
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in **Shanghai Forest Cabin Cosmetics Group Co., Ltd.**, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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林清轩

Forest Cabin

SHANGHAI FOREST CABIN COSMETICS GROUP CO., LTD.

上海林清轩化妆品集团股份有限公司

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

(Stock Code: 2657)

(1) 2026 INTERIM PROFIT DISTRIBUTION PLAN

**(2) PROPOSED ADOPTION OF THE DIVIDEND PLAN FOR THE NEXT
THREE YEARS (2026-2028)**

**(3) PROPOSED ADOPTION OF THE 2026 H SHARE SCHEME
AND
NOTICE OF THE EGM**

The notice convening the EGM of Shanghai Forest Cabin Cosmetics Group Co., Ltd. to be held at the Company's Meeting Room, 9th Floor, Building 3, No. 339 Tongpu Road, Putuo District, Shanghai, PRC on Friday, September 18, 2026 at 10 a.m. is set out on pages 54 to 56 of this circular. A form of proxy for use at the EGM is also enclosed and published on the websites of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company (www.forest-cabin.com).

Whether or not you are able to attend the EGM, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's H Share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for H Shareholders) or the Company's headquarters in the PRC at 9th Floor, Building 3, No. 339 Tongpu Road, Putuo District, Shanghai, PRC (for Domestic Shareholders) 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 10 a.m. on Thursday, September 17, 2026) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM should you so wish, and in such event, the form of proxy that you have completed and returned will be deemed to be revoked.

All times and dates mentioned in this circular refer to Hong Kong times and dates.

August 31, 2026

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DEFINITIONS

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

“Actual Selling Price”	an amount that is equal to the actual price at which the Awarded Shares are sold (net of brokerage, Hong Kong Stock Exchange trading fee, SFC transaction levy, AFRC transaction levy, purchase price and any other applicable costs) on vesting of an Award pursuant to the Scheme or in the case of a vesting when there is an event of change in control or privatisation of the Company pursuant to Scheme Rules, the consideration receivable under the related scheme or offer;
“Administrator” or “Scheme Administrator”	the Board and/or any committee of the Board or other person to whom the Board has delegated its authority in accordance with Scheme Rules;
“Adoption Date”	September 18, 2026, being the date on which the Shareholders will consider and approve the Scheme Rules for the establishment of the Scheme;
“Applicable Laws”	all applicable laws, regulations, ordinances or requirements of the relevant regulatory authorities including without limitation the Company Law, the Securities Law, the SFO, the Listing Rules and the relevant provisions of the Articles of Association;
“Articles of Association”	the articles of association of the Company, as amended from time to time;
“associate(s)”	shall have the meaning ascribed to it in the Listing Rules;
“Auditors”	the auditors for the time being of the Company;
“Award(s)”	an award granted under the Scheme by the Board or the Scheme Administrator to a Grantee, which may take the form of an RSU or other share awards, and which shall be funded by Award Shares;
“Award Letter”	shall have the meaning as set out in the Scheme Rules;

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“Award Shares”	H Shares (including Treasury Shares, if any) underlying an Award, and includes newly allotted and issued Shares for the purpose of implementation of this Scheme at nil consideration or otherwise;
“Board”	the board of directors of the Company, from time to time;
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities;
“chief executive”	shall have the meaning given to it in the Listing Rules;
“Company” or “the Company”	Shanghai Forest Cabin Cosmetics Group Co., Ltd. (上海林清軒化妝品集團股份有限公司), a joint stock company incorporated in the People’s Republic of China with limited liability;
“Company Law”	the Company Law of the People’s Republic of China (《中華人民共和國公司法》);
“connected person(s)”	shall have the meaning given to it in the Listing Rules;
“CSRC”	the China Securities Regulatory Commission;
“Director(s)”	director(s) of the Company;
“Domestic Share(s)”	domestic unlisted share(s) in the share(s) capital of the Company, with a nominal value of RMB0.2 each, which is/are not listed on any stock exchange;
“Domestic Shareholder(s)”	holder(s) of Domestic Shares;
“EGM”	the 2026 second extraordinary shareholders’ meeting or any adjourned meeting of the Company to be held at the Company’s Meeting Room, 9th Floor, Building 3, No. 339 Tongpu Road, Putuo District, Shanghai, PRC on Friday, September 18, 2026 at 10 a.m. to consider and, if thought fit, to approve (i) the 2026 Interim Profit Distribution Plan, (ii) the Dividend Plan for the Next Three Years (2026-2028) and (iii) the proposed adoption of the Share Award Scheme;
“Eligible Participant”	an Employee Participant, Related Entity Participant or Service Provider Participant;

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“Employee Incentive Scheme”	the Employee Incentive Scheme of the Company which was approved and adopted by the Shareholders before Listing;
“Employee Participant”	any person who is an employee, director (excluding the independent non-executive director) or officer of any member of the Group on the Grant Date;
“Grant Date”	the date on which the grant of an Award is made to a Grantee, being the date of the Award Letter in respect of such Award, which must be a Business Day;
“Grantee”	any Eligible Participant approved for participation in the Scheme and who has been granted any Award pursuant to the Scheme Rules;
“Group” or “the Group”	the Company and its Subsidiaries from time to time, and the expression “member of the Group” shall be construed accordingly;
“H Share(s)”	overseas listed foreign share(s) with a nominal value of RMB0.2 each in the share capital of the Company, which are listed on the Stock Exchange;
“H Share Award (Existing Shares) Scheme”	the Forest Cabin H Share Award (Existing Shares) Scheme of the Company which was approved and adopted by the Shareholders at the 2026 first extraordinary shareholders’ meeting which was held on April 10, 2026;
“H Share Registrar”	Tricor Investor Services Limited;
“H Shareholder(s)”	holder(s) of H Shares;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Holding Company”	a company of which the Company is a Subsidiary;
“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;

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“Latest Practicable Date”	August 31, 2026, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular;
“Listing”	listing of H Shares on the Main Board of the Stock Exchange;
“Listing Committee”	the Listing Committee of the Stock Exchange;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“PRC” or “China”	the People’s Republic of China (for the purpose of this circular only, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan);
“Purchase Price”	in respect of an RSU, is the price per share a Grantee is required to pay for obtaining the H Shares comprising the RSU;
“Related Entity Participant”	any person who is an employee (whether full-time or part-time or other employment relationship), director or officer of: (i) a Holding Company; (ii) Subsidiaries of the Holding Company other than members of the Group; or (iii) any company that is an associated company of the Company (an “associated company” refers to an entity in which the Company or any member of the Group individually or collectively hold 30% or more of its interests);
“Remuneration Committee”	the remuneration committee of the Board of the Company from time to time;
“RMB” or “Renminbi”	Renminbi, the lawful currency of the People’s Republic of China;
“RSU” or “Restricted Share Units”	an award which subject to fulfilment of the conditions as may be specified in the Award Letter, vests such number of H Shares as the Board or the Scheme Administrator may determine on the specified Eligible Participant in accordance with the terms of the Scheme Rules;

DEFINITIONS

“Scheme” or “the 2026 H Share Scheme”	this 2026 H Share Scheme constituted by the Scheme Rules;
“Scheme Mandate Limit”	shall have the meaning set out in the Scheme Rules, as increased, refreshed or renewed or altered from time to time in accordance with the Scheme Rules, subject to compliance with any Applicable Laws, rules and regulations;
“Scheme Period”	the period of 10 years commencing on the Adoption Date and ending on the tenth anniversary of the Adoption Date, unless terminated earlier in accordance with the Scheme Rules;
“Scheme Rules”	the rules governing the 2026 H Share Scheme, as amended from time to time, a summary of the principal terms of which is set out in Appendix I to this circular;
“Securities Law”	the Securities Law of the People’s Republic of China (《中華人民共和國證券法》);
“Service Provider Participant(s)”	any person(s) providing services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, including any of the following persons, as determined by the Scheme Administrator pursuant to the criteria set out in the Scheme Rules, subject to compliance with any Applicable Laws, rules and regulations: (a) person(s) or entity(ies) (as independent contractor(s), consultant(s), advisor(s) or otherwise) that provide(s) support or any advisory, consultancy, professional or other services to any members of the Group; (b) supplier(s) of services, such as raw materials, production services, logistics services, marketing services, administrative services, to any members of the Group; and

DEFINITIONS

(c) business partner(s), including franchisee(s), contractor(s) or agent(s) of any members of the Group, including partners of brand businesses development, franchisees of retail stores, contractors for marketing campaigns, quality control procedures, manufacturing operations or systems establishment, and agents relating to sale channels or platforms;

provided that (i) placing agents or financial advisors providing advisory services for fundraising, mergers or acquisitions, or (ii) professional service providers such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity shall not be Service Provider Participants for the purpose of this Scheme or any other schemes;

“Service Provider Sublimit” shall have the meaning set out in the Scheme Rules, as increased, refreshed or renewed or altered from time to time in accordance with the Scheme Rules;

“SFC” the Securities and Futures Commission of Hong Kong;

“SFO” the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong);

“Share(s)” shares with a par value of RMB0.2 each in the share capital of the Company, or, if there has been a sub-division, consolidation, re-classification or re-construction of the share capital of the Company, shares forming part of the ordinary share capital of the Company of such other nominal amount as shall result from such sub-division, consolidation, re-classification or re-construction;

“Shareholder(s)” holder(s) of Shares;

“Stock Exchange” The Stock Exchange of Hong Kong Limited;

“Subsidiary(ies)” any subsidiary (as such term is defined in the Listing Rules) of the Company;

“substantial Shareholder(s)” shall have the meaning given to it in the Listing Rules;

“Taxes” shall have the meaning as set out in the Scheme Rules;

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“Treasury Shares(s)”	shall have the meaning ascribed to it in the Listing Rules;
“Vesting Date”	the date or dates, as determined from time to time by the Scheme Administrator, on which an Award (or part thereof) is to vest in the relevant Grantee and upon which the Grantee may exercise the Award as determined by the Scheme Administrator pursuant to the Scheme Rules, unless a different Vesting Date is deemed to occur in accordance with the Scheme Rules;
“%”	per cent.

林清軒

Forest Cabin

SHANGHAI FOREST CABIN COSMETICS GROUP CO., LTD.

上海林清軒化妝品集團股份有限公司

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

(Stock Code: 2657)

Executive Directors:

Mr. Sun Laichun

Mr. Sun Fuchun

Employee representative Director:

Mr. Wang Shijia

Independent Non-executive Directors:

Mr. Zhu Qian

Mr. Liu Yuliang

Ms. Qiang Yilan

Registered Office in the PRC:

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Songjiang District

Shanghai, PRC

*Headquarters and Principal Place of Business
in the PRC:*

9th Floor, Building 3

No. 339 Tongpu Road

Putuo District

Shanghai, PRC

Principal place of business in Hong Kong:

40th Floor, Dah Sing Financial Centre

No. 248 Queen's Road East

Wanchai

Hong Kong

Shanghai, the PRC, August 31, 2026

To the Shareholders

Dear Sir/Madam,

**(1) 2026 INTERIM PROFIT DISTRIBUTION PLAN
(2) PROPOSED ADOPTION OF THE DIVIDEND PLAN FOR THE NEXT
THREE YEARS (2026-2028)
(3) PROPOSED ADOPTION OF THE 2026 H SHARE SCHEME
AND
NOTICE OF THE EGM**

I. INTRODUCTION

The purpose of this circular is to provide you with (i) all the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the EGM; and (ii) a notice of the EGM.

LETTER FROM THE BOARD

II. MATTER TO BE CONSIDERED AT THE EGM

1. 2026 Interim Profit Distribution Plan

An ordinary resolution will be proposed at the EGM to approve the 2026 Interim Profit Distribution Plan of the Company. The resolution was considered and approved by the Board at the 13th meeting of the first session of the Board. The Board has resolved to recommend the declaration of an interim dividend (the “**Interim Dividend**”) of RMB1.32 per Share for the six months ended 30 June, 2026. As at the Latest Practicable Date, the Company had 141,759,235 issued Shares, of which 1,899,200 H Shares were held as Treasury Shares. Accordingly, the total number of issued Shares excluding Treasury Shares was 139,860,035. Assuming that there is no change in the total share capital of the Company during the period from the Latest Practicable Date to the record date (i.e. September 29, 2026) determined for the implementation of the 2026 Interim Profit Distribution Plan (the “**Record Date**”), the total amount of the Interim Dividend would be RMB184,615,246.20 in aggregate. If there is an adjustment to the total issued share capital of the Company (excluding Treasury Shares) as at the Record Date, the dividend per Share shall be adjusted accordingly. Subject to the approval of Shareholders at the EGM, such dividend is expected to be paid on or before November 17, 2026. The Interim Dividend will be paid to H Shareholders in HK\$. The final dividend paid in HK\$ will be converted from RMB to HK\$ based on the average selling price of the relevant foreign exchange published by the People’s Bank of China one calendar week prior to the date of the EGM. The final dividend distributed to Domestic Shareholders will be paid in RMB.

2. Proposed Adoption of the Dividend Plan for the Next Three Years (2026-2028)

An ordinary resolution will be proposed at the EGM to approve the Dividend Plan for the Next Three Years (2026-2028) of the Company.

With firm confidence in the long-term development prospects of the industry and the Company and a sound operating foundation, in order to better share the achievements with Shareholders and continuously enhance investors’ sense of gain and confidence in long-term holding, and in light of the current internal and external environment and development stage, the Board has resolved to recommend the formulation of the Dividend Plan for the Next Three Years (2026-2028) which has been considered and approved by the Board at the 13th meeting of the first session of the Board in accordance with the provisions of the Company Law and the Articles of Association, details of which are as follows:

From 2026 to 2028, the total cash dividends to be distributed by the Company each year shall account for no less than 50% of the net profit attributable to the shareholders of the parent company for the year. The Board may, based on current profitability and financial position, formulate a profit distribution plan when appropriate, which shall be submitted to the shareholders’ meetings for consideration and approval (or, with authorization from the shareholders’ meeting, to be considered and approved by the Board) before implementation.

LETTER FROM THE BOARD

While ensuring its healthy and sustainable development and meeting the funding needs for future strategic layout, the Company is committed to establishing a more sustainable, stable and predictable shareholder return mechanism.

If adjustments to the plan are necessary due to relevant laws and regulations, changes in the internal and external operating environment, or the Company's production and operation situation and development needs, the Board may amend this plan in compliance with the provisions of relevant laws, regulations, normative documents and the Articles of Association, and submit the same to the shareholders' meeting of the Company for consideration.

3. Proposed Adoption of the 2026 H Share Scheme

(1) Introduction

The Company has adopted the Employee Incentive Scheme before Listing. The Employee Incentive Scheme is not subject to the approval requirements under Chapter 17 of the Listing Rules as it does not involve the grant of Shares or the grant of options by the Company to subscribe for the Shares after the Listing. As of the Latest Practicable Date, there was no unutilized or available scheme mandate limit.

The Company has adopted the H Share Award (Existing Shares) Scheme on April 10, 2026. The H Share Award (Existing Shares) Scheme is a share scheme involving existing shares under Chapter 17 of the Listing Rules and shall be subject to the applicable requirements under Rule 17.12 of the Listing Rules. As at the Latest Practicable Date, the total number of Shares underlying the awards under the H Share Award (Existing Shares) Scheme was 7,087,961, representing approximately 5.07% of the issued Shares (excluding Treasury Shares).

Reference is made to the announcement of the Company dated August 31, 2026 in relation to, among other things, the proposed adoption of the Scheme. The Board has resolved to propose the adoption of the Scheme for approval by the Shareholders at the EGM. The Scheme will constitute a share scheme involving the issue of new Shares and/or the transfer of Treasury Shares under Chapter 17 of the Listing Rules and will be subject to the applicable requirements under Chapter 17 of the Listing Rules. The Company will apply to the Listing Committee for the approval of the listing of, and permission to deal in, the new H Shares which may be allotted and issued pursuant to Awards under the Scheme.

The principal terms of the Scheme are set out in Appendix I to this circular. This serves as a summary of the terms of the Scheme but does not constitute the full terms of the same.

As at the Latest Practicable Date, no trustee had been appointed or was proposed to be appointed in respect of the Scheme. Accordingly, none of the Directors is a trustee of the Scheme or has a direct or indirect interest in any trustee of the Scheme.

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As at the Latest Practicable Date, the Company does not have any specific plan for the grant of any Awards to any Grantees under the Scheme yet.

The Company has sought legal advice on the Scheme and understands that although participants in the Scheme are not limited to executives and employees of the Group, the adoption of the Scheme does not constitute an offer to the public, and thus, the prospectus requirements of the Companies (Winding Up and Miscellaneous Provision) Ordinance are not applicable.

(2) *Authorization to the Board and the Scheme Administrator to Handle Matters Relating to the 2026 H Share Scheme*

In order to implement the Scheme, pursuant to the provisions of the relevant laws, regulations and regulatory documents such as the Listing Rules and the Articles of Association of the Company, it is hereby submitted to the EGM to authorize the Board and the Scheme Administrator to take all relevant measures and deal with all relevant matters to approve and execute on behalf of the Company such documents as are necessary, appropriate or expedient for the purpose of giving effect and implementation of the Share Award Scheme and to handle matters relating to the Scheme. The powers of the Board and the Scheme Administrator shall include, but are not limited to, the following:

- (a) construe and interpret the Scheme Rules and the terms of the Awards granted from time to time;
- (b) make or vary such arrangements, guidelines, procedures and/or regulations for the administration, interpretation, implementation and operation of the Scheme, provided that they are not inconsistent with the Scheme Rules;
- (c) perform all acts necessary to implement the H Share Scheme, including but not limited to issuance of new H Shares pursuant to the Scheme Rules;
- (d) grant Awards to those Eligible Participants whom they shall select from time to time;
- (e) determine the terms and conditions of Awards granted under the Scheme including but not limited to number of Awards, Purchase Price, Exercise Price, Vesting Dates, vesting criteria, performance targets, clawback arrangements and other conditions;
- (f) approve the form of Award Letters;
- (g) decide how the vesting of the Awards Shares will be settled pursuant to the Scheme Rules;

LETTER FROM THE BOARD

- (h) make such appropriate and equitable adjustments to the terms of Awards granted under the Scheme as they deem necessary;
- (i) determine the commencement or termination date of the Award subject to the commencement or termination of an Eligible Participant's or Grantee's employment with any member of the Group; and
- (j) take such other steps or actions as they deem necessary or prudent to give effect to the terms and intent of the Scheme Rules and/or Awards.

III. EGM ARRANGEMENT AND CLOSURE OF REGISTER OF MEMBERS

The Company will convene the EGM at the Company's Meeting Room, 9th Floor, Building 3, No. 339 Tongpu Road, Putuo District, Shanghai, PRC on Friday, September 18, 2026 at 10 a.m. for the Shareholders to consider and, if thought fit, to approve above relevant resolutions. Details of the EGM and resolutions to be considered at the meeting are set out in the notice of EGM dated August 31, 2026.

Holders of H Shares and Domestic Shares whose names appear on the register of members of the Company on Friday, September 18, 2026 will be entitled to attend the EGM upon completion of the necessary registration procedures. The register of members will be closed from Tuesday, September 15, 2026 to Friday, September 18, 2026, both days inclusive, during which period no transfer of Shares will be effected.

Where applicable, holders of the Shares intending to attend the EGM are therefore required to lodge their respective instrument(s) of transfer and the relevant Share certificate(s) to the Company's H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for H Shareholders) or the Company's headquarters in the PRC at 9th Floor, Building 3, No. 339 Tongpu Road, Putuo District, Shanghai, PRC (for Domestic Shareholders) no later than 4:30 p.m. on Monday, September 14, 2026.

Holders of H Shares and Domestic Shares whose names appear on the register of members of the Company on Tuesday, September 29, 2026 will be entitled to the Interim Dividend. The register of members of the Company will be closed from Thursday, September 24, 2026 to Tuesday, September 29, 2026, both days inclusive, during which period no transfer of Shares will be effected.

In order to be eligible for the Interim Dividend, holders of Shares (where applicable) are required to lodge their respective instrument(s) of transfer and the relevant Share certificate(s) to the Company's H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for H Shareholders) or the Company's headquarters in the PRC at 9th Floor, Building 3, No. 339 Tongpu Road, Putuo District, Shanghai, PRC (for Domestic Shareholders) no later than 4:30 p.m. on Wednesday, September 23, 2026.

LETTER FROM THE BOARD

A form of proxy for use at the EGM is enclosed with this circular, which has also been published on the website of each of the Stock Exchange (www.hkexnews.hk) and the Company (www.forest-cabin.com).

IV. VOTING AT THE EGM

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

Pursuant to Rule 17.05A of the Listing Rules, the trustee holding unvested shares of a share scheme, whether directly or indirectly, shall abstain from voting on matters subject to shareholders' approval under the Listing Rules. As at the Latest Practicable Date, the trustee of H Share Award (Existing Shares) Scheme of the Company adopted on April 10, 2026 held 151,900 unvested incentive H Shares.

As at the Latest Practicable Date, to the best of the Director's knowledge, information and belief, having made all reasonable enquiries, save as disclosed in this circular, no Shareholder was required to abstain from voting on the resolutions to be proposed at the EGM.

V. RECOMMENDATION

The Board considers that all resolutions set out in the notice of the EGM are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends all Shareholders to vote in favor of the relevant resolutions to be proposed at the EGM.

VI. 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
SHANGHAI FOREST CABIN COSMETICS GROUP CO., LTD.
Mr. Sun Laichun
Chairman of the Board, Executive Director and President

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. To the extent that there is any discrepancy between the Chinese and English version of the terms, the English version shall prevail.

The following is a summary of the principal terms of the 2026 H Share Scheme to be adopted at the EGM.

1. CONDITIONS

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

- (a) the passing of a resolution by the Shareholders to approve the adoption of the Scheme; and
- (b) the Listing Committee granting approval of the listing of, and permission to deal in, the Shares to be allotted and issued pursuant to Awards.

2. PURPOSE OF THE SCHEME

2.1 The purposes of the Scheme are:

- (a) to provide the Company with a flexible means of attracting, remunerating, incentivising, retaining, rewarding, compensating and/or providing benefits to Eligible Participants;
- (b) to align the interests of Eligible Participants with those of the Company and Shareholders by providing such Eligible Participants with the opportunity to acquire proprietary interests in the Company and become Shareholders; and
- (c) to encourage Eligible Participants to contribute to the long-term growth, performance and profits of the Company and to enhance the value of the Company and its Shares for the benefit of the Company and Shareholders as a whole.

3. ELIGIBLE PARTICIPANTS AND BASIS OF DETERMINING ELIGIBILITY

3.1 Eligible Participants as determined by the Board or the Scheme Administrator from time to time shall be eligible to participate in the Scheme. The Eligible Participants shall include the following:

- (a) any Employee Participant(s): including any directors (excluding independent non-executive Directors) and an employee of any member of the Group on the Grant Date;
- (b) any Related Entity Participant(s): any person who is a director or an employee of: (i) a Holding Company; (ii) Subsidiaries of the Holding Company other than members of the Group; or (iii) any company that is an associated company of the Company (an “associated company” refers to an entity in which the Company or any member of the Group individually or collectively hold 30% or more of its interests); and
- (c) any Service Provider Participant(s): persons (including natural persons and entities) that provide services conducive to the long-term development of the Group in areas such as product design, development, marketing and sales.

The Board is of the view that the inclusion of Related Entity Participants as Eligible Participants under the Scheme is aligned with the purpose of the Scheme and the long-term interests of the Company and its Shareholders as a whole. In particular: (i) by virtue of their positions within the broader corporate group, the Related Entity Participants contribute to the Group’s operations and strategic development, and their inclusion is consistent with the Group’s business needs; (ii) the criteria for selecting Related Entity Participants are objective to ensure that only individuals whose contributions benefit the Group will be included; and (iii) the terms of any Grants will be determined by the Scheme Administrator with reference to the purpose of the Scheme and each participant’s contribution to the Group. Accordingly, the grant of Awards to such individuals is intended to foster closer alignment of interests between Related Entity Participants and the Shareholders, to incentivize continued collaboration and to reinforce a shared commitment to the long-term growth and value creation of the Group. The independent non-executive Directors shared the same view of the Board above and are of the view that the inclusion of the Related Entity Participants aligns with the purpose of the Scheme and the long term interests of the Company and its Shareholders.

The Group may engage in collaboration with related entities as part of its operational activities. Although the Related Entity Participants are not direct employees of the Group, they may contribute to the Group’s operations and strategic development in the following manners: (i) strategic partnerships: the

collaboration with these Related Entity Participants may be essential for expanding markets, securing supply chains, delivering integrated services; (ii) operational synergy: they may provide industrial supporting resources and business assistance to the Group, effectively improve business layout and consolidate market competitive advantages; (iii) innovation and expertise: the Related Entity Participants may bring technical know-how, R&D capabilities, or industry expertise that strengthens the Group's product development and innovation pipeline; (iv) market access: through collaboration with the Group, such Related Entity Participants may gain access to new geographic markets, customer bases, or regulatory approvals, advancing the Group's strategic expansion; (v) alignment of interests: by including them in the H Share Scheme, the Group ensures that their goals are aligned with the Company and Shareholders, fostering collaboration rather than individual standalone interests.

Entities in which the Group holds an associate interest are generally aligned with the Group's strategic deployment, and the Group retains the option to increase its shareholding in such entities going forward. Although directors and employees of such associated companies are not direct employees of the Group, these companies in which the Group holds substantial stakes can support the Group's operational advancement and strategic layout in key business fields. They may help broaden market reach, consolidate cooperative ties and foster innovative development that underpins the Group's long-term growth. Granting incentives to directors and employees of these associated companies can effectively boost their work initiative, further deepen business collaboration between the Group and such entities, and better galvanize their strength to serve the Group's development goals. Given their positive role in driving the Group's business growth, the Company incorporates these Related Entity Participants into the Scheme. This ensures all strategically vital contributors to the Group's performance are properly motivated by aligning their work with the Group's overall targets, strengthening internal and external collaboration, driving performance improvement, and facilitating sustainable development consistent with Shareholders' interests. Based on the above, the independent non-executive Directors are of the view that the proposed category of the Related Entity Participants is in line with the Company's business needs and the industry norm.

In assessing the eligibility of Related Entity Participants, the Board or the Scheme Administrator will consider a range of factors, such as the length of service, job position and job duties in the related entity, the shareholding relationship between the Group and the related entity and the benefits and synergies provided by the related entity to the Group. Such criteria for the selection of Related Entity Participants align with the purpose of the Scheme as (i) by considering service length and job duties, the Scheme ensures that only participants with meaningful contributions are incentivized; (ii) the Scheme's performance targets and vesting requirements (if any) are designed

to tie rewards directly to contributions that advance the Group's business performance; (iii) the inclusion of shareholding relationships and synergies ensures that participants' incentives are aligned with the Group's long term strategic interests; (iv) the tangible and intangible value the related entity provides to the Group, such as operational support, innovation, or market access, is an important factor the Group will consider when assessing their contributions, which aligns with the purpose of the scheme. The independent non-executive Directors are of the view that criteria for the selection of Related Entity Participants align with the purpose of the Scheme.

The terms of the grants, including vesting requirements and performance targets (if any), are structured to ensure that Awards remain consistent with the Scheme's purpose of attracting, retaining, and motivating talent while aligning their interests with those of the Company and its Shareholders. Vesting requirements are designed to encourage long term commitment and sustained contribution, while performance targets, where applicable, directly link rewards to measurable achievements that advance the Group's business objectives. By applying these criteria, the Scheme ensures that Eligible Participants are incentivized not merely for tenure but for delivering tangible value, thereby reinforcing the Company's long term incentive mechanism, motivating Eligible Participants to contribute to operational and strategic development, and promoting sustainable growth in alignment with Shareholder interests. The independent non-executive Directors are of the view that the terms of the grants (such as vesting requirements and performance targets, if any) align with the purpose of the Scheme.

The eligible Service Provider Participants under this Scheme shall cover the following three categories:

Category I: Distributors, Contractors and Suppliers

Independent entities or individuals that provide product distribution, outsourced manufacturing and channel operation services in the ordinary and usual course of business of the Group, including: (i) independent entities or individuals that have established long-term cooperative relationships with the Group and are responsible for distributing the Company's products in designated regions or channels, including offline regional distributors, online platform distributors, and cross-border distributors. Given that online sales serve as a key driver of the Company's business performance, and that business growth is driven through IP matrix, livestreaming operations, and KOL/KOC collaborations, such Service Providers are of significant strategic importance to the long-term development of the Company; (ii) independent entities that provide continuing outsourced services in the Group's product manufacturing, facility construction, and specific business processes, including OEM/ODM manufacturers, packaging and filling contractors, logistics and warehousing contractors, and store renovation and facility maintenance contractors; (iii) entities or individuals that continuously

provide core services in e-commerce platform operation, livestreaming technology support, digital system construction, and store operation management across the Group's online and offline omni-channel operations.

In particular, such distributors, contractors, and suppliers will provide a range of specific services, including: (i) regularly identifying and converting potential clients, maintaining a steady pipeline of opportunities on a recurring basis, similar to the employees prospecting daily or weekly; (ii) maintaining long-term relationships with key customers, providing continuity of trust and engagement and frequently assisting in negotiations and contract execution whenever business opportunities arise; (iii) continuously monitoring market dynamics, competitors, and customer feedback, which are delivered at regular intervals, ensuring the sales and business team of the Group stays informed; (iv) providing ongoing technical consultation and pre-sales/post-sales support to clients throughout the market expansion and sales processes, with response times typically within 24 to 48 hours for client inquiries, or conducting periodic (monthly or quarterly) technical training sessions and product demonstrations to facilitate customer adoption and satisfaction; (v) assisting in timely delivery of products and services, ensuring continuity in operations, the coordination of which occurs frequently, often daily or weekly, to meet deadlines and revenue goals; and (vi) providing ongoing marketing, public relations, and digital campaigns to enhance the Group's market visibility and brand awareness and such efforts are continuous.

Such services provided by distributors, contractors, and suppliers closely resemble employee contributions in both continuity and frequency. Their continuity lies in the fact that these services remain embedded in the Group's operations over the long term as they consistently support go-to-market strategies, maintain customer relationships, deliver market intelligence, and uphold benchmark partnerships in strategic markets. Their frequency is reflected in the recurring nature of their tasks where (i) customer acquisition involves regular prospecting and outreach; sales negotiations and contract execution occur whenever opportunities arise; (ii) product delivery support requires daily or weekly coordination; and (iii) brand promotion unfolds through periodic campaigns and continuous visibility efforts. Therefore, these distributors, contractors, and suppliers operate in a similar manner to employees and their contributions are both sustained over time and repeated at regular intervals, ensuring the Group's market expansion, customer engagement, and brand influence remain uninterrupted.

In view of the contribution of such Service Providers to revenue growth and market share expansion, enhancing the Group's market influence and the high correlation between the performance of such Service Providers and the long-term business outcomes of the Group, the grant of Awards to them helps to align their interests with those of the Company and encourages them to drive value enhancement from a shareholder perspective.

The services provided by such market expansion and distribution Service Providers are (i) provided exclusively for the Group's operational needs; (ii) material and relevant to the operations of the Group; and (iii) provided on a regular or recurring basis, with the continuity and frequency of their services being comparable and akin to those of employees. The Board considers that such market expansion Service Providers are in substance akin to an extension of the Group's market expansion functions, and that the inclusion of such Service Providers as Eligible Participants under the Scheme is fair and reasonable and in the overall interests of the Company.

Category II: Advisers and Consultants

Professionals or institutions that provide specific solutions for particular business matters of the Group or continuing guidance on the Group's long-term strategic planning, including: (i) digital transformation consultants; (ii) supply chain optimization consultants; (iii) product innovation consultants; (iv) compliance and regulatory consultants (excluding law firms providing legal opinions); (v) advisers who provide long-term, continuing strategic guidance and business planning for the Group; and (vi) persons who provide corporate management and operational consulting, training, or professional guidance.

In particular, such advisers and consultants will provide a range of specific services of (i) providing continuous strategic guidance to align the Group's long-term goals with market realities and their inputs are frequent with regular updates during planning cycles, quarterly reviews, and whenever new initiatives are launched similar to employees in strategy or planning roles; (ii) continuously monitoring industry trends and competitive landscapes, ensuring the Group remains informed and adaptive and delivering reports, benchmarking, and recommendations frequently, often monthly or quarterly, similar to employees in market research or business development; (iii) sustaining continuity by embedding HR best practices into the Group's operations from talent acquisition to organizational design. Their services are frequent, with recurring interventions such as recruitment drives, training programs, performance reviews, and restructuring projects, akin to HR employees' ongoing responsibilities; (iv) continuously scouting for growth avenues, partnerships, or diversification strategies, introducing opportunities frequently, whenever market conditions shift or new prospects emerge, similar with employees in business development who regularly pursue leads; (v) providing sustained access to specialized knowledge in areas like organizational efficiency, leadership development, and workforce optimization. Their expertise is applied frequently through workshops, advisory sessions, and project-based interventions, mirroring employees' roles in applying skills to daily tasks.

Such advisers and consultants contribute to the Group in a manner of continuity and frequency that mirrors employee functions. Their continuity is

seen in the way they remain embedded in the Group's strategic and operational framework as they consistently provide business planning, industry consulting, and HR consulting to sustain competitiveness and long-term organizational development. This ongoing presence ensures that the Group continually benefits from external expertise, similar to employees who are permanently part of the workforce. Their frequency is reflected in recurring tasks and interventions as consultants frequently introduce new business opportunities, deliver periodic analyses of industry trends, and provide regular HR advisory services such as talent management, organizational restructuring, and workforce optimization. These cycles of advice and implementation occur whenever new challenges, projects, or opportunities arise, similar to employees performing recurring duties aligned with business needs.

Category III: Agents, Business Partners, Joint Venture Partners and Promoters

Persons or entities that have established continuing cooperative relationships with the Group to jointly develop markets, integrate resources, or promote business, including: (i) agents authorized by the Group to conduct business activities on its behalf in specific markets or areas, including brand authorized agents, procurement agents, and overseas agents; (ii) business partners that have established long-term strategic cooperative relationships with the Group to achieve resource complementarity and synergistic development, including retail channel partners, technology partners, content and media partners, and membership ecosystem partners; (iii) joint venture partners that jointly invest with the Group to establish joint ventures or joint projects, including overseas market JV partners, industrial chain JV partners, and scientific research JV partners; and (iv) promoters who initiate, organize, and facilitate the establishment of cooperative relationships between the Group and third parties, including JV project promoters, market development promoters, and strategic cooperation promoters.

In particular, such business partners will provide a range of specific services of (i) serving as the Group's authorized representatives in specific markets or geographical areas, facilitating market penetration, customer acquisition, and brand development in regions where the Group may not have a direct operational presence. Their efforts directly contribute to the Group's revenue generation and market coverage; (ii) complementing the Group's internal resources and capabilities through long-term strategic cooperation, enabling the Group to access retail channels, technological expertise, content and media platforms, and membership ecosystems that would otherwise require significant capital investment and time to develop independently; (iii) sharing investment risks with the Group and contribute capital, expertise, local market knowledge, or industrial chain resources to joint ventures or joint projects that are strategically important to the Group's expansion into new markets, verticals, or research domains; (iv) playing a pivotal role in identifying, initiating, organizing, and facilitating cooperative opportunities

between the Group and third parties, thereby accelerating the Group's business development efforts and enabling the Group to establish strategic alliances that might not otherwise materialize.

The services provided by such Service Providers are not one-off or transactional in nature. Rather, they are provided on a continuing and regular basis pursuant to subsisting cooperative agreements or arrangements with the Group. The Board is satisfied that the frequency and continuity of services provided by the Cooperative Service Providers are sufficient to justify the granting of share incentives, as such services are not ad hoc but form part of an established and ongoing cooperative relationship with the Group.

In view of the contribution of such Service Providers to the Group's strategic planning capabilities, operational efficiency and long-term competitiveness, and the high correlation between the quality and continuity of their professional services and the sustainable development of the Group's business, the grant of Awards to them helps to align their interests with those of the Company and encourages them to deliver high-quality, dedicated professional services from a shareholder value enhancement perspective.

The services provided by such Service Providers are (i) provided exclusively for the Group's need; (ii) material and relevant to the operations of the Group; and (iii) provided on a regular or recurring basis, with the continuity and frequency of their services being comparable and akin to those of employees. The Board considers that such Service Providers are in substance akin to an extension of the Group's strategic planning, human resources management and business development functions, and that the inclusion of such Service Providers as Eligible Participants under the Scheme is fair and reasonable and in the overall interests of the Company.

The Service Providers are both senior professionals with extensive business networks in their respective fields and professional institutional service providers. Even though the Group has paid service fees to these Service Provider Participants for their services provided, grant of Awards to the Service Provider Participants aligns their interests with the long-term development interests of the Group. By giving the Service Provider Participants a stake in the Company, it not only enhances their loyalty but also encourages them to invest in the quality and innovation of their services.

The Board is of the view that the inclusion of Service Provider Participants as Eligible Participants under the Scheme is fair and reasonable and aligns with the purpose of the Scheme and the long-term interests of the Company and its Shareholders as a whole. In particular, (i) the proposed categories of Service Provider Participants are in line with the Group's business needs and consistent with industry norm; (ii) the criteria for selecting Service Provider Participants within each category are sufficiently specific to ensure that only those whose engagement would support the ordinary course of business of

the Group on a recurring and continuing basis and are essential to operations as well as the sustainable and successful development of the Group will be included; and (iii) the terms of any grants will be determined by the Scheme Administrator with reference to the purpose of the Scheme and each participant's contribution to the Group. The independent non-executive Directors also shared the same view and considered that the proposed categories of Service Providers are in line with the Company's business needs or the industry norm and the criteria for the selection of Eligible Participants and the terms of the grants (such as vesting requirements and performance targets, if any) align with the purpose of the Scheme.

The Board considers that, compared with other alternatives which are "one-off" incentives and may not encourage Service Providers to continue employment with or service to the Group in the long term, the granting of Awards allows the Group to use share incentives to encourage persons outside of the Group to contribute to the Group and align the mutual interests of each party, such that by holding on to equity incentives, both the Company and Service Providers will mutually benefit from the long term growth of the Group. In addition, the grant of Awards to the Service Providers can align the interests of such Service Providers and the Company by providing them with the opportunity to partake in the Group's future prospects and benefit from an attractive and competitive remuneration package with additional rewards through their contributions, which will bind the interests of such Service Providers and the Group to work towards the realisation of the Company's strategic development objectives and to drive the performance growth. With the equity based remuneration in the form of grant of Award Shares, any increase in the future share price of the Company would increase the remuneration or reward granted to Service Providers, thereby aligning their interests with those of the Company. The Board has also considered that equity-based incentives offer distinct advantages for the Company's long-term objectives as alternative cash incentives may adversely affect the cash reserves of the Company which could otherwise be spent on business operation, development and debt reduction of the Company.

3.2 No person who is:

- (a) resident in a place where the grant, acceptance or exercise of an Award pursuant to the Scheme is not permitted under, or contrary to, the laws and regulations of such place; or
- (b) where, in the view of the Scheme Administrator, compliance with Applicable Laws and regulations in such place makes it necessary or expedient to exclude such person,

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

- 3.3 The eligibility of any of the Eligible Participants to a grant of Awards shall be determined by the Board or the Scheme Administrator from time to time on the basis of the Board's or the Scheme Administrator's opinion as to the Eligible Participant's contribution to the development and growth of the Group. Without limiting the generality of the foregoing:
- (a) in assessing the eligibility of Employee Participants, the Board or the Scheme Administrator will consider, among other things, educational background, professional experience, qualification, skills, knowledge, the length of service, job position, job duties, contribution to the Group and performance evaluation results of the Employee Participant;
 - (b) in assessing the eligibility of Related Entity Participants, the Board or the Scheme Administrator will consider a range of factors, such as the length of service, job position and job duties in the Related Entity, the shareholding relationship between the Group and the Related Entity and the benefits and synergies provided by the Related Entity to the Group.
- 3.4 Service Provider Participants shall include the following categories of service provider:

	Category	Eligibility criteria for Service Provider Participant
(i)	Distributors, contractors and suppliers	Is, or is anticipated to be going forward, a significant business partner, or otherwise significant to the Group's business, with reference to, among others: the scale of its historical business dealings with the Group in terms of purchases or sales attributable to it; the length of business relationships between the Service Provider Participant and the Group; the quality of the services provided by the Service Provider Participant; whether the Service Provider Participant has a proven track record of delivering quality services; the positive impacts or strategic benefits brought by, or expected from, the Service Provider Participant to the Group's business growth and development in light of the Group's business plan from time to time.

	Category	Eligibility criteria for Service Provider Participant
(ii)	Advisers and consultants	Is, or is anticipated to be going forward, a significant adviser or consultant, or otherwise significant to the Group's business, with reference to, among others: the expertise, professional qualifications and industry experience of the Service Provider Participant; the length of business relationships or engagement of the Service Provider Participant by the Group; the positive impacts or strategic benefits brought by, or expected from, the Service Provider Participant to the Group's business growth and development in light of the Group's business plan from time to time.
(iii)	Agents, Business Partners, Joint Venture Partners and Promoters	Is, or is anticipated to be going forward, a significant agent, business partner, joint venture partner and promoter, or otherwise significant to the Group's business, with reference to, among others: the positive impacts, benefits and strategic value brought by or expected from the Service Provider Participant to the Group's growth and development in light of the Group's business plan from time to time; the scale of the Service Provider Participant's collaboration with the Group and the length of business relationships between the Participant and the Group; the business opportunities and external connections that the Service Provider Participant has introduced or will potentially introduce to the Group.

provided that (i) placing agents or financial advisors providing advisory services for fundraising, mergers or acquisitions, or (ii) professional service providers such as auditors or valuers who provide assurance or are required to perform their services with impartiality and objectivity may not be Service Provider Participants for the purposes of this Scheme.

The Group may seek services from consultants or advisers with the expertise, professional qualifications and industry experience, which can bring positive impacts or strategic benefits to the Group's business growth and development in light of the Group's business plan from time to time. Granting award to such Service Providers will motivate them to continuously devote resources towards the Group and serve to bind their interests with the Group's interests

in the long term. In particular, the “closeness of the business relationship” is assessed by reference to the degree of operational integration, the exclusivity and dedication of resources assigned to the Group, the frequency and continuity of engagement, the depth of information sharing and mutual trust, and the duration and stability of the cooperative relationship. The Service Provider demonstrating a high degree of closeness indicates that its interests are substantively intertwined with those of the Group, making equity-based incentivisation appropriate and effective. Regarding grant terms, the Awards will be subject to vesting periods conditional upon continued exclusive service provision and satisfactory performance, and may include performance targets such as achievement of service delivery milestones, measurable contributions to the Group’s revenue growth or technological advancement, and maintenance of service continuity.

As at the Latest Practicable Date, the Board confirms that no Awards have been granted to any Related Entity Participants or Service Provider Participants under the Scheme or any other share scheme of the Company in the past.

The inclusion of the proposed categories of Service Providers as Eligible Participants, although they might not have been granted Awards by the Company previously, aligns with the purpose of the Scheme and the long-term interests of the Company and its Shareholders. Each category of Service Providers provides services that are strategically critical to the Group’s operations and support the Group’s strategic decision-making, organisational development and operational efficiency. The grant of equity-based Awards aligns these Service Providers’ economic interests with the Company’s long-term share price performance and business outcomes, incentivising them to allocate their best resources to the Group on a priority basis, adopt a shareholder-oriented perspective and maintain service continuity and commitment.

Based on the foregoing, the independent non-executive Directors independently conclude that the inclusion of the proposed categories of Service Providers, the selection criteria and the grant terms are fair, reasonable, aligned with the purpose of the Scheme and in the overall interests of the Company and its shareholders.

4. SCHEME LIMITS

Scheme Mandate Limit and Service Provider Sublimit

- 4.1 The Shares under the Scheme Rules shall be satisfied by Treasury Shares transferred by the Company or the new H Shares issued by the Company. The total number of new Shares which may be issued and allotted under this Scheme and other share schemes of the Company shall be 10% of the total number of the relevant class of Shares in issue (excluding Treasury Shares) on

the Adoption Date (the “**Scheme Mandate Limit**”). In any event, the total number of new Shares which may be issued pursuant to all Awards to be granted under this Scheme and awards to be granted under any other share schemes of the Company is 10% of the relevant class of Shares in issue (excluding Treasury Shares) on the Adoption Date. The Scheme Mandate Limit may be adjusted or refreshed from time to time in accordance with the Scheme Rules, subject to compliance with any Applicable Laws, rules and regulations. Assuming that the total share capital of the Company (excluding Treasury Shares) on the Adoption Date remains 139,860,035 Shares, the Scheme Mandate Limit shall be 13,986,003 Shares.

- 4.2 Within the Scheme Mandate Limit, the initial total number of Shares which may be issued pursuant to Awards to be granted to Service Provider Participants under this Scheme shall not exceed 1% of the total number of the relevant class of Shares in issue (excluding Treasury Shares) on the Adoption Date (the “**Service Provider Sublimit**”). The Service Provider Sublimit may be adjusted or refreshed from time to time in accordance with the Scheme Rules, subject to compliance with any Applicable Laws, rules and regulations. Assuming that the total share capital of the Company (excluding Treasury Shares) on the Adoption Date remains 139,860,035 Shares, the Service Provider Sublimit shall be 1,398,600 Shares.
- 4.3 Shares which may be issued pursuant to Awards which have lapsed in accordance with the terms of the Scheme Rules (or the terms of any other share schemes of the Company) shall not be counted for the purpose of calculating the Scheme Mandate Limit and/or the Service Provider Sublimit. For the avoidance of doubt, Awards which have been cancelled shall be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and/or the Service Provider Sublimit.

The basis for determining the Service Provider Sublimit includes: (i) the purposes of the Scheme; (ii) the need to balance the objective of incentivising the Service Provider Participants with the protection of Shareholders from disproportionate dilution; and (iii) the expected contribution of the Service Provider Participants to the development and growth of the Group. The Group also values long-standing relationships with its Service Providers who are key to the Group’s success. The Group believes that, through engaging, collaborating, and cultivating strong relationships with the Service Providers, the Group can strive to achieving corporate sustainability, delivering high quality products to its potential customers and developing mutual trust and enhancing communication and commitment between the Group and its suppliers to maintain sustainable growth.

Taking into account that (i) the benefit to and needs of the Group to provide long-term equity incentives, which in contrast to short-term cash-based compensation or consideration, would encourage the Service Providers to adopt a long-term perspective, maintain continuity in their services, and

prioritize the Group's business success; (ii) the minimal potential dilution to the shareholding of public Shareholders following the exercise of the options and/or vesting of awards to be granted to Service Providers under the Service Provider Sublimit, given the fact that the individual limit under Rule 17.03D(1) of the Listing Rules is also 1% and 1% is well within the market norms for equity incentives arrangements; and (iii) the Service Provider Sublimit can also be utilized for making grants to other Eligible Participants and thereby reducing the impact of any excessive dilution of existing Shareholders' shareholding, the Board is of the view that the Service Provider Sublimit is appropriate and reasonable. The Service Provider Sublimit is subject to approval by way of special resolution by the Shareholders at the EGM.

Refreshing the Limit and Sublimit

4.4 The Company may refresh either of the Scheme Mandate Limit and/or the Service Provider Sublimit:

- (a) from the later of three years after the Adoption Date or three years after the date of the previous shareholder approval for refreshment of the Scheme Mandate Limit or Service Provider Sublimit (as the case may be) pursuant to this Rule with the prior approval of Shareholders at shareholders' meeting by way of ordinary resolution or special resolution; or
- (b) at any time, with the prior approval of the Shareholders at shareholders' meeting (with the controlling Shareholder (as defined under the Listing Rules) and their associates, or if there is no controlling Shareholder, with the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates, abstaining from voting in favour of the relevant resolution at the shareholders' meeting) and subject to compliance with any additional requirements set out in the Listing Rules including but not limited to Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules.

Awards already granted under the Scheme and any other share schemes of the Company (including those outstanding or lapsed in accordance with its terms or exercised) shall not be counted for the purpose of calculating the Scheme Mandate Limit and/or the Service Provider Sublimit as refreshed. Provided that, Rules (a) and (b) above do not apply if the refreshment is made immediately after an issue of securities by the Company to its Shareholders on a pro-rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of securities rounded to the nearest whole Share.

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

Grants beyond the Limit

- 4.6 The Company may seek separate approval by its Shareholders at shareholders' meeting for granting awards under this Scheme or option or award under any other schemes of the Company (as the case may be) beyond the Scheme Mandate Limit, provided the options or awards in excess of the limit are granted only to participants specifically identified by the Company before such approval is sought.

The Company must send a circular to the Shareholders containing the name of each specified participant who may be granted such options or awards, the number and terms of the options or awards to be granted to each participant, and the purpose of granting options or awards to the specified participants with an explanation as to how the terms of the options or awards serve such purpose. The number and terms of options or awards to be granted to such participant must be fixed before Shareholders' approval.

5. ADMINISTRATION

Scheme Administrator

- 5.1 The Board shall be responsible for administering the Scheme in accordance with the Scheme Rules.
- 5.2 The authority to administer the Scheme shall be delegated by the Board to any committee or one or more directors deemed appropriate at the sole discretion of the Board, including its powers to offer or grant Awards and to determine the terms and conditions of such Awards, *provided that* nothing in this Rule shall prejudice the Board's power to revoke such delegation at any time or derogate from the discretion vested with the Board as contemplated in above Rule.
- 5.3 Decisions of such committee duly established or person(s) duly appointed by the Board in accordance with the Scheme Rules in relation to the operation of the Scheme or interpretation of the Scheme Rules shall be final, conclusive and binding on all parties. In the event of any disagreement or ambiguity, the decision of the Board shall prevail.

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

Powers of the Scheme Administrator

- 5.5 Subject to the Scheme Rules and any Applicable Laws, rules and regulations, the Scheme Administrator shall have the power from time to time to:
- (a) construe and interpret the Scheme Rules and the terms of the Awards granted from time to time;
 - (b) make or vary such arrangements, guidelines, procedures and/or regulations for the administration, interpretation, implementation and operation of the Scheme, provided that they are not inconsistent with the Scheme Rules;
 - (c) perform all acts necessary to implement the H Share Scheme, including but not limited to issuance of new H Shares pursuant to the Scheme Rules;
 - (d) grant Awards to those Eligible Participants whom they shall select from time to time;
 - (e) determine the terms and conditions of Awards granted under the Scheme including but not limited to number of Awards, Purchase Price, Exercise Price, Vesting Dates, vesting criteria, performance targets, clawback arrangements and other conditions;
 - (f) approve the form of Award Letters;
 - (g) decide how the vesting of the Awards Shares will be settled pursuant to the Scheme Rules;
 - (h) make such appropriate and equitable adjustments to the terms of Awards granted under the Scheme as they deem necessary;
 - (i) determine the commencement or termination date of the Award subject to the commencement or termination of an Eligible Participant's or Grantee's employment with any member of the Group; and

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

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

No liability of the Scheme Administrator

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

6. GRANT OF AWARDS

Grants and Types of Awards

- 6.1 The Scheme Administrator may, from time to time, in its absolute discretion select any Eligible Participant to be a Grantee and, subject to these Scheme Rules, grant an Award, the nature and amount of which shall be determined by the Scheme Administrator, to such Grantee during the Scheme Period.
- 6.2 An Award may take the form of a restricted share unit which, upon vesting, entitles the Grantee to subscribe for and/or be issued such number of H Award Shares as the Scheme Administrator may determine, at the Purchase Price and in accordance with the terms of the Scheme Rules (an "RSU").

Additional Approvals for Grants Beyond Individual Limits

- 6.3 Grants of Awards funded by new Shares to an individual Eligible Participant shall be subject to the following additional rules:
- (a) Unless otherwise approved by the Shareholders in the manner set out in this Rule, the total number of Award Shares issued and to be issued upon settlement of Awards granted and to be granted under this Scheme and any other share scheme(s) of the Company to each Eligible Participant (excluding any awards lapsed in accordance with the terms of the scheme of the Company) in any 12 month period up to and

including the date of such grant shall not exceed 1% of the total number of the relevant class of Shares in issue (excluding Treasury Shares, if any).

- (b) Any further grant of Awards to an Eligible Participant which would exceed this limit shall be subject to separate approval of the Shareholders at shareholders' meeting with the relevant Eligible Participant and their close associates (or associates if the Eligible Participant is a connected person) abstaining from voting. A circular shall be sent to the Shareholders disclosing the information required to be disclosed under the Listing Rules. The number and terms of the Awards to be granted to such Eligible Participant shall be fixed before the Shareholders' approval is sought. Such circular shall contain the information specified in Rule 17.03D(2) of the Listing Rules, including: the identity of the Eligible Participant, the number and terms of the Award Shares to be granted (which must be fixed before the relevant Shareholders' approval) and those options or awards previously granted to such participant in the 12-month period, the purpose of granting the Award Shares to the Selected Participant and an explanation as to how the terms of the Award Shares serve such purpose.

6.4 Grants of Awards funded by new Shares to any Director, chief executive or substantial shareholder of the Company, or any of their respective associates shall be subject to the following additional rules:

- (a) Such grant shall be subject to the prior approval of the Scheme Administrator (excluding any member who is a proposed recipient of the grant of the Award) and the independent non-executive Directors of the Company.
- (b) Grants to any Director or chief executive of the Company, which are made on terms with a vesting period less than 12 months or without a performance target or without a clawback mechanism (each of which, a "**Unique Term**"), shall be reviewed by the Remuneration Committee as to why the Unique Term is appropriate and how the grant nevertheless aligns with the purpose of the Scheme.
- (c) In addition:
 - (i) where any grant of RSUs to any Director (other than an independent non-executive Director) or chief executive of the Company or any of their respective associates would result in the Shares issued and to be issued in respect of all awards granted (excluding any Awards lapsed in accordance with the terms of this 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 the relevant class of Shares in issue as the date of such grant (excluding Treasury Shares, if any) under this Scheme; or

- (ii) where any grant of RSUs to substantial Shareholders of the Company (or any of their respective associates) would result in the number of Shares issued and to be issued in respect of all awards granted (excluding any Awards lapsed in accordance with the terms of this Scheme) to such person in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of the total number of the relevant class of Shares in issue (excluding Treasury Shares, if any) under this Scheme;

Such further grant of Awards must be approved by Shareholders at shareholders' meeting in the manner required, and subject to the requirements set out, in the Listing Rules and the Grantee, his/her associates and all core connected persons of the Company must abstain from voting in favour at such shareholders' meeting. The Company must send a circular to the Shareholders. Such circular must also comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules. Such circular must contain the information as required under Rule 17.04(5) of the Listing Rules, including: details of the number and terms of the Award Shares to be granted to each Eligible Participant (which must be fixed before the relevant shareholders' meeting); the views of the independent non-executive Directors (excluding any independent non-executive Director who is the Grantee of such Award Shares) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and the Shareholders as a whole, and their recommendation to the independent Shareholders as to voting; and the information required under Rules 2.17 and 17.02(2)(c) of the Listing Rules.

Restrictions on Grants

- 6.5 No Award shall be granted to any Eligible Participant during the following time periods:
- (a) in circumstances prohibited by the Listing Rules or at a time when the relevant Eligible Participant would be prohibited from dealing in the Shares by the Listing Rules (including the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 to the Listing Rules) or by any Applicable Rules, regulations or law;
 - (b) where the Company has come to its knowledge or is in possession of any unpublished inside information in relation to the Company, until (and including) the trading day after such inside information has been announced; and

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

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

- (a) if any member of the Group is required under Applicable Laws, rules or regulations to issue a prospectus or other offer documents in respect of such grant or the Scheme;
- (b) where such grant or dealing in the Shares in respect of such grant would result in a breach by any member of the Group or any of its directors of any Applicable Laws, rules, regulations or codes in any jurisdiction from time to time (including the Company Law, the Securities Law and the Articles of Association);
- (c) in circumstances where the requisite approval from any applicable governmental or regulatory authority has not been obtained, provided that to the extent permissible in accordance with Applicable Laws, rules and regulations an Award may be made conditional upon such approval being obtained;
- (d) in circumstances which would result in a breach of the Scheme Mandate Limit, provided that to the extent permissible in accordance with Applicable Laws, rules and regulations an Award may be made conditional upon the Scheme Mandate Limit being refreshed or approval of Shareholders being otherwise obtained;
- (e) where such Award is to a connected person and, under the Listing Rules, requires the specific approval of Shareholders, until such approval of Shareholders is obtained provided that to the extent permissible in accordance with Applicable Laws, rules and regulations an Award may be made conditional upon such specific shareholder approval being obtained;

- (f) Upon the occurrence of any of the following circumstances:
 - (i) the certified public accountant issues an adverse opinion or a disclaimer of opinion in respect of the latest fiscal year's financial and accounting report thereof; or
 - (ii) the Company is subject to administrative punishment imposed by CSRC due to a material violation of laws and regulations in the latest year.
 - (g) Any of the following circumstances occurs to the Grantee:
 - (i) who is publicly censured or declared as an inappropriate candidate by the CSRC or the Stock Exchange within three years before the Grant Date;
 - (ii) personnel who have committed any material violation of laws or regulations within three years before the Grant Date being determined as inappropriate personnel by the Stock Exchange, the CSRC or their local offices or imposed with an administrative penalty or prohibition of the market access;
 - (iii) disqualification from acting as a director, supervisor or senior officer of a company under the Company Law of the PRC; or
 - (iv) other circumstances as recognized by the CSRC or the Stock Exchange in which participation in any share schemes is prohibited.
- 6.7 To the extent that an Award shall be settled by the delivery of new Shares, the grant of such Award shall be conditional upon the Listing Committee of the Stock Exchange granting approval to the listing of, and permission to deal in, such Shares and the satisfaction of any other conditions as may be considered necessary or appropriate by the Scheme Administrator.

7. AWARD LETTER

- 7.1 The Company shall, in respect of each grant of Awards, on the Grant Date issue the Award Letter to the Grantee in such form as the Scheme Administrator may from time to time determine setting out the terms and conditions of the Award, which may include the number of Award Shares in respect of which the Award relates, the Purchase Price (as applicable), the vesting criteria and conditions, the Vesting Date, any minimum performance targets that must be achieved and any such other details as the Scheme Administrator may consider necessary, and requiring the Grantee to

undertake to hold the Award on the terms of the Award Letter and be bound by the provisions of this Scheme.

8. ACCEPTANCE, PURCHASE PRICE

Acceptance

- 8.1 No consideration is payable by a Grantee to the Company for acceptance of the Awards under this Scheme.
- 8.2 Unless otherwise specified in the Award Letter, the Grantee shall have 30 Business Days from the Grant Date to accept the Award. A Grantee may accept an Award by giving written notice of acceptance to the Scheme Administrator, together with remittance in favour of the Company of any consideration payable upon grant of the Award. To the extent that an Award or part thereof is not accepted within the time and in the manner indicated in this Rule, the portion not accepted shall be deemed to have been irrevocably declined and shall automatically lapse.

Purchase Price

- 8.3 For Awards which take the form of RSUs, the Purchase Price of such RSUs shall be determined by the Scheme Administrator in its absolute discretion and notified to the Grantee in the Award Letter with reference to the current closing price of H Shares, the purpose of the Scheme and the characteristics of the relevant Grantee. The Purchase Price of RSUs which are sourced from new Shares shall be no less than RMB0.2 per RSU, which is determined by reference to the minimum permissible pricing standard under Applicable Laws, regulations and relevant regulatory requirements.

Such arrangement is designed to maximise incentives for Eligible Participants, fully align with the core purpose of the Scheme, and effectively motivate Eligible Participants to contribute to the long-term development and sustained growth of the Group.

9. VESTING OF AWARDS

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

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

- (a) grants of “make whole” Awards to new Employee Participants to replace share awards such Employee Participants forfeited when leaving their previous employers;
- (b) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out of control event, where the vesting of the Awards may accelerate based on the discretion of the Board or the Scheme Administrator, as the case may be;
- (c) performance-based vesting conditions provided in the scheme document under the Scheme Rules, in lieu of time-based vesting criteria;
- (d) grants of Awards that are made in batches during a year for administrative and compliance reasons. They may include Awards that should have been granted earlier but had to wait for a subsequent batch. In such cases the vesting periods may be shorter to reflect the time from which an Award would have been granted;
- (e) grants of Awards with a mixed or accelerated vesting schedule such as where the Awards may vest evenly over a period of 12 months; or
- (f) grants of Awards with a total vesting and holding period of more than 12 months.

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

10. PERFORMANCE TARGETS

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

- 10.2 The Scheme Administrator (or body designated by the Scheme Administrator) shall specify in the Award Letter the person(s) of the Company that will assess how and whether such targets, criteria or conditions are satisfied.
- 10.3 Performance targets, criteria or conditions are to be specified in the relevant Award Letter. Performance targets may combine qualitative and quantitative requirements and include an annual assessment of a Participant (e.g., skills, expertise, key performance indicators of his or her division, contribution to the Company) and/or performance of the Company (e.g., achieved financial indicators, progress for the new products, business and market capitalization milestones). From time to time the Administrator will conduct an assessment to compare performance to pre-established targets in order to determine whether and to what extent such targets have been achieved. After the assessment, if the Administrator determines that any of the specified performance targets have not been achieved, the unvested Award Shares will automatically lapse.

The Board (including the independent non-executive Directors) is of the view that it is not practicable to expressly set out a generic set of performance targets in the Scheme Rules, as each Grantee will play different roles and contribute in different ways to the Group. Instead, the Scheme Rules include factors to be considered by the Scheme Administrator for determining individual performance targets, if any, from time to time. Such performance targets may include, without limitation, the Company's business, financial, or operational performance, or any performance assessment criteria deemed reasonable and applicable to the Eligible Participant as to be determined by the Board or the Scheme Administrator in its absolute discretion, based on, among other considerations:

- (i) for Employee Participants: business or financial milestones, transaction milestones, performance appraisal within a specified period reaching a desirable level, or the Grantee's anticipated future contribution to the Group (including with respect to their experience, expertise, insight, participation in specific projects, or achievement of specific work targets etc.);
- (ii) for Related Entity Participants: Grantee's anticipated contribution and support to the long-term development of the Group (including with respect to their job position and job duties); and
- (iii) for Service Provider Participants: the Grantee's anticipated future contribution to the long-term development of the Group (including with respect to their experience, expertise, insight, participation in specific projects, or achievement of specific work targets or business collaboration targets etc.).

For the avoidance of doubt, the Scheme does not specify any performance targets which will be set forth in the applicable Award Letter.

The Board considers that it may not always be appropriate to impose performance targets particularly when the purpose of granting the Awards is to recognize Eligible Participants for their contributions. The Board believes that it is more beneficial to retain the flexibility in determining whether the performance targets are appropriate in view of the individual context of each grant. Such flexibility will place the Company in a better position to reward its personnel and retain human resources that are valuable to the growth and development of the Company as a whole, which will thereby facilitate the Company's achievement of purposes of the Scheme which include providing equity incentives to Eligible Participants and recognizing their contributions to the long-term growth and prosperity of the Group. It is expected that these mechanisms can encourage and incentivize Eligible Participants to strive to achieve performance goals with integrity, in turn benefiting the Company and its Shareholders as a whole, whilst preventing Eligible Participants from pursuing personal interests through unethical behavior or misconduct. As such, the Board considers that the relevant terms of the Scheme align with its purpose by keeping the interests of the grantees in line with the interests of the Company and Shareholders.

Where no performance targets are to be imposed upon an Eligible Participant in the granting of any Award, the Board would have considered the quality of and potential contribution from the Eligible Participant, which would serve as a reward to the Eligible Participant to retain and incentivize high-calibre personnel that will be valuable to the long-term growth of the Group.

The Directors are of the view that it is not practicable to expressly set out a generic set of performance targets in the Scheme Rules, as each Grantee will play different roles and contribute in different ways to the Group. The Board shall have regard to the purpose of the Scheme in making such determinations and ensure that appropriate specific performance targets will be set under particular circumstances of the relevant Grantee(s).

11. VESTING PERIOD

- 11.1 The vesting period for any award of RSUs shall be such period determined by the Scheme Administrator in its absolute discretion and notified to the Eligible Participant in the Award Letter. The Directors are of the view that it is a flexibility granted to the Scheme Administrator to determine the appropriate vesting period (or to determine that no vesting period shall apply) enables the Scheme to tailor its incentive arrangements to the specific circumstances of each Eligible Participant, thereby ensuring that the Scheme effectively achieves its stated purposes of incentivizing, rewarding, and retaining key contributors to the Group. Where a vesting period is imposed, it serves to align the interests of the Grantee with the long-term objectives of the

Company by requiring continued service or the fulfillment of performance conditions over a specified timeframe, thus encouraging sustained contributions to the Group's growth and development. Where the Scheme Administrator determines that no vesting period shall apply and that the Award Shares shall be settled upon the Vesting Date without further action by the Grantee, such arrangement may be appropriate for recognizing and rewarding immediate or past contributions of outstanding merit, which equally serves the Scheme's purpose of attracting and retaining talent by providing timely and meaningful recognition of exceptional performance.

12. SETTLEMENT OF AWARDS

Subject to the terms and condition of the Scheme and the fulfillment of all vesting conditions applicable to the vesting of the RSUs on such Grantee, the respective H Shares held by the broker-dealer on behalf of the Grantee pursuant to the provision hereof shall vest in such Grantee in accordance with the applicable vesting schedule, and the broker-dealer shall cause the H Shares to be transferred to such Grantee and/or a vehicle controlled by him/her (or the Grantee's personal representative(s)) for the benefit of the Selected Participant and any family members of such Selected Participant in accordance with the Scheme Rules. The Scheme Administrator may require any Grantee to return duly executed transfer documents or other documents for the purpose of vesting and transfer of the relevant H Shares within a stipulated period. The Award shall automatically lapse if a Grantee fails to do so, unless the Administrator determines otherwise at its absolute discretion.

Settlement of an Award

- 12.1 Subject to the Scheme Rules, within 20 Business Days after receipt of the notice and the remittance (if any), the Company shall arrange for the vesting of RSUs to be satisfied in the following methods, or any combination of the following methods, as determined by the Scheme Administrator in their sole discretion:
- (a) allot, and instruct the Share Registrar to issue, the H Shares underlying the vested RSUs to the Grantee (or the Grantee's personal representative(s)) credited as fully paid and issue to the Grantee (or the Grantee's personal representative(s)) a share certificate in respect of the H Shares underlying the vested RSUs so allotted and issued;
 - (b) arrange for the H Shares underlying the vested RSUs to be transferred to the Grantee (or the Grantee's personal representative(s)) credited as fully paid and issue to the Grantee (or the Grantee's estate in the event of an exercise by the Grantee's personal representative(s)) a share certificate in respect of the H Shares so transferred;

- (c) make a cash payment to the Grantee subject to the circumstances that it is not practicable for the Grantee to receive H Shares upon vesting the RSUs due to legal or regulatory restrictions. The amount of such payment shall be calculated by reference to the number of H Shares to be vested in respect of the Grantee on or after the Vesting Date and valuing the same at the closing price of the H Shares as stated in the daily quotations sheet published by the Stock Exchange on the Vesting Date and deducting therefrom any stamp duty, Taxes, trading fee and other, if any, direct costs and expenses which would have been payable if the H Shares were sold on-market on the Vesting Date at the said closing price; or
- (d) for the purpose of the allotting, transferring issuing and selling or making a cash payment of Award Shares in a Grantee, subject to the receipt by the broker-dealer of (a) a copy of the relevant Vesting Notice and a written notice from the Scheme Administrator instructing the broker-dealer to transfer the Award Shares to the Grantee (or the Grantee's personal representative(s)), (b) the original transfer documents (if any) prescribed by the broker-dealer and duly signed by the Grantee (or the Grantee's personal representative(s)); (c) client due diligence documents of the Grantee (or the Grantee's personal representative(s)) required in accordance with the broker-dealer's client due diligence policy at least ten (10) Business Days prior to the Vesting Date, the broker-dealer shall transfer the relevant Award Shares to the relevant Grantee (or the Grantee's personal representative(s)) as instructed by the Scheme Administrator as soon as practicable on or after the Vesting Date and in any event not later than ten (10) Business Days after the Vesting Date; and (d) such other documents as the Administrator may require for the purpose of the Scheme Rules. In the event that the broker-dealer does not receive the requisite documents in accordance with (a), (b) and (c) herein prior to or on the relevant Vesting Date, the relevant Award Shares shall lapse and shall not vest on the relevant Vesting Date and the Selected Participant shall have no claims against the trust or the broker-dealer or with respect to those or any other Shares or any right thereto or interest therein in any way. The Company shall refund to the Grantee the Purchase Price paid (if any) in correspondence to such lapsed Award Shares paid by the Grantee pursuant to this Scheme and the terms and conditions of the Award Letter.

- 12.2 Where the Scheme Administrator in their sole discretion determines that it is not practicable for the Grantee to receive Award Shares or for the Company (whether or not through a broker-dealer or other third party) to settle the Award due to applicable legal or regulatory restrictions (including under the Listing Rules), the settlement of the Award shall be postponed and shall take

place within 20 Business Days from the date that the Scheme Administrator subsequently determines it will be practicable to proceed with the settlement of the Award.

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

Costs

- 12.4 Any direct costs and expenses arising on the vesting and issue of the Award Shares to or for the benefit of a Grantee as contemplated by the Scheme Rules shall be borne by the Company.
- 12.5 Any stamp duty, Taxes, trading fee and other, if any, or other direct costs and expenses arising on the sale of the Award Shares and cash payment as contemplated by the Scheme Rules shall be borne by the Grantee and deducted by the Scheme Administrator from the amount payable to the Grantee pursuant to the Scheme Rules.

13. RESTRICTIONS ON AWARDS

Voting and Dividend Rights

- 13.1 The H Shares to be allotted and issued pursuant to the Scheme shall be identical to all existing issued Shares and shall be allotted and issued subject to all the provisions of the Articles of Association for the time being in force and will rank *pari passu* with the other fully paid Shares in issue. Awards do not carry any right to vote at shareholders' meetings of the Company, nor any right to dividends, transfer or other rights, including those arising on a liquidation of the Company. No Grantee shall have any right to any cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions from any H Shares underlying the Awards. No Grantee shall enjoy any of the rights of a Shareholder by virtue of the grant of an Award unless and until the H Shares underlying an Award are delivered to the Grantee pursuant to the vesting of such Award.

Transferability of Awards

- 13.2 Awards shall be personal to the Grantee to whom they are made and shall not be assignable or transferable, except in circumstances where the written consent of the Company has been obtained and a waiver has been granted by the Stock Exchange for such transfer in compliance with the requirements of the Listing Rules and provided that any such transferee shall be bound by the Scheme Rules and all applicable Award Letters as if the transferee were the Grantee.
- 13.3 Any breach of the Scheme Rules shall cause the applicable outstanding Award to lapse. For this purpose, a determination by the Board to the effect that a breach of the Scheme Rules has occurred shall be final and conclusive.

Other Restrictions on Awards or Award Shares

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

14. TAXATION

- 14.1 All taxes (including personal income taxes, professional taxes, salary taxes and similar taxes, as applicable), duties, social security contributions, impositions, charges and other levies arising out of or in connection with the Grantee's participation in the Scheme or in relation to the H Shares, Award Shares or cash payment (the "**Taxes**") received by a Grantee shall be borne by such Grantee and neither the Company nor any designated third party shall be liable for any Taxes. Each Grantee by its acceptance of any grant of Awards agrees to and will indemnify each member of the Group, the broker-dealer(s) and any designated third party against any liability they may have to pay or account for such Taxes, including any withholding liability in connection with any Taxes. To give effect to this, the Company (or designated third party) may, notwithstanding anything else in these Scheme Rules (but subject to Applicable Laws):
- (a) reduce or withhold such number of the H Shares delivered upon vesting of any RSUs or the cash payment to be paid to the Grantee as may be necessary to settle any Taxes (the number of H Shares that may be reduced or withheld shall be limited to the number of H Shares that have a fair market value on the date of withholding that, in the reasonable opinion of the Scheme Administrator (or the broker-dealer or designated third party) is sufficient to cover any such liability);
 - (b) sell, on the Grantee's behalf, such number of H Shares to which the Grantee becomes entitled and retain the proceeds and/or pay them to the relevant authorities or government agency;

- (c) deduct or withhold, without notice to the Grantee, the amount of any such liability from any payment to the Grantee made under the Scheme or from any payments due from a member of the Group to the Grantee, including from the salary payable to the Grantee by any member of the Group; and/or
- (d) require the Grantee to remit to any member of the Group, in the form of cash or a certified or bank cashier's check, an amount sufficient to satisfy any Taxes or other amounts required by any governmental authority to be withheld and paid over to such authority by any member of the Group on account of the Grantee or to otherwise make alternative arrangements satisfactory to the Company for the payment of such amounts.

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

15. CANCELLATION OF AWARDS

- 15.1 Any Awards granted but not vested may be cancelled by the Scheme Administrator at any time with the prior consent of the Grantee. Where the Company cancels an Award granted to an Eligible Participant and makes a new grant to the same Eligible Participant, such new grant may only be made under the Share Scheme with available Scheme Mandate Limit approved by Shareholders as referred to in Rule 17.03B or 17.03C of the Listing Rules. The Awards cancelled will be regarded as utilized for the purpose of calculating the Scheme Mandate Limit.
- 15.2 In the event of any of the following circumstances, any H Shares granted but not vested may be cancelled by the Scheme Administrator at any time with the prior consent of the Grantee: (a) for the H Shares that have already been granted under the H Share Scheme, where as the expected Vesting Date approaches, the Company discovers that the closing price of the H Shares is below that of the Purchase Price, such that it is reasonably foreseeable that such H Shares will not serve any incentivizing effect, the Company may decide to cancel such H Shares; and (b) the Scheme Administrator may in their sole discretion determine to buyout an Award from a Grantee at a price, and on such terms as, deemed fair and communicated to the Grantee, following which, the purchased Award shall be cancelled.
- 15.3 Issuance of new Awards to the same Grantee whose Awards have been cancelled pursuant to the Scheme Rules may only be made if there are unissued Awards available under the Scheme Mandate Limit and in compliance with the terms of the Scheme. Awards cancelled pursuant to the

terms of the Scheme Rules (or the terms of any other share schemes of the Company) shall be counted as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.

16. LAPSE OF AWARDS

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

- (a) the date on which the Board makes a determination under the Scheme Rules;
- (b) the expiry of any of the periods for accepting the Award as referred to in the Scheme Rules;
- (c) the expiry of any of the periods for satisfying the vesting conditions, paying the Purchase Price or completing settlement procedures as specified in the Award Letter or under the Scheme Rules;
- (d) the date on which the Grantee commits a breach of the Scheme Rules; and
- (e) the date on which the Grantee gives written notice to the Scheme Administrator that such Award is forfeited by the Grantee.

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

17. CLAWBACK

17.1 In the event that:

- (a) a Grantee ceases to be an Eligible Participant by reason of: (i) termination of the Grantee's employment or contractual engagement with the Group for cause or without notice; (ii) termination of the Grantee's employment or contractual engagement with the Group as a result of the Grantee having been charged, penalised or convicted or an offence involving the Grantee's integrity or honesty;
- (b) in the reasonable opinion of the Scheme Administrator, a Grantee has committed a serious breach of an internal policy or code of any member of the Group or agreement with any member of the Group, including the breach of a non-compete obligation imposed on the Grantee by the Group, and such breach is considered material;

- (c) in the reasonable opinion of the Scheme Administrator, a Grantee has engaged in serious misconduct or breaches the terms of this Scheme in any material respect; or
- (d) in the reasonable opinion of the Scheme Administrator, an Award to the Grantee will no longer be appropriate and aligned with the purpose of the Scheme;

then the Scheme Administrator may make a determination at its absolute discretion that: (A) any Awards granted regardless of whether such Awards have vested or not, and (B) with respect to any H Shares delivered, or cash payment paid, to the Grantee pursuant to any Awards granted under this Scheme, the Grantee shall be required to transfer back to the Company or its nominee (1) the equivalent number of H Shares, (2) an amount in cash equal to the market value of such H Shares or the cash payment, or (3) a combination of (1) and (2).

The Board is of the view that such clawback mechanism in the Scheme Rules provides a choice for the Company to claw back the Awards granted to Grantees culpable of misconduct, ensuring that Award Shares are granted only to those who act in the Company's best interests, which aligns with the purpose of the Scheme. It provides the Board or the Scheme Administrator with more flexibility in setting the terms and conditions of the Award Shares under particular circumstances of each grant, which would facilitate the objective to offer meaningful incentives to attract, motivate and retain skilled and experienced individuals that are valuable to the development of the Group, and is in line with the purpose of the Scheme and the interests of Shareholders as a whole.

In conclusion, the Board is of the view that the terms of Scheme align with the purpose of the Scheme.

18. RETIREMENT AND OTHER EVENTS

18.1 Retirement:

- (a) If a Grantee ceases to be an Eligible Participant by reason of the Grantee's retirement: (i) any outstanding Awards not yet vested shall continue to vest in accordance with the Vesting Dates set out in the Award Letter, or such other period as the Scheme Administrator may determine at their sole discretion; or (ii) any unvested Awards shall lapse.

- (b) A Grantee shall be taken to have retired on the date that the Grantee retires upon or after reaching the age of retirement specified in the Grantee's service agreement or pursuant to any retirement policy of the relevant member of the Group applicable to the Grantee from time to time or, in case there is no such terms of retirement applicable to the Grantee, with the approval of the Scheme Administrator.

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

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

18.3 **Other reasons:** unless otherwise determined by the Scheme Administrator: (i) If a Grantee ceases to be an Eligible Participant, or where the Grantee's employment or contractual engagement with the Group is terminated, for reasons other than those set out in the Scheme Rules or the preceding provisions of the Scheme Rules, including but not limited to the cases of negotiating departure, being dismissed or non-work-related death or permanent incapacity; or (ii) where the Grantee's employment or contractual engagement with the Group has been suspended, or the Grantee's position within or in relation to the Group has been vacated, for more than six months:

- (a) the Award Shares underlying of the RSUs vested shall hold by the Grantee; and
- (b) any outstanding RSUs not yet vested shall be immediately forfeited and shall lapse, unless the Scheme Administrator determines otherwise at its absolute discretion.

19. ALTERATIONS IN SHARE CAPITAL OR CORPORATE TRANSACTIONS**Alterations in Share Capital**

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

- (a) the number of H Shares comprising the Scheme Mandate Limit or Service Provider Sublimit, provided that in the event of any Share subdivision or consolidation the Scheme Mandate Limit and Service Provider Sublimit as a percentage of the total issued H Shares of the Company at the date immediately before any consolidation or subdivision shall be the same on the date immediately after such consolidation or subdivision, rounded to the nearest whole Share;
- (b) the number of H Shares comprised in each Award to the extent any Award has not been delivered;
- (c) the Purchase Price of any RSUs,

or any combination thereof, as the Auditors or a financial advisor engaged by the Company for such purpose have certified in writing satisfy the relevant requirements of the Listing Rules and are, in their opinion, fair and reasonable either generally or as regards any particular Grantee, provided always that: (i) any such adjustments should give each Grantee the same proportion of the equity capital of the Company, rounded to the nearest whole Share, as that to which that Grantee was previously entitled prior to such adjustments; and (ii) no such adjustments shall be made which would result in a Share being issued at less than its nominal value. The capacity of the Auditors or financial advisor (as the case may be) in the Scheme Rules is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final, conclusive and binding on the Company and the Grantees.

Corporate Transactions

- 19.2 If there is an event of change in control of the Company as the result of a merger, scheme of arrangement or general offer, or in the event of a dissolution or liquidation of the Company, the Scheme Administrator shall at its sole discretion determine whether the Vesting Dates of any Awards will be accelerated and/or the vesting conditions or criteria of any Awards will be amended or waived, and notify the Grantees accordingly.
- 19.3 For the purpose of the Scheme Rules, “control” shall have the meaning as specified in The Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC from time to time.

20. AMENDMENT OF THE SCHEME OR AWARDS

- 20.1 Subject to the provisions of the Scheme Rules, the Scheme Administrator may amend any of the provisions of this Scheme or any Awards granted under this Scheme at any time and in any respect, provided that the terms of this Scheme or Awards so altered must comply with the relevant requirements of Chapter 17 of the Listing Rules.
- 20.2 The consent of the relevant Grantee is required for any change to the provisions of this Scheme or any Awards granted under this Scheme to the extent that such amendment or alteration has a material adverse effect on any subsisting rights of that Grantee at that date in respect of Awards already granted to that Grantee and to the extent that such Awards have not vested or lapsed or been forfeited, *provided that* no such consent shall be required if the Scheme Administrator determines in its sole discretion that such amendment or alteration either:
- (a) is necessary or advisable in order for the Company, this Scheme or the Award to satisfy any Applicable Laws or the Listing Rules or to meet the requirements of, or avoid adverse consequences under, any accounting standard; or
 - (b) is not reasonably likely to diminish materially the benefits provided under such Award, or that any such diminishment has been adequately compensated.
- 20.3 The approval of the Shareholders at shareholders’ meeting is required for:
- (a) any amendment or alteration to the terms of this Scheme which are of a material nature or to those provisions of this Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules to the extent that such alteration or amendment operates to the advantage of Eligible Participants; and

- (b) any change to the authority of the Board or the Scheme Administrator, including under the Scheme Rules, to alter the terms of this Scheme shall be subject to the approval of the Shareholders at shareholders' meeting.

20.4 Any amendment or alteration to the terms of any Award the grant of which was subject to the approval of a particular body (such as the Board or any committee thereof, the independent non-executive Directors, or the Shareholders at shareholders' meeting) shall be subject to approval by that same body, *except where* the relevant alteration takes effect automatically under existing terms of this Scheme.

21. SCHEME LIFE AND TERMINATION

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

21.2 The Scheme shall terminate on the earlier of:

- (a) the expiry of the Scheme Period; and
- (b) such date of early termination as determined by the Board,

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

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

22. MISCELLANEOUS**Governing Law and Third Party Rights**

- 22.1 The Scheme Rules and all Awards granted hereunder shall be governed by and construed in accordance with the laws of Hong Kong.
- 22.2 The Scheme shall operate subject to the Articles of Association and to any restrictions under any Applicable Laws, rules and regulations (including the Listing Rules). All allotments and issuances of H Shares pursuant to this Scheme will be subject to all necessary consents under any relevant legislation and Listing Rules for the time being in force in Hong Kong and in the Company's place of incorporation or domicile.
- 22.3 Save as otherwise expressly provided in the Scheme Rules, no third party (which for the purposes of the Scheme Rules means any person other than the Company and Grantees) shall have the right to enforce any of the terms of the Scheme or the Scheme Rules or otherwise enjoy any benefits under the Scheme pursuant to the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong) or otherwise. Alteration of the Scheme, the Scheme Rules, Awards, or Award Letter may be effected in accordance with the Scheme Rules without requiring the consent of any third party.

No Rights or Liability to Grantee

- 22.4 This Scheme shall not form part of any contract of employment or other contract between the Company or any Subsidiary and any Eligible Participant or Grantee, and the rights and obligations of any Eligible Participant or Grantee under the terms of the Grantee's office or employment or engagement shall not be affected by the Grantee's participation in this Scheme or any right which the Grantee may have to participate in it, and this Scheme shall afford such Eligible Participant or Grantee no additional rights to compensation or damages in consequence of the termination of such office or employment or engagement for any reason.
- 22.5 The Company shall not be responsible to: (i) any Eligible Participant or Grantee for any failure by the Company or any person involved in the management or administration of the Scheme; (ii) any person (including any Eligible Participant and Grantee) to obtain any consent or approval required for such person to participate in the Scheme; or (iii) any Eligible Participant or Grantee for any Taxes, expenses, fees or any other liability to which such Eligible Participant or Grantee may become subject as a result of participation in the Scheme.

- 22.6 Save as specifically provided herein, this Scheme shall not confer on any person any legal or equitable rights against any member of the Group directly or indirectly or give rise to any cause of action at law or in equity against the any member of the Group. No person shall, under any circumstances, hold the Board, Scheme Administrator, the Company or any other member of the Group, any administrator or any broker-dealer or designated third party liable for any costs, losses, expenses and/or damages whatsoever arising from or in connection with the Scheme or the administration thereof.
- 22.7 In the event that an Award lapses or is forfeited in accordance with the Scheme Rules, no Grantee shall be entitled to any compensation for any loss or any right or benefit or prospective right or benefit under the Scheme which the Grantee might otherwise have enjoyed.
- 22.8 A Grantee shall be responsible for obtaining any governmental or other official consent or approval that may be required by any country or jurisdiction in order to permit the grant, holding or exercise of any Award. By accepting an offer of the grant of an Award or exercising an Award, the Grantee thereof is deemed to have represented to the Company that the Grantee has obtained all such consents and approvals. Compliance with the Scheme Rules shall be a condition precedent to an acceptance of an Award by a Grantee and an exercise by a Grantee of their Awards. Each Grantee, by their acceptance of any Award, shall thereby agree to indemnify each member of the Group fully against all claims, demands, liabilities, actions, proceedings, fees, costs and expenses which they may suffer or incur (whether alone or jointly with other party or parties) for or in respect of any failure on the part of the Grantee to obtain any necessary consent or approval or to pay Taxes or other liabilities referred therein. No member of the Group shall be responsible for any failure by a Grantee to obtain any such consent or approval or for any Taxes or other liability to which a Grantee may become subject as a result of the Grantee's participation in the Scheme.

Severability

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

Personal Data

22.10 By accepting an Award and participating in the Scheme, each Grantee consents to the holding, processing, storage and use of personal data or information concerning the Grantee by any member of the Group or other third party service provider, in Hong Kong or elsewhere, for the purpose of the administration, management or operation of the Scheme. Such consent permits, but is not limited to, the following:

- (a) the administration and maintenance of records of the Grantee;
- (b) the provision of data or information to without limitation members of the Group, broker-dealers, registrars, brokers or third party administrators or managers of the Scheme, in Hong Kong or elsewhere;
- (c) the provision of data or information to future purchasers or merger partners of the Company or any other member of the Group, the Grantee's employing company, or the business in which the Grantee works;
- (d) the transfer of data or information about the Grantee to a country or territory outside China, Hong Kong or the Grantee's home country which may not provide the same statutory protection for the information about the Grantee as in China, Hong Kong or the Grantee's home country; and
- (e) in the case where an announcement or other disclosure document is required to be made pursuant to the Listing Rules in connection with this Scheme (including but not limited to the adoption of this Scheme and grant of an Award), the disclosure of the identity of such Grantee, the number of Award Shares and the terms of the Award granted and/or to be granted and all other information as required under the Listing Rules.

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

23. NOTICES

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

- (a) in the case of the Company, its principal place of business in Hong Kong or such other address as notified to the Eligible Participant or Grantee from time to time; and
- (b) in the case of an Eligible Participant or Grantee, their address as notified to the Company from time to time or by hand delivery.

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

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

NOTICE OF THE EGM

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.

林清軒

Forest Cabin

SHANGHAI FOREST CABIN COSMETICS GROUP CO., LTD.

上海林清軒化妝品集團股份有限公司

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

(Stock Code: 2657)

NOTICE OF THE 2026 SECOND EXTRAORDINARY SHAREHOLDERS' MEETING

NOTICE IS HEREBY GIVEN THAT the 2026 second extraordinary shareholders' meeting (the "EGM") of Shanghai Forest Cabin Cosmetics Group Co., Ltd. (the "**Company**") will be held at the Company's Meeting Room, 9th Floor, Building 3, No. 339 Tongpu Road, Putuo District, Shanghai, PRC on Friday, September 18, 2026 at 10 a.m. for considering and, if thought fit, passing, the following resolutions. In this notice, unless the context otherwise requires, capitalized terms used herein shall have the same meanings as defined in the circular of the Company (the "**Circular**") dated August 31, 2026.

ORDINARY RESOLUTIONS

1. To consider and approve the 2026 Interim Profit Distribution Plan.
2. To consider and approve the Dividend Plan for the Next Three Years (2026-2028).

SPECIAL RESOLUTIONS

3. To consider and approve the proposed adoption of the 2026 H Share Scheme.
4. To consider and approve the authorization to the Board and the Scheme Administrator to handle matters relating to the 2026 H Share Scheme.
5. To consider and approve the proposed Scheme Mandate Limit.
6. To consider and approve the proposed Service Provider Sublimit.

NOTICE OF THE EGM

For details of the above resolutions, please refer to the Circular.

By order of the Board
SHANGHAI FOREST CABIN COSMETICS GROUP CO., LTD.
Mr. Sun Laichun
Chairman of the Board, Executive Director and President

Shanghai, the PRC, August 31, 2026

Notes:

- (1) Pursuant to Rule 13.39(4) of the Listing Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, votes of the shareholder(s) at the EGM shall be taken by poll.
- (2) Any Shareholder entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote on his/her/its behalf at the EGM. A proxy need not be a Shareholder. Shareholders shall have one vote for each share that they hold.
- (3) In order to determine the holders of Shares who are entitled to attend the EGM, the register of members of the Company shall be closed from Tuesday, September 15, 2026 to Friday, September 18, 2026 (both days inclusive), during which no transfer of H Shares will be registered. Holders of H Shares and Domestic Shares whose names appear on the register of members on Friday, September 18, 2026 are entitled to attend the EGM.

In order to be entitled to attend and vote at the EGM, holders of Shares whose transfers have not been registered shall lodge the transfer documents together with the relevant share certificates at the H Share Registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for H Shareholders) or the Company's headquarters in the PRC at 9th Floor, Building 3, No. 339 Tongpu Road, Putuo District, Shanghai, PRC (for Domestic Shareholders) no later than 4:30 p.m. on Monday, September 14, 2026.

Holders of H Shares and Domestic Shares whose names appear on the register of members of the Company on Tuesday, September 29, 2026 will be entitled to the Interim Dividend. The register of members of the Company will be closed from Thursday, September 24, 2026 to Tuesday, September 29, 2026 (both days inclusive) during which no transfer of Shares will be registered.

In order to be eligible for the Interim Dividend, holders of Shares (where applicable) are required to lodge their respective transfer documents and the relevant Share certificates to the H Share Registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for H Shareholders) or the Company's headquarters in the PRC at 9th Floor, Building 3, No. 339 Tongpu Road, Putuo District, Shanghai, PRC (for Domestic Shareholders) no later than 4:30 p.m. on Wednesday, September 23, 2026.

- (4) The instruments appointing a proxy must be in writing under the hand of the Shareholder or his/her attorney duly authorized in writing. If the Shareholder is a corporation, that instrument must be either under the company seal or under the hand of its director or duly authorized attorney. If that instrument is signed by an attorney of the Shareholder, the power of attorney authorizing that attorney to sign or other authorization documents must be notarized.
- (5) The proxy form together with the power of attorney or other authorization document (if any) must be deposited at the H Share Registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for H Shareholders) or the Company's headquarters in the PRC at 9th Floor, Building 3, No. 339 Tongpu Road, Putuo District, Shanghai, PRC (for Domestic Shareholders), not less than 24 hours before the time fixed for holding the EGM or any adjournment thereof (as the case may be).

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

NOTICE OF THE EGM

- (6) The meeting is expected to be concluded within a day. Shareholders (in person or by proxy) attending the meeting are responsible for their own transportation and accommodation expenses. Shareholders or their proxies attending the meeting shall produce the identity documents.
- (7) All times refer to Hong Kong local time, except as otherwise stated.

As at the date of this notice, the Board comprises: i) Mr. SUN Laichun and Mr. SUN Fuchun as executive Directors; ii) Mr. WANG Shijia as employee representative Director; and iii) Mr. ZHU Qian, Mr. LIU Yuliang and Ms. QIANG Yilan as independent non-executive Directors.