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

If you have sold or transferred all your shares in Sichuan Baicha Baidao Industrial Co., Ltd., you should at once hand this circular, together with the accompanying form of proxy, to the purchaser or the 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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Sichuan Baicha Baidao Industrial Co., Ltd.

四川百茶百道實業股份有限公司

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

(Stock Code: 2555)

**PROPOSED ADOPTION OF THE 2026 H SHARE INCENTIVE PLAN
PROPOSED AUTHORIZATION TO THE BOARD AND/OR
AUTHORIZED PERSON(S) TO DEAL WITH MATTERS IN RELATION
TO THE 2026 H SHARE INCENTIVE PLAN
PAYMENT OF INTERIM DIVIDEND
AND
NOTICE OF THE 2026 FIRST EXTRAORDINARY GENERAL MEETING**

The EGM of the Company will be held at the Conference Room of the Company, Jiayu Financial Technology Center, No. 166 Mingdu Road, Wuhou District, Chengdu, Sichuan, the PRC, at 2:00 p.m. on Friday, October 30, 2026. A letter from the Board is set out on pages 6 to 25 of this circular. A notice of the 2026 First Extraordinary General Meeting is set out on pages 47 to 49 of this circular.

If you intend to appoint a proxy to attend the EGM, you shall complete and return the accompanying form of proxy in accordance with the instructions printed thereon. H Shareholders shall return the form of proxy to the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, in person or by post not less than 24 hours before the time fixed for holding the EGM 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.

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

October 8, 2026

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DEFINITIONS

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

“2026 H Share Incentive Plan”, “the Plan” or “this Plan”	the H Share incentive plan of the Company proposed to be adopted at the extraordinary general meeting, a summary of the principal terms of which is set out in the Appendix to this circular
“Adoption Date”	the date on which this Plan is considered and approved at the extraordinary general meeting
“Articles of Association”	the articles of association of the Company
“authorized person(s)”	person(s) authorized by the Board
“Awards”	Share Options, or Restricted Share Units granted by the Board and/or authorized person(s) to the Selected Participant(s) under this Plan; unless the context requires otherwise, the provisions in this Plan referring to “Awards” shall apply to Share Options and Restricted Share Units; where this Plan makes special provisions respectively for Share Options or Restricted Share(s) Unit, such special provisions shall prevail
“Share Options”	the right granted to a Selected Participant pursuant to the Plan, which entitles such Selected Participant to subscribe for or acquire a specified number of H Share(s) at the Exercise Price during the Exercise Period after the vesting of the option(s)
“Restricted Share Units”	a conditional right granted to a Selected Participant under the Plan, which entitles such participant to obtain a specified number of H Share(s) upon the vesting of the Restricted Share Units
“Award Shares”	H Shares underlying the Awards
“Board” or “Board of Directors”	the board of directors of the Company
“Business Day”	any day (other than a Saturday, Sunday or public holiday) on which the Hong Kong Stock Exchange is open for trading and banks in Hong Kong are open for business

DEFINITIONS

“China” or “PRC”	the People’s Republic of China
“our Company” or “Company”	Sichuan Baicha Baidao Industrial Co., Ltd. (四川百茶百道實業股份有限公司), a joint stock company incorporated under the laws of the PRC with limited liability on December 31, 2020, the H Shares of which are listed on the Hong Kong Stock Exchange
“Company Law”	the Company Law of the People’s Republic of China, as amended, supplemented or otherwise modified from time to time
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM” or “Extraordinary General Meeting”	the extraordinary general meeting of the Company to be held at the Conference Room of the Company, Jiayu Financial Technology Center, No. 166 Mingdu Road, Wuhou District, Chengdu, Sichuan, the PRC, at 2:00 p.m. on Friday, October 30, 2026, or any adjournment thereof, the notice of which is set out in this circular
“Eligible Participant(s)”	the classes of participants set out in the paragraph headed “Eligible Participants” under the Plan
“Grant”	grant of Awards to Selected Participants
“Date of Grant”	the date on which a grant is made to a Selected Participant (which must be a Business Day), being the date of the Grant Letter
“Grant Letter”	upon the Board of Directors and/or the authorized person(s) determining to grant the Awards to any Selected Participant, a notice issued by the Board and/or the authorized person(s) in electronic or paper form as determined from time to time, setting out the details of the Awards granted and their terms and conditions.
“Incentive Participant(s)”	Eligible Participants who are determined and selected by the Board and/or authorized person(s) to participate in the Plan and who are granted and accept the Awards
“Group” or “our Group”	our Company and its subsidiaries

DEFINITIONS

“H Share(s)”	overseas listed foreign share(s) in the share capital of our Company with a nominal value of RMB0.1 each, which are subscribed for and traded in HK dollars and are listed on the Hong Kong Stock Exchange
“H Shareholder(s)”	holder(s) of H Share(s)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Hong Kong dollars” or “HK dollars” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong Stock Exchange” or “Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Latest Practicable Date”	September 30, 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this circular prior to its printing
“Listing”	the listing of the H Shares on the Main Board of the Hong Kong Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Exercise Price”	the price payable per H Share(s) by a Selected Participant upon the exercise of the Share Options
“Exercise Period”	the period during which the Share Options may be exercised, as determined and notified by the Board and/or the authorized person(s) to the Selected Participant(s) in the Grant Letter
“Purchase Price”	the price (if any) payable by the Selected Participant(s) for acquiring the H Share(s) underlying the Restricted Share Units; for the avoidance of doubt, such price may be zero
“Remuneration Committee”	the remuneration committee established by the Board
“RMB”	Renminbi, the lawful currency of the PRC
“Plan Mandate Limit”	the total number of H Shares which may be issued in respect of all Awards to be granted under the Plan and any other share schemes adopted by the Company

DEFINITIONS

“Plan Rules”	the rules relating to the Plan set out in this circular, as amended from time to time
“Selected Participant(s)”	an eligible participant (or his/her legal personal representative or lawful successor (as the case may be)) selected by the Board and/or the authorized person(s) to participate in the Plan pursuant to the Plan Rules
“Share(s)”	ordinary share(s) in the share capital of our Company with a nominal value of RMB0.1 each
“Share Buy-backs Code”	the Code on Takeovers and Mergers and the Share Buy-backs Code published by the Securities and Futures Commission, as amended, supplemented or otherwise modified from time to time
“Shareholder(s)”	holder(s) of the Share(s)
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“treasury shares”	has the meaning ascribed thereto under the Listing Rules. For the purpose of the 2026 H Share Incentive Plan, references to new H Shares include treasury shares listed on the Hong Kong Stock Exchange, and references to the issue of new H Shares include the transfer of treasury shares listed on the Hong Kong Stock Exchange
“Trust”	any trust which may be established by the Company to assist in the implementation of the Plan
“Trust Deed”	the trust deed that may be entered into between the Company (as settlor) and the Trustee (as trustee of the Trust) (as may be restated, supplemented and amended from time to time)
“Trustee”	one or more trustees (if any) appointed by the Company from time to time in respect of the Trust
“Vesting Date”	in respect of a Selected Participant, the date on which the relevant Awards vest in such Selected Participant pursuant to the Plan Rules and the Grant Letter

DEFINITIONS

“Vesting Letter”	a notice issued by the Board and/or the authorized person(s) upon the vesting of the Awards by electronic or paper means as determined from time to time, confirming the vesting of the Awards
“Pre-IPO Employee Incentive Scheme”	the pre-IPO employee incentive scheme of our Company approved and adopted on 27 June 2023, a summary of the principal terms of which is set forth in “Statutory and General Information – 5. Pre-IPO Employee Incentive Scheme” in Appendix VI to the Prospectus
“Prospectus”	the prospectus of the Company dated 15 April 2024
“%”	per cent

LETTER FROM THE BOARD



茶百道

Sichuan Baicha Baidao Industrial Co., Ltd.

四川百茶百道實業股份有限公司

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

(Stock Code: 2555)

Board of Directors:

Executive Directors:

Mr. Wang Xiaokun

Mr. Wang Hongxue

Ms. Dai Li

Mr. Chen Keyuan

Non-executive Director:

Dr. Chen Da

Independent non-executive Directors:

Mr. Yeung Chi Tat

Dr. Tang Yong

Ms. Cheng Li

Registered Office:

No. 1, 1/F, Building 1

No. 55 Liangshi Road, Mimou Town

Qingbaijiang District

Chengdu, Sichuan

PRC

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

10/F, Unit 1, Building 1

Jiayu Financial Technology Center

No. 166 Mingdu Road

Wuhou District

Chengdu, Sichuan

PRC

**Principal Place of Business
in Hong Kong:**

46/F, Hopewell Centre

183 Queen's Road East

Wanchai

Hong Kong

October 8, 2026

To the Shareholders

Dear Sir or Madam,

**PROPOSED ADOPTION OF THE 2026 H SHARE INCENTIVE PLAN
PROPOSED AUTHORIZATION TO THE BOARD AND/OR
AUTHORIZED PERSON(S) TO DEAL WITH MATTERS IN RELATION
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LETTER FROM THE BOARD

INTRODUCTION

The purpose of this circular is to provide you with the notice of the 2026 First Extraordinary General Meeting and all the information reasonably necessary to enable you to make informed decisions on voting in respect of the following resolutions to be proposed at the EGM:

1. Proposed Adoption of the 2026 H Share Incentive Plan

Reference is made to the announcement of the Company dated August 28, 2026 in relation to the proposed adoption of the 2026 H Share Incentive Plan and the proposed authorization to the Board and/or authorized person(s) to handle matters relating to the 2026 H Share Incentive Plan. In addition to the 2026 H Share Incentive Plan, as at the Latest Practicable Date, the Company has adopted the Pre-IPO Employee Incentive Scheme to enhance the motivation and creativity of the Eligible Participants, promote the continuous growth of the Group's performance, and bring value-added returns to the Eligible Participants while enhancing the value of the Group, thereby achieving the mutual development of the Eligible Participants and the Group. All participants of the Pre-IPO Employee Incentive Scheme have been determined prior to the Listing. All Grants under the Pre-IPO Employee Incentive Scheme have been made prior to the Listing, and all Awards granted have been vested prior to the Listing. As at the Latest Practicable Date, there are no unvested Grants under the Pre-IPO Employee Incentive Scheme, nor are there any Shares or interests involved in such Grants. After the Listing, the Company shall not make any further Grants under the Pre-IPO Employee Incentive Scheme, nor issue any new Shares or transfer treasury shares to satisfy any Grants under the Pre-IPO Employee Incentive Scheme. As the Pre-IPO Employee Incentive Scheme does not involve the grant of any Share Options or Awards by the Company after the Listing, the Pre-IPO Employee Incentive Scheme is not required to comply with the provisions of Chapter 17 of the Listing Rules.

Purpose of the Plan

The purpose of the 2026 H Share Incentive Plan is to (a) attract, motivate and retain Eligible Participants who make significant contributions to the long-term growth and success of the Group, and recognise and reward the past contributions of the Eligible Participants to the Group; (b) encourage the Eligible Participants to make further contributions to the Company, and strive to enhance the value of the Company and its Shares for the overall benefit of the Company and its Shareholders; (c) strengthen the long-term remuneration and incentive strategy of the Company; and (d) align the interests of the Eligible Participants with those of the Company and the Shareholders, so as to drive the long-term performance of the Group (whether in financial, business and operational aspects).

LETTER FROM THE BOARD

Source of Award Shares and Types of Awards

The source of the Award Shares under the Plan will be: (i) new H Shares allotted and issued by the Company; (ii) treasury shares transferred by the Company (if any); and/or (iii) H Shares acquired by the Trustee (if applicable) through on-market purchases of existing Shares.

As at the Latest Practicable Date, the Company did not hold any treasury shares. For the avoidance of doubt, the treasury shares shall be kept in an independent share account of the Company to ensure that the shares to be held as treasury shares or repurchased pursuant to the 2026 H Share Incentive Plan can be properly identified and segregated.

The new H Shares allotted and issued by the Company pursuant to the 2026 H Share Incentive Plan shall rank pari passu in all respects with the fully paid H Shares in issue on the date of allotment.

The Awards under the Plan take the form of Share Options and Restricted Share Units.

Conditions for the Adoption of the Plan

The Plan shall become effective conditional upon the fulfillment of the following conditions: (a) the passing of a special resolution by the Shareholders at the EGM to approve and adopt the Plan, and to authorize the Board to grant the Awards to the Selected Participants, and to allot, issue and deal with the H Shares of the Company to be issued in respect of the Awards granted under the Plan; and (b) the Listing Committee of the Hong Kong Stock Exchange granting approval for the listing of, and permission to deal in, any H Shares to be allotted and issued in respect of the Awards granted under the Plan.

Principal terms of the Plan

A summary of the principal terms of the 2026 H Share Incentive Plan is set out in the appendix to this circular. Such appendix is a summary of the principal terms of the 2026 H Share Incentive Plan and does not constitute the complete terms of the 2026 H Share Incentive Plan.

Eligible Participants

The Eligible Participants of the Plan are employee participants, namely any Director, senior management and employees of the Company or any of its subsidiaries (whether full-time or part-time employees, including persons who are granted Awards under the Plan to induce them to enter into employment contracts with such companies; the Director and senior management must have been elected at a general meeting of the Shareholders or appointed by the Board of such companies).

LETTER FROM THE BOARD

In determining the grant of the Awards to any Selected Participant, the Board and/or the authorized person(s) shall consider various matters, including but not limited to: (i) the current and expected contribution of the relevant Selected Participant to the profits of the Group; (ii) the overall financial condition of the Group; (iii) the overall business objectives and future development plans of the Group; and (iv) any other matters which the Board and/or the authorized person(s) consider(s) relevant.

If any of the following circumstances applies to any person on the Date of Grant, such person shall not be regarded as an Eligible Participant:

- (a) within the most recent 12 months, such person has been publicly censured by the securities regulatory authority or identified as an inappropriate candidate for an equity incentive scheme or similar scheme of a listed company;
- (b) within the most recent 12 months, such person has been penalized or prohibited from trading securities by the securities regulatory authority due to material violations of laws and regulations;
- (c) such person is prohibited from acting as a Director or senior management of the Company under the provisions of the Company Law or the Listing Rules;
- (d) such person is prohibited by laws and regulations from participating in this Plan;
- (e) any other circumstances involving a serious violation of the relevant regulations of the Group by such person, or which are determined by the Board and/or the authorized person(s) to have caused material damage to the interests of the Group; or
- (f) any other circumstances stipulated by the Board and/or the authorized person(s) to safeguard the interests of the Group and to ensure compliance with the applicable laws and regulations relating to the operation of this Plan.

The scope of incentive targets covered by the Plan includes all Eligible Participants who have been granted and have accepted Awards under this Plan; the specific list shall be determined by the Board and/or the authorized person(s).

The Board considers that the eligibility criteria align with the purpose of the 2026 H Share Incentive Plan, as the assessment of skills and past performance ensures the reward for past contributions, while the assessment of expected contributions and incentive effects ensures that the Plan can effectively attract and retain key talents to drive the long-term development of the Group.

LETTER FROM THE BOARD

Plan Mandate Limit and Individual Limit

Subject to the rules of the Plan and any waiver or ruling granted by the Hong Kong Stock Exchange, the total number of H Shares which may be issued under the Plan and any other share scheme adopted by the Company shall not exceed 10% of the total number of issued Shares (excluding treasury shares) as at the Adoption Date, being 147,763,425 H Shares (assuming that the total number of issued Shares (being 1,477,634,250 H Shares) remains unchanged as at the date of the Extraordinary General Meeting). For the avoidance of doubt, the Articles of Association of the Company do not contain any requirement for class meetings.

Subject to any waiver or ruling granted by the Hong Kong Stock Exchange, where any grant of Awards (excluding the grant of share options) to a Director of the Company (other than an independent non-executive Director), chief executive or any of their respective associates would result in the total number of Shares issued and to be issued in respect of all Awards granted under the relevant Plan to such proposed Selected Participant (excluding any Awards lapsed in accordance with the terms of the relevant Plan) in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the total number of issued Shares of the Company (excluding treasury shares), such further grant of Awards shall not be valid unless: the grant of Awards has been duly approved by the Shareholders at a general meeting of the Company in the manner required under the relevant provisions of Chapter 17 of the Listing Rules, and the proposed Selected Participant, his/her associates and all core connected persons of the Company abstain from voting in favour of the resolution approving the grant at the general meeting.

Where any grant of Awards to an independent non-executive Director, substantial shareholder of the Company, or any of their respective associates, would result in the total number of Shares issued and to be issued in respect of all Awards granted under the relevant Plan to such proposed Selected Participant (excluding any Awards lapsed in accordance with the terms of the relevant Plan) in the 12-month period up to and including the date of such grant, representing in aggregate over 0.1% of the total number of issued Shares of the Company (excluding treasury shares), such further grant of Awards shall be of no effect unless the grant of Awards has been duly approved by the Shareholders at a general meeting of the Company in the manner required by the relevant provisions of Chapter 17 of the Listing Rules, with the proposed Selected Participant, his/her/its associates and all core connected persons of the Company abstaining from voting in favour of the resolution approving such grant at the general meeting.

LETTER FROM THE BOARD

Subject to the Plan Rules and any waivers or rulings granted by the Hong Kong Stock Exchange, if, at the time of grant, the number of H Share(s) issued and to be issued in respect of all Awards granted to any Eligible Participants during the 12-month period up to and including the date of grant (excluding any Awards that have lapsed in accordance with the terms of the relevant scheme) exceeds 1% of the total number of issued Shares (excluding treasury shares) as at the date of grant, such grant of Awards shall not be effective unless the grant has been duly approved by the Shareholder(s) at a general meeting in the manner required under the relevant provisions of Chapter 17 of the Listing Rules, and such Selected Participant and his/her close associates (or his/her associates if the Selected Participant is a connected person) abstain from voting in favour of the resolution approving such grant at the general meeting.

Term

Subject to any early termination as determined by the Board and/or the authorized person(s) pursuant to the Plan Rules, the Plan shall be valid and effective for a period of 10 years commencing from the Adoption Date (the “**Term**”). After the expiry of the Term, no further Awards shall be offered or granted, but the provisions of the Plan shall remain in full force and effect in all other respects, so as to enable the Share Options granted prior thereto to continue to vest and be exercised in accordance with their terms, and to enable the Restricted Share Units granted prior thereto to continue to vest and be settled in accordance with their terms.

Vesting Period and Exercise Period

Vesting Period of the Awards

The vesting period of the Awards shall not be less than twelve (12) months. Notwithstanding any other provisions of this Plan, subject to applicable laws and regulations, the Board and/or the authorized person(s) may, at their sole discretion, determine that the vesting period for the Awards granted to Employee Participants be less than 12 months in, and only in, the following circumstances:

- (a) the Awards are subject to performance-based vesting conditions as stipulated in the Grant Letter and the Plan Rules, rather than time-based vesting criteria (the performance assessment period shall not be less than three (3) months from the Date of Grant);
- (b) grants made in batches during a year for administrative and compliance reasons. This may include Awards that should have been granted earlier but had to wait for the subsequent batch to be granted. In such cases, the vesting period may be shortened to reflect the time when the Awards should have been granted; and
- (c) the Awards are granted to an Employee Participant whose employment is terminated due to death or disability (in which cases, the vesting of the Awards may be accelerated); and

LETTER FROM THE BOARD

- (d) the total vesting and holding period of the Awards exceeds twelve (12) months.

Save as disclosed above, there are no other events that will result in the vesting period of the unvested Share Awards being shortened to less than 12 months.

The Board and the Remuneration Committee consider that the above exceptional arrangements for a shorter vesting period are appropriate and align with the purposes of the 2026 H share incentive plan for the following reasons:

- (i) for the Awards stated in paragraph (a), the satisfaction of performance-based vesting conditions set out in the Grant Letter and the Plan Rules replaces purely time-based vesting conditions, which directly links the Awards to the actual performance of and contributions to the Group by the participants. The performance assessment period of such Awards shall not be less than three (3) months from the Date of Grant, and the applicable performance vesting conditions must be financial, operational, project milestone and/or individual performance indicators that can be objectively measured and verified within the relevant performance assessment period, and must meet the minimum target levels or thresholds set out in the Grant Letter. Therefore, even if the vesting period is less than twelve months, such arrangement can still effectively motivate and provide Awards to outstanding performers;
- (ii) paragraph (b) only applies to Awards the Grant of which is delayed to a subsequent batch due to administrative or compliance reasons. Shortening the vesting period is intended to reflect the time when the Awards should have originally been Granted, avoiding any adverse impacts on the participants caused by the Company's Grant procedures and scheduling;
- (iii) paragraph (c) applies to circumstances where the employment is terminated due to death or disability, which are events typically beyond the control of the participants. Allowing accelerated vesting can avoid the unfair outcomes resulting from the strict application of the twelve-month vesting period, and appropriately recognize their contributions made to the Group prior to the termination of employment; and
- (iv) paragraph (d) requires that the total vesting and holding period of the Awards must exceed twelve months. Therefore, even if the vesting period itself is less than twelve months, retention incentives for the participants can still be maintained through the holding period, keeping their interests aligned with the long-term interests of the Group and the Shareholders.

The Board and the Remuneration Committee consider that the above exceptions are all clearly defined and limited, and provide the Company with the necessary flexibility to set a shorter vesting period under reasonable and appropriate circumstances, which helps the Group to attract, retain, motivate and provide Awards to employee participants, and is in line with the purposes of the 2026 H Share incentive plan.

LETTER FROM THE BOARD

Exercise Period of Share Options

The Board and/or the authorized person(s) shall determine and notify each of the grantees in the Grant Letter of the exercise period during which the Share Options may be exercised, and such period shall not exceed the maximum term of the Plan (10 years from the approval of the Plan). Share Options that are not exercised prior to the expiry of the exercise period shall lapse automatically.

Exercise Price and Purchase Price

Share Options

In respect of Share Options, the exercise price shall be at least the higher of the following two: (i) the closing price of the relevant H Share(s) on the date of grant of the Share Options (which must be a business day) (as stated in the daily quotations sheet of the Hong Kong Stock Exchange); and (ii) the average closing price of such H Share(s) for the 5 Business Days preceding the Date of Grant of the Share Options (closing prices are also as stated in the daily quotations sheets of the Hong Kong Stock Exchange).

The Selected Participant(s) shall, upon exercising the relevant Share Options, submit an exercise notice in accordance with the terms of the Plan and the Grant Letter, and simultaneously pay the full exercise price of the relevant Share Options in cash.

Restricted Share Units

In respect of the Restricted Share Units, the Board and/or authorized person(s) may at their sole discretion determine whether to require the Selected Participant(s) to pay any Purchase Price; if so required, the amount of the Purchase Price shall be determined after taking into account the following factors: (a) the purpose of establishing the Plan and the necessity of providing meaningful Awards to the Selected Participant(s); (b) the market price of the H Share(s) on or around the date of grant; (c) the present or expected contributions of the Selected Participant(s) to the Group; (d) prevailing market conditions and comparable market practices; and (e) any other factors that the Board or the Remuneration Committee considers relevant.

The Selected Participant(s) shall, within one month after the vesting of the Restricted Share Units, pay the corresponding Purchase Price (if any) in cash to the Company. For the avoidance of doubt, no minimum Purchase Price is set for the Restricted Share Units, and the Board and/or authorized person(s) may determine nil consideration as the Purchase Price.

LETTER FROM THE BOARD

The Board considers that the basis for determining the exercise price and the Purchase Price is in line with the purpose of the 2026 H Share Incentive Plan to encourage eligible participants to contribute to the long-term development and interests of the Company, and that imposing appropriate criteria on the exercise price and the Purchase Price will better align the interests of the Selected Participant(s) with those of the Group.

Vesting

The vesting of the Awards is subject to the following conditions:

- (a) unless otherwise provided in the Plan Rules, the Plan remains valid and has not been terminated;
- (b) the vesting schedule specified in the Grant Letter has been fulfilled;
- (c) the Selected Participant remains an Eligible Participant;
- (d) there are no circumstances under which the Selected Participant(s) are not permitted to be vested with restricted share units or to exercise share options under the Plan;
- (e) the performance targets, assessment conditions and other conditions (if any) set out in the Grant Letter have been fulfilled; and/or
- (f) no applicable laws and regulations prohibit the Selected Participant from participating in the Plan.

For each of the Awards, the Board and/or the authorized person(s) may, subject to compliance with all applicable laws, rules and regulations, determine at their absolute discretion the vesting schedule and proportion in respect of the relevant Awards, as well as any performance targets or other conditions, constraints or restrictions. Such performance targets include, but are not limited to, the business, financial, and operational performance of the Company, or the performance appraisal criteria applicable to the Selected Participant(s) that the Board and/or the authorized person(s) consider reasonable at their absolute discretion. For the avoidance of doubt, if the Grant Letter does not specify any performance appraisal-related indicator requirements, the vesting of the Awards shall not be subject to any performance targets, standards or conditions.

LETTER FROM THE BOARD

Performance Targets

An Award shall only vest after the Selected Participant satisfies the performance targets (if any) determined by the Remuneration Committee or the Board and/or authorized person(s) from time to time. The Board and/or authorized person(s) shall, based on the roles, responsibilities, qualifications, purpose of the Grant and expected contributions of each Selected Participant, determine the specific performance targets, target levels or thresholds, measurement benchmarks, performance periods, weightings of each target and the vesting proportion of Awards corresponding to different levels of achievement applicable to such Selected Participant, which shall be specified in the relevant Grant Letter. The performance targets may be constituted by one or more of the following indicators:

- (a) the annual results and performance of the Group or any member company of the Group, such as revenue, profit, cash flow, return on equity and overall financial position;
- (b) the achievement status of milestones of significant projects of the Group, such as expansion into new markets or new businesses, product innovation and other strategic goals;
- (c) the key performance indicators of the department and/or business unit to which the Eligible Participant belongs, such as business growth, operational efficiency, quality of products or services, customer satisfaction and other key performance indicators; and/or
- (d) the position held by the Eligible Participant and their annual performance appraisal results; such targets may vary for each Selected Participant, such as completion of job responsibilities, professional capabilities, compliance performance and their actual contribution to the Group, the relevant business unit or department.

During the vesting period, in respect of the performance targets that must be achieved by the eligible participant(s) prior to the vesting of the relevant Awards, the Board of Directors and/or authorized person(s) will conduct an assessment at the end of the relevant set performance period, which includes comparing the performance of the Group and/or the individual performance of the eligible participant(s) against the pre-agreed targets, to determine whether and the extent to which such targets have been achieved.

Performance targets may be measured on an absolute basis (e.g. reaching pre-determined targets) and/or a relative basis (e.g. comparison with past annual results or a designated comparison group). The target levels or thresholds of the relevant performance targets and the performance periods shall be determined by the Board and/or authorized person(s) based on the specific circumstances of each Grant and the relevant Eligible Participant, and set out in the relevant Grant Letter. The actual vesting number or proportion of the Awards shall be determined based on the extent to which the relevant performance targets have been achieved.

At the end of the relevant performance period, the Board and/or authorized person(s) shall evaluate whether and the extent to which the performance targets have been achieved based on the measurement methods and relevant information set out in the relevant Grant Letter.

LETTER FROM THE BOARD

The Board considers that, rather than adopting a rigid, one-size-fits-all performance target, it is more appropriate to retain the discretion to determine whether to set performance targets; and if performance targets are to be set, to determine the specific details on a case-by-case basis according to the individual circumstances of each grant and each Selected Participant. In determining the specific performance targets (if applicable), due consideration will be given to the purpose of the 2026 H Share Incentive Plan, the indicators of the aforementioned performance targets, the roles and responsibilities of the relevant Grantees, the nature of the grants, the expected contributions of the Grantees, as well as the business objectives of the Group and the prevailing market conditions. This ensures that appropriate specific performance targets are established with respect to the specific circumstances of the Incentive Participant(s), thereby enhancing the Company's ability to retain such Incentive Participant(s) to continue serving the Company, while providing more effective incentives for such Selected Participants.

As the roles, responsibilities and ways of contribution of each Selected Participant vary, the Board and/or the authorized person(s) may consider it appropriate to set specific performance targets to incentivize performance-linked contributions in certain circumstances, while in other circumstances, it may be more appropriate not to set performance targets. Specifically: (i) the Grant intended to provide recognition and Awards for past contributions will be determined with primary reference to the contributions that the Selected Participant(s) have already made to the Group; (ii) the Grant intended to retain personnel will primarily, through continuous service and time-based vesting conditions, encourage key personnel who are crucial to the long-term development of the Group to remain with the Group; (iii) for the compensatory Grant intended to replace the Awards forfeited by the Selected Participant(s) due to their departure from previous employers, the number and terms of the Awards will be primarily determined with reference to the value and terms of the replaced Awards; and (iv) the Grant intended to incentivize future performance will generally carry performance targets commensurate with the roles, responsibilities, and expected contributions of the Selected Participant(s).

In determining the number and terms of the Awards without performance targets, the Board of Directors and/or authorized person(s) will consider the roles and responsibilities of the relevant Selected Participant(s), their past and expected contributions to the Group, the number of Awards, the vesting period, and any applicable holding requirements. Such Awards will generally remain subject to continuous service and time-based vesting conditions to ensure that the number of Awards and the vesting arrangements are commensurate with the purpose of the Grant.

The Board of Directors considers that the above arrangements enable the Company to, while recognizing past contributions or providing compensatory Awards, retain and incentivize key personnel through continuous service, vesting periods, and holding requirements, thereby encouraging them to continuously contribute to the long-term growth of the Group. Therefore, even if individual Awards do not carry performance targets, the relevant Grant is in alignment with the purpose of the 2026 H Share Incentive Plan to promote the long-term financial, business, and operational performance of the Group.

LETTER FROM THE BOARD

Based on the above reasons, the Board considers that the current arrangement relating to performance targets aligns with the purpose of the 2026 H Share Incentive Plan and is in the overall interests of the Company and its Shareholders.

Clawback Mechanism

Under the following circumstances, such Selected Participant(s) shall cease to be an Eligible Participant, any unvested Awards shall immediately and automatically lapse and shall no longer vest on the relevant Vesting Date; any vested but unexercised share options shall also immediately and automatically lapse, unless otherwise determined by the Board and/or authorized person(s) in compliance with the Plan and the Listing Rules. The Company may also recover the relevant benefits obtained by the relevant person from the Share(s) derived from the vested Restricted Share Units or exercised share options, including but not limited to requiring the relevant person to repay all cash profits (including any dividends) obtained through the sale of the relevant Share(s), or deducting Award Shares of an equivalent number or value from the amounts owed by the relevant Group company to such grantee:

- (a) if the Selected Participant unilaterally requests to voluntarily terminate his/her continuous service, or the Selected Participant commits a fault (regardless of whether the continuous service of the Selected Participant has ceased or not);
- (b) at any time (regardless of whether the continuous service of the Selected Participant has ceased or not), if the Selected Participant provides any type of service to any competing entity, or invests in such competing entities in any manner (except for acquiring an aggregate of not more than 1% of the equity interests in such competing entities in the open market), or breaches any non-competition obligations undertaken by him/her to the Company;
- (c) causing material prejudice to the Company's interests, disclosing the Company's commercial and technical secrets, breaching the Company's confidentiality agreements, breaching the employment contract or the Company's rules and regulations, or committing serious violations of laws and discipline;
- (d) failing to perform or improperly performing duties, thereby causing the Company to suffer significant asset losses and other material adverse effects;
- (e) accepting or soliciting bribes, committing corruption or theft, causing damage to the interests and reputation of the Company, and committing other illegal acts that have a material adverse effect on the image of the Company, and for which a penalty has been imposed;
- (f) maliciously destroying the materials and resources of the Company;

LETTER FROM THE BOARD

- (g) the financial statements of the Company containing a material misstatement; and/or
- (h) any other acts as determined in good faith by the Board and/or the authorized person(s) that justify the termination of his/her contract as being reasonable.

When deciding whether to exercise the clawback right, the Board of Directors and/or the authorized person(s) will consider the relevant circumstances triggering the clawback mechanism and the severity thereof, the loss or adverse impact caused to the Group, and the degree of responsibility of the relevant Selected Participant(s). The clawback amount will be determined by reference to the actual gains obtained by the relevant Selected Participant(s) from the H Share(s) acquired pursuant to the vested Restricted Share(s) Units or exercised share options, including the cash profits obtained through the disposal of the relevant H Share(s) and any dividends.

The Board is of the view that the clawback mechanism of the 2026 H Share Incentive Plan provides the Board with the option to claw back the Awards granted to Eligible Participants who commit misconduct, enabling the Board to have greater flexibility in setting the terms and conditions of the Awards based on the specific circumstances of each grant. This facilitates the realization of the goal of providing meaningful incentives to attract and retain high-caliber personnel who are valuable to the development of the Group, and aligns with the purpose of the 2026 H Share Incentive Plan and the overall interests of the Company and the Shareholders.

Others

As at the Latest Practicable Date, conditional upon the adoption of the 2026 H Share Incentive Plan and subject to the terms of the 2026 H Share Incentive Plan, the Company has not yet determined the specific plan for the grant of Awards. Upon the determination of the terms of the possible grant of Awards (including the identities of the grantees and the number of Awards), the Company will publish a separate announcement in accordance with the requirements of Chapter 17 of the Listing Rules.

As at the Latest Practicable Date, no Trustee has been appointed for the 2026 H Share Incentive Plan. Should the Company consider appointing a Trustee to implement the 2026 H Share Incentive Plan in the future, the Company will comply with the provisions of Chapter 17 of the Listing Rules, and such Trustee will be independent of the Company and its connected person(s). None of the Director(s) is the Trustee of the 2026 H Share Incentive Plan, nor does any of the Director(s) have any direct or indirect interest in the Trustee (if any) of the 2026 H Share Incentive Plan.

A copy of the plan document of the 2026 H Share Incentive Plan will be published on the websites of the Hong Kong Stock Exchange and the Company for display for a period of not less than 14 days before the date of the Extraordinary General Meeting, and the plan document of the 2026 H Share Incentive Plan will be available for inspection at the Extraordinary General Meeting.

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Implications under the Listing Rules

The 2026 H Share Incentive Plan will constitute a share scheme involving the issue of new shares by the Company under Chapter 17 of the Listing Rules, and therefore the adoption of the 2026 H Share Incentive Plan is subject to approval by the Shareholders. The provisions of the 2026 H Share Incentive Plan will comply with Chapter 17 of the Listing Rules.

If Awards are granted to a grantee (being a connected person(s) of the Company) under the 2026 H Share Incentive Plan and are satisfied by existing H Share(s) purchased on the market, the Company shall comply with the applicable requirements under Chapter 14A of the Listing Rules, including any reporting, announcement and independent Shareholder(s)' approval requirements, unless otherwise exempted under the Listing Rules.

The above resolution has been approved by the Board of Directors and is hereby proposed at the Extraordinary General Meeting for consideration and approval by the Shareholders.

2. Proposed Authorization to the Board and/or Authorized Person(s) to Deal with Matters in Relation to the 2026 H Share Incentive Plan

To ensure the implementation of the 2026 H Share Incentive Plan, the Board of Directors recommends that, subject to the approval of the 2026 H Share Incentive Plan by the Shareholders at the Extraordinary General Meeting of the Company, the Shareholders should also grant full authority to the Board of Directors and/or the authorized person(s) to handle matters relating to the 2026 H Share Incentive Plan. Subject to compliance with the Plan Rules, the Listing Rules and any applicable laws and regulations, the Board of Directors and/or the authorized person(s) shall be entitled to, from time to time:

- (a) administer and operate this Plan, and, provided that there is no contravention of this Plan, the Listing Rules and all applicable laws and regulations, formulate, amend and implement specific implementation rules, procedures, guidelines and other administrative arrangements in relation to this Plan, and take all such actions as the Board of Directors and/or the authorized person(s) may consider necessary, desirable or expedient for the implementation of this Plan;
- (b) interpret the Plan, and subject to compliance with the Plan Rules and the provisions of Chapter 17 of the Listing Rules, modify and/or amend the Plan Rules from time to time, provided that such modifications and/or amendments shall be made in accordance with the provisions of the Plan regarding such modifications and/or amendments, and must comply with the provisions of Chapter 17 of the Listing Rules;
- (c) conduct assessments on the Eligible Participants and grant Awards, determine the exercise price (in respect of share options only) or Purchase Price (in respect of Restricted Share Units only), the vesting period, the exercise period (in respect of share options only) and the vesting conditions (such as performance assessment criteria), and issue agreements relating to the Awards (such as the Grant Letter) to the Selected Participants on behalf of the Company;

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- (d) where it is strictly necessary due to a change in control, reorganization, winding-up or to comply with applicable laws and regulations or the Listing Rules, to amend the vesting period or vesting conditions set out in the Grant Letter after obtaining the necessary approvals stipulated under Rule 17.03(18) of the Listing Rules and to notify the relevant Selected Participant(s), in order to address exceptional circumstances which could not be reasonably foreseen at the time of Grant and to ensure that the Awards can continue to be implemented in accordance with the original purpose of Grant; for the avoidance of doubt, no amendment shall result in a vesting period shorter than the period permitted under Rule 17.03F of the Listing Rules, or waive or relax performance targets or other vesting conditions to the benefit of the Selected Participant(s) without obtaining the necessary approvals stipulated under Rule 17.03(18) of the Listing Rules;
- (e) determine the vesting and exercise method for the Awards;
- (f) allot and issue new H Shares or transfer treasury shares or procure the Trustee (where applicable) to transfer existing H Shares from time to time in accordance with the number of H Shares required to satisfy the Awards granted under the terms and conditions of the Plan and the Listing Rules; and apply to the Hong Kong Stock Exchange for the listing of and permission to deal in the relevant new H Shares at an appropriate time or period;
- (g) when adjusting the number of H Shares subject to the Awards and/or the exercise price or Purchase Price (as applicable) in the event of a capitalization issue, rights issue, sub-division or consolidation of shares or reduction of share capital, ensure that the proportion of the equity capital held by the Selected Participants (rounded down to the nearest whole share) is the same as that to which they were entitled prior to such adjustments, provided that no such adjustments shall result in a share being issued at a price lower than its nominal value (if any). In respect of any such adjustments (other than adjustments made pursuant to a capitalization issue), an independent financial adviser or the auditors of the Company must confirm in writing to the Director(s) that such adjustments satisfy the requirements set out in the Note to Rule 17.03(13) of the Listing Rules; The administration and any adjustments shall comply with the Listing Rules and any guidelines or interpretations issued by The Hong Kong Stock Exchange from time to time, including but not limited to the adjustment mechanism under Attachment 1 to FAQ No. 13;
- (h) handle the necessary procedures for approval, registration, filing, sanction and consent (if any) with the relevant governments or authorities in relation to the Plan; sign, execute, modify and complete the documents to be submitted to the relevant governments, authorities, organizations or individuals; and do all acts it considers necessary, appropriate or expedient in relation to the Plan;
- (i) sign, execute, amend and terminate all documents relating to the Plan, handle all procedures relating to the Plan and take all relevant actions which it deems necessary, expedient or appropriate to give effect to the Plan;

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- (j) engage Trustee(s), banks, accountants, lawyers, consultants and other professional institutions (where applicable) in respect of the Plan;
- (k) determine all matters relating to the Trust Deed and sign the Trust Deed (where applicable) on behalf of the Company; and
- (l) administer and execute other matters necessary for the implementation of the Plan.

The Board intends to appoint the Chairman and the Company Secretary as the authorized person(s). The authorized person(s) shall not include other individual Director(s), members of the management, employees, external consultants or the Trustee. The authorized person(s) may administer and implement the Plan within the scope authorized by the Board, including selecting proposed participants, conducting preliminary review of the proposed Grant and reviewing annual performance assessments, as well as handling matters such as disclosure, communication with SEHK, limit calculation and liaising with the Trustee. The authorized person(s) may Grant Awards within the scope authorized by the Board, provided that they shall not amend the terms of the Awards without obtaining the requisite approvals, nor shall they participate in any decisions relating to their own Awards.

For the avoidance of doubt, the proposed authority granting the Board and/or the authorized person(s) to amend the Plan shall at all times be subject to the Plan, the Listing Rules and all applicable laws and regulations. Any material amendments to the terms and conditions of the Plan, or any amendments to the provisions of the Plan relating to the matters set out in Rule 17.03 of the Listing Rules that are to the advantage of the eligible participants, shall be subject to approval by the Shareholder(s) at a general meeting.

Any changes to the terms of the Awards subject to a Grant to the Selected Participant(s) must be approved by the Board, the Remuneration Committee of the Company, the independent non-executive Director(s) of the Company and/or the Shareholder(s) (as the case may be) (if the initial grant of such Awards under the Plan was approved by the Board, the Remuneration Committee of the Company, the independent non-executive Director(s) and/or the Shareholder(s) (as the case may be)), unless such changes take effect automatically under the existing terms of the Plan. The amended terms of the Plan or the terms of any Awards shall continue to comply with the relevant requirements of Chapter 17 of the Listing Rules. Any changes to the authority of the Board and/or the authorized person(s) to amend the terms of the Plan shall be subject to approval by the Shareholder(s) at a general meeting.

The aforementioned matters which are required to be considered or approved by the Board, the Remuneration Committee, the independent non-executive Director(s) and/or the Shareholder(s) under Chapter 17 of the Listing Rules shall not be delegated to the authorized person(s).

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3. Payment of Interim Dividend

Pursuant to the Company's profit distribution policy, it is proposed by the Board that a cash dividend of RMB0.15 (before tax) per Share for the 2026 interim dividend be distributed to all Shareholders of the Company based on the total share capital of 1,477,634,250 H Shares of the Company as at the Latest Practicable Date, of which H Shareholders holding the Company's H Shares pursuant to the H Share Full Circulation carried out by the Company shall be paid in RMB; other H Shareholders shall be paid in Hong Kong dollars. The exchange rate of HK\$ will be calculated based on the average benchmark exchange rate of RMB to HK\$ as announced by the People's Bank of China for three business days before and including the date on which the EGM will be held. The Company will distribute a total cash dividend of RMB221,645,137.50. The 2026 interim dividend will be financed by the Company's own funds, other than proceeds from the listing.

Withholding and Payment of Tax on Dividend Income for Shareholders

Pursuant to the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法》), the Implementation Regulations of the Individual Income Tax Law of the People's Republic of China (《中華人民共和國個人所得稅法實施條例》), the Notice of the State Taxation Administration on the Questions Concerning the Levy and Administration of Individual Income Tax After the Repeal of Guo Shui Fa [1993] No. 045 (Guo Shui Han [2011] No. 348) (《國家稅務總局關於國稅發[1993]045號文件廢止後有關個人所得稅徵管問題的通知》(國稅函[2011]348號)) and other relevant laws and regulations and regulatory documents, the Company shall, as a withholding agent, withhold and pay individual income tax for the individual holders of H Shares in respect of the 2026 interim dividend to be distributed to them. However, the individual holders of H Shares may be entitled to certain tax preferential treatments pursuant to the tax treaties between the countries (regions) in which the individual holders of H Shares are domiciled and the PRC and the tax arrangements between mainland China and Hong Kong (or Macao). In this regard, the Company will implement the following arrangements in relation to the withholding and payment of individual income tax on the dividend for the individual holders of H Shares:

- For individual holders of H Shares who are Hong Kong or Macao residents or whose country (region) of domicile is a country (region) that has entered into a tax treaty with the PRC stipulating a tax rate of 10%, the Company will withhold and pay individual income tax at the rate of 10% on behalf of the individual holders of H Shares in the distribution of the dividend.

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- For individual holders of H Shares whose country (region) of domicile is a country (region) that has entered into a tax treaty with the PRC stipulating a tax rate of less than 10%, the Company will temporarily withhold and pay individual income tax at the rate of 10% on behalf of the individual holders of H Shares in the distribution of the dividend. Any individual holder whose name appears on the H Share register of members of the Company and who wishes that the requirements of the Announcement of the State Taxation Administration on Promulgating the Administration Measures for the Treatments Claimed by Non-resident Taxpayer under Tax Treaties (Announcement No. 35 [2019] of the State Taxation Administration) (《國家稅務總局關於發佈〈非居民納稅人享受協定待遇管理辦法〉的公告》(國家稅務總局公告2019年第35號)) apply to him/her, shall submit the relevant materials specified in the Announcement No. 35 [2019] of the State Taxation Administration to Computershare Hong Kong Investor Services Limited within the stipulated period, which shall be submitted by the Company to the applicable tax authorities for approval, and then excess portions of the tax amounts withheld can be refunded.
- For individual holders of H Shares whose country (region) of domicile is a country (region) that has entered into a tax treaty with the PRC stipulating a tax rate of more than 10% but less than 20%, the Company will withhold and pay individual income tax at the effective tax rate specified in the relevant tax treaty in the distribution of the dividend.
- For individual holders of H Shares whose country (region) of domicile is a country (region) that has entered into a tax treaty with the PRC stipulating a tax rate of 20%, or a country (region) that has not entered into any tax treaties with the PRC, or under any other circumstances, the Company will withhold and pay individual income tax at the rate of 20% on behalf of the individual holders of H Shares in the distribution of the dividend.

For holders of H Shares who fail to submit the relevant supporting documents within the aforesaid stipulated period, if they need to apply for a tax refund after completion of this dividend distribution, they need to go through the relevant procedures on their own or by attorney with the competent tax authorities of the Company in accordance with the tax regulations and relevant provisions of the PRC. The Company assumes no responsibility and disclaims all liabilities whatsoever in relation to the tax status or tax treatment of the individual holders of H Shares and for any claims arising from any delay in or inaccurate determination of the tax status or tax treatment of the individual holders of H Shares or any disputes over the withholding mechanism or arrangements.

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For non-resident enterprise holders of H Shares, the Company will withhold and pay enterprise income tax on their dividends at the tax rate of 10% for such holders of H Shares pursuant to the Notice of the State Taxation Administration on Issues Relating to Withholding of Enterprise Income Tax by PRC Resident Enterprises on Dividends Paid to Overseas Non-PRC Resident Enterprise Shareholders of H Shares (Guo Shui Han [2008] No. 897) (《關於中國居民企業向境外H股非居民企業股東派發股息代扣代繳企業所得稅有關問題的通知》(國稅函[2008]897號)).

The above tax rates and arrangements for tax withholding and payment are subject to further adjustment pursuant to the tax treaties between the PRC and relevant jurisdictions, the tax laws and regulations of mainland China and the specific policy requirements of tax authorities at that time.

It is also proposed that the EGM authorize the Board of Directors to implement the relevant matters of the profit distribution and that the Board of Directors further grant such authorization to the chairman of the Board of the Company to be responsible for the specific implementation, and to handle matters related to tax withholding and payment in accordance with the relevant laws, regulations and the requirements of regulatory authorities.

The payment of interim dividends has been considered and approved at the second meeting of the third session of the Board of Directors of the Company, and is proposed as an ordinary resolution to be considered and approved at the EGM.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, October 27, 2026 to Friday, October 30, 2026 (both days inclusive), during which period no transfer of Shares of the Company will be effected. For unregistered holders of H Shares who intend to attend the EGM, all share certificates and the relevant transfer documents must be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Monday, October 26, 2026. H Shareholders whose names appear on the register of members of the Company on Friday, October 30, 2026, will be entitled to attend and vote at the EGM.

The register of members of the Company will be closed from Thursday, November 5, 2026, to Monday, November 9, 2026 (both days inclusive), during which period no transfer of Shares of the Company will be effected. For unregistered holders of H Shares who wish to be eligible to receive the proposed cash dividend, all share certificates and the relevant transfer documents must be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Wednesday, November 4, 2026. H Shareholders whose names appear on the register of members of the Company on Monday, November 9, 2026, will be entitled to the dividend (subject to approval by the Shareholders at the EGM). The interim dividend for 2026 is expected to be distributed to H Shareholders on Monday, November 30, 2026.

LETTER FROM THE BOARD

VOTING AT THE EGM

Pursuant to Rule 13.39(4) of the Listing Rules, all votes of Shareholders at the EGM must be taken by poll. Therefore, the chairman of the meeting will demand a poll on each resolution put to vote at the EGM.

On a poll, every Shareholder present in person or by proxy shall have one vote for each Share registered in his/her name in the register of members. According to Article 82 of the Articles of Association, on a poll taken at the meeting, a Shareholder (including proxy(ies)) having two or more votes need not cast all his/her votes in the same way.

Pursuant to Rule 2.15 of the Listing Rules, where a transaction or arrangement is subject to the approval of the Shareholders, any Shareholders with a material interest in such transaction or arrangement shall abstain from voting on the resolutions to approve the transaction or arrangement at the relevant general meeting of the Shareholders.

As at the Latest Practicable Date, to the best knowledge, information and belief of each Director having made all reasonable enquiries, no Shareholder is deemed to have a material interest in any of the resolutions to be proposed at the EGM of the Shareholders, and is required to abstain from voting on the resolutions for approval at the EGM of the Shareholders.

RECOMMENDATION

The Board is of the view that the above resolutions are in the best interests of the Company and its Shareholders as a whole. Accordingly, the Board recommends that all Shareholders vote in favour of the resolutions to be proposed at the EGM.

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.

Yours faithfully,

By order of the Board

Sichuan Baicha Baidao Industrial Co., Ltd.

Mr. WANG Xiaokun

Executive Director and Chairman of the Board

The following is a summary of the principal terms of the 2026 H Share Incentive Plan proposed to be adopted at the EGM. It does not form, nor is it intended to form, part of the 2026 H Share Incentive Plan, nor should it be taken as affecting the interpretation of the 2026 H Share Incentive Plan. The Directors reserve the right to make such amendments to the 2026 H Share Incentive Plan as deemed necessary or appropriate at any time prior to the convening of the EGM, provided that such amendments shall not conflict with any material aspect of the summary set out in this Appendix.

1. PURPOSE

The purpose of the 2026 H Share Incentive Plan is to: (a) attract, motivate and retain Eligible Participants who make significant contributions to the long-term growth and success of the Group, and recognise and reward the past contributions of the Eligible Participants to the Group; (b) encourage the Eligible Participants to make further contributions to the Company, and strive to enhance the value of the Company and its Shares for the overall benefit of the Company and its Shareholders; (c) strengthen the long-term remuneration and incentive strategy of the Company; and (d) align the interests of the Eligible Participants with those of the Company and the Shareholders, so as to drive the long-term performance of the Group (whether in financial, business and operational aspects).

2. SOURCE OF AWARD SHARES AND TYPES OF AWARDS

The source of the Award Shares under the Plan will be: (i) new H Shares allotted and issued by the Company; (ii) treasury shares transferred by the Company (if any); and/or (iii) H Shares acquired by the Trustee (if applicable) through on-market purchases of existing Shares.

The new H Shares allotted and issued by the Company pursuant to the 2026 H Share Incentive Plan shall rank pari passu in all respects with the fully paid H Shares in issue on the date of allotment.

The Awards under the Plan take the form of Share Options and Restricted Share Units.

3. ELIGIBLE PARTICIPANTS

The Eligible Participants of the Plan are Employee Participants, being the Directors, senior management members and employees of the Company or any of its subsidiaries (whether full-time or part-time employees, including persons who are granted awards under the 2026 H Share Incentive Plan to induce them to enter into employment contracts with such companies; the Directors and senior management members must have been elected by the general meeting or appointed by the Board of such companies).

In determining the grant of Awards to any Selected Participant, the Board and/or the authorized person(s) shall consider various matters, including but not limited to: (i) the current and expected contribution of the relevant Selected Participant to the profits of the Group; (ii) the overall financial condition of the Group; (iii) the overall business objectives and future development plans of the Group; and (iv) any other matters which the Board and/or the authorized person(s) consider(s) relevant.

If any of the following circumstances applies to any person on the Date of Grant, such person shall not be regarded as an Eligible Participant:

- (a) within the most recent 12 months, such person has been publicly censured by the securities regulatory authority or identified as an inappropriate candidate for an equity incentive scheme or similar scheme of a listed company;
- (b) within the most recent 12 months, such person has been penalized or prohibited from trading securities by the securities regulatory authority due to material violations of laws and regulations;
- (c) such person is prohibited from acting as a Director or senior management of the Company under the provisions of the Company Law or the Listing Rules;
- (d) such person is prohibited by laws and regulations from participating in this Plan;
- (e) any other circumstances involving a serious violation of the relevant regulations of the Group by such person, or which are determined by the Board and/or the authorized person(s) to have caused material damage to the interests of the Group; or
- (f) any other circumstances stipulated by the Board and/or the authorized person(s) to safeguard the interests of the Group and to ensure compliance with the applicable laws and regulations relating to the operation of this Plan.

The scope of Incentive Participants under the Plan includes all Eligible Participants who are granted and accept Awards under the Plan; the specific list shall be determined by the Board of Directors and/or the authorized person(s).

4. EXERCISE PRICE AND PURCHASE PRICE

(1) Share Options

In respect of the share options, the exercise price shall be at least the higher of: (i) the closing price of the relevant H Share(s) on the Date of Grant of the share options (which must be a Business Day) (as stated in the daily quotations sheet of the Hong Kong Stock Exchange); and (ii) the average closing price of such H Share(s) for the 5 Business Days immediately preceding the Date of Grant of the share options (with the closing price likewise as stated in the daily quotations sheet of the Hong Kong Stock Exchange).

The Selected Participant(s) shall, upon the exercise of the relevant share options, submit an exercise notice in accordance with the terms of the Plan and the Grant Letter, and simultaneously pay the exercise price of the relevant share options in full in cash.

(2) Restricted Share Units

In respect of the Restricted Share Units, the Board and/or the authorized person(s) may, at their absolute discretion, determine whether to require the Selected Participants to pay any Purchase Price; if required, determine the amount of the Purchase Price after taking into account the following factors: (a) the purpose of establishing the Plan and the necessity of providing a meaningful award to the Selected Participants; (b) the market price of the H Shares on or around the Date of Grant; (c) the current or expected contributions of the Selected Participants to the Group; (d) prevailing market conditions and comparable market practices; and (e) any other factors considered relevant by the Board or the Remuneration Committee.

The Selected Participants shall pay the corresponding Purchase Price (if any) in cash to the Company within one month after the vesting of the Restricted Share Units. For the avoidance of doubt, no minimum Purchase Price is set for the Restricted Share Units, and the Board and/or the authorized person(s) may determine a nil consideration as the Purchase Price.

5. ADMINISTRATION

The general meeting is the supreme authority of the Company and is responsible for considering and approving the adoption of the Plan, while the Board is the administrative and executive body of the Plan. Subject to compliance with the Plan Rules, the Listing Rules and any applicable laws and regulations, the Board and/or the authorized person(s) shall be entitled to, from time to time:

- (a) administer and operate the Plan, and subject to not contravening the Plan, the Listing Rules and all applicable laws and regulations, to formulate, amend and implement specific implementation rules, procedures, guidelines and other administrative arrangements in relation to the Plan, and to take all such actions as the Board and/or the authorized persons consider necessary, desirable or expedient for the implementation of the Plan;
- (b) interpret the Plan, and subject to compliance with the rules of the Plan and the provisions of Chapter 17 of the Listing Rules, modify and/or amend the rules of the Plan from time to time, provided that such modifications and/or amendments shall be made in accordance with the provisions of the Plan regarding such modifications and/or amendments, and must comply with the provisions of Chapter 17 of the Listing Rules;
- (c) conduct assessments on the Eligible Participants and grant Awards, determine the exercise price (in respect of share options only) or the Purchase Price (in respect of Restricted Share Units only), the vesting period, the exercise period (in respect of share options only) and the vesting conditions (such as performance appraisal standards, etc.), and issue agreements in relation to the Awards (such as the Grant Letter, etc.) to the Selected Participants on behalf of the Company;
- (d) where strictly necessary due to a change in control, restructuring, winding-up, or to comply with applicable laws and regulations or the Listing Rules, upon obtaining the necessary approvals as required under Rule 17.03(18) of the Listing Rules, to amend the vesting period or vesting conditions set out in the Grant Letter and notify the relevant Selected Participant(s), so as to address exceptional circumstances which could not be reasonably foreseen at the time of Grant and to ensure that the Awards can continue to be implemented in accordance with the original purpose of the Grant; for the avoidance of doubt, no amendment shall result in a vesting period shorter than the period permitted under Rule 17.03F of the Listing Rules, or waive or relax the performance targets or other vesting conditions to the benefit of the Selected Participant(s) without obtaining the necessary approvals as required under Rule 17.03(18) of the Listing Rules;
- (e) determine the vesting and exercise method for the Awards;
- (f) pursuant to the terms and conditions of the Plan and the Listing Rules, to allot and issue new H Shares, transfer treasury shares or procure the Trustee (where applicable) to transfer existing H Shares from time to time in such number of H Shares as required to satisfy the Awards granted; to apply to the Hong Kong Stock Exchange for the Listing of, and permission to deal in, the relevant new H Shares at an appropriate time or period;

- (g) in the event of any adjustment to the number of H Shares subject to the Awards and/or the exercise price or Purchase Price (as applicable) as a result of a capitalization issue, rights issue, sub-division or consolidation of Shares or reduction of share capital, such adjustment shall be made such that the Selected Participants will hold the same proportion of the share capital (rounded down to the nearest whole share) as the proportion to which they were entitled prior to such adjustment, provided that no such adjustment shall result in any Shares being issued at a price lower than its nominal value (if any); in respect of any such adjustment (other than any adjustment made as a result of a capitalization issue), the independent financial adviser or the auditors of the Company must confirm in writing to the Directors that such adjustment is in compliance with the requirements under the note to Rule 17.03(13) of the Listing Rules; any adjustment must comply with the Listing Rules and any guidance or interpretation issued by the Stock Exchange of Hong Kong Limited from time to time, including but not limited to the adjustment mechanism under Attachment 1 to FAQ 13;
- (h) handle the necessary procedures for approval, registration, filing, sanction and consent (if any) with the relevant governments or authorities in relation to the Plan; sign, execute, modify and complete the documents to be submitted to the relevant governments, authorities, organizations or individuals; and do all acts it considers necessary, appropriate or expedient in relation to the Plan;
- (i) sign, execute, amend and terminate all documents relating to the Plan, handle all procedures relating to the Plan and take all relevant actions which it deems necessary, expedient or appropriate to give effect to the Plan;
- (j) engage Trustee(s), banks, accountants, lawyers, consultants and other professional institutions (if applicable) in respect of the Plan;
- (k) determine all matters relating to the Trust Deed and sign the Trust Deed (if applicable) on behalf of the Company; and
- (l) administer and execute other matters necessary for the implementation of the Plan.

Subject to compliance with the Plan, the Listing Rules and all applicable laws and regulations, the Company may, through the Board of Directors and/or authorized person(s), establish a Trust, approve the terms of the Trust Deed, and appoint one or more persons as Trustee to assist in the

management and implementation of the administration, vesting, exercise and/or settlement of the Awards under the Plan. If a trustee is appointed, the Company may, through the Board of Directors and/or authorized person(s), to the extent permitted by applicable laws and regulations: (a) within the Plan mandate limit, allot and issue new H Share(s) or transfer treasury Share(s) to the trustee, to be held by the trustee for the benefit of the relevant selected participants, and instruct and procure the trustee to transfer the relevant H Share(s) to the relevant selected participants in accordance with the terms of this Plan, the relevant Grant Letter and the trust deed; and/or (b) provide funds to the trustee, and instruct and procure the trustee to purchase existing H Share(s) on-market, to effect the vesting, exercise and/or settlement of the relevant awards. The Company may, through the Board of Directors and/or authorized person(s), to the extent permitted by applicable laws and regulations, provide sufficient funds to the trustee in such manner as the Board of Directors and/or authorized person(s) may determine at their sole discretion, to enable the trustee to fulfill its obligations relating to the administration, vesting, exercise and/or settlement of the relevant awards. For the avoidance of doubt, whether a Trust arrangement is to be adopted for any Awards, as well as the specific scope of application and method of implementation of such Trust arrangement, shall be determined by the Board of Directors and/or authorized person(s) based on the nature of the relevant Awards and the practical implementation needs of the Plan. No Director(s) shall serve as a Trustee of the Trust or hold any direct or indirect interest in any Trustee of the Trust. The Company may only allot and issue new H Share(s) or transfer treasury shares to the Trustee after the relevant eligible participants have been identified as Selected Participant(s) and a Grant of Awards has been made to such Selected Participant(s), and the number of such H Share(s) must correspond to the number of H Share(s) underlying the unvested Awards of such Selected Participant(s) and shall be counted towards the Plan Mandate Limit. The Company will not allot and issue new H Share(s) or transfer treasury shares to the Trustee in advance to fund any future Grant made to unidentified eligible participants. Any unused H Share(s) shall not be reallocated to eligible participants who were not identified at the time of the issue or transfer of the relevant H Share(s), unless the applicable requirements of Chapter 17 of the Listing Rules have been complied with.

The independent non-executive Directors shall monitor whether the Plan is beneficial to the sustainable development of the Company, whether there is any circumstance that prejudices the interests of the Company and the Shareholders as a whole, and whether the implementation of the Plan complies with the relevant laws, regulations, regulatory documents and the relevant regulatory rules of the places of incorporation and listing of the Company.

Without prejudice to the general powers of administration of the Board, the Board may delegate the power to administer this Plan (including the power to grant Awards under this Plan) to its designated authorized person(s). The term of office, terms of reference and remuneration (if any) of such authorized person(s) shall be determined by the Board.

6. PERFORMANCE TARGETS

An Award shall only vest after the Selected Participant satisfies the performance targets (if any) determined by the Remuneration Committee or the Board and/or authorized person(s) from time to time. The Board and/or authorized person(s) shall, based on the roles, responsibilities, qualifications, purpose of the Grant and expected contributions of each Selected Participant, determine the specific performance targets, target levels or thresholds, measurement benchmarks, performance periods, weightings of each target and the vesting proportion of Awards corresponding to different levels of achievement applicable to such Selected Participant, which shall be specified in the relevant Grant Letter. The performance targets may be constituted by one or more of the following indicators:

- (a) annual results and performance of the Group or any member company of the Group, such as revenue, profit, cash flow, return on equity and overall financial position;
- (b) the achievement status of milestones of significant projects of the Group, such as expansion into new markets or new businesses, product innovation and other strategic goals;
- (c) the key performance indicators of the department and/or business unit to which the Eligible Participant belongs, such as business growth, operational efficiency, quality of products or services, customer satisfaction and other key performance indicators; and/or
- (d) the position held by the Eligible Participant and their annual performance appraisal results; such targets may vary for each Selected Participant, such as completion of job responsibilities, professional capabilities, compliance performance and their actual contribution to the Group, the relevant business unit or department.

During the vesting period, in respect of the performance targets that must be satisfied by the Eligible Participant prior to the vesting of the relevant Awards, the Board and/or Authorized Person(s) shall conduct an assessment at the end of the specified relevant performance period, including comparing the performance of the Group and/or the individual performance of the Eligible Participant against the pre-agreed targets, in order to determine whether and the extent to which such targets have been achieved.

Performance targets may be measured on an absolute basis (e.g. reaching pre-determined targets) and/or a relative basis (e.g. comparison with past annual results or a designated comparison group). The target levels or thresholds of the relevant performance targets and the performance periods shall be determined by the Board and/or authorized person(s) based on the specific circumstances of each Grant and the relevant Eligible Participant, and set out in the relevant Grant Letter. The actual vesting number or proportion of the Awards shall be determined based on the extent to which the relevant performance targets have been achieved.

At the end of the relevant performance period, the Board and/or authorized person(s) shall evaluate whether and the extent to which the performance targets have been achieved based on the measurement methods and relevant information set out in the relevant Grant Letter.

7. VALIDITY PERIOD

Subject to any early termination as determined by the Board and/or the authorized person(s) pursuant to the Plan Rules, the Plan shall be valid and effective for a period of 10 years commencing from the Adoption Date (the “Term”). After the expiry of the Term, there shall be no further offer or Grant of any Awards, but the provisions of the Plan shall remain in full force and effect in all other respects to enable the share options granted prior thereto to continue to vest and be exercised in accordance with their terms, and to enable the restricted Share units granted prior thereto to continue to vest and be settled in accordance with their terms.

8. GRANT

(a) Grant of Awards to Selected Participants

Subject to the provisions of the Plan, the Board of Directors and/or authorized person(s) may, from time to time and at its or their absolute discretion, select any Eligible Participant (excluding any excluded participant) as a Selected Participant(s), and grant Awards to such Selected Participant(s) at such consideration and on such terms and conditions as may be determined at its or their absolute discretion.

Subject to the Plan Rules and any waiver or ruling granted by the Hong Kong Stock Exchange, if at the time of grant, the number of H Shares issued and to be issued in respect of all awards granted to any eligible participant in the 12-month period up to and including the date of grant (excluding any awards lapsed in accordance with the terms of the relevant plan) exceeds 1% of the total number of issued shares (excluding treasury shares) as at the date of grant, such grant of awards shall not be effective unless the grant has been duly approved by the Shareholders at a general meeting in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, and such selected participant and their close associates (or their associates if the selected participant is a connected person) abstain from voting in favour of the resolution approving such grant at the general meeting.

Unless otherwise determined by the Board of Directors and/or the authorized person(s) and specified in the Grant Letter, no amount shall be payable by an Eligible Participant upon the application for or acceptance of an Award; if any payment for acceptance is required, the Grant Letter shall specify the relevant amount and the time limit for payment.

The Company shall not grant any Awards after Inside Information has come to its knowledge until (and including) the trading day after such information has been announced; in particular, no Awards shall be granted during the period of 30 days immediately preceding the earlier of: (i) the date of the meeting of the Board of Directors for the approval of the Company's results for any year, half-year, quarterly or other interim period; and (ii) the deadline for the Company to publish such results under the Listing Rules. Such restriction shall end on the date of the results announcement; the Company shall also not grant any Awards during any period of delay in publishing a results announcement.

In evaluating the eligibility of Employee Participants, the Board will, at its absolute discretion, take into account all relevant factors on a case-by-case basis, including:

- (i) individual performance, time commitment, responsibilities or employment conditions in accordance with prevailing market practices and industry standards;
- (ii) the skills, knowledge, experience, expertise and other relevant personal qualifications of the employee;
- (iii) the length of service with the Group, and the individual's contribution or potential contribution to the development and growth of the Group;
- (iv) the extent of contribution from the support, assistance, guidance, advice or efforts given or to be given towards the development of the Group;

- (v) in respect of existing employees holding managerial positions, the extent of contribution made by the departments managed by them to the long-term development of the Group;
 - (vi) the performance appraisal results of the Employee Participants for the preceding financial year shall be “Excellent”; and
 - (vii) in respect of newly joined employees, their positions shall be key positions such as senior management, middle management, core business and/or technical backbone personnel of the Group, as well as the potential significant impact and positive contributions expected to be made by the relevant personnel to the long-term development of the Group.
- (b) Grant of Awards to the Director(s), Chief Executive or Substantial Shareholder of the Company, or Any of Their Respective Associates**

Subject to any waiver or ruling granted by the Hong Kong Stock Exchange, where any grant of Awards (excluding the grant of share options) to a Director of the Company (other than an independent non-executive Director), a chief executive, or any of their respective associates would result in the total number of Shares issued and to be issued in respect of all Awards granted to such proposed Selected Participant under the relevant plan(s) (excluding any Awards lapsed in accordance with the terms of the relevant plan(s)) in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the total number of issued Shares of the Company (excluding treasury shares), such further grant of awards shall not be effective unless the grant of Awards has been duly approved by the Shareholders at a general meeting of the Company in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, and the proposed selected participant, their associates, and all core connected persons of the Company abstain from voting in favour of the resolution approving such grant at the general meeting.

Where any grant of awards to an independent non-executive director of the Company, a substantial shareholder, or any of their respective associates would result in the total number of shares issued and to be issued in respect of all awards granted to such proposed selected participant under the relevant plan(s) (excluding any awards lapsed in accordance with the terms of the relevant plan(s)) in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the total number of issued shares of the Company (excluding treasury shares), such further grant of awards shall not be effective unless the grant of awards has been duly approved by the Shareholders at a general meeting of the Company in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, and the proposed selected participant, their associates, and all core connected persons of the Company abstain from voting in favour of the resolution approving such grant at the general meeting.

Upon the grant of the Awards, the Company shall issue a grant letter to the Selected Participants, and such grant letter shall set out (among other things) the following matters:

- (a) the name, address and position of the Selected Participant (if applicable);
- (b) the Date of Grant, types of Awards under the Grant, and the number of H Shares underlying the Awards;
- (c) the vesting criteria and conditions;
- (d) the Vesting Date;
- (e) in respect of share options, the exercise price and the exercise period; in respect of restricted share units, the Purchase Price (if any) and the payment arrangement thereof;
- (f) the lapse conditions and clawback mechanism of the Awards; and
- (g) such other terms and conditions to be determined by the Board and/or the authorized person(s) which are consistent with the Plan.

9. VESTING PERIOD AND EXERCISE PERIOD

(1) Vesting Period of the Awards

The vesting period of the Awards shall not be less than twelve (12) months. Notwithstanding any other provisions of this Plan, subject to applicable laws and regulations, the Board and/or the authorized person(s) may, at their sole discretion, determine that the vesting period for the Awards granted to Employee Participants be less than 12 months in, and only in, the following circumstances:

- (a) the Awards are subject to performance-based vesting conditions as stipulated in the Grant Letter and the Plan Rules, rather than time-based vesting criteria (the performance assessment period shall not be less than three (3) months from the Date of Grant);
- (b) grants made in batches during a year for administrative and compliance reasons. This may include Awards that should have been granted earlier but had to wait for the subsequent batch to be granted. In such cases, the vesting period may be shortened to reflect the time when the Awards should have been granted;

- (c) the Awards are granted to an Employee Participant whose employment is terminated due to death or disability (in which cases, the vesting of the Awards may be accelerated); and
- (d) the total vesting and holding period of the Awards exceeds twelve (12) months.

(2) Exercise Period of the Share Options

The Board of Directors and/or the authorized persons shall determine and notify each grantee in the Grant Letter of the exercise period during which the Share Options may be exercised, which shall not exceed the maximum term of the Plan (10 years from the approval of the Plan). Share Options not exercised prior to the expiry of the exercise period shall automatically lapse.

10. VESTING

The vesting of the Awards is subject to the following conditions:

- (a) unless otherwise provided in the Plan Rules, the Plan remains valid and has not been terminated;
- (b) the vesting schedule specified in the Grant Letter has been fulfilled;
- (c) the Selected Participant remains an Eligible Participant;
- (d) there is no circumstance under which the Selected Participant is not permitted to be vested with Restricted Share Units or to exercise Share Options under the Plan;
- (e) the performance targets, assessment conditions and other conditions (if any) set out in the Grant Letter have been fulfilled; and/or
- (f) no applicable laws and regulations prohibit the Selected Participant from participating in the Plan.

In respect of each Award, the Board and/or the authorized person(s) may, subject to compliance with all applicable laws, rules and regulations, determine at their sole discretion the vesting schedule and proportion, and any performance targets or other conditions, constraints or restrictions in relation to Awards. Such performance targets include, but are not limited to, the business, financial and operational performance of the Company, or the performance assessment criteria applicable to such Selected Participant as deemed reasonable by the Board and/or the authorized person(s) at their sole discretion. For the avoidance of doubt, if the Grant Letter does not specify any requirements relating to performance assessment indicators, the vesting of the Awards shall not be restricted by any performance targets, criteria or conditions.

Where a Trustee has been appointed in respect of the relevant Restricted Share Units or other applicable awards, upon the occurrence of any of the following circumstances, the Company and the Incentive Participants restricted by laws and regulations shall not instruct the Trustee to sell the Award Shares:

- (a) at any time when Inside Information of the Company has arisen and up to the date of publication of such Inside Information;
- (b) during the period of 60 days immediately preceding the publication of the annual results up to the date of publication (both days inclusive);
- (c) during the period of 30 days immediately preceding the publication of the interim results and quarterly results (if applicable) up to the date of publication (both days inclusive); or
- (d) other restrictive circumstances stipulated by the relevant laws and regulations of the place of incorporation and the place of listing of the Company, as well as by the China Securities Regulatory Commission, the SFC and the Hong Kong Stock Exchange.

11. TRANSFER OF AWARDS AND OTHER RIGHTS

The Awards shall be personal to the Selected Participant and shall not be assignable or transferable. Unless the following waiver is obtained, the Selected Participant shall not sell, transfer, pledge, mortgage, encumber or otherwise dispose of any unexercised Share Options or unvested Restricted Share Units, nor enter into any agreement to do so. As stipulated in the note to Rule 17.03(17) of the Listing Rules, the Hong Kong Stock Exchange may consider granting a waiver to allow the transfer of the relevant Awards to a specific vehicle (such as a trust or a private company) for the benefit of the Participant and any of their family members, provided that such transfer can continue to meet the purpose of the Plan and comply with other requirements under Chapter 17 of the Listing Rules, in which case the relevant Incentive Participant shall only transfer the Awards prior to vesting upon obtaining a written waiver from the Hong Kong Stock Exchange.

Where the Trustee is appointed and directly or indirectly holds unvested Award Shares under the Plan, the Trustee shall not exercise the voting rights attached to such unvested Shares when voting on matters requiring Shareholders' approval under the Listing Rules, unless otherwise required by applicable laws to vote in accordance with the directions of the beneficial owners and such directions have been given.

For the avoidance of doubt:

- (a) In respect of the Restricted Share Units, prior to the vesting and transfer of the relevant Award Shares to the Incentive Participants (as applicable), the Incentive Participants shall have no rights in respect of the Award Shares (such as voting rights, rights to allotments, rights issues, etc.), nor shall they be entitled to dividends or distributions (including distributions arising upon the winding up of the Company, if applicable); if a Trustee has been appointed and holds the relevant pre-vesting Award Shares, any dividends or distributions received by the Trustee in respect of the pre-vesting Award Shares will be treated as cash income of the Trust and dealt with in accordance with the Trust Deed, and will not be paid to the Selected Participant(s) prior to the vesting of the Awards. The Selected Participant(s) shall not be entitled to any dividends or distributions generated by the Award Shares prior to the vesting of the relevant Awards;
- (b) In respect of the Share Options, before the Share Options are exercised and the relevant H Shares are allotted and issued or transferred to the Selected Participants, the Selected Participants shall not be entitled to any voting rights, dividends or other Shareholder rights attaching to the relevant H Shares;
- (c) Where a Trustee has been appointed, the Incentive Participants shall have no rights over the trust accounts and the Award Shares in the accounts of any Incentive Participants other than themselves;
- (d) Where a Trustee has been appointed, unless otherwise provided in the Plan, the relevant Grant Letter or the Trust Deed, or otherwise determined by the Board of Directors and/or the Authorized Person(s), the Incentive Participants shall not give instructions to the Trustee; and
- (e) Unless otherwise determined by the Board and/or the authorized person(s) subject to compliance with the Plan and the Listing Rules, if the vesting conditions stipulated in the Grant Letter are not fully satisfied on or before the relevant Vesting Date, or if the Incentive Participant ceases to be an Eligible Participant prior to the relevant Vesting Date, such matters shall be dealt with in accordance with the provisions of the Plan.

12. PLAN MANDATE LIMIT AND INDIVIDUAL LIMIT

- (a) Subject to the Plan Rules and any waiver or ruling granted by the Hong Kong Stock Exchange, the total number of H Shares which may be issued under the Plan and any other share schemes adopted by the Company must not exceed 10% of the total number of issued Shares (excluding treasury shares) as at the Adoption Date, being 147,763,425 H Shares (assuming the total number of issued Shares (i.e. 1,477,634,250 H Shares) remains unchanged as at the date of the EGM). For the avoidance of doubt, the Articles of Association of the Company do not contain any provisions for class meetings of Shareholders.

For the purpose of calculating the Plan Mandate Limit, Awards which have lapsed in accordance with the terms of the relevant plan shall not be regarded as utilized; whereas cancelled Awards shall be regarded as utilized.

- (b) For any participant, if the H Shares in respect of the Awards granted to such person within a 12-month period exceed in aggregate 1% of the issued shares (excluding treasury shares) of the Company, such grant must be approved by the Shareholders in general meeting; where any Awards are granted to a Director (other than an independent non-executive Director), the chief executive or any of their associates, such grant must first be approved by the independent non-executive Directors (excluding any independent non-executive Director who is a grantee of the Awards); and if the grant of Awards (excluding a grant of share options) to such person would result in the H Shares in respect of the Awards granted to them within a 12-month period (excluding any Awards that have lapsed in accordance with the terms of the Plan) exceeding in aggregate 0.1% of the issued Shares (excluding treasury shares) of the Company, such grant must be approved by the independent Shareholders in general meeting; where any Awards are granted to an independent non-executive Director, a substantial shareholder or any of their associates, such grant must first be approved by the independent non-executive Directors (excluding any independent non-executive Director who is a grantee of the Awards); and if the H Shares in respect of the Awards granted to them within a 12-month period exceed in aggregate 0.1% of the issued Shares (excluding treasury shares) of the Company, such grant must be approved by the independent Shareholders in general meeting.

13. CLAWBACK MECHANISM

Under the following circumstances, such Selected Participant shall cease to be an Eligible Participant, and any unvested Awards shall immediately and automatically lapse and shall no longer vest on the relevant Vesting Date; any vested but unexercised Share Options shall also automatically and immediately lapse, save as otherwise determined by the Board of Directors and/or the authorized person(s) in compliance with the Plan and the Listing Rules. The Company may also recover the relevant benefits obtained by the relevant person from the vested Restricted Share Units or exercised Share Options, including but not limited to requiring the relevant person to repay all cash profits (including any dividends) derived from the sale of the relevant Shares, or deducting an equivalent number or value of the Award Shares from any amounts owed to such Grantees by the relevant member of the Group:

- (a) if the Selected Participant unilaterally requests to voluntarily terminate his/her continuous service, or the Selected Participant commits a fault (regardless of whether the continuous service of the Selected Participant has ceased or not);
- (b) at any time (regardless of whether the continuous service of the Selected Participant has ceased or not), if the Selected Participant provides any type of service to any competing entity, or invests in such competing entities in any manner (except for acquiring an aggregate of not more than 1% of the equity interests in such competing entities in the open market), or breaches any non-competition obligations undertaken by him/her to the Company;
- (c) causing material prejudice to the Company's interests, disclosing the Company's commercial and technical secrets, breaching the Company's confidentiality agreements, breaching the employment contract or the Company's rules and regulations, or committing serious violations of laws and discipline;
- (d) failing to perform or improperly performing duties, thereby causing the Company to suffer significant asset losses and other material adverse effects;
- (e) accepting or soliciting bribes, committing corruption or theft, causing damage to the interests and reputation of the Company, and committing other illegal acts that have a material adverse effect on the image of the Company, and for which a penalty has been imposed;

- (f) maliciously destroying the materials and resources of the Company;
- (g) the financial statements of the Company containing a material misstatement; and/or
- (h) any other acts as determined in good faith by the Board and/or the authorized person(s) that justify the termination of his/her contract as being reasonable.

When deciding whether to exercise the clawback right, the Board of Directors and/or the authorized person(s) will consider the relevant circumstances triggering the clawback mechanism and the severity thereof, the loss or adverse impact caused to the Group, and the degree of responsibility of the relevant Selected Participant(s). The clawback amount will be determined by reference to the actual gains obtained by the relevant Selected Participant(s) from the H Share(s) acquired pursuant to the vested Restricted Share(s) Units or exercised share options, including the cash profits obtained through the disposal of the relevant H Share(s) and any dividends.

14. CONDITIONS FOR THE ADOPTION OF THE PLAN

The Plan shall become effective conditional upon the fulfillment of the following conditions: (a) the passing of a special resolution by the Shareholders at the EGM to approve and adopt the Plan, and to authorize the Board to grant the Awards to the Selected Participants, and to allot, issue and deal with the H Shares of the Company to be issued in respect of the Awards granted under the Plan; and (b) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, any H Shares to be allotted and issued in respect of the Awards granted under the Plan.

15. CANCELLATION OF AWARDS

The Board and/or the authorized persons may, at their discretion and with the consent of the relevant Selected Participant, cancel any Share Options granted but not yet exercised or any unvested Restricted Share Units. New Awards shall not be granted to an Eligible Participant in replacement of the cancelled Awards unless there is available Plan Mandate Limit from time to time. In respect of the cancellation of Awards under the Plan Rules, the cancelled Awards will be regarded as utilized for the purpose of calculating the Plan Mandate Limit.

16. AMENDMENT TO THE PLAN

The Plan may be amended in any respect by a resolution of the Board of Directors and/or the authorized person(s), provided that any amendment of a material nature to the terms and conditions of the Plan, or any amendment to the authority of the Board of Directors and/or the authorized person(s) to amend the terms of the Plan, or any amendment to any specific provisions of the Plan relating to the matters set out in Rule 17.03 of the Listing Rules, which is to the advantage of the Selected Participants or prospective Selected Participants, must be approved by the Shareholders in general meeting (with the Selected Participants or prospective Selected Participants and their associates abstaining from voting). The determination of the Board of Directors and/or the authorized person(s) as to whether any proposed amendment to the terms and conditions of the Plan is material shall be final and conclusive.

Any change to the terms of the Awards granted to the Selected Participants must be approved by the Board of Directors, the Remuneration Committee of the Company, the independent non-executive Director(s) of the Company and/or the Shareholders (as the case may be) (if the initial grant of such Awards under the Plan was approved by the Board of Directors, the Remuneration Committee of the Company, the independent non-executive Director(s) and/or the Shareholders (as the case may be)), unless such amendments take effect automatically under the existing terms of the Plan. For the avoidance of doubt, no amendment shall result in a vesting period shorter than the period permitted under Rule 17.03F of the Listing Rules, or a waiver or relaxation of the performance targets or other vesting conditions to the benefit of the Selected Participant(s) without obtaining the necessary approval as required under Rule 17.03(18) of the Listing Rules.

In the event that the Plan requires adjustments in the future due to relevant regulatory rules or the opinions of domestic or overseas regulatory authorities, the Board and/or authorized person(s) may make such adjustments in accordance with the principles of the Plan, provided that any such adjustments shall comply with the Plan, the Listing Rules and applicable laws and regulations, and the approval of Shareholder(s) as required by the Listing Rules shall be obtained (if applicable).

During the valid period of the Plan, written notice of all details relating to the changes to the terms of the Plan shall be given to all Selected Participants and the trustee (if applicable) immediately after such changes take effect. The amended terms of the Plan shall continue to comply with the relevant provisions of Chapter 17 of the Listing Rules.

17. TERMINATION

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

- (a) no further Awards shall be granted under the Plan;
- (b) all unvested Restricted Share Units granted to the Selected Participants under the Plan shall continue to be held by the Trustee and vest in the Selected Participants in accordance with the conditions of the Awards, provided that the Trustee shall have received the requisite documents prescribed by the Trustee (where applicable);
- (c) unless otherwise determined by the Board, upon the expiry of the trust period, all Shares remaining in the Trust Fund (excluding any Awards to be vested in the Selected Participants) shall be sold by the Trustee within an agreed period (on days when the trading of the Shares is not suspended) (or such longer period as the Trustee and the Board may otherwise determine) (where applicable);
- (d) all net proceeds from the sale as referred to in paragraph (c) above under the section headed “Termination” of the Plan Rules, together with other funds and property remaining in the Trust Fund managed by the Trustee (after making appropriate deductions for all disposal costs, liabilities and expenses), shall be remitted to the Company forthwith (where applicable). For the avoidance of doubt, the Trustee shall not transfer any Shares to the Company, nor shall the Company hold any Shares in any manner whatsoever (except for its interest in the proceeds from the sale of such Shares pursuant to paragraph (c) above under the section headed “Termination” of the Plan Rules) (where applicable);
- (e) the unexercised portion of the Share Options granted under the Plan may continue to vest, become effective and be exercised in accordance with their terms; and
- (f) for the avoidance of doubt, the temporary suspension of the grant of any Awards shall not be construed as a decision to terminate the operation of the Plan.

18. DISPUTES

Any dispute in connection with the Plan shall be referred to the Board for its decision, and the decision of the Board shall be final and legally binding on all relevant parties.

19. MISCELLANEOUS

- (a) The Plan shall not form part of any contract of employment or service between the Company or any of its subsidiaries and any Eligible Participant. The rights and obligations of an Eligible Participant under the terms of his/her office or employment shall not be affected by his/her participation in the Plan or any rights which he/she may enjoy under the Plan, and the Plan shall not afford such Eligible Participant any additional right to compensation or damages in consequence of the termination of such office or employment for any reason.
- (b) The Company shall bear the costs of establishing and administering the Plan, including, for the avoidance of doubt, the costs arising from the communications described in this Clause (d), the expenses, stamp duty, transaction levies and normal registration fees incurred by the Trustee (as applicable) in purchasing the Shares and transferring the Awards to any Selected Participant and/or the vehicle(s) controlled by him/her (such as a trust or private company) on the relevant Vesting or Exercise Date. For the avoidance of doubt, the Company shall not bear any tax or expense of any other nature payable by any Eligible Participant in respect of any sale, purchase, vesting, exercise or transfer of the Shares.
- (c) In the event that any Selected Participant is required to pay any taxes, duties, levies or social security contributions in any jurisdiction as a result of the grant, vesting or exercise (or other transfer) of any Award, such Selected Participant shall be responsible for paying such taxes, duties, levies or social security contributions (as the case may be) in a timely manner, and shall indemnify the Company and the Trustee (as applicable) against any losses, damages, liabilities, costs and expenses arising from or in connection with any default or delay in such payment. If the Company or the Trustee (as applicable) does not receive a reasonable indemnity, neither the Company nor the Trustee (as applicable) shall be under any obligation to grant or transfer the H Shares under the Award to the Selected Participant, nor shall they have any obligation to procure the exercise of any share options.

- (d) Any notice or other communication in connection with the Plan given by any person may be sent by the following means: (1) by prepaid post or personal delivery to the principal place of business of the Company or the Trustee (as applicable) or such other address as may be notified to the sender from time to time, and to the address notified to the sender by the Eligible Participant from time to time; (2) by email to the email address specified by the recipient; (3) by facsimile to the facsimile number specified by the recipient; or (4) by sending instructions, messages and data transmissions through the Employee Share Ownership Plan System (if any) to the account of the recipient (provided that the communication services of the Employee Share Ownership Plan System are provided for the Plan). For the avoidance of doubt, the Company may send copies of the award letters or vesting instruments or issue instructions regarding the grant/vesting information to the Trustee (as applicable) through such Employee Share Ownership Plan System (if any). Any notice or other communication given shall be deemed to have been served in the following circumstances: (1) if sent by post, 24 hours after posting; (2) if sent by email, when the relevant read receipt for such email is issued, or if no read receipt is requested by the sender, it shall be deemed to have been served upon sending, provided that the sender does not receive a delivery failure notification within 24 hours after sending such email; (3) if sent by facsimile, when the relevant delivery receipt is received by the sender; or (4) if sent through the Employee Share Ownership Plan System (if any), upon completion of the data transmission.
- (e) The Company, the Board, the Trust (as applicable) and the Trustee (as applicable) shall not be responsible for any failure by any Eligible Participant to obtain any consent or approval necessary for such Eligible Participant to participate in the Plan as a Selected Participant, or for any taxes, duties, expenses, fees or any other liabilities that he/she may incur as a result of his/her participation in the Plan.
- (f) The acceptance of the Award by the Selected Participant and the transfer of the Award to the Selected Participant by the Trust Fund (as applicable) are subject to the laws and regulations of the competent authorities and the requirements of the Articles of Association of the Company. The Company will assist the Selected Participant in complying with the requirements of such laws and regulations and the Articles of Association to obtain the Award; however, the Company shall not be liable for any failure to obtain the Award as a result of the failure to obtain the approval of the competent authorities (if required).
- (g) Each provision of the Plan Rules shall be deemed an independent provision and shall be separately enforceable as an independent provision. In the event that any provision is unenforceable, such provision shall be deemed to be deleted from the Plan Rules, and any such deletion shall not affect the enforceability of the remaining Plan Rules which have not been deleted.

NOTICE OF THE 2026 FIRST EXTRAORDINARY GENERAL MEETING

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Sichuan Baicha Baidao Industrial Co., Ltd.

四川百茶百道實業股份有限公司

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

(Stock Code: 2555)

NOTICE OF THE 2026 FIRST EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2026 First Extraordinary General Meeting (“**EGM**”) of Sichuan Baicha Baidao Industrial Co., Ltd. (the “**Company**”) will be held at the Conference Room of the Company, Jiayu Financial Technology Center, No. 166 Mingdu Road, Wuhou District, Chengdu, Sichuan, the PRC on Friday, October 30, 2026 at 2:00 p.m. for the purpose of considering and, if thought fit, passing the following resolutions:

Special Resolutions

1. To consider and approve the resolution on the adoption of the 2026 H Share Incentive Plan of the Company (details of which are set out in this circular).
2. To consider and approve the resolution on the adoption of the Plan Mandate Limit for the 2026 H Share Incentive Plan of the Company (being 10% of the total number of issued Shares as at the date of approval of this resolution at the EGM), conditional upon the passing of resolution no. 1 above (details of which are set out in this circular).
3. To consider and approve the resolution to authorize the Board and/or authorized person(s) to handle matters in relation to the 2026 H Share Incentive Plan of the Company.

Ordinary Resolution

4. Payment of Interim Dividend.

NOTICE OF THE 2026 FIRST EXTRAORDINARY GENERAL MEETING

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, October 27, 2026 to Friday, October 30, 2026 (both days inclusive), during which no transfer of Shares of the Company will be effected. For unregistered holders of H Shares who intend to attend the EGM, all share certificates and the relevant transfer documents must be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Monday, October 26, 2026. H Shareholders whose names appear on the register of members of the Company on Friday, October 30, 2026, will be entitled to attend and vote at the EGM.

The register of members of the Company will be closed from Thursday, November 5, 2026 to Monday, November 9, 2026 (both days inclusive), during which no transfer of Shares of the Company will be effected. For unregistered holders of H Shares who wish to be eligible to receive the proposed cash dividend, all share certificates and the relevant transfer documents must be lodged with the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Wednesday, November 4, 2026. H Shareholders whose names appear on the register of members of the Company on Monday, November 9, 2026, will be entitled to the dividend (subject to approval by the Shareholders at the EGM). The interim dividend for 2026 is expected to be distributed to H Shareholders on Monday, November 30, 2026.

By order of the Board
Sichuan Baicha Baidao Industrial Co., Ltd.
Mr. WANG Xiaokun
Executive Director and Chairman of the Board

October 8, 2026

As at the date of this notice, the board of directors of the Company comprises Mr. Wang Xiaokun, Mr. Wang Hongxue, Ms. Dai Li and Mr. Chen Keyuan as executive directors; Dr. Chen Da as non-executive director; and Mr. Yeung Chi Tat, Dr. Tang Yong and Ms. Cheng Li as independent non-executive directors.

NOTICE OF THE 2026 FIRST EXTRAORDINARY GENERAL MEETING

Notes:

1. Any Shareholder of the Company entitled to attend and vote at the EGM is entitled to appoint one or more proxies to attend and vote in his/her stead. A proxy need not be a Shareholder of the Company. If more than one proxy is so appointed, the appointment shall specify the number and class of Shares in respect of which each such Proxy is so appointed.
2. Shareholders shall appoint their proxies in writing. The form of proxy shall be signed by the Shareholder or his/her/its attorney who has been authorized in writing. If the Shareholder is a corporation, the form of proxy shall be affixed with the corporation's seal or signed by its Director, or its attorney duly authorized in writing. If the form of proxy is signed by the attorney of the Shareholder, the power of attorney or other authorization document shall be notarized. For H Shareholders, the form of proxy must be lodged with, personally or by post, the Company's H Share Registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not less than 24 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and delivery of the form of proxy shall not preclude a Shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
3. Shareholders shall produce their identification documents when attending the EGM.
4. If a proxy attends the EGM on behalf of a Shareholder, he/she shall produce his/her identification document and the power of attorney or other documents signed by the appointer or his/her legal representative, which specify the date of its issuance. If a representative of a corporate Shareholder attends the EGM, such representative shall produce his/her identification document and the notarized copy of the resolution passed by the Board or other authority or other notarized copy of any authorization documents issued by such corporate Shareholder.
5. The EGM is expected to last for half a day. Shareholders who attend the EGM (in person or by proxy) shall bear their own travelling, accommodation and other expenses.
6. For details of the relevant resolution, please refer to the circular of the Company dated October 8, 2026.
7. References to time and dates in this notice are to Hong Kong time and dates.