Unlocking Period	Percentage of Unlocking
First Unlocking Period	Commencing from the first trading day upon the expiry of 12 months from the date of the completion of registration for the grant of Restricted Shares to the last trading day upon the expiry of 24 months from the date of the completion of registration for the grant of Restricted Shares	25%
Second Unlocking Period	Commencing from the first trading day upon the expiry of 24 months from the date of the completion of registration for the grant of Restricted Shares to the last trading day upon the expiry of 36 months from the date of the completion of registration for the grant of Restricted Shares	25%

Unlocking Arrangement	Unlocking Period	Percentage of Unlocking
Third Unlocking Period	Commencing from the first trading day upon the expiry of 36 months from the date of the completion of registration for the grant of Restricted Shares to the last trading day upon the expiry of 48 months from the date of the completion of registration for the grant of Restricted Shares	25%
Fourth Unlocking Period	Commencing from the first trading day upon the expiry of 48 months from the date of the completion of registration for the grant of Restricted Shares to the last trading day upon the expiry of 60 months from the date of the completion of registration for the grant of Restricted Shares	25%

IV. *Black-out Period*

- (1) Any holders of the Restricted Shares (including holders of shares acquired through non-trade transfer method) shall not transfer the Restricted Shares which fulfill the Unlocking Conditions to any third party in any form within the three months from the expiration of each Lock-up Period.
- (2) Any holders of the Restricted Shares (including holders of shares acquired through non-trade transfer method) shall determine whether to extend the Black-out Period of the Restricted Shares based on the overall market capitalization of the Company upon the three months from the expiration of each Lock-up Period, and shall not transfer the Restricted Shares which fulfill the Unlocking Conditions to any third party in any form during the Black-out Period.
- (3) For all holders of the Restricted Shares (including holders of shares acquired through non-trade transfer method) who have fulfilled the conditions for unlocking the Restricted Shares of every tranche, the Company shall complete the unlocking procedures upon the expiration of the Black-out Period.
- (4) For the avoidance of doubts, any change during the Black-out Period incurred by Incentive Participants who have fulfilled the Unlocking Conditions would not affect the completion of the unlocking procedures of the Restricted Shares of such tranche by the Company upon the expiration of the Black-out Period.

V. Other Black-out Provisions

The provisions for black-out periods under this Scheme shall be implemented in accordance with the Company Law, the Securities Law, the Management Rules for the Shares Held by Directors and Senior Executives of Listed Companies and Their Changes, Certain Provisions on the Supervision of Short-term Trading and other relevant laws, regulations, normative documents and the requirements of the Articles of Association. Specific provisions are as follows:

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

Chapter 7 Grant Price of Restricted Shares and Its Determination Method***I. Grant Price of Initially Granted Restricted Shares***

The Grant Price of the Restricted Shares is set at RMB76.70 per Share. Once the grant conditions are met, the Incentive Participants may acquire the ordinary A Shares denominated in RMB at a price of RMB76.70 per Share.

II. Determination Method of Grant Price of the Initially Granted Restricted Shares

The Grant Price of the Restricted Shares shall not be lower than the nominal value of the Shares, and shall not be lower than the higher of the following prices:

- (1) 50% of RMB153.39 per Share of the average trading price of the Shares on the trading day immediately preceding the announcement of the proposal of this Scheme, calculated as the total trading amount of the Shares on the preceding trading day divided by the total trading volume of the Shares on the preceding trading day, which is RMB76.70 per Share;
- (2) 50% of RMB121.87 per Share of the average trading price of the Shares over the past 120 trading days preceding the announcement of the proposal of this Scheme, calculated as the total trading amount of Shares over the preceding 120 trading days divided by the total trading volume of the Shares over the preceding 120 trading days, which is RMB60.94 per Share.

III. Method for determining the grant price of the Reserved Restricted Shares

Prior to each grant of the reserved Restricted Shares, a Board meeting shall be convened to consider and approve related resolutions and disclose a summary of the related situation. The Grant Price of the reserved Restricted Shares shall not be lower than the carrying amount of the Shares, and not lower than the higher of the followings:

- (1) 50% of the average trading price of the Shares on the trading day preceding the date of the announcement of the Board resolution on granting the reserved Restricted Shares;
- (2) 50% of one of the average trading prices of the Shares for the last 20 trading days, 60 trading days, or 120 trading days preceding the date of the announcement of the Board resolution granting the reserved Restricted Shares.

Chapter 8 Grant of Restricted Shares and Unlocking Conditions***I. Conditions on the Grant of the Restricted Shares***

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

- (1) None of the following has occurred on the part of the Company:
 1. issuance of an auditor's report with adverse opinion or disclaimer of opinion by a certified public accountant with respect to the financial accounting report for its most recent accounting year;

2. issuance of an auditor's report with adverse opinion or disclaimer of opinion by a certified public accountant with respect to the internal control of the financial report for its most recent accounting year;
 3. failure to conduct profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings during the last 36 months after Listing;
 4. prohibition from implementation of share incentives by laws and regulations;
 5. other circumstances determined by the CSRC.
- (2) None of the following has occurred on the part of the Incentive Participants:
1. he or she has been determined by stock exchanges as an ineligible person in the last 12 months;
 2. he or she has been determined by the CSRC and its delegated agencies as an ineligible person in the last 12 months;
 3. he or she has been imposed by the CSRC and its delegated agencies with administrative penalties or measures prohibiting access into the market in the last 12 months due to material non-compliance with laws or regulations;
 4. he or she is prohibited from acting as a Director or a member of the senior management of the Company as required by the Company Law;
 5. he or she is prohibited from participating in share incentives of listed companies as required by laws and regulations;
 6. other circumstances determined by the CSRC.

II. Unlocking Conditions of the Restricted Shares

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

- (1) None of the following has occurred on the part of the Company:
1. issuance of an auditor's report with adverse opinion or disclaimer of opinion by a certified public accountant with respect to the financial accounting report for its most recent accounting year;

2. issuance of an auditor's report with adverse opinion or disclaimer of opinion by a certified public accountant with respect to the internal control of the financial report for its most recent accounting year;
 3. failure to conduct profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings during the last 36 months after Listing;
 4. prohibition from implementation of share incentives by laws and regulations;
 5. other circumstances determined by the CSRC.
- (2) None of the following has occurred on the part of the Incentive Participants:
1. he or she has been determined by the stock exchanges as an ineligible person in the last 12 months;
 2. he or she has been determined by the CSRC and its delegated agencies as an ineligible person in the last 12 months;
 3. he or she has been imposed by the CSRC and its delegated agencies with administrative penalties or measures prohibiting access into the market in the last 12 months due to material non-compliance with laws or regulations;
 4. he or she is prohibited from acting as a Director or a member of the senior management of the Company as required by the Company Law;
 5. he or she is prohibited from participating in share incentives of listed companies as required by laws and regulations;
 6. other circumstances determined by the CSRC.

In case the Company has any of the circumstances specified in the above sub-paragraph (I), all the Restricted Shares that have been granted to the Incentive Participants under this Scheme but have not been unlocked shall be repurchased and cancelled by the Company at the Grant Price; in case any Participant has any of the circumstances specified in the above sub-paragraph (II), the Restricted Shares that have been granted to the Incentive Participant under this Scheme but have not been unlocked shall be repurchased and cancelled by the Company at the Grant Price.

(3) Performance appraisal requirements at the company level

1. The performance appraisal objectives for each year of the initially granted Restricted Shares are set out in the table below:

Unlocking Period	Corresponding Appraisal Year	Annual revenue growth rate based on 2025 revenue (Performance appraisal indicator A)		Annual net profit growth rate based on 2025 net profit (Performance appraisal indicator B)	
		<i>Am</i>	<i>An</i>	<i>Bm</i>	<i>Bn</i>
First Unlocking Period for initial grant	2026	15.00%	10.00%	15.00%	10.00%
Second Unlocking Period for initial grant	2027	30.00%	20.00%	30.00%	20.00%
Third Unlocking Period for initial grant	2028	40.00%	30.00%	40.00%	30.00%
Fourth Unlocking Period for initial grant	2029	50.00%	40.00%	50.00%	40.00%

Note 1: The above “revenue” is calculated based on the revenue at constant exchange rates and excluding the impact on revenue resulting from the changes in the scope of consolidation due to merger, acquisition and reorganization or asset divestiture. The same applies hereafter. (Constant exchange rates refer to the average exchange rate of revenue in 2025)

Note 2: The “2025 net profit” and “net profit growth rate” are calculated based on the net profit attributable to the shareholders of the listed company, after deducting non-recurring gains and losses, and excluding the impact of exchange gains and losses, as well as the incentive costs arising from the implementation of the Scheme and other equity incentive schemes or employee shareholding plans, the same applies hereafter.

2. If the reserved shares are granted before the disclosure of third quarterly report of 2026, the company-level performance appraisal for the reserved shares shall be consistent with that of the initial grant. If the reserved shares are granted after the disclosure of third quarterly report of 2026, the performance appraisal years for the grant of reserved shares shall be the four fiscal years from 2027 to 2030, the performance appraisal objectives of which are set out in the table below:

Unlocking Period	Corresponding Appraisal Year	Annual revenue growth rate based on 2025 revenue (Performance appraisal indicator A)		Annual net profit growth rate based on 2025 net profit (Performance appraisal indicator B)	
		<i>Am</i>	<i>An</i>	<i>Bm</i>	<i>Bn</i>
First Unlocking Period for the reserved grant	2027	30.00%	20.00%	30.00%	20.00%
Second Unlocking Period for the reserved grant	2028	40.00%	30.00%	40.00%	30.00%

Unlocking Period	Corresponding Appraisal Year	Annual revenue growth rate based on 2025 revenue (Performance appraisal indicator A)		Annual net profit growth rate based on 2025 net profit (Performance appraisal indicator B)	
		A_m	A_n	B_m	B_n
Third Unlocking Period for the reserved grant	2029	50.00%	40.00%	50.00%	40.00%
Fourth Unlocking Period for the reserved grant	2030	60.00%	50.00%	60.00%	50.00%

Based on the completion of the performance appraisal objectives for each year, the proportion of unlocking at the company level in each period (X) is linked to the revenue growth rate in the appraisal year (A) and the net profit growth rate (B). The specific arrangement for the proportion of the unlocking is as follows:

Assessment indicators	Completion rate of performance	Corresponding unlock portion (X)
Revenue growth rate of the appraisal year (A) or net profit growth rate of the appraisal year (B)	$A \geq A_m$ or $B \geq B_m$	$X=100\%$
	$A_n \leq A < A_m$ or $B_n \leq B < B_m$	$X=75\%$
	$A < A_n$ and $B < B_n$	$X=0$

Explanation of calculation for the proportion of unlocking at the company level: The proportion of unlocking at the company level is determined based on the proportion of unlocking corresponding to the higher of either the completion rate of performance of the Company's revenue growth rate or net profit growth rate. If the Company partially meets or fails to meet the aforementioned performance appraisal indicators, the Restricted Shares granted to Incentive Participants in the appraisal year that cannot be unlocked will be repurchased and cancelled by the Company at the grant price.

(4) Performance appraisal requirements at the Incentive Participants level

Based on the Company's management approach to performance/KPI appraisal, each unlock assesses the employee's performance appraisal results for the previous year, corresponding to four grades of A, B, C and D, and results in an unlocking percentage.

Assessment Form

Evaluation results	Outstanding	Exceeding	Qualified	Unqualified
Grade	A	B	C	D
Unlocking factor	1.0	0.8	0.6	0

Note: The actual unlocking portion = the proportion of the unlocking at the company level × the percentage of the unlocking at the individual level × the upper limit of shares planned to be unlocked by individuals in the current year. The portion of the Restricted Shares of the Incentive Participant that fails to unlock in the appraisal year shall be uniformly repurchased and cancelled by the Company at the grant price.

III. Explanation on the scientific and rational basis for the performance assessment indicators

The establishment of the assessment indicators for the Scheme complies with the laws and regulations and the basic provisions of the Articles of Association. The Company's assessment indicators for the Scheme are divided into two levels, namely the company level performance assessment and individual level performance assessment.

The Company is a world-leading technology-driven one-stop integrated service provider for pharmaceutical outsourcing. By providing domestic and foreign pharmaceutical companies and biotechnology companies with one-stop services throughout the whole drug life cycle, efficient and high-quality products and services accelerate the clinical research and commercial application of innovative drugs and reduce the costs of R&D and production. It is an integral part of the global industry chain of innovative drugs. Despite the numerous challenges faced by the industry in recent years, the trend of specialization in the international pharmaceutical industry has not changed. The penetration rate of pharmaceutical outsourcing services is still increasing with the demand for the outsourcing of small molecule drugs remains stable. Meanwhile, the market of peptides, ADCs, small nucleic acids and other drug categories continues to be active, bringing new opportunities and incremental market space. The Company will continue to upgrade and optimize its management and operation system, accelerate its overseas layout and construction of peptide production capacity, strengthen the driving force of its top customers, and actively expand its domestic and overseas markets.

To achieve the Company's strategic plans, and business objectives and to maintain its overall competitiveness, the Scheme includes revenue growth rate or the net profit growth rate as assessment indicators for business performance at the company level. As a core financial indicator of the Company, the revenue growth rate is an important manifestation of the Company's results, and it also an important marker that measures the condition of the business operation and predicts the trend in business expansion; the indicator of net profit growth rate reflects the growth rate of distributable profits for shareholders in the future, which is used to measure the growth of the Company's profitability, and is an important indicator to measure the operating efficiency of a company. These performance indicators are determined based on a combination of factors, such as the Company's current development level, future strategic planning and the overall development of the industry. The assessment established serves as incentive to a certain extent. On the one hand, the indicators are conducive to improving the competitiveness of the Company and mobilizing employees' enthusiasm. On the other hand, the indicators are determined to balance the interests of the Incentive Participants, the Company and the shareholders, and play a positive role in promoting the future development of the Company.

In addition to the performance appraisal at the company level, the Company has also set up a rigorous performance appraisal system for each individual employee, which is expected to lead to a more accurate and comprehensive evaluation on the performance of the Incentive Participants. The Company will determine whether the relevant Incentive Participants meet the unlocking conditions based on the results of the annual performance appraisal for the previous year. Only when both indicators are met can the Incentive Participants be released from the lock-up and obtain benefits. At the same time, the Company takes the performance of the overall market value as an evaluation indicator for determining the duration of the lock-up period for the Incentive Participants.

In conclusion, the Company's appraisal system under the Scheme is integrated, comprehensive and practicable. Meanwhile, the Incentive Participants are subject to performance indicators which are scientific and reasonable and also binding, through which the appraisal purpose of the Scheme can be achieved.

Chapter 9 Methods and Procedures for Adjustments of this Scheme

I. Methods of Adjusting the Number of Restricted Shares

In the event of any conversion of capital reserve into share capital, bonus issue, share sub-division, rights issue, share consolidation, etc. made by the Company during the period from the announcement date of this Scheme to the completion of the registration for the Restricted Shares of the Incentive Participants, the number of the Restricted Shares shall be adjusted accordingly. The adjustment methods are set out below:

(1) Conversion of capital reserve into share capital, bonus issue and share sub-division

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

Where: Q_0 represents the number of Restricted Shares before adjustment; n represents the ratio of conversion of capital reserve into share capital, bonus issue or share sub-division (i.e. the increase in number of shares after conversion of capital reserve into share capital, bonus issue and share sub-division per share); Q represents the number of Restricted Shares after adjustment.

(2) Rights issue

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

Where: Q_0 represents the number of the Restricted Shares before adjustment; P_1 represents the closing price on the date of share registration; P_2 represents the price of the rights issue; n represents the ratio of the rights issue (i.e., the ratio of the number of shares issued under the rights issue to the Company's total share capital before the rights issue); Q represents the number of the Restricted Shares after adjustment.

(3) Share consolidation

$$Q = Q_0 \times n$$

Where: Q_0 represents the number of the Restricted Shares before adjustment; n represents the share consolidation ratio (i.e., 1 share of the Company will be consolidated into n shares); Q represents the number of the Restricted Shares after adjustment.

(4) Issuance of new shares

In case of issuance of new Shares, no adjustment will be made by the Company to the number of the Restricted Shares.

II. Methods of Adjusting the Grant Price of the Restricted Shares

During the period from the date of the announcement of this Scheme to the completion of the registration for the Restricted Shares of the Incentive Participants, in the event of any dividend distribution, conversion of capital reserve into share capital, bonus issue, share sub-division, rights issue, share consolidation, etc. made by the Company, the Grant Price of the Restricted Shares shall be adjusted accordingly. The adjustment methods are set out below:

(1) Conversion of capital reserve into share capital, bonus issue and share sub-division

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

Where: P_0 represents the Grant Price before adjustment; n represents the ratio of conversion of capital reserve into share capital, bonus issue or share sub-division; P represents the Grant Price after adjustment.

(2) Rights Issue

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

Where: P_0 represents the Grant Price before adjustment; P_1 represents the closing price on the date of share registration; P_2 represents the price of the rights issue; n represents the ratio of the rights issue (i.e., the ratio of the number of shares issued under the rights issue to the Company's total share capital before the rights issue); P represents the Grant Price after adjustment.

(3) Share consolidation

$$P = P_0 \div n$$

Where: P_0 represents the Grant Price before adjustment; n represents the share consolidation ratio; P represents the Grant Price after adjustment.

(4) *Dividend distribution*

$$P = P_0 - V$$

Where: P_0 represents the Grant Price before adjustment; V represents the dividend per share; P represents the Grant Price after adjustment. P shall remain greater than 1 after the adjustment for dividend distribution.

(5) *Issuance of new shares*

In case of issuance of new Shares, no adjustment will be made by the Company to the Grant Price of the Restricted Shares.

Note: During the validity period of the Scheme, if there are adjustments to the regulatory rules, the adjusted regulatory rules shall prevail for the actual operation.

III. Procedures for Adjustments of the Scheme

In the event of the foregoing, the Board of Directors of the Company shall consider and approve the resolution on adjusting the number and Grant Price of Restricted Shares. The Company shall retain a lawyer to provide professional opinions to the Board of Directors of the Company on whether the above adjustments are in compliance with the requirements of the Administrative Measures, the Articles of Association of the Company and the Scheme. After the resolution on adjustment is considered and approved by the Board of Directors, the Company shall publish an announcement on the resolution of the Board of Directors in a timely manner, and simultaneously announce the opinions of the law firm.

Chapter 10 Accounting Treatment of Restricted Shares

Pursuant to the requirements of the Accounting Standards for Business Enterprises No. 11 – Share-based Payment, the Company will, on each balance sheet date during the lock-up period, revise the number of Restricted Shares expected to be released from lock-up according to the latest subsequent information obtained such as changes in the number of persons who may be released from lock-up and the completion of performance indicators, and the services received in the current period will be included in the relevant costs or expenses and capital reserve according to the fair value of the Restricted Shares on the Grant Date.

(I) Accounting treatment

1. Grant Date

Bank deposits, treasury shares and capital reserves are recognized based on the shares granted by the Company to the Incentive Participants.

2. *On each balance sheet date during the lock-up period*

According to the requirements of the accounting standards, on each balance sheet date during the lock-up period, the services provided by the employees are included in the costs and expenses, and the owners' equity or liabilities are recognized at the same time.

3. *Unlocking date*

On the unlocking date, if the Unlocking Conditions are met, the lock-up restriction can be lifted; if all or part of the shares are invalidated or void without being unlocked, they shall be dealt with in accordance with the accounting standards and relevant regulations.

4. *Fair value of Restricted Shares and method of determination*

According to the relevant requirements of Accounting Standards for Business Enterprises No. 11 – Share-based Payment and Accounting Standards for Business Enterprises No. 22 – Recognition and Measurement of Financial Instruments, the actual Grant Date is taken as the base date for calculation, based on the market value of the Company's shares on the Grant Date and after taking into consideration the relevant impact of the lock-up clause after the lock-up is released, the fair value of the Restricted Shares on the Grant Date is determined (a formal calculation is performed at the time of the grant).

Considering that the Restricted Shares granted to employees are subject to a lock-up period of at least 3 months, they need to bear the restriction that the Restricted Shares are unlocked but cannot be transferred. The Company adopts the Black-Scholes model (B-S model) to determine the relevant impact of the lock-up clause on the fair value of the Restricted Shares on the Grant Date after the lock-up is released by considering the difference between the existence or non-existence of the lock-up period.

- (1) Validity period: 0.25 years
- (2) Historical volatility: 57.7273%, (using the volatility of the Company over the same period)
- (3) Risk-free interest rate: 0.9000%, (using the yield to maturity of Chinese government bonds for the same period).

(II) Estimated impact of the implementation of Restricted Shares on operating results in each period

The Company determines the fair value of the Restricted Shares on the Grant Date according to relevant valuation tools, and finally recognizes the share-based payment expenses of the Scheme. Such expenses will be amortized in proportion to the exercise of options in the course of implementing the Scheme. Incentive costs incurred under the Scheme will be charged to current profit or loss.

According to the requirements of the PRC GAAP, assuming the grant is made in September 2026, the effect of the initial grant of Restricted Shares of the Scheme on the accounting costs for each period is set out in the table below:

Number of Restricted Shares of the Initial Grant (in 10,000 shares)	Total expenses to be amortized (in RMB10,000)	2026 (in RMB10,000)	2027 (in RMB10,000)	2028 (in RMB10,000)	2029 (in RMB10,000)	2030 (in RMB10,000)
271.10	11,717.38	2,160.45	5,345.62	2,563.07	1,234.26	413.98

Descriptions:

1. The above results do not represent the final accounting costs. In addition to the actual Grant Date, Grant Price and quantity granted, the actual accounting cost is also related to the actual effective and lapsed quantity. Shareholders are advised to pay attention to the possible dilutive effect.
2. The final effect of the forgoing on the Company's operating results will be subject to the annual audit report issued by the accounting firm.

According to the Company's preliminary estimation, based on the current information and without considering the stimulating effect of the Scheme on the Company's results, the amortization of Restricted Share expenses has an impact on the net profit in each year during the validity period, thereby affecting the net profit growth rate indicator in the performance appraisal indicators, but to a lesser extent. If we consider the positive effect of this Incentive Scheme on the development of the Company, such as motivating the management team, improving operating efficiency and reducing agent costs, the improvement in the results of the Company brought about by the Scheme will be much higher than the increase in expenses incurred as a consequence.

Chapter 11 Implementation Procedures of this Scheme***1. Procedures for entry into force of this Scheme***

- (1) The Board of Directors of the Company shall make a resolution on this Scheme according to law. When the Board of Directors considers this Scheme, the Directors who are related to the Incentive Participants shall abstain from voting. The Board of Directors shall, after considering and approving this Scheme and performing the public notification and announcement procedures, submit this Scheme to the shareholders' general meeting for consideration; and at the same time, submit the proposal to the shareholders' general meeting for authorization to be responsible for, among others, granting and unlocking trading restrictions of the Restricted Shares.
- (2) The Remuneration and Examination Committee of the Board of Directors shall express opinions on whether this Scheme is beneficial to the sustainable development of the Company or whether under any circumstances it may cause obvious harm to the Company and the interests of all shareholders.
- (3) The Scheme will not be implemented until it is considered and approved by the shareholders' general meeting of the Company. The Company shall, before convening the shareholders' general meeting, publicly announce the names and positions of the Incentive Participants within the Company through the Company's website or other channels (for a period of not less than 10 days). The Remuneration and Examination Committee of the Board shall review the equity incentive list and fully listen to the public opinions. The Company shall disclose the explanation of the Remuneration and Examination Committee of the Board of Directors on the review and announcement of the incentive list five days before the Scheme is considered at the shareholders' general meeting.
- (4) The shareholders' general meeting shall vote on the content of the Equity Incentive Scheme as stipulated in Article 9 of the Administrative Measures, and approve the Scheme by more than two-thirds of the voting rights held by the shareholders present at the meeting, with separate statistics and disclosure on the voting results of other shareholders excluding the directors, senior management personnel and shareholders of the Company who individually or in aggregate holding 5% or more of the shares of the Company.

When the shareholders' general meeting of the Company considers the Equity Incentive Scheme, the shareholders who are the Incentive Participants or the shareholders who are related to the Incentive Participants shall abstain from voting.

- (5) If the Scheme is considered and approved by the shareholders' general meeting of the Company, and the granting conditions stipulated in the Scheme are met, the Company shall grant the Restricted Shares to the Incentive Participants within the specified time. After authorization by the shareholders' general meeting, the Board of Directors shall be responsible for the granting and unlocking restrictions of Restricted Shares.

II. Granting Procedures of Restricted Shares

- (1) After the Scheme is considered and approved at the shareholders' general meeting, the Company and the Incentive Participants shall enter into the Equity Incentive Agreement to stipulate the rights and obligations of both parties.
- (2) Before the Company grants the interests to the Incentive Participants, the Board of Directors shall consider and make an announcement on whether the conditions set out in the Scheme for the Incentive Participants to be granted the interests have been fulfilled.

The Remuneration and Examination Committee of the Board shall also express its explicit opinion. The law firm shall issue legal opinions as to whether or not the conditions for the Incentive Participants to be granted the interests are fulfilled.

- (3) The Remuneration and Examination Committee of the Board of Directors of the Company shall verify the Grant Date of the Restricted Shares and the list of Incentive Participants, and express its opinions.
- (4) Restricted Shares granted to a director, chief executive or substantial shareholder of the Company or their respective associates (as defined in the Hong Kong Listing Rules) must first be approved by the independent non-executive directors of the listed issuer (the independent non-executive director must be recused if he is a grantee).
- (5) In the case of granting Restricted Shares to a director (other than independent non-executive directors) or chief executive of the Company, or any of their associates, if the aggregate number of shares issued and to be issued for all awards granted within a 12-month period ending on the date on which the relevant persons are granted the Restricted Shares (excluding awards which have lapsed in accordance with the terms of the Scheme) exceeds 0.1% of the issued A shares of the Company (excluding treasury shares), any such proposal on further grant of Restricted Shares shall be approved by shareholders of the Company at a shareholders' general meeting. In the case of granting Restricted Shares to independent non-executive directors or substantial shareholders of the Company or any of their associates, if the aggregate number of shares issued and to be issued for all options (if any) and awards granted within a 12-month period ending on the date on which the relevant persons are granted the Restricted Shares (excluding options

(if any) or awards which have lapsed in accordance with the terms of the Scheme) exceeds 0.1% of the issued A shares of the Company (excluding treasury shares), any such proposal on further grant of Restricted Shares shall be approved by shareholders of the Company at a shareholders' general meeting. In the approval by a shareholders' general meeting as mentioned under this clause, the grantee, its associates and all core connected persons of the Company (as defined in the Hong Kong Listing Rules) shall abstain from voting in favour of the resolution.

- (6) In the event that the interests granted by the Company to the Incentive Participants are different from the arrangements in the Scheme, the Remuneration and Examination Committee of the Board (when changes occurred in the Incentive Participants) and the law firm shall express their explicit opinions at the same time.
- (7) After the Scheme has been considered and approved at the shareholders' general meeting, the Company shall make the Initial Grant to the Incentive Participants and complete the announcement and registration within 60 days. If the Company fails to complete the aforesaid work within 60 days, the implementation of the Scheme shall be terminated and the ungranted Restricted Shares shall become invalid, and the Board of Directors shall disclose the reasons for the failure in a timely manner and shall not consider the Equity Incentive Scheme again within three months. The period during which a listed company may not grant any interest is not included in the 60-day period pursuant to the provisions. The grantees of the reserved entitlements shall be identified within 12 months after the Scheme has been considered and approved at the shareholders' general meeting, if the Incentive Participants of the Scheme are not identified after 12 months, the reserved entitlements shall become invalid.
- (8) After the Company has granted interests, it shall submit an application to the stock exchange. After confirmation by the stock exchange, the CSDC shall handle the registration and settlement matters.

III. Procedures for Unlocking Restricted Shares

- (1) Before the unlocking date, the Company shall confirm whether the Incentive Participant meets the Unlocking Conditions. The Board of Directors shall review whether the Unlocking Conditions set by the Scheme are fulfilled, and the Remuneration and Examination Committee of the Board of Directors shall express its explicit opinions at the same time. The law firm shall issue legal opinions on whether the Unlocking Conditions on the Incentive Participants are fulfilled. For Incentive Participants who have fulfilled the Unlocking Conditions, the Company will uniformly handle the matters relating to the unlocking. For Incentive Participants who have not fulfilled the conditions, the Company will repurchase and cancel the Restricted Shares held by them corresponding to such unlocking. The Company shall disclose the announcements regarding the relevant implementation in a timely manner.

- (2) Incentive Participants may transfer the Restricted Shares that have been unlocked from restrictions and meet the requirements of the lock-up period, provided that the transfer of shares held by the directors and senior management personnel of the Company shall comply with the requirements of relevant laws, regulations and regulatory documents.
- (3) Before the unlocking of the Restricted Shares held by the Incentive Participants, the Company shall submit an application to the stock exchange, and after being confirmed by the stock exchange, the registration and settlement matters shall be handled by the CSDC.

IV. Procedures of Changes to the Scheme

- (1) If the Company intends to change the Scheme before the Scheme is considered at the shareholders' general meeting, it shall be considered and approved by the Board of Directors.
- (2) If the Company changes the Scheme after it has been considered and approved at the shareholders' general meeting, such changes shall be considered and decided by the shareholders' general meeting, and shall not include the following circumstances:
 1. Circumstances leading to early unlocking;
 2. Reducing the Grant Price.
- (3) The Remuneration and Examination Committee of the Board of Directors shall issue verification opinions on whether the modified Scheme is conducive to the sustainable development of the listed company or whether there are any circumstances that may cause obvious harm to the interests of the listed company and all shareholders.
- (4) The law firm shall express its professional opinion on whether the modified Scheme complies with the requirements of these Measures and relevant laws and regulations, and whether there are any circumstances that may cause obvious harm to the interests of the listed company and all shareholders.

V. Termination Procedures of the Scheme

- (1) If the Company intends to terminate the implementation of the Scheme before the Scheme is considered at the shareholders' general meeting, it shall be considered and approved by the Board of Directors.
- (2) If the Company terminates the implementation of the Scheme after the Scheme has been considered and approved at the shareholders' general meeting, it shall be considered and decided by the shareholders' general meeting.

- (3) The law firm shall express professional opinions on whether the Company's termination of the implementation of incentives is in compliance with the requirements of these Measures and relevant laws and regulations, and whether there are any circumstances that may cause obvious harm to the interests of the Company and all shareholders.
- (4) Upon termination of the Scheme, the Company shall repurchase the unlocked Restricted Shares, and shall deal with them in accordance with the Company Law.
- (5) When the Company needs to repurchase the Restricted Shares, it shall convene a Board meeting in a timely manner to consider the share repurchase proposal, submit the share repurchase proposal to the shareholders' general meeting for approval in accordance with the law, and make an announcement in a timely manner. When the Company implements the repurchase in accordance with the provisions of the Scheme, after being confirmed by the stock exchange, the CSDC shall handle the registration and settlement matters.

Chapter 12 Rights and Obligations of the Company/Incentive Participants

1. Rights and Obligations of the Company

- (1) The Company has the right to interpret and implement the Scheme, and conduct performance appraisal for the Incentive Participants in accordance with the provisions of the Scheme. If the Incentive Participants fail to meet the Unlocking Conditions specified in the Scheme, the Company will repurchase and cancel the corresponding Restricted Shares of the Incentive Participants which have not been unlocked in accordance with the provisions of the Scheme.
- (2) The Company undertakes not to provide loans and any other forms of financial assistance, including loan guarantees, to the Incentive Participants for obtaining the Restricted Shares under the Scheme.
- (3) The Company shall perform the obligations of reporting and information disclosure of the Scheme in accordance with relevant regulations in a timely manner.
- (4) The Company shall, in accordance with the Scheme and the relevant regulations of the CSRC, the stock exchange and the CSDC, actively cooperate with the Incentive Participants who have fulfilled the Unlocking Conditions to unlock the trading restrictions in accordance with the regulations. However, the Company shall not be liable if the Incentive Participants fail to unlock the trading restrictions at their own wishes due to the reasons of the stock exchange or the CSDC and causes losses to the Incentive Participants.

- (5) The Company's determination of the Incentive Participants of the Scheme does not mean that the Incentive Participants shall have the right to continue their service in the Company (including subsidiaries), nor does it constitute the Company's (including subsidiaries') commitment to the employees on the employment period, the employment relationship between the Company (including subsidiaries) and the employees are still subject to the execution of the labor contracts signed between the Company and the Incentive Participants.

2. *Rights and Obligations of Incentive Participants*

- (1) The Incentive Participants shall, in accordance with the recruitment requirements of the Company (including subsidiaries), perform their duties diligently and abide by professional ethics, and make due contributions to the development of the Company (including subsidiaries).
- (2) The Incentive Participants shall lock up the Restricted Shares granted to them in accordance with the provisions of the Scheme.
- (3) The source of funds of the Incentive Participants shall be self-raised by the Incentive Participants.
- (4) With respect to the granted Restricted Shares, the Incentive Participants shall enjoy the rights due to the shares after completing registration with the CSDC, including but not limited to the voting rights, dividend rights and placement rights of such shares. When the Company distributes cash dividends, the Incentive Participants shall enjoy the cash dividends due to the Restricted Shares granted to them after individual income tax has been withheld and paid. If some of the Restricted Shares fail to be unlocked, when the Company repurchase such portion of Restricted Shares according to the provisions of the Scheme, the cash dividends of such portion entitled by the Incentive Participants shall be deducted and the corresponding accounting treatment shall be made.

Before the Restricted Shares are unlocked, such Restricted Shares granted to the Incentive Participants pursuant to the Scheme may not be transferred, used as security or used for repayment of debts.

- (5) The income obtained by the Incentive Participants from the Incentive Scheme shall be subject to individual income tax and other taxes in accordance with the national taxation regulations.
- (6) The Incentive Participants shall undertake that if the Company does not comply with the arrangements for granting interests or exercising interests due to false records, misleading statements or material omissions in the information disclosure

documents, after the existence of any false record, misleading statement or material omission in the relevant information disclosure documents is confirmed, the Incentive Participants shall return all the benefits obtained from the Equity Incentive Scheme to the Company.

- (7) After the Scheme is considered and approved by the shareholders' general meeting of the Company, the Company will enter into an Equity Incentive Agreement with each of the Incentive Participants, to clearly stipulate their respective rights and obligations under the Incentive Scheme and other relevant matters.
- (8) Other relevant rights and obligations stipulated by laws, regulations and the Scheme.

Chapter 13 Handling of Unusual Changes in the Company/Incentive Participants

1. Handling of unusual changes in the Company

- (1) Under any of the following circumstances, the implementation of the Scheme shall be terminated. The Restricted Shares granted to Incentive Participants but have not yet unlocked shall not be unlocked, and shall be repurchased and cancelled by the Company at the Grant Price:
 1. Issuance of an auditor's report with adverse opinion or disclaimer of opinion by a certified public accountant with respect to the financial accounting report for the most recent accounting year;
 2. Issuance of an auditor's report with adverse opinion or disclaimer of opinion by a certified public accountant with respect to the internal control over financial reporting for the most recent accounting year;
 3. Failure to conduct profit distribution in accordance with laws and regulations, the Articles of Association and public undertakings during the last 36 months after listing;
 4. Circumstances where equity incentives are prohibited from implementation as stipulated by laws and regulations;
 5. Other circumstances requiring termination of the Incentive Scheme as determined by the CSRC.
- (2) Where the Company does not comply with the conditions for granting Restricted Shares or for unlocking arrangements due to false records, misleading statements or material omissions in the information disclosure documents, the Company shall repurchase and cancel in a unified manner the Restricted Shares which have not been unlocked. If the Restricted Shares granted to the Incentive Participants have been unlocked, all the Incentive Participants shall return the granted interests. If the

Incentive Participants who are not responsible for the above matters but have suffered losses as a result of the return of the interests, they may claim compensation from the Company or the responsible targets according to the relevant arrangements under the Scheme.

The Board of Directors shall recover the proceeds from the Incentive Participants in accordance with the provisions of the preceding paragraph and the relevant arrangements under the Scheme.

- (3) Under any of the following circumstances, the Scheme will not be changed and will continue in accordance with the provisions of the Scheme:
1. Changes in the control of the Company;
 2. Merger or division of the Company.

2. *Handling of Changes in Personal Status of Incentive Participants*

- (1) If an Incentive Participant undergoes a change of position, but still holds a position in the Company or in any of the Company's branches or subsidiaries, the Restricted Shares granted shall proceed entirely in accordance with the procedures stipulated in the Scheme prior to the change of position. However, if the change of position results from the Incentive Participant's inability to perform his/her role, violation of laws, violation of professional ethics, leakage of the Company's secrets, negligence or malfeasance or other conduct that damages the interests or reputation of the Company, or where the Company terminates its labor relationship with the Incentive Participant for any of the foregoing reasons, the Board of Directors may determine that, in respect of the Incentive Participant, as at the date of occurrence of such circumstance, the Restricted Shares that have been granted to the Incentive Participant under the Scheme but have not yet been unlocked shall not be unlocked, and shall be repurchased and cancelled by the Company at the Grant Price in accordance with the provisions of the Scheme.
- (2) If the Incentive Participant become illegible to participate in the Scheme due to any of the following circumstances, the unlocked Restricted Shares of the Incentive Participant will continue to be valid, and the remaining Restricted Shares which have not been unlocked will be repurchased and cancelled by the Company at the Grant Price:
1. who has been identified as an ineligible person by the stock exchange within the last 12 months;
 2. who has been identified as an ineligible person by the CSRC and its delegated agencies within the last 12 months;

3. who has been imposed by the CSRC and its delegated agencies with administrative penalties or measures prohibiting access into the market within the last 12 months due to material non-compliance with laws or regulations;
 4. who is prohibited from serving as a director or senior management member of the Company as stipulated in the Company Law;
 5. who is not allowed to participate in equity incentives of listed companies as stipulated by laws and regulations;
 6. Other circumstances as determined by the CSRC.
- (3) If an Incentive Participant leaves employment due to resignation or redundancy by the Company (including subsidiaries), the Restricted Shares that have been granted to the Incentive Participant under the Scheme but have not yet been unlocked shall not be unlocked and shall be repurchased and cancelled by the Company at the Grant Price.
- (4) If an Incentive Participant leaves employment due to retirement, the Restricted Shares granted shall proceed entirely in accordance with the procedures stipulated in the Scheme prior to retirement, and the Board may determine that the individual performance appraisal conditions shall no longer be included as the Unlocking Conditions.
- (5) Where the Incentive Participant leaves employment due to incapacity to work, it shall be dealt with in the following two manners:
1. When the Incentive Participant leaves employment due to work injury and lose the ability to work, the Restricted Shares granted shall proceed entirely in accordance with the procedures stipulated in the Scheme prior to the incapacity, and the Board may determine that the individual performance appraisal conditions shall no longer be included as the Unlocking Conditions;
 2. When the Incentive Participant leaves employment other than loss of ability to work due to work injury, the Board may determine that the Restricted Shares granted to the Incentive Participant under the Scheme but not yet unlocked shall not be unlocked, and shall be repurchased and cancelled by the Company at the Grant Price in accordance with the provisions of the Scheme.

- (6) The death of the Incentive Participant shall be dealt with in the following two manners:
1. If the Incentive Participants are deceased due to their duty, the Restricted Shares granted to them shall be held by the designated property heir or legal heir on their behalf, and shall be carried out in accordance with the procedures stipulated in the Scheme before their death, and the Board may determine that the individual performance appraisal conditions shall no longer be included as the Unlocking Conditions;
 2. If the Incentive Participants are deceased for other reasons, the Board may determine the Restricted Shares granted to the Incentive Participants under the Scheme but not yet unlocked shall not be unlocked, and shall be repurchased and cancelled by the Company at the Grant Price in accordance with the provisions of the Scheme.
- (7) If an Incentive Participant is employed by a subsidiary of the Company, and the Company loses control of that subsidiary while the Incentive Participant remains employed by the subsidiary, the Restricted Shares that have been granted but have not yet been unlocked shall not be unlocked and shall be repurchased and cancelled by the Company at the Grant Price in accordance with the provisions of the Scheme.
- (8) For any other unmentioned circumstances, the Remuneration and Examination Committee of the Board shall identify and decide on the handling methods.

Chapter 14 Mechanisms for Resolving Relevant Disputes or Conflicts between the Company and Incentive Participants

Disputes between the Company and the Incentive Participants shall be resolved in accordance with provisions under the Scheme and the Equity Incentive Agreement; if the provisions are unclear, the parties shall negotiate in accordance with the PRC laws and the principles of fairness and reasonableness. Should negotiation fail, they shall submit the dispute to the competent people's court at the place where the Company is domiciled for settlement by litigation.

Chapter 15 Principles for Repurchase and Cancellation of Restricted Shares

In the event that the Company repurchases and cancels the Restricted Shares pursuant to the provisions of the Scheme, the repurchase price shall be the Grant Price unless otherwise stipulated in the Scheme, except the repurchase price is subject to adjustment in accordance with the Scheme.

After the completion of the share registration of the Restricted Shares granted to the Incentive Participants, in the event of occurrence of capitalized capital reserves into share capital, bonus issue, share sub-division, rights issue, share consolidation, dividend distribution, etc. that affect the Company's total share capital or the Company's share price, the Company shall make corresponding adjustments to the repurchased quantity and repurchase price of the unlocked Restricted Shares.

1. Adjustment Method for the Repurchase Quantity

(1) Conversion of capital reserve into share capital, bonus issue and share sub-division

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

Where: Q_0 represents the number of Restricted Shares before adjustment; n represents the ratio of conversion of capital reserve into share capital, bonus issue or share sub-division (i.e. the increase in number of shares after conversion of capital reserve into share capital, bonus issue and share sub-division per share); Q represents the number of Restricted Shares after adjustment.

(2) Rights issue

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

Where: Q_0 represents the number of the Restricted Shares before adjustment; P_1 represents the closing price on the date of share registration; P_2 represents the price of the rights issue; n represents the ratio of the rights issue (i.e., the ratio of the number of shares issued under the rights issue to the Company's total share capital before the rights issue); Q represents the number of the Restricted Shares after adjustment.

(3) Share consolidation

$$Q = Q_0 \times n$$

Where: Q_0 represents the number of the Restricted Shares before adjustment; n represents the share consolidation ratio (i.e., 1 share of the Company will be consolidated into n shares); Q represents the number of the Restricted Shares after adjustment.

(4) Issuance of new shares

In case of issuance of new Shares, no adjustment will be made by the Company to the number of the Restricted Shares.

2. *Adjustment Method for Repurchase Price*

(1) *Conversion of capital reserve into share capital, bonus issue and share sub-division*

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

Where: P represents to the adjusted repurchase price per share of Restricted Shares, P_0 represents to the Grant Price per share of Restricted Shares; n represents to the ratio of capitalized capital reserves, distribution of scrip dividends, and share subdivision per share (i.e. the number of shares increased after conversion, bonus issue or share subdivision per share).

(2) *Rights issue*

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

Where: P_1 represents the closing price on the record date of shareholdings; P_2 represents the price of rights issue; n represents the ratio of rights issue (i.e. the ratio of the number of shares in the rights issue to the total number of shares of the Company before the rights issue)

(3) *Share consolidation*

$$P = P_0 \div n$$

Where: P represents the repurchase price per Restricted Shares after adjustment, P_0 represents to the Grant Price per share of Restricted Shares; n represents to the share consolidation ratio per share (i.e., 1 share is consolidated into n shares).

(4) *Dividend distribution*

$$P = P_0 - V$$

Where: P_0 represents the repurchase price per Restricted Shares before adjustment; V represents the dividend amount per share; P represents the adjusted repurchase price per Restricted Shares and shall remain greater than 1 after the adjustment for dividend distribution.

Note: During the validity period of the Scheme, if there are adjustments to the regulatory rules, the adjusted regulatory rules shall prevail for the actual operation.

3. *Adjustment Procedure for Repurchase Quantity and Price*

- (1) The Company's shareholders' general meeting shall authorize the Board of the Company to adjust the number and price of the Restricted Shares repurchased for the reasons listed above. The Board shall make an announcement in a timely manner after making such adjustments in accordance with the aforesaid requirements.
- (2) If it is necessary to adjust the quantity and price of the Restricted Shares repurchased for other reasons, such adjustment shall be approved by a resolution of the Board of Directors and shall be considered and approved at the shareholders' general meeting.

4. *Procedures for Repurchase and Cancellation*

The Company shall convene a Board meeting in a timely manner to consider the repurchase adjustment plan pursuant to the aforesaid provisions, and submit the share repurchase plan to the shareholders' general meeting for approval in accordance with the law, and make an announcement in a timely manner.

When the Company implements the repurchase in accordance with the provisions under the Scheme, it shall apply to the stock exchange for unlocking such Restricted Shares. After confirmation from the stock exchange, the registration and settlement matters shall be handled by the CSDC.

Chapter 16 Supplementary Provisions

1. The Scheme shall become effective upon consideration and approval at the shareholders' general meeting of the Company;
2. The Board of the Company shall be responsible for the interpretation of the Scheme;
3. During the validity period of the Scheme, if there is any change in the relevant provisions of the Company Law, the Securities Law, the Administrative Measures, the Self-Regulatory Guideline No. 1, the Hong Kong Listing Rules, or other laws, administrative regulations, regulatory documents and the Articles of Association, the Scheme shall be implemented in accordance with the relevant provisions prevailing at that time.

Asymchem Laboratories (Tianjin) Co., Ltd.

Board of Directors

8 July 2026

**THE ASSESSMENT MANAGEMENT MEASURES FOR THE 2026 A SHARE
RESTRICTED SHARES INCENTIVE SCHEME OF ASYMCHEM LABORATORIES
(TIANJIN) CO., LTD.**

To ensure the smooth implementation of the 2026 A Share Scheme, further improve the corporate governance structure, establish a well-balanced value distribution system, motivate the core team of the Company to work with integrity and diligence, ensure steady improvement in the Company's performance, and facilitate the achievement of the Company's development strategy and operational goals, these measures are formulated in accordance with relevant national regulations and the actual situation of the Company.

PURPOSE OF ASSESSMENT

The purpose of the assessment is to further improve the corporate governance structure, establish and refine the Company's incentive and restraint mechanisms, ensure the smooth implementation of the 2026 A Share Scheme, and maximize the effect of share incentives, thereby facilitating the achievement of the Company's development strategy and operational goals.

PRINCIPLES OF ASSESSMENT

The assessment shall adhere to the principles of fairness, openness and equity, with performance evaluations conducted strictly in accordance with these measures and the performance of the assessed individuals. This ensures a close alignment between the 2026 A Share Scheme and the work performance and contributions of the incentive participants, thereby enhancing management performance and maximizing the interests of the Company and all Shareholders.

SCOPE OF ASSESSMENT

These measures apply to all incentive participants under the 2026 A Share Scheme, including (a) key personnel in technology and business roles of the Company (including its subsidiaries) as at the date of the 2026 A Share Announcement; and (b) directors, supervisors and general managers of the Company's subsidiaries as at the date of the 2026 A Share announcement.

ASSESSMENT AUTHORITY

The Remuneration and Examination Committee of the Board of Directors of the Company is responsible for leading and organizing the assessment work, and conducting assessments of the share incentive participants.

INDICATORS AND STANDARDS OF PERFORMANCE APPRAISAL

(i) Performance appraisal requirements at the Company level

1. The performance appraisal objectives for each year of the initially granted Restricted Shares are set out in the table below:

Unlocking Period	Corresponding Appraisal Year	Annual revenue growth rate based on 2025 revenue (Performance appraisal indicator A)		Annual net profit growth rate based on 2025 net profit (Performance appraisal indicator B)	
		<i>Am</i>	<i>An</i>	<i>Bm</i>	<i>Bn</i>
First Unlocking Period for initial grant	2026	15%	10%	15%	10%
Second Unlocking Period for initial grant	2027	30%	20%	30%	20%
Third Unlocking Period for initial grant	2028	40%	30%	40%	30%
Fourth Unlocking Period for initial grant	2029	50%	40%	50%	40%

Notes:

- 1 The above “revenue” is calculated based on the revenue at constant exchange rates and excluding the impact on revenue arising from any changes in the scope of consolidation caused by mergers, acquisitions, restructurings or asset disposals (constant exchange rates refer to the average exchange rate of revenue in 2025). The same applies hereafter.
- 2 The “2025 net profit” and “net profit growth rate” are calculated based on the net profit attributable to the shareholders of the listed company, after deducting non-recurring gains and losses, and excluding the impact of exchange gains and losses, as well as the incentive costs arising from the implementation of the 2026 A Share Scheme and other equity incentive plans or employee shareholding plans, the same hereafter.

2. If the reserved shares are granted before the disclosure of the third quarterly report of 2026, the company-level performance appraisal for the reserved shares shall be consistent with that of the initial grant. If the reserved shares are granted after the disclosure of the third quarterly report of 2026, the performance appraisal years for the grant of reserved shares shall be the four fiscal years from 2027 to 2030, the performance appraisal objectives of which are set out in the table below:

Unlocking Period	Corresponding Appraisal Year	Annual revenue growth rate based on 2025		Annual net profit growth rate based on 2025 net profit	
		revenue (Performance appraisal indicator A)		(Performance appraisal indicator B)	
		<i>Am</i>	<i>An</i>	<i>Bm</i>	<i>Bn</i>
First Unlocking Period for the reserved grant	2027	30%	20%	30%	20%
Second Unlocking Period for the reserved grant	2028	40%	30%	40%	30%
Third Unlocking Period for the reserved grant	2029	50%	40%	50%	40%
Fourth Unlocking Period for the reserved grant	2030	60%	50%	60%	50%

Based on the completion of the performance appraisal objectives for each year, the proportion of unlocking at the Company level in each period (X) is linked to the revenue growth rate in the appraisal year (A) and the net profit growth rate (B). The specific arrangement for the proportion of the unlocking is as follows:

Performance appraisal indicators	Completion rate of performance	Corresponding unlock portion (X)
Annual revenue growth rate of the appraisal year (A) or	$A \geq Am$ or $B \geq Bm$	$X=100\%$
	$An \leq A < Am$ or	$X=75\%$
	$Bn \leq B < Bm$	
Annual net profit growth rate of the appraisal year (B)	$A < An$ and $B < Bn$	$X=0$

Explanation of calculation for the proportion of unlocking at the Company level: The proportion of unlocking at the Company level is determined based on the proportion of unlocking corresponding to the higher of either the completion rate of performance of the Company's revenue growth rate or net profit growth rate. If the Company partially meets or fails to meet the aforementioned performance appraisal indicators, the Restricted Shares granted to incentive participants in the appraisal year that cannot be unlocked will be repurchased and cancelled by the Company at the Grant Price.

(ii) Performance appraisal requirements at the Incentive Participants level

Based on the Company's management approach to performance/KPI appraisal, each unlock assesses the employee's performance appraisal results for the previous year, corresponding to four grades of A, B, C and D, and results in an unlocking percentage.

Evaluation results	Outstanding	Exceeding	Qualified	Unqualified
Grade	A	B	C	D
The percentage of individual appraisal unlocking	100%	80%	60%	0%

Note: The actual unlocking portion = the proportion of the unlocking at the Company level × the percentage of the unlocking at the individual level × the upper limit of shares planned to be unlocked by individuals in the current year. The portion of the Restricted Shares that the incentive participant fails to unlock in the appraisal year shall be uniformly repurchased and cancelled by the Company at the grant price.

ASSESSMENT PROCEDURES

The Human Resources Department of the Company shall be responsible for the specific assessment work under the guidance of the Remuneration and Examination Committee of the Board of Directors, retain the assessment results, and, based on such results, prepare a performance appraisal report for submission to the Remuneration and Examination Committee of the Board.

MANAGEMENT OF ASSESSMENT RESULTS**1. Feedback and Appeals on Assessment Results**

The assessed individuals have the right to be informed of their assessment results. Their immediate supervisors shall notify them of their assessment results within five working days upon the conclusion of the assessment.

If an assessed individual has any objection to his/her assessment result, he/she may communicate with the Human Resources Department for resolution. If the dispute cannot be resolved through communication, the assessed individual may appeal to the Remuneration and Examination Committee, which shall conduct a review and determine the final assessment result or rating within ten working days.

2. Filing of Assessment Results

Upon completion of the assessment, the assessment results shall be filed and kept as confidential information.

NOTICE OF THE THIRD EXTRAORDINARY GENERAL MEETING OF 2026

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



Asymchem Laboratories (Tianjin) Co., Ltd. **凱萊英醫藥集團(天津)股份有限公司**

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 6821)

NOTICE OF THE THIRD EXTRAORDINARY GENERAL MEETING OF 2026

NOTICE IS HEREBY GIVEN THAT the third extraordinary general meeting of 2026 (the “EGM”) Asymchem Laboratories (Tianjin) Co., Ltd. (凱萊英醫藥集團(天津)股份有限公司) will be held physically at 2:00 p.m. on Thursday, 20 August 2026 at No. 71, 7th Street, Economic – Technological Development Area, Tianjin, PRC for the following purposes of considering and, if deemed appropriate, approving the following resolutions:

SPECIAL RESOLUTIONS

1. To consider and approve the 2026 H Share Scheme;
2. To consider and approve the authorization to the Board and/or its Delegatee(s) to handle matters pertaining to the 2026 H Share Scheme;
3. To consider and approve the 2026 A Share Scheme;
4. To consider and approve the Assessment Management Measures for the 2026 A Share Scheme; and
5. To consider and approve the authorization to the Board to handle matters pertaining to the 2026 A Share Scheme.

ORDINARY RESOLUTION

6. To consider and approve the proposed capital contribution in Shanghai Asymchem Biotechnology Development.

NOTICE OF THE THIRD EXTRAORDINARY GENERAL MEETING OF 2026

CLOSURE OF REGISTER OF MEMBERS

H Shareholders who intend to attend the EGM are required to deposit the share certificates accompanied by relevant transfer documents at the Company's H Shares Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong no later than 4:30 p.m. on Friday, 14 August 2026. H Shareholders whose names appear on the register of members of the Company on Thursday, 20 August 2026 shall be entitled to attend and vote at the EGM. The register of members of the Company will be closed from Monday, 17 August 2026 to Thursday, 20 August 2026 (both days inclusive), during which period no transfer of H Shares will be registered.

By order of the Board

Asymchem Laboratories (Tianjin) Co., Ltd.

Dr. Hao Hong

*Chairperson of the Board, Executive Director and
Chief Executive Officer*

Tianjin, PRC, 3 August 2026

As of the date of this notice, the Board comprises Dr. Hao Hong as the Chairperson of the Board and executive Director, Ms. Yang Rui, Mr. Zhang Da and Mr. Hong Liang as executive Directors, Dr. Ye Song and Ms. Zhang Ting as non-executive Directors, and Dr. Sun Xuejiao, Dr. Hou Xinyi and Mr. Xie Weikai as independent non-executive Directors.

NOTICE OF THE THIRD EXTRAORDINARY GENERAL MEETING OF 2026

Notes:

- (1) Unless the context otherwise stated, capitalized terms used in this notice shall have the meanings as those defined in the circular of the Company dated 3 August 2026.
- (2) All votes of resolutions at the EGM will be taken by poll pursuant to the Listing Rules and the results of the poll will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.asymchem.com) in accordance with the Listing Rules.
- (3) Any Shareholder entitled to attend and vote at the EGM can appoint one or more proxies to attend and vote at the EGM on his/her behalf. A proxy need not be a Shareholder. If more than one proxy is so appointed, the appointment shall specify the number and type of Shares in respect of which each proxy is so appointed.
- (4) Shareholders shall appoint their proxies in writing. The form of proxy shall be signed by the Shareholder or his/her/its attorney who has been authorised in writing. If the Shareholder is a corporation, the form of proxy shall be affixed with the corporation's seal or signed by its director, or its attorney duly authorised in writing. If the form of proxy is signed by the attorney of the Shareholder, the power of attorney or other authorization document shall be notarized. For H Shareholders, the aforementioned documents must be lodged with the H Shares Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 24 hours before the time appointed for holding the EGM (i.e. no later than 2:00 p.m. on Wednesday, 19 August 2026 (Hong Kong time)) or any adjournment thereof (as the case may be) in order for such documents to be valid. Completion and delivery of the form of proxy shall not preclude a Shareholder from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
- (5) Shareholders shall produce their identification documents when attending the EGM.
- (6) If a proxy attends the EGM on behalf of a Shareholder, he/she should produce his/her identification document and the power of attorney or other documents signed by the appointer or his/her attorney, which specifies the date of its issuance. If a representative of a corporate Shareholder attends the EGM, such representative shall produce his/her identification document and the notarized copy of the resolution passed by the board of directors or other authority or other notarized copy of any authorization documents issued by such corporate Shareholder.
- (7) The EGM is expected to last for half a day. Shareholders who attend the EGM (in person or by proxy) shall bear their own traveling, accommodation, and other expenses.
- (8) The contact information of the Company is as follows:

Address	:	Board of Directors Office Asymchem Laboratories (Tianjin) Co., Ltd. (凱萊英醫藥集團(天津)股份有限公司) No. 71, 7th Street Economic – Technological Development Area Tianjin, PRC
Postal Code	:	300457
Tel	:	(86) 022-66389560
Contact Person	:	Mr. Yu Changliang
Email	:	securities@asymchem.com.cn
- (9) The details about the aforesaid resolutions proposed at the EGM are set out in the circular of the Company dated 3 August 2026.