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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 licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisers.

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

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Shanghai Biren Technology Co., Ltd. 上海壁仞科技股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 6082)

- (1) PROPOSED ADOPTION OF THE H SHARE OPTION SCHEME
- (2) PROPOSED ADOPTION OF THE H SHARE INCENTIVE SCHEME
- (3) PROPOSED AUTHORISATION TO THE BOARD OF DIRECTORS
AND/OR PERSON(S) AUTHORIZED BY THE BOARD
TO HANDLE MATTERS RELATED TO THE SHARE SCHEMES
- (4) PROPOSED AUTHORISATION TO THE BOARD OF DIRECTORS
AND/OR PERSON(S) AUTHORIZED BY THE BOARD
TO HANDLE MATTERS RELATED TO AMENDMENTS OF ARTICLES
OF ASSOCIATION AS A RESULT OF H SHARE FULL CIRCULATION
AND
- (5) NOTICE OF THE EXTRAORDINARY GENERAL MEETING

All capitalised terms used in this circular have the meanings set out in the section headed "Definitions" in this circular. A letter from the Board is set out on pages 7 to 55 of this circular.

The Company will convene the EGM at the earlier of 3:30 p.m. or immediately after the annual general meeting of the Company to be held at 1:30 p.m. on Monday, June 15, 2026, notice of which is set out on pages EGM-1 to EGM-2 of this circular. The proxy form for use at the EGM is enclosed herein, which was also published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.birentech.com).

Shareholders who intend to appoint a proxy to attend the EGM shall complete and return the proxy form in accordance with the instructions printed thereon. The proxy form must be signed by you or your attorney duly authorised in writing or, in case of a legal person, must either be executed under its seal or under the hand of its director or other attorney duly authorised to sign the same. If the proxy form is signed by an attorney of the appointor, the power of attorney authorising that attorney to sign, or other document of authority, must be notarized.

In the case of joint holders of the H Shares, only the holder whose name stands first in the register of members of the H Shares of the Company shall alone be entitled to vote at the EGM, either in person or by proxy in respect of such H Shares.

Please return the proxy form together with any documents of authority to the H Share registrar of the Company in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for holders of H Shares of the Company), and to the headquarters of the Company at Room 1302, 13/F, Building 16, No. 2388 Chenhang Road, Minhang District, Shanghai, PRC (for holders of unlisted Shares of the Company) as soon as possible, and in any event not later than 24 hours before the time appointed for holding the EGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

May 26, 2026

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DEFINITIONS

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

“Adoption Date”	the date on which the H Share Incentive Scheme and H Share Option Scheme are approved by the Shareholders at the EGM
“Articles of Association”	the articles of association of the Company as amended, modified or otherwise supplemented from time to time
“associate(s)”	has the meaning ascribed under the Listing Rules
“Audit Committee”	the audit committee of the Company
“Award(s)”	award(s) granted by the Board and/or its authorized person to a grantee under the H Share Incentive Scheme, which may vest in the form of Award Shares or the actual selling price of the Award Shares in cash in accordance with the terms of the H Share Incentive Scheme
“Award Letter”	a letter issued by the Company to each grantee in such form as the Board and/or the person(s) authorized by the Board may from time to time determine, specifying the name of the grantee, the number of Award Shares granted, the vesting commencement date, the vesting criteria and conditions, the vesting date, the Purchase Price, the conditions for the lapse of Award Shares and such other terms and conditions to be determined by the Board and/or the person(s) authorized by the Board that are not inconsistent with the H Share Incentive Scheme
“Award Shares”	the H Shares granted in an Award pursuant to the H Share Incentive Scheme
“Board”	the board of Directors
“Chairman”	the chairman of the Board
“China” or “PRC”	The People’s Republic of China, excluding, for the purposes of this circular only, Hong Kong Special Administrative Region, Macau Special Administrative Region and Taiwan Region

DEFINITIONS

“Company”, “our Company” or “Biren”	Shanghai Biren Technology Co., Ltd. (上海壁仞科技股份有限公司), a joint stock company incorporated in the People’s Republic of China with limited liability, whose H Shares are listed on the Stock Exchange (Stock Code: 6082)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Dismissal for Misconduct”	the Eligible Participant (being an Employee Participant as at the grant date) ceases to be an Employee Participant due to the termination of their labour or employment agreement for the following reasons: where there has been a violation of any agreement executed between the Group and the relevant grantee, the rules and regulations of the Group and other labour discipline; there has been violation of any applicable non-disclosure agreements, intellectual property rights agreements, labour agreements, non-compete agreements, conflict of interest regulations, or any such similar agreements; the relevant grantee divulging the business secrets of the Group, or procuring any illegitimate interests for him/her or any other persons using his/her position; if the relevant grantee has committed any fraud, misconduct, embezzlement or other acts that harm the Group’s interest; and/or any other misconduct circumstances determined by the Board or the Nomination Committee or the person(s) authorized by the Board in their full discretion
“EGM” or “Extraordinary General Meeting”	the extraordinary general meeting of the Company to be held at the earlier of 3:30 p.m. or immediately after the annual general meeting of the Company to be held at 1:30 p.m. on Monday, June 15, 2026 at 11/F, Building 16 No. 2388 Chenhang Road, Minhang District, Shanghai, the PRC or any adjournment thereof
“Eligible Participant(s)”	with respect to the H Share Option Scheme and H Share Incentive Scheme, any individual, or a corporate entity (as the case may be), being any of (i) an Employee Participant, (ii) a Related Entity Participant, and (iii) a Service Provider

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“Employee Participant(s)”	director(s), supervisor(s) and employee(s) (whether full time or part time employees) of the Company and/or of any of its subsidiaries (including persons who are granted Options or Awards under the H Share Option Scheme and H Share Incentive Scheme as an inducement to enter into employment contracts with these companies)
“Exercise Price”	the price at which each H Share subject to an Option may be subscribed on the exercise of that Option as determined by the Board and/or the person(s) authorized by the Board, but subject to the provisions of the H Share Option Scheme, or (where applicable) such price as from time to time adjusted pursuant to the H Share Option Scheme Rules
“GPGPU”	a graphic processing unit that is programmed for purposes of general computing
“Group”	the Company and its subsidiaries
“H Share(s)”	overseas listed foreign shares issued by the Company with a nominal value of RMB0.02 each, which are listed on the main board of the Stock Exchange
“H Share Full Circulation”	the proposed conversion of the Unlisted Share(s) into H Shares and the listing and circulation of such Shares on the Stock Exchange
“H Share Incentive Scheme”	the H share incentive scheme proposed to be adopted by the Company which is subject to the resolution being passed and approved by the Shareholders at the EGM
“H Share Incentive Scheme Rules”	the rules of the H Share Incentive Scheme (in its present or any amended form)
“H Share Option Scheme”	the H share option scheme proposed to be adopted by the Company which is subject to the resolution being passed and approved by the Shareholders at the EGM
“H Share Option Scheme Rules”	the rules of the H Share Option Scheme (in its present or any amended form)
“H Share Schemes”	the H Share Incentive Scheme and H Share Option Scheme

DEFINITIONS

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	May 20, 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Date”	the date on which the H Shares of the Company are listed and first publicly traded on the Stock Exchange, being January 2, 2026
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended, modified or otherwise supplemented from time to time
“Nomination Committee”	nomination committee of the Board
“Option”	a right granted to a grantee to subscribe for H Shares pursuant to the H Share Option Scheme
“Option Period”	in respect of any Option, a period to be determined and notified by the Board and/or the person(s) authorized by the Board to the grantee during which the Option may be exercised, which period shall expire in any event not later than the last day of the 10-year period after the grant date (subject to the provisions for early termination), for the avoidance of doubt, such period may, if the Board and/or the person(s) authorized by the Board so determines, be set at different lengths for different grantees and the Board and/or the person(s) authorized by the Board may also set conditions and/or restrictions on the exercise of such Option during the period an Option may be exercised
“Pre-IPO Employee Incentive Scheme”	the pre-IPO employee incentive plan of our Company approved and adopted on April 24, 2024

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“Purchase Price”	the purchase price of each H Share in relation to Award Shares to be determined by the Board and/or the person(s) authorized by the Board when granting Award Shares
“R&D”	research and development
“Related Entity(ies)”	the holding company(ies), fellow subsidiary(ies) or associated company(ies) of the Company
“Related Entity Participant(s)”	director(s), supervisor(s) and employee(s) (whether full time or part time employees) of the Related Entities
“Remuneration Committee”	the remuneration committee of the Board
“RMB”	Renminbi Yuan, the lawful currency of the PRC
“Scheme Limit”	the limit on grant(s) of share option(s) and/or award(s) over new Shares under all share schemes of the Company to be approved by its Shareholders, which must not exceed 10% of the total number of issued Shares (excluding Treasury Shares, if any) as at the date of Shareholders’ approval of the Scheme Limit
“Service Provider”	any person (natural person or corporate entity) who provide services to the Group on a continuing and recurring basis in the ordinary course of business of the Group which are in the interests of the long-term growth of the Group, taking into account (including but not limited to) the length and nature of the services provided or which are expected to be provided, the terms of engagements and focuses of the Group from time to time
“Service Provider Sublimit”	a sublimit under the Scheme Limit for share options and/or awards over new Shares under all share schemes adopted by the Company granted to the Service Providers, which must not exceed 1% of the total number of issued Shares (excluding Treasury Shares, if any) as at the date of the Shareholders’ approval of the Service Provider Sublimit
“Share(s)”	the Unlisted Share(s) and the H Share(s)
“Shareholder(s)”	holder(s) of the Share(s)

DEFINITIONS

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed thereto under the Listing Rules
“TCO”	total cost of ownership (TCO) which is a comprehensive financial estimate that reflects the full cost of acquiring, operating, and maintaining an asset or product over its entire lifecycle
“Treasury Shares”	has the meaning ascribed to it under the Listing Rules, and for the purposes of the H Share Option Scheme and the H Share Incentive Scheme, new Shares include Treasury Shares and the issue of new Shares includes the transfer of Treasury Shares
“Trust”	the trust constituted under the Trust Deed
“Trust Deed(s)”	the trust deed to be entered into between the Company and the Trustee pursuant to the H Share Incentive Scheme and H Share Option Scheme (where applicable)
“Trustee(s)”	the trustee(s) to be appointed by the Company for the purpose of the Trust
“Unlisted Share(s)”	domestic unlisted share(s) issued by the Company with a nominal value of RMB0.02 each
“%”	per cent

LETTER FROM THE BOARD



Shanghai Biren Technology Co., Ltd.

上海壁仞科技股份有限公司

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

(Stock Code: 6082)

Executive Directors:

Mr. Wen ZHANG (*Chairman and
Chief Executive Officer*)

Mr. Zhou HONG

Mr. Linglan ZHANG

Mr. Bing XIAO (肖冰)

Mr. Luting PAN

*Registered Office, Headquarter and
Principal Place of Business in the PRC:*

Room 1302, 13/F, Building 16

No. 2388 Chenshang Road

Minhang District, Shanghai

PRC

Principal Place of Business in Hong Kong:

Room 1919, 19/F, Lee Garden One

33 Hysan Avenue

Causeway Bay, Hong Kong

Non-executive Director:

Mr. Jingguo LIU (劉經國)

Independent non-executive Directors:

Dr. Yuan WANG (王源)

Mr. Siu Wing LAM (林兆榮)

Ms. Jin LIU (劉瑾)

May 26, 2026

To the Shareholders

Dear Sir or Madam,

- (1) PROPOSED ADOPTION OF THE H SHARE OPTION SCHEME**
(2) PROPOSED ADOPTION OF THE H SHARE INCENTIVE SCHEME
**(3) PROPOSED AUTHORISATION TO THE BOARD OF DIRECTORS
AND/OR PERSON(S) AUTHORIZED BY THE BOARD
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AND**
(5) NOTICE OF THE EXTRAORDINARY GENERAL MEETING

LETTER FROM THE BOARD

I. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information on, among other things, the following resolutions to be put forward at the EGM: (i) the proposed adoption of the H Share Option Scheme; (ii) the proposed adoption of the H Share Incentive Scheme; (iii) the proposed authorization to the Board and/or person(s) authorized by the Board to handle matters related to the H Share Option Scheme and the H Share Incentive Scheme; (iv) the proposed authorization to the Board and/or person(s) authorized by the Board to handle matters related to amendments of the Articles of Association as a result of H Share Full Circulation; and (v) other matters contained in the notice of EGM, so that the Shareholders may make an informed decision on voting in respect of the resolutions to be tabled at the EGM.

II. PROPOSED ADOPTION OF THE H SHARE SCHEMES

The Company adopted the Pre-IPO Employee Incentive Scheme on April 24, 2024. The underlying Shares under the Pre-IPO Employee Incentive Scheme had already been issued and no further Shares will be granted under the Pre-IPO Employee Incentive Scheme upon the Listing Date. As of the Latest Practicable Date, there was no unutilized or available scheme mandate limit. As there is no share scheme, as defined under and complying with Chapter 17 of the Listing Rules, the Board proposed the adoption of the H Share Schemes, and considers that it would be in the best interests of the Company and its Shareholders to adopt the H Share Schemes, and to adopt the Scheme Limit and Service Provider Sublimit.

Having considered the equity-based remuneration is an important means of ensuring alignment between the interests of the Shareholders and all members of the Board, including the independent non-executive Directors, the Board believes that the inclusion of independent non-executive Directors as Eligible Participants, if any, under each of the H Share Option Scheme and H Share Incentive Scheme will keep its remuneration package competitive, and that any potential grant of the options and/or awards under each of the H Share Option Scheme and H Share Incentive Scheme will not lead to bias in their decision-making or impair their independence and objectivity due to the following reasons:

- (i) the inclusion of independent non-executive Directors as Eligible Participants would better align the long-term interests of the independent non-executive Directors with those of the Company and its Shareholders as a whole. Equity-based incentives with a long-term vesting period (without the relevant independent non-executive Directors' performance related elements) can encourage independent non-executive Directors to focus on the Company's sustainable growth, long-term strategy and value creation. The Company does not intend to grant share awards or options to independent non-executive Directors with performance-related targets which may lead to bias in their decision-making or compromise their objectivity and independence;

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- (ii) a modest and appropriately structured equity incentive serves as an effective tool to attract and retain independent non-executive Directors with valuable expertise. Experienced and qualified independent non-executive Directors can contribute their independent advice in the areas where they possess high level of skills and knowledge and promote better corporate governance within the Group. Inclusion of independent non-executive Directors as Eligible Participants would equip the Company with flexibility to provide a competitive remuneration package to attract and retain independent non-executive Directors; and
- (iii) the Company will comply strictly with all applicable requirements under the Listing Rules in connection with any grants of share awards or options to independent non-executive Directors. Any such grant will be subject to the approval of disinterested independent non-executive Directors and, if applicable, the Remuneration Committee and Shareholders at the general meeting. The Company will also make full, timely and transparent disclosure of relevant grants in accordance with the Listing Rules, thereby ensuring relevant grants, if any, will be subject to effective market and shareholder oversight.

A. Proposed Adoption of the H Share Option Scheme

The Board proposed the adoption of the H Share Option Scheme in accordance with Chapter 17 of the Listing Rules on May 15, 2026 and the relevant resolutions are hereby submitted to the EGM as a special resolution for consideration and approval. As at the Latest Practicable Date, the Company did not have any plan to grant any Option under the H Share Option Scheme.

A summary of the principal terms of the H Share Option Scheme is set out below:

1. Purposes of the H Share Option Scheme

The purposes of the H Share Option Scheme are to provide eligible persons with the opportunity to acquire equity interests in the Company and to encourage eligible persons to work towards enhancing the value of the Company and its Shares, fostering the long-term development of the Company and for the benefit of the Company and Shareholders as a whole. The H Share Option Scheme is expected to provide the Company with a flexible means of retaining, incentivizing, rewarding, remunerating, compensating and/or providing benefits to eligible persons.

2. Eligible Participants and the Basis of Determining the Eligibility of Eligible Participants

The Board considers that the adoption and implementation of the H Share Option Scheme will motivate Eligible Participants to contribute to the Group's development. The H Share Option Scheme, which allows grant by the Company of share-based incentive in the form of Options, will enable the Group to attract, retain and motivate Eligible Participants to promote the sustainable development of the Group in line with the performance goals of the Group, and

LETTER FROM THE BOARD

as such, it is in the interests of the Group as a whole that more and wider categories of people be eligible for the H Share Option Scheme so as to incentivize them to contribute to the Group's growth and development. Furthermore, the Board considers that the Eligible Participants will share the same interests and objectives with the Group upon the grant of Options, which is in turn beneficial to the long-term development of the Group. In addition, the adoption of the H Share Option Scheme is in line with modern commercial practice that full-time or part-time employees, directors, supervisors and members of the management of the Group and Related Entities and Service Providers be given incentives to work towards the goal of enhancing the enterprise value and attaining the long-term objectives of the Company for the benefit of the Group as a whole.

(i) Employee Participants and the Basis of Eligibility

In assessing the eligibility of the Employee Participants (including the part-time employees), the Board will consider all relevant factors as appropriate, including, among others, (i) their skills, knowledge, experience, expertise and other relevant personal qualities; (ii) their performance, time commitment (full-time or part-time), responsibilities or employment conditions and the prevailing market practice and industry standard with reference to the remuneration package of employees of similar position and experience in similar industry (where available); (iii) their contribution made or expected to be made to the growth of the Group; and (iv) their educational and professional qualifications, and knowledge in the industry.

In assessing the eligibility of the Employee Participants, the Board believes including part-time employees as Eligible Participants will drive long term growth and profitability of the Group by enhancing engagement, retention, and inclusivity. Extending incentives to part-time staff fosters a shared success culture, motivating broader contributions to performance. This approach strengthens loyalty, reduces turnover costs, and leverages diverse perspectives for innovation. Aligning all employees with strategic goals ensures a cohesive, high performing workforce. By valuing part-time roles equally, the Group maximizes productivity and operational flexibility. The Board is confident this policy will sustain growth, improve efficiency, and deliver long-term value for both employees and shareholders.

The Board (including the independent non-executive Directors) is of the view that, given the performance of the Group depends on both the management and oversight of the Board and the contributions of its employees, the inclusion of directors and employees of the Company or any of its subsidiaries as Eligible Participants is in line with the purposes of the H Share Option Scheme and in the interests of the Company and the Shareholders as a whole.

(ii) Service Providers and the Basis of Eligibility

Service Providers are any persons (natural person or corporate entity) who provide services to the Group on a continuing and recurring basis in the ordinary course of business of the Group which are in the interests of the long-term growth of the Group, including: (i) supplier or business partner (including joint venture partners or other contractual parties) who, or are anticipated to be going forward, significant to the Group's business or otherwise will

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contribute significantly to the growth of the Group's financial or business performance; or (ii) any independent contractor, consultant, agent and/or advisors who (a) provides advisory services, consultancy services, sales and marketing services, technology services, administrative services to the Company, where the continuity and frequency of their services are akin to those of employees, or (b) provides advisory services and consultancy services after stepping down from an employment or director position with the Group; however excluding (i) placing agents or financial advisors providing advisory services for fundraising, mergers or acquisitions, or (ii) professional service provider such as auditors or valuers who provide assurance or are required to perform their services with impartially and objectively.

With respect to services in areas such as marketing and administrative services, the Board is of the view that such services constitute regular, routine and crucial aspects of the Group's main business, day-to-day operations and the governance of a listed company. In the marketing process, the Group needed to engage in the market requirement analysis focusing on end-customer requirements, marketing trend and product positioning. The Group identified and prioritized core requirements of target customers in such industries through engagement with target customers of industry leaders. To pique customer interests, the Group also provided product sampling and test results to showcase the values and benefits of its solutions, such as the performance and TCOs of its solutions when processing representative workloads. Upon initial validation from customers, the Group coordinated and arranged tests and adaptations with industry leaders in terms of performance and accuracy in training and inference of multiple models, the ease-of-use and generalization ability of its software stack, and system stability and reliability of its solutions, among others. After completing the adaptation and reaching sales agreement, the Group also needed to continue following up on the customer's deployment, feature development, and performance optimization needs and provide necessary administrative coordination and resource support. By serving industry leaders and forming partnership with large customers, the Group could accelerate market adoption of its solutions and further expand its presence across additional segments in such industries. The content and processes of the above marketing activities do not directly involve core technology R&D, but require strong organizational coordination and management capabilities, and have a high technical threshold and complexity. The Group has entered and will enter into long-term service agreements with these third party service providers, the services are provided on an ongoing basis with regular delivery of outcomes, and thus qualify as ongoing and recurring services in the ordinary and usual course of business. Amid the rapid growth of the Group's business and the expansion of customer services and application scenarios, the necessity and significance of these services are expected to further increase.

The Board considers that, compared with other alternatives such as cash bonus which are "one-off" incentives and may not encourage Service Providers to continue employment with or service to the Group in the long term, the granting of Options allows the Group to use share incentives to encourage persons outside of the Group to contribute to the Group and align the mutual interests of each party, such that by holding on to equity incentives, both the Company and Service Providers will mutually benefit from the long term growth of the Group. In addition, the grant of Options to the Service Providers can align the interests of such Service Providers and the Company by providing them with the opportunity to partake in the Group's future prospects and benefit from an attractive and competitive remuneration package with

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additional rewards through their contributions, which will bind the interests of such Service Providers and the Group to work towards the realisation of the Company's strategic development objectives and to drive the performance growth. With the equity based remuneration in the form of grant of Shares, any increase in the future share price of the Company would increase the remuneration or reward granted to Service Providers, thereby aligning their interests with that of the Company. The Board has also considered that equity-based incentives offer distinct advantages for the Company's long-term objectives as alternative cash incentives may adversely affect the cash reserves of the Company which could otherwise be spent on business operation, development and debt reduction of the Company.

In assessing the eligibility of the Service Providers, the Board will consider all relevant factors as appropriate, including but not limited to, (i) his/her professional expertise, professional qualifications and relevant experience; (ii) his/her performance and track record, including his/her ability to provide quality service; (iii) the duration and length of business relationship between the Service Providers and the Company; (iv) the scale of business and transactions between the Service Providers and the Company, and his/her contributions to the Company's performance as evaluated by the Board and/or the person(s) authorized by the Board; (v) the actual contributions to the Company in decreasing costs or increasing revenue/profits; (vi) the profits and gains to be brought forth by the Service Providers, and the benefits and strategic values of such benefits and gains; and (vii) the business opportunities and external resources that the Service Providers has or is likely to bring to the Company.

Based on such criteria, the Board has categorized the Service Providers to mainly include the Group's:

- (a) **Suppliers.** Those that supply the Group with services on a regular or recurring basis, with which the Group would consider important to maintain a close business relationship on an ongoing basis, and in turn, it would be beneficial to the Group's business relationship to grant such supplier with proprietary ownership in the Company and to encourage the supplier to have a shareholding interest in the Group and the Group's future development. This category primarily comprises suppliers for raw materials and contract manufacturers of GPGPU products.
- (b) **Agents and contractors.** Those that provide intermediary and other professional/consultancy services (i.e. services in research and development, market development, strategic planning, recruitment and cutting edge technologies) to the Group on a regular or recurring basis with which the Group would consider important to maintain a close collaborative relationship on an ongoing basis, that in turn, it would be beneficial to the collaboration between the Group and the agents or contractors to grant proprietary ownership in the Company and to encourage the agents or contractors to have a shareholding interest in the Group and the Group's future development. This category primarily comprises (i) technical consultants providing expertise in advanced technology R&D, product and solution development, and manufacturing processes; (ii) strategic and business advisors supporting corporate development, commercial partnerships, joint ventures, and market expansion initiatives; (iii) supply chain and operations specialists facilitating

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production capacity agreement, production planning, logistics, quality assurance, and vendor management; and (iv) ecosystem partners and solution providers contributing to technology development, workflow optimization, and operational efficiency across our value chain. These Service Providers are of strategic importance to the Company's long-term development as they support the identification and execution of value-accretive business development opportunities, enhance decision-making and operational efficiency, strengthen the Company's technological and digital capabilities, and enable the Company to remain competitive at the forefront of innovation in an increasingly complex and technology-driven landscape.

(iii) Related Entity Participants and the Basis of Eligibility

In assessing the eligibility of the Related Entity Participants, the Board will consider all relevant factors as appropriate, including, among others (i) the importance and nature of the business relationship between the Related Entity and the Company, as well as the contribution of the Related Entity Participants to the Related Entity, which may benefit the Company's principal business through the partnership; (ii) the duration of the cooperative relationship established between the Related Entity and the Company; (iii) the extent of support, assistance, guidance, advice, efforts, and contributions that such participant has made or may make to the Company's business achievements; and (iv) the degree of such participant's involvement in and contribution to the Company's development and/or the level of benefits and synergies brought to the Company.

Based on such criteria, the Board has categorized the Related Entity Participant to mainly include employees or directors of certain investees of the Company. The Company may invest in companies typically operate in areas that are complementary to the Company's core business. By investing in such companies, the Company will be able to access innovative technologies, proprietary know-how and experienced scientific and management team. By granting proprietary ownership in the Company to key directors and employees of such investee companies, the Company may further incentivize close collaboration, knowledge sharing and resource integration.

With reference to the scope of the Eligible Participants and the corresponding eligibility criteria, and considering the Company's hiring practices and organisational structures, the Directors (including the independent non-executive Directors) are of the view that it would be in the Group's interest to permit the Company such flexibility in granting Options to the Service Providers and Related Entity Participants in recognition of their contribution to the Group's long-term growth and development, given those which will be selected are those maintaining a close collaborative and supportive business relationship with the Group. It also enables the Group to preserve its cash resources and use share-based incentives to encourage persons outside of the Group to contribute to the Group. A sustainable and stable relationship with the Service Providers and Related Entity Participants is vital for the Group and the inclusion of non-employee participants under the H Share Option Scheme would align their interest with the interest of the Group and incentivise them to provide better services to create more opportunities for and/or contribute to the success of the Group in the long run, and thus

LETTER FROM THE BOARD

promoting the growth and development of the Group, and enabling the purpose of the H Share Option Scheme to be achieved. Therefore, the Directors consider that the inclusion of the Service Providers and Related Entity Participants aligns with the long-term interests of the Company and the Shareholders.

On top of the above, the Board will take into account different factors when assessing the eligibility of and contribution (or potential contribution) made or to be made by the Service Providers and the Related Entity Participants. The Board also has the discretion to impose different terms and conditions (including but not limited to performance targets) on the Options to be granted to the Eligible Participants, which provides the Board with greater flexibility to impose appropriate conditions in light of the particular circumstances of each grant so that it would become a more meaningful reward for the contribution or potential contribution made by the Service Providers and the Related Entity Participants.

As a result, the Board (including the independent non-executive Directors) is of the view that the proposed inclusion of the Service Providers and the Related Entity Participants would, on the one hand, enable the Company to preserve flexibility using share incentives to encourage Related Entity Participant to contribute to the Group and align the mutual interests; and on the other hand, induce and provide further incentive to both current and future Service Providers of the Group to contribute to the development, growth and success of the Group, and is in line with the modern commercial practice with reference to other companies listed on the Stock Exchange to include participants, such as Service Providers of the Group, to be given incentives to work towards enhancing the value and attaining the long-term objectives of the Company and for the benefit of the Group as a whole. Accordingly, the Board (including the independent non-executive Directors) considers the inclusion of the Service Providers and the Related Entity Participants to be in line with the purpose of the H Share Option Scheme and is in the best interests of the Company and the Shareholders as a whole. As of the Latest Practicable Date, the Company had not granted any share option or awards to Service Providers or Related Entity Participants before.

3. *Scheme Limit*

The Company shall not make any further grant of Options which will result in the aggregate number of H Shares to be issued by the Company in respect of all grants of options and awards made after the Adoption Date pursuant to the H Share Option Scheme and any other share schemes adopted by the Company (excluding options and/or awards lapsed in accordance with relevant scheme rules) to exceed 10% of the total number of issued Shares (excluding Treasury Shares, if any) as at the date of the Shareholders' approval of the Scheme Limit unless Shareholders approve a further refreshment of the Scheme Limit or Shareholders' approval is obtained in compliance with the Listing Rules.

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,438,858,500 Shares with a nominal value of RMB0.02 each, including 1,200,845,424 H Shares and 1,238,013,076 Unlisted Shares. Subject to Shareholders' approval and assuming that there is no change in the issued Shares during the period from the Latest Practicable Date to the Adoption Date, the Scheme Limit will be 243,885,850 Shares.

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An application will be made to the Listing Committee for the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the vesting of any awards and/or exercise of options of up to 10% of the total number of issued Shares (excluding Treasury Shares, if any) as at the date of the EGM.

4. Service Provider Sublimit

As the scope of Eligible Participants under the H Share Option Scheme shall be expanded to include Service Providers, the Board considers that it is appropriate to adopt the Service Provider Sublimit within the Scheme Limit in accordance with Rule 17.03B(2) of the Listing Rules.

The Company shall not make any further grant of Options to Service Providers which will result in the aggregate number of Shares to be issued by the Company in respect of all grants of options and awards made after the Adoption Date pursuant to the H Share Option Scheme and other share schemes adopted by the Company (excluding options and/or awards lapsed in accordance with relevant scheme rules) to exceed 1% of the total number of issued Shares (excluding Treasury Shares, if any) as at the date of the Shareholders' approval of the Service Provider Sublimit unless the Shareholders approve a further refreshment of the Service Provider Sublimit or Shareholders' approval is obtained in compliance with the Listing Rules.

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,438,858,500 Shares with a nominal value of RMB0.02 each, including 1,200,845,424 H Shares and 1,238,013,076 Unlisted Shares. Subject to Shareholders' approval and assuming that there is no change in the issued Shares during the period from the Latest Practicable Date to the Adoption Date, the Service Provider Sublimit will be 24,388,585 Shares.

In determining the Service Provider Sublimit, the Directors consider that it is important to ensure that each share scheme of the Company will be attractive and is able to provide sufficient incentives to Service Providers who are able to contribute to the business development of the Group, all of which being core functions on which the Group relies in its ordinary and usual course of business. The basis of determination of the Service Provider Sublimit includes (i) the potential dilution effect on the Shares arising from grants to the Service Providers, the importance of striking a balance between achieving the purpose of H Share Option Scheme and H Share Incentive Scheme, and protecting Shareholders from the dilution effect from making grants to the Service Providers, and (ii) the actual or expected increase in the Group's revenue or profits which shall be attributable to the Service Providers and the extent of use of the Service Provider in the Group's business. The Group also values long-standing relationships with its Service Providers such as suppliers, business partners, independent contractors, consultants, agents, advisors and other business associates, who are one of the keys to the Group's success. The Group believes that, through engaging, collaborating, and cultivating strong relationships with the Service Providers, the Group can strive to achieving corporate sustainability, delivering high quality products to its potential customers and developing mutual trust and enhancing communication and commitment between the Group and its suppliers to maintain sustainable growth.

LETTER FROM THE BOARD

Taking into account that (i) the benefit to and needs of the Group to provide long-term equity incentives, which in contrast to short-term cash-based compensation or consideration, would encourage the Service Providers to adopt a long-term perspective, maintain continuity in their services, and prioritize the Group's business success; (ii) the minimal potential dilution to the shareholding of public Shareholders following the exercise of the options and/or vesting of awards to be granted to Service Providers under the Service Provider Sublimit, given the fact that the individual limit under Rule 17.03D(1) of the Listing Rules is also 1% and 1% is well within the market norms for equity incentives arrangements; and (iii) the Service Provider Sublimit can also be utilized for making grants to other Eligible Participants and thereby reducing the impact of any excessive dilution of existing Shareholders' shareholding, the Board is of the view that the Service Provider Sublimit is appropriate and reasonable. The Service Provider Sublimit is subject to approval by way of special resolution by the Shareholders at the EGM.

5. Refreshment of Scheme Limit and Service Provider Sublimit

The Company may seek approval by Shareholders in general meeting for refreshing the Scheme Limit and Service Provider Sublimit after three years from the date of Shareholders' approval for adoption of the Scheme Limit and Service Provider Sublimit or the last refreshment. Any refreshment within any three-year period must be approved by Shareholders subject to the following provisions:

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

The total number of Shares which may be issued in respect of all options and awards to be granted under all of the schemes of the Company under the Scheme Limit as "refreshed" must not exceed 10% of the total number of issued Shares (excluding Treasury Shares, if any) as at the date of approval of the refreshed Scheme Limit. The Company will send a circular to Shareholders containing the number of options and awards that were already granted under the existing Scheme Limit and the existing Service Provider Sublimit (if any), and the reason for the refreshment.

6. 1% Individual Limit

The total number of Shares issued and to be issued in respect of all Options granted under the H Share Option Scheme and all options and awards granted under other share schemes of the Company to each Eligible Participant during any 12-month period up to and including the relevant grant date (excluding options or awards lapsed in accordance with relevant scheme rules) shall not exceed 1% of the total number of issued Shares (excluding Treasury Shares, if any) at the relevant time (the "**1% Individual Limit**").

LETTER FROM THE BOARD

Should any proposed grant to Eligible Participants result in the total number of Shares issued and to be issued in respect of all options and awards already granted and proposed to be granted to each Eligible Participant during any 12-month period up to and including the relevant proposed grant date (including both exercised and unexercised options as well as vested and unvested awards, but excluding any options or awards that have lapsed pursuant to the terms of the share schemes of the Company) exceeding the 1% Individual Limit, then any further grant of Options shall be subject to and only take effect upon such grant being separately approved by Shareholders at a general meeting of the Company pursuant to the requirements of the Listing Rules.

In addition, each grant of Options to any Director, chief executive (as defined in the Listing Rules), or substantial Shareholder of the Company (or any of their respective associates) shall be subject to the prior approval of the independent non-executive Directors (excluding any independent non-executive Director who is a proposed recipient of the grant of Options).

7. *0.1% Limit*

Where any grant of Options to an independent non-executive Director, a substantial Shareholder or any of their respective associates result in the total number of Shares issued and to be issued in respect of all Options granted under the H Share Option Scheme and all options and awards granted under other share schemes of the Company to such person(s) during any 12-month period up to and including the relevant grant date (excluding options or awards lapsed in accordance with relevant scheme rules) exceeding 0.1% of the total issued Shares (excluding Treasury Shares, if any) at the relevant time, such further grant of Options shall be subject to prior approval by the Shareholders (voting by way of poll) in general meeting. The Company shall send a circular to the Shareholders. The grantee, their associates and all core connected persons of the Company must abstain from voting in favour at such general meeting.

8. *Source of Shares*

The H Shares of the Company underlying the Options to be granted under the H Share Option Scheme will be satisfied by the H Shares to be held by the Trustee on behalf and for the benefit of the Eligible Participants in accordance with the instructions of the Company and the relevant provisions of the H Share Option Scheme Rules, by way of (i) issue and allotment of new H Shares from the Company; (ii) through on-market and/or off-market transactions on the secondary market at the prevailing market price by utilising the scheme funds; and/or (iii) transfer of Treasury Shares, if any.

9. *Grant Letter and Notification of Grant of Options*

A letter shall be issued by the Company or the Trustee (where applicable) to each grantee which specifies the terms on which the Option is to be granted pursuant to the H Share Option Scheme. Such terms of the grant letter may include any minimum period(s) for which an Option must be held, any minimum performance target(s) that must be achieved, before the Option can be exercised in whole or in part, and/or the conditions for the lapse of any Option and/or clawback mechanism (if any); and may include at the discretion of the Board or its person(s) authorized by the Board such other terms either on a case-by-case basis or generally, provided that such terms are consistent with the rules of the H Share Option Scheme.

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A grant offer shall be deemed to have been accepted and the Option to which the offer relates shall be deemed to have been granted and to have taken effect when the duplicate of the offer letter comprising acceptance of such offer duly signed by the grantee with the number of H Shares in respect of which the offer is accepted clearly stated therein.

Any grant offer may be accepted in respect of less than the number of H Shares for which it is offered provided that it is accepted in respect of a board lot for dealing in H Shares or a multiple thereof. To the extent that the grant offer is not accepted within the period which it must be accepted (if any), it shall be deemed to have been irrevocably declined.

No consideration is payable on acceptance of each grant of Option(s).

10. Basis of Determination of the Subscription Price of Options

Grantees to whom Options shall be granted are entitled to subscribe for the number of Shares at the subscription price as calculated and determined on the date of the grant of the Options.

The basis for determining the subscription price (being the Exercise Price) shall be determined by the Board and/or the person(s) authorized by the Board and notified to the Eligible Participants, and shall not be less than the highest of the following:

- (i) the closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange on the date of grant (being a business day);
- (ii) the average of the closing prices of the Shares as shown in the daily quotation sheets of the Stock Exchange for the five business days immediately preceding the date of grant; and
- (iii) the nominal value of the Shares.

The Board considers such limits imposed on the subscription price to be adequate given that they are in line with that as required by the Listing Rules. Further, it is expected that by operating on such basis, the grantees will endeavour to contribute to the development of the Group so as to bring about an increased value of the Shares and capitalise on the benefits of the Options. As a result, the Board considers that such basis serves the best interests of the Group and Shareholders as a whole and is in line with the purpose of the H Share Option Scheme.

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11. Vesting Period

The vesting period in respect of any Options shall not be less than 12 months (or such other period as the Listing Rules may prescribe or permit from time to time). Options granted to Employee Participants may be subject to a shorter vesting period as determined by (i) the Remuneration Committee if such Employee Participant is a Director or a senior manager of the Company, or (ii) the Board if such Employee Participant is not a Director or a senior manager of the Company, under any of the following circumstances:

- (a) the grant of “compensatory” Options to new Employee Participants as replacement for awards or options forfeited when leaving their former employer;
- (b) the grant of Options to Employee Participants whose employment is terminated by reason of death, disability or any force majeure event;
- (c) the grant of Options subject to performance-based vesting conditions as determined by the Board and/or the person(s) authorized by the Board, in lieu of the standard time-based vesting schedule;
- (d) the grant of Options in multiple tranches within a year for administrative and compliance-related reasons. In such case, the vesting periods may be shorter to reflect the time from which an Option would have been granted;
- (e) the grant of Options with hybrid or accelerated vesting schedules, including equal monthly vesting over a 12-month period; and
- (f) the grant of Options where the aggregate of the vesting period and holding period exceeds 12 months.

To ensure the practicability in fully attaining the purpose of the H Share Option Scheme, the Board and the Remuneration Committee are of the view that: (a) there are certain instances where a strict twelve-month vesting requirement would not work or would not be fair to the holders of Options, such as those set out in the aforesaid paragraphs; (b) there is a need for the Company to retain flexibility in certain cases to provide a competitive remuneration package to attract and retain individuals to provide services to the Group, to provide for succession planning and the effective transition of employee responsibilities and to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified; and (c) such vesting period is in line with the requirements under the Listing Rules and customary market practice. Such shortened vesting period is only applicable to Options granted to the Employee Participants in the aforesaid circumstances.

Hence, the Board and the Remuneration Committee are of the view that the shorter vesting period prescribed here is in line with the market practice and is appropriate and aligns with the purpose of the H Share Option Scheme.

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12. Performance Targets

Unless otherwise determined by the Board or specified in the grant, there is generally no performance target that needs to be achieved before the exercise of an Option granted to a grantee, provided that:

- (a) In respect of any Eligible Participant who is a Director or senior manager of the Company, the Remuneration Committee may, or in respect of any other participant, the Board or person(s) authorized by the Board may, establish performance targets against the attainment of which the Options (as the case may be) granted to the Eligible Participants concerned. The Directors (or, as the case may be, the Remuneration Committee or the committee authorised by the Board or any person(s) authorized by the Board) shall have the authority, after the grant of any Option (as the case may be) which is performance linked, to make fair and reasonable adjustments to the prescribed performance targets during the vesting period if there is a change in circumstances, provided that any such adjustments shall be less onerous than the original performance targets and are considered fair and reasonable by the Directors (or, as the case may be, the Remuneration Committee or the committee authorised by the Board or any person(s) authorized by the Board).
- (b) Proposed performance targets may include business, financial, operations and creation of capital value for the Group's business segments (such as increase in revenue and net profit) as well as individual performance indicators based on the roles and responsibilities of relevant Eligible Participants. The Directors (or, as the case may be, the Remuneration Committee or the committee authorised by the Board or any person(s) authorized by the Board) will conduct assessment at the end of a performance period by comparing the performance of the business segments and the individual performance of the Eligible Participants with the pre-agreed targets to determine whether the targets and the extents to which the targets have been met.

If a selected grantee fails to meet any vesting condition applicable to the vesting of Options, unless such vesting condition is waived by the Board and/or the person(s) authorized by the Board, such Shares that would otherwise be vested during the vesting period shall not be vested and such Options shall be lapsed and such Shares shall be returned to the Trust held on behalf and for the benefit of the Eligible Participants for satisfying other Options under the H Share Option Scheme. Options which have lapsed in accordance with the terms of the Scheme Rules shall not be counted for the purpose of calculating the Scheme Limit and/or the Service Provider Sublimit. In such case, the Board and/or the person(s) authorized by the Board shall have the authority to give notice to and instruct the Trustee to sell the aforesaid unvested Options on the open market at the market price or to grant them to other grantees within a reasonable period of time after the receipt of such notice, which shall be determined by the Board and/or the person(s) authorized by the Board at their sole and absolute discretion.

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The Board and/or the person(s) authorized by the Board will, except in any unforeseen circumstances, or (where applicable) will direct and procure the Trustee to give a vesting notice (the “**Vesting Notice**”) to the relevant grantee within such reasonable period as the Board and/or the person(s) authorized by the Board or (where applicable) together with the Trustee may agree from time to time before any vesting date, and the Vesting Notice shall contain a confirmation of the satisfaction of the vesting conditions by the grantee and the vesting date, a confirmation of the payment method of the Exercise Price and a confirmation of the details of the grantee’s bank account to pay the cash corresponding to the actual selling price (after deducting the Exercise Price and the taxes borne by the Grantee, if applicable) to the grantee.

The Board or the person(s) authorized by the Board may at his/her/its discretion specify any conditions (including performance targets (if any)) which must be satisfied before the Options may be exercised. The Board considers that the purpose of granting Options is to incentivize employees and it may not always be appropriate to impose performance target or expressly set out a generic set of performance targets in the H Share Option Scheme Rules, as each Eligible Participant will play different roles and contribute in different ways to the Group, and new performance targets may be taken into account and/or imposed depending on the development of the industry segment and the macro environment. The Board would like to retain the flexibility in setting the terms and conditions of each grant to facilitate the aim to offer incentives to attract quality personnel that are valuable to the development of the Group and for the benefit of the Group and the Shareholders as a whole.

13. Restrictions on Time of Grant

The Board and/or the person(s) authorized by the Board shall not grant any Options after inside information has come to its knowledge until (and including) the trading day after it has announced the information or during the period commencing 30 days immediately before the earlier of:

- (i) the date of the Board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for approving the Company’s results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (ii) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement.

14. Lapse of Options

Any Option(s) granted may only be exercised during the Option Period, as determined and notified by the Board and/or person(s) authorized by the Board to each grantee at the time of making an offer, and shall not expire later than ten years from the date of the grant of such Options. The right for the exercise of Options (if unexercised) shall terminate immediately

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upon the occurrence of such events (whichever occurs earlier): (i) the expiry of the Option Period (subject to compliance with applicable laws, rules and regulations including the Listing Rules and the relevant guidelines), subject to any alteration pursuant to the provisions of the rules of the H Share Option Scheme; (ii) the expiry or grantee's violation of any of the period requirement in relation to the exercise or the vesting of the Options, as set out in the H Share Option Scheme Rules and/or determined by the Board or the person(s) authorized by the Board in its discretion from time to time; (iii) failure to satisfy any of the performance targets or conditions as set out by the Board or the person(s) authorized by the Board (if any); (iv) failure to accept the grant offer before the expiration of such period as set out in the grant offer letter or as otherwise determined by the Board or the person(s) authorized by the Board; or (v) by the determination of the Board or the person(s) authorized by the Board, the triggering of any of the clawback events. Options which have lapsed in accordance with the terms of the Scheme Rules shall not be counted for the purpose of calculating the Scheme Limit and/or the Service Provider Sublimit.

15. Clawback Mechanism

In circumstances where it, in the absolute opinion of the Board or the person(s) authorized by the Board, may be regarded as inequitable for any Options to be vested or retained and/or (in case such Option has been exercised) the underlying Shares issued and allotted upon exercise of such Option to be held (as the case may be) by any grantee, including but not limited to:

- (i) where there has been a material misstatement or omission in the financial reports of the Group;
- (ii) where there has been a violation of any agreement executed between the Group and the relevant grantee (including but not limited to any applicable intellectual property rights agreement, labour agreements, non-compete agreements, non-disclosure agreements, or any such similar agreements);
- (iii) the relevant grantee divulging the business secrets of the Group, or procuring any illegitimate interests for him/her or any other persons using his/her position;
- (iv) engaging in any conduct with actual or potential adverse effects on the name, reputation or interests of the Group;
- (v) violating any applicable laws and/or regulation and is thus sanctioned by any authorities (including criminal and/or administrative penalties);
- (vi) if the relevant grantee has committed any fraud or misconduct;
- (vii) if the relevant grantee joins any company that the Board or person(s) authorized by the Board in their full discretion and reasonable perception determines to be a competitor of the Group;

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- (viii) if the grantee refuses to cooperate with the Group at time of departure to engage in reasonable and necessary severance and phasing out procedures, including refusing to return core business documents, refusing to sign any severance agreements and/or non-compete agreements, refusing to abide by the vesting or cancellation arrangements of the H Share Option Scheme; and/or
- (ix) any other circumstances determined by the Board or the person(s) authorized by the Board in their full discretion to result in any inequities.

Under such circumstances, unless the Board or the person(s) authorized by the Board, in their absolute discretion, decides otherwise, any unexercised Option shall lapse immediately (regardless of whether such Options has been vested). With regard to the underlying Shares issued, allotted and granted to the grantees pursuant to the H Share Option Scheme (in case such Option has been exercised), the Company shall have the rights to recourse to the selected Eligible Participant (i) all proceeds generated from the sale or transfer of the underlying Shares (in case such Option has been exercised) issued, allotted and granted to the grantee through the grantee's exercise of Option pursuant to the H Share Option Scheme; and/or (ii) request to effect the seizure and forfeiture of all the relevant Shares by the grantee's exercise of Option.

The Board considers that the clawback mechanism for the clawback of the Options granted to grantees culpable of misconduct and those Options which should not have been vested but for the material misstatement or omission in the financial reports of the Group, and is therefore in line with the purpose of the H Share Option Scheme and in the interests of the Group and the Shareholders as a whole.

16. Transferability, Cancellation and Status of Options

The Options are personal to the grantee and shall not be transferable. The grantee shall not, in any manner whatsoever, whether for the benefit of or in favour of any third party, sell, transfer, mortgage, charge, encumber or otherwise dispose of any Options, or create any interest in any Options, or enter into any agreement to effect any of the foregoing, save that: (i) the grantee's personal representatives or nominees may exercise the Options in accordance with the H Share Option Scheme Rules; and (ii) the Board or the person(s) authorised by the Board having given its prior written consent (such consent to be granted or withheld in the Board's or the person(s) authorised by the Board's absolute discretion), and the Stock Exchange having granted its express waiver, and as such the grantee may be permitted to transfer the Options granted to and held by the grantee to a vehicle designated by the grantee for the benefit of the grantee and/or any of his/her family members (including for estate planning, tax planning or such other purposes as the Board or the person(s) authorised by the Board and the Stock Exchange may consider reasonable) (such as a trust or private company), so long as such transfer remains consistent with the purposes of the H Share Option Scheme and complies with all other provisions of Chapter 17 of the Listing Rules.

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The Board or the person(s) authorised by the Board in his/her/its absolute discretion may cancel an Option granted but not exercised with the approval of the grantee of such Option. Options may be granted by the Company to the Eligible Participant in place of his/her cancelled Options, provided that there are available Scheme Limit and Service Provider Sublimit as approved by the Shareholders from time to time. The Options cancelled will be regarded as utilized for the purpose of calculating the Scheme Limit and Service Provider Sublimit.

The H Shares to be allotted and issued upon exercise of an Option under the H Share Option Scheme shall be identical to all existing issued H Shares and shall be allotted and issued subject to all the provisions of the Articles of Association for the time being in force and will rank *pari passu* with the other fully paid H Shares in issue, save that the grantee shall not have any voting rights, or rights to participate in any dividends or distributions (including those arising on a liquidation of the Company, if applicable) declared or recommended or resolved to be paid to the Shareholders on or before the date the grantee becoming registered holder of relevant H Shares.

With regards to casting votes for the matters that requires Shareholder's approval as required by the Listing Rules, the Trustee shall not exercise any voting rights attached to any unvested Shares held by the Trustee on behalf and for the benefit of the Eligible Participants under the H Share Option Scheme, unless otherwise stipulated by any applicable laws and regulations that the Trustee must vote in accordance with the instructions of the beneficial owners of such Shares, and that such instructions have been actually made.

17. Reorganisation of Capital Structure

In the event of an alteration in the capital structure of the Company whilst any Options remains outstanding by way of capitalisation of profits or reserves, rights issue, subdivision or consolidation of shares, or reduction of the share capital of the Company in accordance with legal requirements in Hong Kong and the PRC and requirements of the Stock Exchange (other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party), such corresponding alterations (if any) shall be made to the number or nominal amount of Shares subject to any Option so far as such Option remains unexercised, Exercise Price, the method of exercise of the option (if applicable) or any combination thereof, provided that:

- (i) no such adjustments shall be made in respect of an issue of securities by the Company as consideration in a transaction;
- (ii) any such adjustments must be made so that each selected Eligible Participant is given the same portion of the share capital of the Company, rounded to the nearest whole share, as that to which he was previously entitled;
- (iii) no such adjustments shall be made which would result in the Exercise Price (if applicable) for a Share being less than its nominal value; and

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- (iv) any adjustments to be made will comply with the Listing Rules and any guidance or interpretation of the Listing Rules issued by the Stock Exchange from time to time, including but not limited to the adjustment mechanism under Appendix I of FAQ13.

To the extent not otherwise determined by the Board, the method of adjustment of number of Options so far as unexercised is set out as below:

Capitalization issue or bonus issue with price-dilutive elements

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

Where: “Q₀” represents the number of Option before the adjustment; “n” represents the ratio per Share resulting from the capitalization issue or bonus issue; “Q” represents the number of Option after the adjustment.

Rights issue or open offer with price-dilutive elements

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

Where: “Q₀” represents the number of Option before the adjustment; “P₁” represents the closing price of the Shares as at the record date; “P₂” represents the subscription price of the rights issue or open offer; “n” represents the ratio of the rights issue or open offer; “Q” represents the number of Option after the adjustment.

Consolidation of shares or share subdivision or reduction of the share capital

$$Q=Q_0 \times n$$

Where: “Q₀” represents the number of Option before the adjustment; “n” represents the ratio of share consolidation or share subdivision or reduction of share capital; “Q” represents the number of Option after the adjustment.

To the extent not otherwise determined by the Board, the method of adjustment of the Exercise Price of Option is set out as below:

Capitalization issue or bonus issue with price-dilutive elements

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

Where: “P₀” represents the Exercise Price of Option before the adjustment; “n” represents the ratio per Share resulting from the capitalization issue or bonus issue; “P” represents the Exercise Price of Option after the adjustment.

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Rights issue or open offer with price-dilutive elements

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

Where: “P₀” represents the Exercise Price of Option before the adjustment; “P₁” represents the closing price of the Shares as at the record date; “P₂” represents the subscription price of the rights issue or open offer; “n” represents the ratio of the rights issue or open offer; “P” represents the Exercise Price of Option after the adjustment.

Consolidation of shares or share subdivision or reduction of the share capital

$$P = P_0 \div n$$

Where: “P₀” represents the Exercise Price of Option before the adjustment; “n” represents the ratio of share consolidation or share subdivision or reduction of share capital; “P” represents the Exercise Price of Option after the adjustment.

The auditors or an independent financial adviser engaged by the Company for such purpose shall, at the request of the Company, certify in writing to the Board, either generally or as regards any particular grantee, to be in their opinion fair and reasonable, provided always that any such adjustments should give each grantee the same proportion of the equity capital, rounded to the nearest whole Share, of the Company as that to which that grantee was previously entitled prior to such adjustments, and no adjustments shall be made which will enable a Share to be issued at less than its nominal value. The capacity of the auditors or financial adviser (as the case may be) is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on our Company and the grantees. The costs of the auditors or financial adviser (as the case may be) shall be borne by the Company.

In respect of any Options to be granted, the date of the Board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the Exercise Price of such Options. The Scheme Limit shall be adjusted, in such manner as the auditors or an independent financial adviser engaged by the Company shall certify to be appropriate, fair and reasonable in the event of any alteration in the capital structure of the Company whether by way of sub-division or consolidation of Shares of the Company but in any event shall not exceed the limits prescribed in the paragraph headed “A. PROPOSED ADOPTION OF THE H SHARE OPTION SCHEME – 10. Basis of Determination of the Subscription Price of Options“, as calculated on the basis of the new capital structure of the Company after completion of the relevant alteration. The Board is of the view that such adjustment to the Exercise Price of such Options would not confer any advantage on the Eligible Participants without specific prior Shareholders’ approval.

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If there has been any alteration in the capital structure of the Company as referred to hereinabove, and the Board has resolved to make adjustments pursuant to such, the Company shall, upon receipt of the notice sent by the grantee, inform the grantee of such alteration and shall either inform the grantee of the adjustments to be made pursuant to the certificate obtained by the Company from its auditors or independent financial adviser (as the case may be) for such purpose, or if no such certificate has yet been obtained, inform the grantee of such fact and instruct the auditors or independent financial adviser (as the case may be) to issue the relevant certificate as soon as practicable pursuant to above.

If the Company conducts a Share consolidation or subdivision after the Scheme Limit or Service Provider Sublimit has been approved by Shareholders in general meeting, the maximum number of Shares that may be issued in respect of all Options to be granted under the H Share Option Scheme and all options and awards to be granted under any other share schemes, as a percentage of the issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole share.

Given that any such adjustments must be made so that each selected Eligible Participant is given the same portion of the share capital of the Company, rounded to the nearest whole share, as that to which he was previously entitled, the Board is of the view that such corresponding alterations as stipulated in the paragraph headed “A. PROPOSED ADOPTION OF THE H SHARE OPTION SCHEME – 17. Reorganisation of Capital Structure” in this letter would not confer any advantage on the scheme participants without specific prior Shareholders’ approval. For the avoidance of doubt, any alternations to the terms and conditions of the H Share Option Scheme which are of a material nature or any alternations to the provisions relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of Eligible Participants must be approved by Shareholders in general meeting, details of which can be referred to the paragraph headed “A. PROPOSED ADOPTION OF THE H SHARE OPTION SCHEME – 20. Alteration and Amendment” in this letter.

18. Conditions Precedent of the H Share Option Scheme

The adoption of the H Share Option Scheme is conditional upon:

- (i) the passing of special resolution(s) by the Shareholders at a general meeting of the Company to approve and adopt the H Share Option Scheme, as well as authorising the Board or the person(s) authorised by the Board to grant Options under the H Share Option Scheme, and to allot and issue Shares in respect of any Options to be granted pursuant to the H Share Option Scheme; and
- (ii) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, any Share on the Stock Exchange which may be issued in respect of all Options to be granted in accordance with the terms and conditions of the H Share Option Scheme.

LETTER FROM THE BOARD

Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares which may fall to be issued in respect of all Options to be granted under the H Share Option Scheme.

19. Duration and Termination

The H Share Option Scheme shall be valid and effective for the scheme period (being a term of ten (10) years commencing on the Adoption Date), unless sooner terminated. The H Share Option Scheme may be terminated at any time by the Board at its absolute discretion without Shareholders' approval, provided that the Board will only exercise such discretion under specific circumstances where the Board determines appropriate, such as, but not limited to where the Board is of the view that the H Share Option Scheme can no longer serve its designated purposes or when a new share scheme is proposed to be adopted to replace the H Share Option Scheme.

After the expiry or termination of the H Share Option Scheme, no further Options shall be offered or granted, but in all other respects the provisions of the H Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the vesting and exercise of any Options granted under the scheme prior thereto or otherwise as may be required in accordance with the provisions of the H Share Option Scheme, and Options granted prior to such expiry or termination shall continue to be valid and exercisable in accordance with the H Share Option Scheme and their terms of grant.

20. Alteration and Amendment

Subject to the Listing Rules, the H Share Option Scheme may be altered or amended in any respect by the Board except that any alternations to (i) the terms and conditions of the H Share Option Scheme which are of a material nature, (ii) the provisions relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of grantees or prospective grantees, and (iii) the authority of the Board, the person(s) authorized by the Board, or the administrators of the H Share Option Scheme to alter the terms of the H Share Option Scheme, must be approved by Shareholders in general meeting. Furthermore, any alteration that operates to materially and adversely affect any subsisting rights of any grantee under any Option granted or agreed to be granted prior to such alterations except with the consent or sanction of such majority of the grantees (calculated on the basis of one vote per Share underlying the Option(s) held by such grantees for the time being), as would be required of the Shareholders under the Articles of Association for the time being of the Company for a variation of the rights attached to the Shares as if the Options constituted a separate class of share capital and as if the provisions under the Articles of Association for the time being of the Company applied *mutatis mutandis* thereto.

The altered or amended terms of the H Share Option Scheme and the Options thereunder must comply with Chapter 17 of the Listing Rules.

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Any such alteration or supplementation shall be notified in writing to the Trustee and the grantees. Any change to the terms of Options granted must be approved by the Board or its delegates, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Options was approved by the Board or its delegates, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be). This requirement shall not apply when the alteration takes effect automatically under the H Share Option Scheme Rules.

21. Trustee

The Company will appoint the Trustee(s) and establish the Trust pursuant to the Trust Deed to facilitate the administration of the H Share Option Scheme. The Trust shall serve as a vehicle for holding and administering H Shares on behalf of the Eligible Participants until the vesting of such Options, at which point the H Shares shall be delivered to the Eligible Participants in accordance with the H Share Option Scheme Rules. The Trustee will be a third party independent of the Company and its connected persons, and no Director is, nor shall ever be, a Trustee of the H Share Option Scheme or possesses any direct or indirect interest in the Trustee of the H Share Option Scheme. The Trustee of the H Share Option Scheme shall abstain from voting or exercising any voting rights in respect of any unvested Shares which are held, whether directly or indirectly, under the trust or as nominee on matters that require approval of the Shareholders under the Listing Rules, unless otherwise required by applicable laws to vote in accordance with the beneficial owner's direction and such a direction is given. For avoidance of doubt, all grants are made personally to the respective Eligible Participants. The Trustee shall not be the Eligible Participants and shall only hold the Options and H Shares on behalf and for the benefit of the Eligible Participants in accordance with the H Share Option Scheme and the Trust Deed.

22. Administration of the H Share Option Scheme and Trustee

The H Share Option Scheme shall be subject to the administration of the following administrative bodies:

- (i) the Shareholders' meeting of the Company is the highest authority of the Company and is responsible for considering and approving the adoption of the H Share Option Scheme, while the Board of the Company is the executive management body of the scheme. The Board is responsible for formulating and revising the H Share Option Scheme. Upon the consideration and approval of the scheme by the Board, the H Share Option Scheme will be implemented after being approved at the Shareholders' meeting. The Board and/or the person(s) authorized by the Board may handle and implement all relevant matters of the H Share Option Scheme within the authorisation of the Shareholders' meeting;

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- (ii) the independent non-executive Directors shall supervise whether the H Share Option Scheme is conducive to the sustainable development of the Company, whether the H Share Option Scheme damages the overall interests of the Company and its Shareholders, and whether the implementation of the H Share Option Scheme complies with the applicable laws, regulations and normative documents and the regulatory rules of the places where the Company is registered and listed;
- (iii) any grant of Options to the Directors, chief executive, other connected persons or senior managers of the Company, shall comply with all applicable laws, rules and regulations, including the Listing Rules and the codes or securities trading restrictions adopted by the Company;
- (iv) the Trust is established to serve the H Share Option Scheme, and pursuant to the relevant provisions of the Trust Deed and at the instruction of the Company, the Trustee shall acquire the H Shares and hold the H Shares on behalf of and for the benefit of the Eligible Participants in accordance with the terms of the H Share Option Scheme and the provisions of the Trust Deed prior to the vesting of the relevant Options. Subject to the satisfaction of the vesting conditions of the relevant Options, upon the vesting of the relevant Options, the corresponding H Shares shall be transferred to the relevant Eligible Participants in accordance with the terms of the H Share Option Scheme and shall no longer be held by the Trustee under the Trust. For the purposes of the H Share Option Scheme, the Trustee is required to implement the vesting, sale and other matters in respect of the H Shares in accordance with the terms of the H Share Option Scheme and the provisions of the Trust Deed and at the instructions given by the Board, the person(s) authorized by the Board and/or grantees (if applicable) through the Company; and
- (v) without prejudice to the general management power of the Board, the Board may delegate the power to manage the H Share Option Scheme (including the power to grant Options under the H Share Option Scheme) to the authorized person designated by it. The term of office, authority and remuneration (if any) of the person(s) authorized by the Board shall be determined by the Board from time to time at their sole discretion.

For the avoidance of doubt, any decisions made by the Board and/or the person(s) authorized by the Board shall be final and binding on all persons under the H Share Option Scheme.

B. Proposed Adoption of the H Share Incentive Scheme

The Board proposed the adoption of the H Share Incentive Scheme in accordance with Chapter 17 of the Listing Rules on May 15, 2026 and the relevant resolutions are hereby submitted to the EGM as a special resolution for consideration and approval. As at the Latest Practicable Date, the Company did not have any plan to grant any Awards under the H Share Incentive Scheme.

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A summary of the principal terms of the H Share Incentive Scheme is set out below:

1. Purposes of the H Share Incentive Scheme

The purposes of the H Share Incentive Scheme are to provide Eligible Participants with the opportunity to acquire equity interests in the Company and to incentivize them to enhance the value of the Company and its Shares, fostering the long-term development of the Company and for the benefit of the Company and the Shareholders. The H Share Incentive Scheme is expected to provide the Company with flexible means to retain, motivate, reward, compensate and/or provide benefits to Eligible Participants.

2. Eligible Participants and the Basis of Determining the Eligibility of Eligible Participants

The Board and/or the person(s) authorized by the Board may select any Eligible Participant to be a grantee of the H Share Incentive Scheme in accordance with the H Share Incentive Scheme Rules. A person shall not be considered as an Eligible Participant of the H Share Incentive Scheme if, as at the grant date:

- (i) he/she has been publicly censured or declared inappropriate by any securities regulatory authority in the past 12 months;
- (ii) he/she has been imposed an administrative punishment by any securities regulatory authority or administrative authority, or prosecuted for criminal liabilities by any judicial authority in the past 12 months due to any violation of laws and regulations;
- (iii) he/she is prohibited from participating in the H Share Incentive Scheme as stipulated by laws and regulations;
- (iv) he/she has committed any other act that as determined by the Board, causes significant damage to the interests of the Group; or
- (v) has any other circumstance as determined by the Board for safeguarding the interests of the Group and ensuring compliance with the applicable laws and regulations relating to the operation of the H Share Incentive Scheme.

Eligible Participants of the H Share Incentive Scheme include any Employee Participants, Service Providers and Related Entity Participants.

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(i) Employee Participants and the Basis of Eligibility

In assessing the eligibility of Employee Participants (including the part-time employees), the Board will consider all relevant factors as appropriate, including, among others (i) their skills, knowledge, experience, expertise and other relevant personal qualities; (ii) their performance, time commitment (full-time or part-time), responsibilities or employment conditions and the prevailing market practice and industry standard with reference to the remuneration package of employees of similar position and experience in similar industry (where available); (iii) their contribution made or expected to be made to the growth of the Group; and (iv) their educational and professional qualifications, and knowledge in the industry.

In assessing the eligibility of the Employee Participants, the Board believes including part-time employees as Eligible Participants will drive long term growth and profitability of the Group by enhancing engagement, retention, and inclusivity. Extending incentives to part-time staff fosters a shared success culture, motivating broader contributions to performance. This approach strengthens loyalty, reduces turnover costs, and leverages diverse perspectives for innovation. Aligning all employees with strategic goals ensures a cohesive, high performing workforce. By valuing part-time roles equally, the Group maximizes productivity and operational flexibility. The Board is confident this policy will sustain growth, improve efficiency, and deliver long-term value for both employees and shareholders.

The Board (including the independent non-executive Directors) is of the view that, given the performance of the Group depends on both the management and oversight of the Board and the contributions of its employees, the inclusion of directors and employees of the Company or any of its subsidiaries as Eligible Participants is in line with the purposes of the H Share Incentive Scheme, and in the interests of the Company and the Shareholders as a whole.

(ii) Service Providers and the Basis of Eligibility

Service Providers are any persons (natural person or corporate entity) who provide services to the Group on a continuing and recurring basis in the ordinary course of business of the Group which are in the interests of the long-term growth of the Group, including: (i) supplier or business partner (including joint venture partners or other contractual parties) who, or are anticipated to be going forward, significant to the Group's business or otherwise will contribute significantly to the growth of the Group's financial or business performance; or (ii) any independent contractor, consultant, agent and/or advisors who (a) provides advisory services, consultancy services, sales and marketing services, technology services, administrative services to the Company, where the continuity and frequency of their services are akin to those of employees, or (b) provides advisory services and consultancy services after stepping down from an employment or director position with the Group; however excluding (i) placing agents or financial advisors providing advisory services for fundraising, mergers or acquisitions, or (ii) professional service provider such as auditors or valuers who provide assurance or are required to perform their services with impartially and objectively.

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With respect to services in areas such as marketing and administrative services, the Board is of the view that such services constitute regular, routine and crucial aspects of the Group's main business, day-to-day operations and the governance of a listed company. In the marketing process, the Group needed to engage in the market requirement analysis focusing on end-customer requirements, marketing trend and product positioning. The Group identified and prioritized core requirements of target customers in such industries through engagement with target customers of industry leaders. To pique customer interests, the Group also provided product sampling and test results to showcase the values and benefits of its solutions, such as the performance and TCOs of its solutions when processing representative workloads. Upon initial validation from customers, the Group coordinated and arranged tests and adaptations with industry leaders in terms of performance and accuracy in training and inference of multiple models, the ease-of-use and generalization ability of its software stack, and system stability and reliability of its solutions, among others. After completing the adaptation and reaching sales agreement, the Group also needed to continue following up on the customer's deployment, feature development, and performance optimization needs and provide necessary administrative coordination and resource support. By serving industry leaders and forming partnership with large customers, the Group could accelerate market adoption of its solutions and further expand its presence across additional segments in such industries. The content and processes of the above marketing activities do not directly involve core technology R&D, but require strong organizational coordination and management capabilities, and have a high technical threshold and complexity. The Group has entered and will enter into long-term service agreements with these third party service providers, the services are provided on an ongoing basis with regular delivery of outcomes, and thus qualify as ongoing and recurring services in the ordinary and usual course of business. Amid the rapid growth of the Group's business and the expansion of customer services and application scenarios, the necessity and significance of these services are expected to further increase.

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

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In assessing the eligibility of the Service Providers, the Board will consider all relevant factors as appropriate, including but not limited to, (i) his/her professional expertise, professional qualifications and relevant experience; (ii) his/her performance and track record, including his/her ability to provide quality service; (iii) the duration and length of business relationship between the Service Providers and the Company; (iv) the scale of business and transactions between the Service Providers and the Company, and his/her contributions to the Company's performance as evaluated by the Board and/or the person(s) authorized by the Board; (v) the actual contributions to the Company in decreasing costs or increasing revenue/profits; (vi) the profits and gains to be brought forth by the Service Providers, and the benefits and strategic values of such benefits and gains; and (vii) the business opportunities and external resources that the Service Providers has or is likely to bring to the Company.

- (a) **Suppliers.** Those that supply the Group with services on a regular or recurring basis, with which the Group would consider important to maintain a close business relationship on an ongoing basis, and in turn, it would be beneficial to the Group's business relationship to grant such supplier with proprietary ownership in the Company and to encourage the supplier to have a shareholding interest in the Group and the Group's future development. This category primarily comprises suppliers for raw materials and contract manufacturers of GPGPU products.

- (b) **Agents and contractors.** Those that provide intermediary and other professional/consultancy services (i.e. services in research and development, market development, strategic planning, recruitment and cutting edge technologies) to the Group on a regular or recurring basis with which the Group would consider important to maintain a close collaborative relationship on an ongoing basis, that in turn, it would be beneficial to the collaboration between the Group and the agents or contractors to grant proprietary ownership in the Company and to encourage the agents or contractors to have a shareholding interest in the Group and the Group's future development. This category primarily comprises (i) technical consultants providing expertise in advanced technology R&D, product and solution development, and manufacturing processes; (ii) strategic and business advisors supporting corporate development, commercial partnerships, joint ventures, and market expansion initiatives; (iii) supply chain and operations specialists facilitating production capacity agreement, production planning, logistics, quality assurance, and vendor management; and (iv) ecosystem partners and solution providers contributing to technology development, workflow optimization, and operational efficiency across our value chain. These Service Providers are of strategic importance to the Company's long-term development as they support the identification and execution of value-accretive business development opportunities, enhance decision-making and operational efficiency, strengthen the Company's technological and digital capabilities, and enable the Company to remain competitive at the forefront of innovation in an increasingly complex and technology-driven landscape.

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(iii) Related Entity Participants and the Basis of Eligibility

In assessing the eligibility of Related Entity Participants, the Board will consider all relevant factors as appropriate, including, among others (i) the importance and nature of the business relationship between the Related Entity and the Company, as well as the contribution of the Related Entity Participants to the connected entity, which may benefit the Company's principal business through the partnership; (ii) the duration of the cooperative relationship established between the Related Entity and the Company; (iii) the extent of support, assistance, guidance, advice, efforts, and contributions that such Eligible Participant has made or may make to the Company's business achievements; and (iv) the degree of such participant's involvement in and contribution to the Company's development and/or the level of benefits and synergies brought to the Company. Based on such criteria, the Board has categorized the Related Entity Participant to mainly include employees or directors of certain investees of the Company. The Company may invest in companies typically operate in areas that are complementary to the Company's core business. By investing in such companies, the Company will be able to access innovative technologies, proprietary know-how and experienced scientific and management team. By granting proprietary ownership in the Company to key directors and employees of such investee companies, the Company may further incentivize close collaboration, knowledge sharing and resource integration.

With reference to the scope of the Eligible Participants and the corresponding eligibility criteria, and considering the Company's hiring practices and organisational structures, the Directors (including the independent non-executive Directors) are of the view that it would be in the Group's interest to permit the Company such flexibility in granting Awards to the Service Providers and Related Entity Participants in recognition of their contribution to the Group's long-term growth and development, given those which will be selected are those which maintain a close collaborative business relationship with the Group. It also enables the Group to preserve its cash resources and use share-based incentives to encourage persons outside of the Group to contribute to the Group. A sustainable and stable relationship with the Service Providers and the Related Entity Participants is vital for the Group and the inclusion of non-employee Eligible Participants under the H Share Incentive Scheme would align their interest with the interest of the Group and incentivise them to provide better services to create more opportunities for and/or contribute to the success of the Group in the long run, and thus promoting the growth and development of the Group, and enabling the purpose of the H Share Incentive Scheme to be achieved. Therefore, the Directors consider that the inclusion of the Service Providers and the Related Entity Participants aligns with the long-term interests of the Company and the Shareholders.

On top of the above, the Board will take into account different factors when assessing the eligibility of and contribution (or potential contribution) made or to be made by the Related Entity Participants. The Board also has the discretion to impose different terms and conditions (including but not limited to performance targets) on the Awards to be granted to the Eligible Participants, which provides the Board with greater flexibility to impose appropriate conditions in light of the particular circumstances of each grant so that it would become a more meaningful reward for the contribution or potential contribution made by the Service Providers and the Related Entity Participants.

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As a result, the Board (including the independent non-executive Directors) consider that the proposed inclusion and the designated categories of and assessment criteria for the Service Providers and the Related Entity Participants are in line with the purpose of the H Share Incentive Scheme, the Company's business needs and the industry norm, desirable and necessary from a commercial perspective and help maintain and/or enhance the competitiveness of the Group. Through the grant of the Awards, such Eligible Participants and the Group will have a common goal in the growth and development of the Group's business, and could participate in the future prospect of the Group and share the additional reward through their sustainable contribution, which is in the interest of the Company and the Shareholders as a whole.

3. *Scheme Limit*

The Company shall not make any further grant of Awards which will result in the aggregate number of H Shares to be issued by the Company in respect of all grants of options and awards made after the Adoption Date pursuant to the H Share Incentive Scheme and any other share schemes adopted by the Company (excluding options and/or awards lapsed in accordance with relevant scheme rules) to exceed the Scheme Limit (being 10% of the total number of issued Shares (excluding Treasury Shares, if any) as at the date of the Shareholders' approval of the Scheme Limit), unless Shareholders approve a further refreshment of the Scheme Limit or Shareholders' approval is obtained in compliance with the Listing Rules. For more details of requirements for refreshment of the Scheme Limit, please refer to the section headed "5. Refreshment of Scheme Limit and Service Provider Sublimit" under "A. PROPOSED ADOPTION OF THE H SHARE OPTION SCHEME" of the Letter from the Board in this circular.

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,438,858,500 Shares with a nominal value of RMB0.02 each, including 1,200,845,424 H Shares and 1,238,013,076 Unlisted Shares. Subject to Shareholders' approval and assuming that there is no change in the issued Shares during the period from the Latest Practicable Date to the Adoption Date, the Scheme Limit will be 243,885,850 Shares.

An application will be made to the Listing Committee for the listing of, and permission to deal in, the Shares which may fall to be issued pursuant to the vesting of any awards and/or exercise of options of up to 10% of the total number of issued Shares (excluding Treasury Shares, if any) as at the date of the EGM.

4. *Service Provider Sublimit*

As the scope of Eligible Participants under the H Share Incentive Scheme shall be expanded to include Service Providers, the Board considers that it is appropriate to adopt the Service Provider Sublimit within the Scheme Limit in accordance with Rule 17.03B(2) of the Listing Rules.

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The Company shall not make any further grant of Awards to Service Providers which will result in the aggregate number of Shares to be issued by the Company in respect of all grants of options and awards made after the Adoption Date pursuant to the H Share Incentive Scheme and other share schemes adopted by the Company (excluding options and/or awards lapsed in accordance with relevant scheme rules) to exceed 1% of the total number of issued Shares as at the date of the Shareholders' approval of the Service Provider Sublimit unless the Shareholders approve a further refreshment of the Service Provider Sublimit or Shareholders' approval is obtained in compliance with the Listing Rules. For more details of requirements for refreshment of the Service Provider Sublimit, please refer to the section headed "5. Refreshment of Scheme Limit and Service Provider Sublimit" under "A. PROPOSED ADOPTION OF THE H SHARE OPTION SCHEME" of the Letter from the Board in this circular.

As at the Latest Practicable Date, the issued share capital of the Company comprised 2,438,858,500 Shares with a nominal value of RMB0.02 each, including 1,200,845,424 H Shares and 1,238,013,076 Unlisted Shares. Subject to Shareholders' approval and assuming that there is no change in the issued Shares during the period from the Latest Practicable Date to the Adoption Date, the Service Provider Sublimit will be 24,388,585 Shares.

The abovementioned Scheme Limit and Service Provider Sublimit only apply to Awards to be satisfied by new Shares to be issued by the Company.

For the basis of determination of the Service Provider Sublimit which apply to each of the H Share Option Scheme and the H Share Incentive Scheme, please refer to the section headed "4. Service Provider Sublimit" under "A. PROPOSED ADOPTION OF THE H SHARE OPTION SCHEME" of the Letter from the Board in this circular.

5. 1% Individual Limit

The total number of Shares issued and to be issued in respect of all Awards granted under the H Share Incentive Scheme and all options and awards granted under other share schemes of the Company to each Eligible Participant during any 12-month period up to and including the relevant grant date (excluding options and awards lapsed in accordance with relevant scheme rules) shall not exceed 1% of the total number of issued Shares (excluding Treasury Shares, if any) at the relevant time.

Should any proposed grant to Eligible Participants result in the total number of Shares issued and to be issued in respect of all options and awards already granted and proposed to be granted to each Eligible Participant during any 12-month period up to and including the relevant proposed grant date (including both exercised and unexercised options as well as vested and unvested awards, but excluding any options or awards that have lapsed pursuant to the terms of the share schemes of the Company) exceeding the 1% Individual Limit, then any further grant of Awards shall be subject to and only take effect upon such grant being separately approved by Shareholders at a general meeting of the Company pursuant to the requirements of the Listing Rules.

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In addition, each grant of Awards to any Director, chief executive (as defined in the Listing Rules), or substantial Shareholder (or any of their respective associates) of the Company shall be subject to the prior approval of the independent non-executive Directors (excluding any independent non-executive Director who is a proposed recipient of the grant of Awards).

6. 0.1% Limit

Where any grant of Awards to a Director (other than an independent non-executive Director) or chief executive (as defined in the Listing Rules), or any of their associates would result in the Shares issued and to be issued in respect of all Awards granted under the H Share Incentive Scheme and all awards granted under other share schemes of the Company to such person(s) during any 12-month period up to and including the relevant grant date (excluding awards lapsed in accordance with relevant scheme rules), exceeding 0.1% (or such other higher percentage as may be prescribed by the Stock Exchange from time to time) of the total issued Shares (excluding Treasury Shares, if any) at the relevant time, such further grant of Awards shall be subject to the prior approval of Shareholders at a Shareholders' meeting and the requirements as set out in the Listing Rules.

Where any grant of any Awards to an independent non-executive Director or a substantial Shareholder of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all options and awards granted to such person during any 12-month period up to and including the relevant grant date (excluding options or awards lapsed in accordance with relevant scheme rules), exceeding 0.1% (or such other higher percentage as may be prescribed by the Stock Exchange from time to time) of the total issued Shares (excluding Treasury Shares, if any) at the relevant time, such further grant of Awards shall be subject to the prior approval of Shareholders at a Shareholders' meeting and the requirements as set out in the Listing Rules.

7. Source of Shares

The source of the Shares under the H Share Incentive Scheme shall be H Shares to be held by the Trustee on behalf and for the benefit of the Eligible Participants in accordance with the instructions of the Company and the relevant provisions of the H Share Incentive Scheme Rules, by way of (i) issue and allotment of new H Shares from the Company; (ii) through on-market and/or off-market transactions on the secondary market at the prevailing market price by utilising the scheme funds; and/or (iii) transfer of Treasury Shares, if any.

8. Purchase Price

The Board may, at its full discretion and in line with the purpose of the H Share Incentive Scheme, determine the Purchase Price payable for the Award Shares (for the avoidance of doubt, such Purchase Price payable may be the nominal value of the H Shares). Such determination shall be based on and take into account (including but not limited to) (i) regular

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practices of comparable companies; (ii) other terms and conditions in relation to any grants or vesting of any Award; and (iii) the efficacy of the Company's share schemes in attracting talents and incentivizing the Eligible Participants to contribute to the long-term development of the Group.

The Board believes that it is in the best interests of the Company to exercise its discretion and judgment and retain the flexibility to impose appropriate conditions in light of the particular circumstances of each grant, which would then be a more meaningful reward for the selected Eligible Participants' contribution or potential contribution. Further, by allowing the Company to grant Awards under H Share Incentive Scheme at a Purchase Price (if any) as may be stipulated in the Award Letter on a case-by-case basis, the Company shall be in a better position to retain such selected Eligible Participants to continue serving the Group whilst at the same time providing these selected Eligible Participants further incentive in achieving the goals of the Group. Such room for discretion provides the Board with flexibility to stipulate, if necessary, a Purchase Price for Award Shares, while balancing the purpose of the Award and the interests of Shareholders. Therefore, the aforesaid term regarding the Purchase Price aligns with the purpose of the H Share Incentive Scheme.

9. Administration of the H Share Incentive Scheme and Trustee

The H Share Incentive Scheme shall be subject to the administration of the following administrative bodies:

- (i) the Shareholders' meeting of the Company is the highest authority of the Company and is responsible for considering and approving the adoption of the H Share Incentive Scheme, while the Board of the Company is the executive management body of the scheme. The Board is responsible for formulating and revising the H Share Incentive Scheme. Upon the consideration and approval of the scheme by the Board, the H Share Incentive Scheme will be implemented after being approved at the Shareholders' meeting. The Board and/or the person(s) authorized by the Board may handle and implement all relevant matters of the H Share Incentive Scheme within the authorisation of the Shareholders' meeting;
- (ii) the independent non-executive Directors shall supervise whether the H Share Incentive Scheme is conducive to the sustainable development of the Company, whether the H Share Incentive Scheme damages the overall interests of the Company and its Shareholders, and whether the implementation of the H Share Incentive Scheme complies with the applicable laws, regulations and normative documents and the regulatory rules of the places where the Company is registered and listed;
- (iii) any grant of Awards to the Directors, chief executive, other connected persons or senior managers of the Company, shall comply with all applicable laws, rules and regulations, including the Listing Rules and the codes or securities trading restrictions adopted by the Company;

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- (iv) the Trust is established to serve the H Share Incentive Scheme, and pursuant to the relevant provisions of the Trust Deed and at the instruction of the Company, the Trustee shall acquire the H Shares and shall hold any Award Shares on behalf and for the benefit of the Eligible Participants in accordance with the terms of the H Share Incentive Scheme and the provisions of the Trust Deed prior to the vesting of the relevant Awards. Subject to the satisfaction of the vesting conditions of the relevant Awards, upon the vesting of relevant Awards, the corresponding H Shares shall be transferred to the relevant Eligible Participants in accordance with the terms of the H Share Incentive Scheme and shall no longer be held by the Trustee under the Trust. For the purposes of the H Share Incentive Scheme, the Trustee is required to implement the vesting, sale and other matters in respect of the Award Shares in accordance with the terms of the H Share Incentive Scheme and the provisions of the Trust Deed and at the instructions given by the Board, the person(s) authorized by the Board and/or grantees (if applicable) through the Company; and
- (v) without prejudice to the general management power of the Board, the Board may delegate the power to manage the H Share Incentive Scheme (including the power to grant Awards under the H Share Incentive Scheme) to the authorized person designated by it. The term of office, authority and remuneration (if any) of the person(s) authorized by the Board shall be determined by the Board from time to time at their sole discretion.

For the avoidance of doubt, any decisions made by the Board and/or the person(s) authorized by the Board shall be final and binding on all persons under the H Share Incentive Scheme.

10. Grant of Award Shares

Subject to the terms and conditions of the H Share Incentive Scheme, the Board and/or the person(s) authorized by the Board may at their sole discretion and on such terms and conditions as they may think fit, grant Award Shares to any Eligible Participant at the Purchase Price and the amount of the relevant Purchase Price shall be determined by the Board and/or the person(s) authorized by the Board and set forth in the Award Letter.

Any grant of Award Shares to any Director, chief executive or substantial Shareholder of the Company (or any of their respective associates) shall be subject to the prior approval of the independent non-executive Directors of the Company.

After the Board and/or the person(s) authorized by the Board has decided to make a grant of Award Shares to any grantee, the Company shall issue an Award Letter to such grantee, which shall set out details of the grant, including but not limited to the name and identification of the grantee, the number of Award Shares granted, the vesting criteria and conditions, the vesting commencement date, the vesting date, Purchase Price, the conditions for the lapse and clawback mechanism (if any) of Award Shares and other terms and conditions to be determined by the Board and/or the person(s) authorized by the Board that are not inconsistent with the H Share Incentive Scheme. The grantee shall confirm in the manner set out in the Award Letter his/her acceptance of such grant.

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Subject to the rules of the H Share Incentive Scheme and the Listing Rules, and the applicable laws and regulations,

- (i) the Board and/or the person(s) authorized by the Board shall have the absolute discretion from time to time to impose any conditions (including, among others, a continued period of service with the Group after the grant date) on the vesting of the Award Shares by the grantee as it/he/she considers appropriate, and shall notify the Trustee and the relevant grantee of the applicable vesting conditions of the Awards; and

- (ii) the Board and/or the person(s) authorized by the Board shall have the discretion to waive any vesting conditions set out in the Award Letter. The Board and/or the person(s) authorized by the Board shall have the authority, after the grant of any Award which is performance based, to make fair and reasonable adjustments to the prescribed performance targets during the vesting period if there is a change in circumstances, provided that any such adjustments shall be considered fair and reasonable by the Board and/or the person(s) authorized by the Board. The performance targets may cover the operations, finances, business performance, and capital value creation (such as revenue and net profit growth) of the business segments of the Group, as well as individual performance indicators based on the responsibilities and functions of the relevant Eligible Participants. The Board and/or the person(s) authorized by the Board will conduct assessment from time to time by comparing the performance with the preset targets to determine whether such targets and the extents to which have been met. If, after the assessment, the Board and/or the person(s) authorized by the Board determines that any prescribed performance targets have not been met, the unvested Awards shall lapse automatically. Hence, the Board is of the view that this is appropriate and consistent with the purpose of the H Share Incentive Scheme.

No consideration is payable on acceptance of each grant of Award Share(s).

11. Restrictions on Time of Grant

The Board and/or the person(s) authorized by the Board shall not grant any Award Shares, after inside information has come to its knowledge until (and including) the trading day after it has announced the information or during the period commencing 30 days immediately before the earlier of:

- (i) the date of the Board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for approving the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and

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- (ii) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement.

12. Lapse of Awards

If, before or on the vesting date of any Award, such following circumstances arise, rendering the relevant grantees no longer qualified as Eligible Participants, unless approved by the Board and/or person(s) authorized by the Board, the Award Shares that have not yet vested will immediately and automatically lapse, save for and without prejudice to the Award Shares that have been vested but not yet paid to the grantee but except for the Dismissal for Misconduct where the Award Shares that have been vested shall be lapsed immediately (including but not limited to):

- (i) the Eligible Participant (being an Employee Participant as at the grant date) ceases to be an Employee Participant due to the termination of their labour or employment agreement for retirement, death or permanent physical or mental disability; decision by any party to not renew their labour or employment agreement upon the expiration of such terms of the agreement, or unilaterally by the Eligible Participant; alleviation of redundancy of his/her post and adjustment due to efficiency optimization concerns and the Employee Participant is not at fault; failure to meet the key performance indicators by the Eligible Participant and no improvements thereof; or any other circumstances determined by the Board or the Nomination Committee or the person(s) authorized by the Board in their full discretion;
- (ii) Dismissal for Misconduct;
- (iii) failure to achieve the vesting conditions as set out by the Board or the person(s) authorized by the Board;
- (iv) any substantial or attempted deal with the Award Shares by the grantee;
- (v) failure to accept the grant of the relevant Award Shares within the period specified in the grant letter or as specified by the Board or the person(s) authorized by the Board; and
- (vi) the triggering of any of the clawback events.

Award Shares which have lapsed in accordance with the terms of the Scheme Rules shall not be counted for the purpose of calculating the Scheme Limit and/or the Service Provider Sublimit.

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13. Clawback Mechanism

In the absolute opinion of the Board or the person(s) authorized by the Board, under the circumstances where certain events has occurred or where the grantee has engaged in conducts that may be regarded as inequitable for any grantee to retain the relevant Award Shares or any associated interests, including but not limited to:

- (i) where there has been a material misstatement or omission in the financial reports of the Group;
- (ii) where there has been a violation of any agreement executed between the Group and the relevant grantee (including but not limited to any applicable intellectual property rights agreement, labour agreements, non-compete agreements, non-disclosure agreements, or any such similar agreements);
- (iii) the relevant grantee divulging the business secrets of the Group, or procuring any illegitimate interests for him/her or any other persons using his/her position;
- (iv) engaging in any conduct with actual or potential adverse effects on the name, reputation or interests of the Group;
- (v) violating any applicable laws and/or regulation and is thus sanctioned by any authorities (including criminal and/or administrative penalties);
- (vi) if the relevant grantee has committed any fraud or misconduct;
- (vii) if the relevant grantee joins any company that the Board or person(s) authorized by the Board in their full discretion and reasonable perception determines to be a competitor of the Group;
- (viii) if the grantee refuses to cooperate with the Group at time of departure to engage in reasonable and necessary severance and phasing out procedures, including refusing to return core business documents, refusing to sign any severance agreements and/or non-compete agreements, refusing to abide by the vesting or cancellation arrangements of the H Share Incentive Scheme; and/or
- (ix) any other circumstances determined by the Board or the person(s) authorized by the Board in their full discretion to result in any inequities.

Under such circumstances, unless the Board or the person(s) authorized by the Board, in their absolute discretion, decides otherwise, any unvested Award Shares shall lapse automatically, and any associated interests shall be extinguished. The Company shall have the rights to (i) recourse to the relevant grantee all proceeds generated from the sale or transfer of the vested Award Shares; and (ii) request to effect the seizure and forfeiture of all vested Award Shares.

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The Board is of the view that by setting forth such clawback mechanism, the Company reserves the option to claw back the equity incentives granted to Eligible Participants culpable of misconduct. The Board believes that such clawback mechanism are in line with the purpose of the H Share Incentive Scheme and the best interests of Shareholders as a whole.

14. Vesting of Award Shares

Subject to all applicable laws, rules or regulations, the Board and/or the person(s) authorized by the Board may determine the vesting criteria and conditions and the vesting periods for the Award Shares to be granted to each grantee pursuant to the H Share Incentive Scheme. Save for any other resolution of the Board, the vesting period in respect of any Award Shares granted shall be no less than 12 months from (and including) the grant date.

Award Shares granted to Employee Participants may be subject to a shorter vesting period as determined by: (i) the Remuneration Committee if such grantee is a Director or a senior manager of the Company, or (ii) the Board if such grantee of the H Share Incentive Scheme is not a Director or a senior manager of the Company, under any of the following circumstances:

- (a) grants of Awards to a new Employee Participant to replace the awards or options that such Eligible Participant of the H Share Incentive Scheme forfeited when leaving his or her previous employer;
- (b) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out of control events;
- (c) grants of Awards with performance-based vesting conditions as determined by the Board, in lieu of time-based vesting criteria;
- (d) grants of Awards that are made in batches during a year for administrative and compliance reasons. In such case, the vesting periods may be shorter to reflect the time from which an Award would have been granted;
- (e) grants of Awards with a mixed or accelerated vesting schedule such as where the Awards may vest evenly over a period of 12 months; and
- (f) grants of Awards with a total vesting and holding period of more than 12 months.

To ensure the practicability in fully attaining the purpose of the H Share Incentive Scheme, the Board and the Remuneration Committee are of the view that: (a) there are certain instances where a strict twelve-month vesting requirement would not work or would not be fair to the holders of Awards, such as those set out in the aforesaid paragraphs; (b) there is a need for the Company to retain flexibility in certain cases to provide a competitive remuneration package to attract and retain individuals to provide services to the Group, to provide for succession planning and the effective transition of employee responsibilities and to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified; and (c) such vesting period is in line with the requirements under the Listing Rules and customary market practice. Such shortened vesting period is only applicable to Awards granted to the Employee Participants in the aforesaid circumstances.

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Hence, the Board and the Remuneration Committee are of the view that the shorter vesting period prescribed here is in line with the market practice and is appropriate and aligns with the purpose of the H Share Incentive Scheme.

Unless otherwise notified in writing by the Board and/or the person(s) authorized by the Board, the vesting of each grantee shall be subject to the vesting conditions as set out in the Award Letter and the provisions of the H Share Incentive Scheme.

If a selected grantee fails to meet any vesting condition applicable to the vesting of Award Shares, unless such vesting condition is waived by the Board and/or the person(s) authorized by the Board, Award Shares that would otherwise be vested during the vesting period shall not be vested and such Award Shares shall be lapsed and returned to the Trustee on behalf and for the benefit of the Eligible Participants for satisfying other Awards under the H Share Incentive Scheme. Award Shares which have lapsed in accordance with the terms of the Scheme Rules shall not be counted for the purpose of calculating the Scheme Limit and/or the Service Provider Sublimit. In such case, the Board and/or the authorized person by the Board shall have the authority to give notice to and instruct the Trustee to sell the aforesaid unvested Award Shares on the open market at the market price or to grant to other grantees within a reasonable period of time after the receipt of such notice, which shall be determined by the Board and/or the person(s) authorized by the Board at their sole and absolute discretion.

The Board and/or the person(s) authorized by the Board will, except in any unforeseen circumstances, or (where applicable) will direct and procure the Trustee to give a vesting notice (the “**Vesting Notice**”) to the relevant grantee within such reasonable period as the Board and/or the person(s) authorized by the Board or (where applicable) together with the Trustee may agree from time to time before any vesting date, and the Vesting Notice shall contain a confirmation of the satisfaction of the vesting conditions by the grantee and the vesting date, a confirmation of the payment method of the Purchase Price and a confirmation of the details of the grantee’s bank account to pay the cash corresponding to the actual selling price (after deducting the Purchase Price and the taxes borne by the Grantee, if applicable) to the grantee.

After the relevant Award Shares are duly vested in accordance with the aforementioned procedures, subject to compliance with the relevant laws, regulations, rules and regulatory documents of the places where the Company is established and listed, as well as the Articles of Association of the Company, the Trustee shall, in accordance with the instructions of the Company and/or the grantee, transfer all or part of the Award Shares that have been vested in the grantee to the designated entity(ies) of the grantee after the grantee explicitly requests and confirms that he/she will bear the corresponding tax consequences or sell all or part of the Award Shares that have been vested in the grantee through on-market trading at the prevailing market price and pay the cash corresponding to the actual selling price (after deducting the taxes borne by the grantee, if applicable) to the grantee.

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15. Transferability, Cancellation and Status of Awards

During the scheme period, unless and until the Award Shares are vested and actually transferred to the grantees in accordance with the H Share Incentive Scheme Rules (if applicable), the grantees shall not deal with the Award Shares granted in any way, including but not limited to sell, transfer, pledge, mortgage, encumber or to create any benefits for others, or to enter into any agreement to do any of the foregoing.

The Board or the person(s) authorized by the Board may cancel any granted but unvested Awards with the approval of the grantee of such Awards. Awards may be granted by the Company to the Eligible Participant in place of his/her cancelled Awards, provided that there are available Scheme Limit and Service Provider Sublimit as approved by the Shareholders from time to time. The Awards cancelled will be regarded as utilized for the purpose of calculating the Scheme Limit and Service Provider Sublimit.

The H Shares to be allotted and issued for the purposes of satisfying the grant of Awards shall be identical to all existing issued H Shares and shall be allotted and issued subject to all the provisions of the Articles of Association for the time being in force and will rank *pari passu* with the other fully paid H Shares in issue, save that the grantee shall not have any voting rights, or rights to participate in any dividends or distributions (including those arising on a liquidation of the Company, if applicable) declared or recommended or resolved to be paid to the Shareholders on or before the date the grantee becoming registered holder of relevant H Shares.

With regards to casting votes for the matters that requires Shareholder's approval as required by the Listing Rules, the Trustee shall not exercise any voting rights attached to any unvested Shares held by the Trustee on behalf and for the benefit of the Eligible Participants under the H Share Incentive Scheme, unless otherwise stipulated by any applicable laws and regulations that the Trustee must vote in accordance with the instructions of the beneficial owners of such Shares, and that such instructions have been actually made.

16. Performance Targets

Vesting of the Award Shares shall be subject to the performance targets, if any, to be satisfied by the grantees as determined by the Board from time to time. The Board shall have the authority, after the grant of any Award which is performance-linked, to make fair and reasonable adjustments to the prescribed performance targets during the vesting period if there is a change in circumstances, provided that any such adjustments shall be considered fair and reasonable by the Board and/or person(s) authorized by the Board. The performance targets may include business, financial, operations and creation of capital value for the Group's business segments (such as increase in revenue and net profit) as well as individual performance indicators based on the roles and responsibilities of relevant Eligible Participants. The Board and/or person(s) authorized by the Board will conduct assessment from time to time by comparing the performance with the pre-set targets to determine whether such targets and the extents to which have been met. If, after the assessment, the Board and/or person(s) authorized by the Board determines that any prescribed performance targets have not been met, the unvested Award Shares shall lapse automatically.

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The Board believes that the above will provide the Board with more flexibility in setting the performance targets under particular circumstances of each grant and facilitate the Board to offer suitable incentives to attract and retain quality personnel that are valuable to the development of the Group. Further, the Board is of the view that the setting of performance targets can provide ample motivations and incentives for the grantees to improve their performance and contribute to the Group's overall development and business success. Taking into account the aforesaid, the Board considers that the performance targets are in line with the purpose of the H Share Incentive Scheme and in the interests of the Group and the Shareholders as a whole.

17. Reorganisation of Capital Structure

In the event of an alteration in the capital structure of the Company whilst any Award Shares remains outstanding by way of capitalisation of profits or reserves, rights issue, subdivision or consolidation of shares, or reduction of the share capital of the Company in accordance with legal requirements in Hong Kong and the PRC and requirements of the Stock Exchange (other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party), such corresponding alterations (if any) shall be made to the number or nominal amount of Shares comprised in each Award Share, Purchase Price (if applicable) to the extent outstanding, or any combination thereof, provided that:

- (i) no such adjustments shall be made in respect of an issue of securities by the Company as consideration in a transaction;
- (ii) any such adjustments must be made so that each selected Eligible Participant is given the same portion of the share capital of the Company, rounded to the nearest whole share, as that to which he was previously entitled;
- (iii) no such adjustments shall be made which would result in the Purchase Price (if applicable) for a Share being less than its nominal value; and
- (iv) any adjustments to be made will comply with the Listing Rules and any guidance or interpretation of the Listing Rules issued by the Stock Exchange from time to time, including but not limited to the adjustment mechanism under Appendix I of FAQ13.

To the extent not otherwise determined by the Board, the method of adjustment of the number of Award to the extent outstanding is set out as below:

Capitalization issue or bonus issue with price-dilutive elements

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

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Where: “Q₀” represents the number of Award before the adjustment; “n” represents the ratio per Share resulting from the capitalization issue or bonus issue; “Q” represents the number of Award after the adjustment.

Rights issue or open offer with price-dilutive elements

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

Where: “Q₀” represents the number of Award before the adjustment; “P₁” represents the closing price of the Shares as at the record date; “P₂” represents the subscription price of the rights issue or open offer; “n” represents the ratio of the rights issue or open offer; “Q” represents the number of Award after the adjustment.

Consolidation of shares or share subdivision or reduction of the share capital

$$Q=Q_0 \times n$$

Where: “Q₀” represents the number of Award before the adjustment; “n” represents the ratio of share consolidation or share subdivision or reduction of share capital; “Q” represents the number of Award after the adjustment.

To the extent not otherwise determined by the Board, the method of adjustment of the Purchase Price for Award Share is set out as below:

Capitalization issue or bonus issue with price-dilutive elements

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

Where: “P₀” represents the Purchase Price for Award Share before the adjustment; “n” represents the ratio per Share resulting from the capitalization issue or bonus issue; “P” represents the Purchase Price for Award Share after the adjustment.

Rights issue or open offer with price-dilutive elements

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

Where: “P₀” represents the Purchase Price for Award Share before the adjustment; “P₁” represents the closing price of the Shares as at the record date; “P₂” represents the subscription price of the rights issue or open offer; “n” represents the ratio of the rights issue or open offer; “P” represents the Purchase Price for Award Share after the adjustment.

Consolidation of shares or share subdivision or reduction of the share capital

$$P=P_0 \div n$$

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Where: “P₀” represents the Purchase Price for Award Share before the adjustment; “n” represents the ratio of share consolidation or share subdivision or reduction of share capital; “P” represents the Purchase Price for Award Share after the adjustment.

The auditors or an independent financial adviser engaged by the Company for such purpose shall, at the request of the Company, certify in writing to the Board, either generally or as regards any particular grantee, to be in their opinion fair and reasonable, provided always that any such adjustments should give each grantee the same proportion of the equity capital, rounded to the nearest whole Share, of the Company as that to which that grantee was previously entitled prior to such adjustments, and no adjustments shall be made which will enable a Share to be issued at less than its nominal value. The capacity of the auditors or financial adviser (as the case may be) is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on our Company and the grantees. The costs of the auditors or financial advisor (as the case may be) shall be borne by the Company.

If there has been any alteration in the capital structure of the Company as referred to hereinabove, and the Board has resolved to make adjustments pursuant to such, the Company shall, upon receipt of the notice sent by the grantee, inform the grantee of such alteration and shall either inform the grantee of the adjustments to be made pursuant to the certificate obtained by the Company from its auditors or independent financial adviser (as the case may be) for such purpose, or if no such certificate has yet been obtained, inform the grantee of such fact and instruct the auditors or independent financial adviser (as the case may be) to issue the relevant certificate as soon as practicable pursuant to above.

If the Company conducts a Share consolidation or subdivision after the Scheme Limit or Service Provider Sublimit has been approved by Shareholders in general meeting, the maximum number of Shares that may be issued in respect of all Awards to be granted under the H Share Incentive Scheme and all share options and awards to be granted under any other share schemes, as a percentage of the issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole share.

Given that any such adjustments must be made so that each selected Eligible Participant is given the same portion of the share capital of the Company, rounded to the nearest whole share, as that to which he was previously entitled, the Board is of the view that such corresponding alterations as stipulated in the paragraph headed “B. PROPOSED ADOPTION OF THE H SHARE INCENTIVE SCHEME – 17. Reorganisation of Capital Structure” in this letter would not confer any advantage on the scheme participants without specific prior Shareholders’ approval. For the avoidance of doubt, any alternations to the terms and conditions of the H Share Incentive Scheme which are of a material nature or any alternations to the provisions relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of Eligible Participants must be approved by Shareholders in general meeting, details of which can be referred to the paragraph headed “B. PROPOSED ADOPTION OF THE H SHARE INCENTIVE SCHEME – 20. Alteration and Amendment” in this letter.

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18. Conditions precedent of the H Share Incentive Scheme

The adoption of the H Share Incentive Scheme are conditional upon:

- (i) the passing of special resolution(s) by the Shareholders at a general meeting of the Company to (i) approve and adopt the H Share Incentive Scheme; (ii) authorise the Board and/or the person(s) authorised by the Board to grant Awards under the H Share Incentive Scheme; and (iii) authorise the Board to allot and issue Shares in respect of any Awards to be granted pursuant to the H Share Incentive Scheme; and
- (ii) the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, any Share on the Stock Exchange which may be issued in respect of all Awards to be granted in accordance with the terms and conditions of the H Share Incentive Scheme.

Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares which may fall to be issued in respect of all Awards to be granted under the H Share Incentive Scheme.

19. Duration and Termination

Subject to any early termination as may be determined by the Board according to the H Share Incentive Scheme Rules, the H Share Incentive Scheme shall be valid and effective for the scheme period (being a term of ten (10) years commencing on the Adoption Date), after which no additional Award Shares shall be granted. If there are any Award Shares that are granted but unvested by the end of the H Share Incentive Scheme term, the H Share Incentive Scheme will be extended until such Award Shares have vested.

20. Alteration and Amendment

Subject to the Listing Rules, the Board may amend any of the provisions of the H Share Incentive Scheme from time to time. Any alternations to the terms and conditions of the H Share Incentive Scheme which are of a material nature or any alternations to the provisions relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of Eligible Participants must be approved by Shareholders in general meeting.

Any change to the authority of Directors or scheme administrator to alter the terms of the H Share Incentive Scheme must be approved by Shareholders in general meeting. The altered or amended terms of the H Share Incentive Scheme and the Awards thereunder must comply with Chapter 17 of the Listing Rules.

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Any such alteration or supplementation shall be notified in writing to the Trustee and the grantees. When the Board alters the H Share Incentive Scheme Rules, the independent non-executive Directors shall supervise whether such alteration is conducive to the sustainable development of the Company, and whether such alteration damages the interests of the Company and its Shareholders as a whole.

Any change to the terms of Awards granted must be approved by the Board or its delegates, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Awards was approved by the Board or its delegates, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be).

Any dispute arising from the H Share Incentive Scheme shall be determined by the Board, and the decision of the Board shall be final and binding.

21. Trustee

The Company will appoint the Trustee(s) and establish the Trust pursuant to the Trust Deed to facilitate the administration of the H Share Incentive Scheme. The Trust shall serve as a vehicle for holding and administering Award Shares on behalf of the Eligible Participants until the vesting of such Award Shares, at which point the Shares shall be delivered to the Eligible Participants in accordance with the H Share Incentive Scheme Rules. The Trustee will be a third party independent of the Company and its connected persons, and no Director is, nor shall ever be, a Trustee of the H Share Incentive Scheme or possesses any direct or indirect interest in the Trustee of the H Share Incentive Scheme. The Trustee of the H Share Incentive Scheme shall abstain from voting or exercising any voting rights in respect of any unvested Shares which are held, whether directly or indirectly, under the trust or as nominee on matters that require approval of the Shareholders under the Listing Rules, unless otherwise required by applicable laws to vote in accordance with the beneficial owner's direction and such a direction is given. For avoidance of doubt, all grants are made personally to the respective Eligible Participants. The Trustee shall not be the Eligible Participants and shall only hold the Award Shares on behalf and for the benefit of the Eligible Participants in accordance with the H Share Incentive Scheme and the Trust Deed.

III. PROPOSED AUTHORISATION TO THE BOARD OF DIRECTORS AND/OR PERSON(S) AUTHORIZED BY THE BOARD TO HANDLE MATTERS RELATED TO THE H SHARE SCHEMES

In order to ensure the successful implementation of the H Share Option Scheme and the H Share Incentive Scheme, the Board proposed that subject to the Shareholders' approval at the EGM of (i) the H Share Option Scheme, (ii) the H Share Incentive Scheme, (iii) the relevant resolutions related to the adoption and administration of such share schemes of the Company, the Shareholders also grant an authorisation to the Board and/or the person(s) authorized by the Board to deal with matters in relation to the H Share Option Scheme and the H Share Incentive Scheme (including but not limited to):

- (i) to grant Options and Award Shares pursuant to the H Share Option Scheme and the H Share Incentive Scheme, respectively, and from time to time, allot, issue the relevant H Shares pursuant to the H Share Option Scheme and the H Share Incentive Scheme, however subject to the Scheme Limit and the requirements of the Listing Rules at all times;

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- (ii) in their full discretion, pursuant to the H Share Option Scheme and under the Listing Rules, to handle and decide the relevant matters regarding (including but not limited to) relevant Trust arrangements, ascertaining of the grantees, vesting of the Award Shares, restrictions on transfers, cancellations, sources of funds, evaluations, and resolution of disputes; and in their full discretion, pursuant to the H Share Incentive Scheme and under the Listing Rules, to handle and decide the relevant matters regarding (including but not limited to) the vesting of Options, ascertaining of the grantees, exercise price, lapse, evaluation, and resolution of disputes;
- (iii) to apply to the Listing Committee of the Stock Exchange and any other securities exchange authorities at the relevant time where the Shares may be listed to seek the approval for the listing and dealing of any Shares allotted and issued subject to the share schemes of the Company from time to time;
- (iv) to make the corresponding amendments to the Articles of Association as appropriate;
- (v) to adopt and formulate any and all necessary or appropriate actions or arrangements for all share schemes of the Company to take into effect, and to sign and execute all arrangements, deeds and documents necessary for the share schemes of the Company;
- (vi) to apply for the necessary approvals, registrations, filings, qualifications, consents, and other procedures with the relevant governments and institutions (if any), and to sign, execute, amend, and complete the documents submitted to the relevant governments, institutions, organizations, and individuals;
- (vii) to appoint Trustees, banks, auditors, solicitors, advisers and any other professional institutions, and to determine all relevant matters related to the Trust arrangements;
- (viii) to explain the H Share Option Scheme and the H Share Incentive Scheme, and, subject to the restrictions of the Listing Rules from time to time, to amend and/or revise the plan, such amendments and/or revisions shall be made in accordance with the relevant provisions of the H Share Option Scheme and the H Share Incentive Scheme and in compliance with the Listing Rules;
- (ix) to assess the Eligible Participants and grant the Options and Award Shares to the Eligible Participants, as well as to determine the terms of the grant including but not limited to purchase price payable for the Award Shares (where applicable), vesting period, and vesting conditions, and for and on behalf of the company, to enter into agreements related to the Options and Award Shares with the Eligible Participant, such as grant letters and Award Letters (where applicable);

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- (x) subject to approval by the Board, the Remuneration Committee, independent non-executive Directors, and/or Shareholders (where applicable), to amend from time to time the purchase price payable for the Award Shares (where applicable), vesting period, and vesting conditions specified in the grant letters and Award Letters (where applicable) in accordance with market conditions, in order to better align with the purposes of the H Share Option Scheme and the H Share Incentive Scheme; in such cases, to issue a notice to the relevant Eligible Participants explaining such amendments. For the avoidance of doubt, if the amendments take effect automatically in accordance with the existing terms of the H Share Option Scheme and the H Share Incentive Scheme (where applicable), this requirement shall not apply;
- (xi) to determine the vesting method of the Options and Award Shares; and
- (xii) to engage in any matters necessary for the administration and execution of the H Share Option Scheme and the H Share Incentive Scheme, however excluding the matters required by the applicable laws and regulations or the Listing Rules to be resolved by the Shareholders' meeting.

The aforementioned authorisation to the Board and/or the person(s) authorized by the Board shall be valid for the scheme period.

IV. PROPOSED AUTHORISATION TO THE BOARD OF DIRECTORS AND/OR PERSON(S) AUTHORISED BY THE BOARD TO HANDLE MATTERS RELATED TO AMENDMENTS OF THE ARTICLES OF ASSOCIATIONS AS A RESULT OF H SHARE FULL CIRCULATION

In view of the Company's plan to implement and the potential future conduct of H Share Full Circulation and pursuant to the provisions of the Articles of Association, matters relating to the H Share Full Circulation shall be resolved by the Board without the need to convene a general meeting. To enhance the efficiency of the Company's governance and to ensure seamless coordination of the amendments to the Articles of Association following the completion of the current and subsequent H Share Full Circulation, a special resolution will be proposed at the EGM to consider and approve the granting of full authority to the Board and/or its person(s) authorized by the Board to handle all matters relating to the amendments of the Articles of Association in connection with the H Share Full Circulation. The specific authorizations are as follows:

- (i) To make necessary adaptive adjustments and amendments to the relevant provisions of the Articles of Association currently in force based on the actual results of the H Share Full Circulation implemented from time to time, and in accordance with the requirements of domestic and overseas laws, regulations, and regulatory authorities (including but not limited to the China Securities Regulatory Commission and the Stock Exchange), provided that such amendments shall comply with the applicable laws, regulations, and Listing Rules, and shall not adversely affect the substantive rights and interests of Shareholders except for any changes resulting from the conversion of Unlisted Shares to H Shares; and

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- (ii) To sign, execute, amend, and complete all necessary documents and take all necessary actions in connection with the amendments to the Articles of Association; and
- (iii) To be fully responsible for representing the Company in handling all relevant procedures with the market regulatory and management authorities, securities regulatory authorities, and other relevant government agencies in relation to the amendment, filing, approval and other procedures of the Articles of Association.

The above authorization granted to the Board and/or its person(s) authorized by the Board at the EGM shall be valid for a period of 24 months commencing from and after the passing of the resolution at the EGM.

V. NOTICE OF EGM

The EGM will be held at the earlier of 3:30 p.m. or immediately after the annual general meeting of the Company to be held at 1:30 p.m. on Monday, June 15, 2026 at 11/F, Building 16 No. 2388 Chenhang Road, Minhang District, Shanghai, the PRC. The notice convening the EGM is set out on pages EGM-1 to EGM-2 of this circular. The above documents and the form of proxy for use at the EGM are published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.birentech.com).

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, no Shareholder has a material interest in, and would be required to abstain from voting in respect of, the resolutions to be proposed at the EGM.

The record date for the purpose of ascertaining the eligibility of the holders of H Shares and Unlisted Shares to attend and vote at the EGM is on Monday, June 15, 2026. In order to ascertain holders of H Shares who are entitled to attend the EGM, the register of members of holders of H Shares will be closed from Wednesday, June 10, 2026 to Monday, June 15, 2026 (both days inclusive). Holders of H Shares who intend to attend the EGM are required to lodge all completed transfer documents accompanied by the relevant share certificates with the Company's H Share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong on or before 4:30 p.m. on Tuesday, June 9, 2026 for registration. Holders of Unlisted Shares who intend to attend the EGM are required to lodge all completed transfer documents accompanied by the relevant share certificates at the office of the Company, at Room 1302, 13/F, Building 16, No. 2388 Chenhang Road, Minhang District, Shanghai, PRC on or before 4:30 p.m. on Tuesday, June 9, 2026 for registration.

Shareholders who intend to appoint a proxy to attend the EGM are required to complete and return the form of proxy to (i) the Company's H Share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for holders of H Shares); or (ii) the office of the Company, at Room 1302, 13/F, Building 16, No. 2388 Chenhang Road, Minhang District, Shanghai, PRC (for holders of Unlisted Shares), in accordance with the instructions printed thereon as soon as possible and in any event not less than 24 hours before the time appointed 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 or any adjournment thereof should you so wish.

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VI. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, the resolution set out in the notice of the EGM will be taken by poll. The poll results will be announced by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules. Treasury Shares, if any, registered in the name of the Company, shall have no voting rights at the general meeting(s) of the Company. For the avoidance of doubt, Treasury Shares, if any, pending withdrawal from and/or transfer through CCASS shall not bear any voting rights at the Company's general meeting(s).

VII. 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 misleading.

VIII. DOCUMENT AVAILABLE ON DISPLAY

A copy of the H Share Option Scheme and a copy of the H Share Incentive Scheme will be published on the Stock Exchange's website (www.hkexnews.hk) and the Company's website (www.birentech.com) for at least 14 days prior to the date of the EGM and will be available for inspection at the EGM.

IX. RECOMMENDATIONS

The Directors consider that the proposed resolutions set out in the notice of the EGM and the other matters contained in the notice of EGM, are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend Shareholders to vote in favour of the relevant resolutions to be proposed at the EGM.

By order of the Board
Shanghai Biren Technology Co., Ltd.
Mr. Wen ZHANG
*Chairman of the Board, Executive Director
and Chief Executive Officer*

NOTICE OF EXTRAORDINARY GENERAL MEETING



Shanghai Biren Technology Co., Ltd.

上海壁仞科技股份有限公司

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

(Stock Code: 6082)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “**EGM**”) of Shanghai Biren Technology Co., Ltd. (the “**Company**”) will be held at the earlier of 3:30 p.m. or immediately after the annual general meeting of the Company to be held at 1:30 p.m. on Monday, June 15, 2026 at 11/F, Building 16 No. 2388 Chenhang Road, Minhang District, Shanghai, the PRC, or any adjournment thereof, for the purpose of considering and, if thought fit, passing with or without amendments, the following resolutions of the Company (unless otherwise indicated, capitalized terms used in this notice shall have the same meanings as those defined in the circular of the Company dated May 26, 2026):

SPECIAL RESOLUTIONS

1. To consider and approve the proposed adoption of the H Share Option Scheme.
2. To consider and approve the proposed adoption of the H Share Incentive Scheme.
3. To consider and approve the proposed Scheme Limit.
4. To consider and approve the proposed Service Provider Sublimit.
5. To consider and approve the proposed authorization to the Board and/or the person(s) authorised by the Board to handle matters pertaining to the H Share Option Scheme and H Share Incentive Scheme.
6. To consider and approve the proposed authorization to the Board and/or the person(s) authorised by the Board to handle matters pertaining to amendments of the Articles of Association as a result of H Share Full Circulation.

By order of the Board

Shanghai Biren Technology Co., Ltd.

Mr. Wen ZHANG

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

Shanghai, May 26, 2026

NOTICE OF EXTRAORDINARY GENERAL MEETING

As at the date of this notice, the Board of the Company comprises: (i) Mr. Wen ZHANG, Mr. Zhou HONG, Mr. Linglan ZHANG, Mr. Bing XIAO and Mr. Luting PAN as executive Directors; (ii) Mr. Jingguo LIU as a non-executive Director; and (iii) Dr. Yuan WANG, Mr. Siu Wing LAM and Ms. Jin LIU as independent non-executive Directors.

Notes:

1. Resolution to be submitted at the EGM shall be voted on by poll.
2. The record date for the purpose of ascertaining the eligibility of the holders of H Shares and Unlisted Shares to attend and vote at the EGM will be Monday, June 15, 2026. In order to ascertain holders of H Shares who are entitled to attend the EGM, the register of members of holders of H Shares will be closed from Wednesday, June 10, 2026 to Monday, June 15, 2026 (both days inclusive). Holders of H Shares who intend to attend the EGM are required to lodge all completed transfer documents accompanied by the relevant share certificates with the Company's H Share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong on or before 4:30 p.m. on Tuesday, June 9, 2026 for registration. Holders of Unlisted Shares who intend to attend the EGM are required to lodge all completed transfer documents accompanied by the relevant share certificates at the office of the Company, at Room 1302, 13/F, Building 16, No. 2388 Chenhang Road, Minhang District, Shanghai, PRC on or before 4:30 p.m. on Tuesday, June 9, 2026 for registration.
3. Shareholders who are entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote on their behalf. A proxy need not be a Shareholder. If more than one proxy is appointed, the number and class of Shares in respect of which each such proxy is so appointed shall be specified in the appointment of the proxy.
4. The form of proxy must be signed by the Shareholder or by an authorised person appointed by the Shareholder in writing. If the Shareholder is a legal person, it must be stamped with the seal of the legal person or signed by a director or duly authorised attorney. If the form is signed by an attorney of the Shareholder, the power of attorney authorising that attorney to sign or other authorisation document must be notarised.
5. In order to be valid, the form of proxy, and if the form of proxy is signed by a person under a power of attorney or other authorisation document on behalf of the appointer, a notarially certified copy of that power of attorney or other authorisation document, must be deposited with (i) the H Share registrar of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for holders of H Shares); or (ii) the office of the Company, at Room 1302, 13/F, Building 16, No. 2388 Chenhang Road, Minhang District, Shanghai, PRC (for holders of Unlisted Shares), not less than 24 hours before the time appointed for holding the EGM or any adjournment thereof.

In case of joint holders of any Shares, any one of the joint holders can vote on such Shares at the EGM in person or by proxy as if he/she is the only holder entitled to vote. If more than one joint holder attend the EGM in person or by proxy, only the vote of the person whose name appears first in the register of members of the Company relating to such Shares will be accepted as the sole and exclusive vote of the joint holders.

Completion and return of the form of proxy will not preclude a Shareholder from attending and voting in person at the EGM or any adjournment thereof should he/she/it so wish. In this case, the power of attorney will be deemed to have been revoked.

6. Shareholders and their proxies are required to produce identity proof when attending the EGM (and any adjournment thereof).
7. The EGM is expected to last for no more than half a day. Shareholders or their proxies attending the EGM are responsible for their own transportation and accommodation expenses.
8. All times refer to Hong Kong local time, except as otherwise stated.