

山東威高集團醫用高分子製品股份有限公司
SHANDONG WEIGAO GROUP MEDICAL POLYMER
COMPANY LIMITED*

2025 H SHARES INCENTIVE SCHEME

(Adopted on [•] 2025)

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1. DEFINITIONS AND INTERPRETATION

(A) In the Scheme, unless the context otherwise requires, the following expressions shall have the following respective meanings:

“Adoption Date”	the date on which the Company adopted the Scheme Rules for the establishment of the 2025 H Shares Incentive Scheme;
“Articles of Association”	the articles of association of the Company, as amended from time to time;
“associates”	has the meaning ascribed to it under the Listing Rules;
“Award Share(s)”	in respect of a Selected Participant, such number of H Shares as awarded to him/her by the Board;
“Award Price”	the consideration payable by a Selected Participant to the Company for acceptance of an incentive share;
“Board”	the board of Directors of the Company;
“Business Day”	the days, excluding Saturdays, Sundays or public holidays, on which the Hong Kong Stock Exchange is open for trading and banks in Hong Kong are open for business;
“CCASS”	Central Clearing and Settlement System, a securities settlement system used within the Hong Kong Exchanges and Clearing Limited market system;

“Change of Control”

Upon the occurrence of any of the following events:

- a) Change in ownership of the Company: A change in ownership of the Company occurs on the date that any person, or more than one person acting as a group (“**Person**”), acquires the ownership of shares of the Company that, together with the shares held by such Person, constitutes 30% or more of the total voting rights of the shares of the Company; provided, however, that any change in ownership of the shares of the Company resulting from a private financing approved by the Board shall not be deemed as a change of control; or
- b) a change in the beneficial control of the Company. For the purposes of this sub-paragraph (b), if any Person is deemed to be in beneficial control of the Company, any acquisition of, or additional control over, the Company by that same Person shall not be considered a change of control; or
- c) a change in the ownership of a substantial portion of the assets of the Company: A change in the ownership of a substantial portion of the assets of the Company occurs on the date that any Person acquires (or has acquired during the twelve (12)-month period ending on the date of the most recent acquisition by such Person) assets from the Company that have a total fair market value equal to or more than 50% of the total fair market value of all of the assets of the Company immediately prior to such acquisition or acquisitions. For the purposes of this subsection (c), total fair market value shall be the value of the assets of the Company, or the value of the assets being sold, determined without regard to any liabilities associated with such assets.

For the purposes of this definition, if the relevant persons are owners of a company engaging in a merger, consolidation, purchase, or acquisition of shares or similar business transactions with the Company, they shall be deemed to be acting as a group.

Furthermore, for the avoidance of doubt, a transaction shall not constitute a change of control if (i) the sole purpose of the transaction is to change the jurisdiction of incorporation of the Company, or (ii) the sole purpose of the transaction is to establish a holding company that will be owned substantially in the same proportions by the persons holding the securities of the Company immediately before such transaction;

“close associates”	has the meaning ascribed to it under the Listing Rules;
“Company”	Shandong Weigao Group Medical Polymer Company Limited* (山東威高集團醫用高分子製品股份有限公司) a joint stock limited liability company incorporated in the PRC, whose H shares are listed on the Hong Kong Stock Exchange;
“Company Law”	the PRC Company Law;
“Connected Person(s)”	has the meaning ascribed to it under the Listing Rules;
“Capital Contribution”	the cash used by the Company to purchase the Award Shares, or the cash used to purchase the Award Shares by other means as determined by the Board from time to time;

”Controlling Shareholder”	has the meaning ascribed to it under the Listing Rules;
“Core Connected Person(s)”	has the meaning ascribed to it under the Listing Rules;
“Directors”	the directors of the Company (including independent non-executive directors);
“Domestic Share(s)”	the non-listed domestic shares with a par value of RMB0.10 per share in the share capital of the Company;
“Eligible Participant(s)”	in respect of the 2025 H Shares Incentive Scheme, any individual being an Employee Participant at any time during the period of Scheme;
“Employee Participant(s)”	directors, supervisors and employees (including full-time employees and part-time employees) of the Group (including persons who are granted the awards under the 2025 H Shares Incentive Scheme as an inducement to enter into employment contracts with these companies);
“ESOP System”	the system implemented for the employee share ownership plan administered by qualified service provider appointed by the Company, which is used to facilitate the operation of the Scheme;
“Excluded Participant(s)”	any Eligible Participant who resides in a place where the grant of an Award Share and/or the vesting and transfer of the Award Shares pursuant to the terms of the 2025 H Shares Incentive Scheme is not permitted under the laws or regulations of such place or where, in the view of the Board or the Trustee (as the case may be), compliance with applicable laws or regulations in such place makes it necessary or expedient to exclude such Eligible Participant;

“Grant”	the grant of Award Shares to an Eligible Participant;
“Date of Grant”	the date (which shall be a Business Day) on which the Grant is made to an Eligible Participant, being the date of the Letter of Grant;
“Letter of Grant”	has the meaning ascribed to it under Rule 5.1(E) of the Scheme Rules;
“Group”	the Company and its subsidiaries from time to time, and “member of the Group” refers to any one or a specific one of them;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“HK\$”	Hong Kong Dollar, being the lawful currency of Hong Kong;
“Holding Company”	any directly wholly-owned subsidiary established and designated in writing by the Trustee for the purpose of assisting in the administration of the Scheme;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“H Shares”	the overseas-listed foreign invested shares in the share capital of the Company, with a nominal value of RMB0.10 each, which are held and traded in Hong Kong dollars;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Personal Data”	has the same meaning under the Personal Data (Privacy) Ordinance, Chapter 486 of the Laws of Hong Kong (including any statutory amendments or re-enactments in force from time to time);

“PRC”	the People’s Republic of China;
“Relevant Scheme”	has the meaning ascribed to it under Rule 5.2(B) of the Scheme Rules;
the “Scheme” or the “2025 H Shares Incentive Scheme”	the “2025 H Shares Incentive Scheme” constituted by the rules set out in the Scheme Rules (as in its existing form or as amended from time to time);
“Remuneration Committee”	the Remuneration Committee of the Board;
“RMB”	Renminbi, the lawful currency of the PRC;
“Scheme Rules”	the relevant rules of the 2025 H Shares Incentive Scheme;
“Scheme Mandate Limit”	has the meaning ascribed to it under Rule 7(A) of the Scheme Rules;
“Selected Participant(s)”	Eligible Participant(s) selected by the Board pursuant to the Scheme Rules for participating in the 2025 H Shares Incentive Scheme (or his/her legal personal representative or lawful successor as the case may be);
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong);
“Shareholder(s)”	holder(s) of the Share(s);
“Shares”	the issued shares of the Company, including H shares and domestic shares;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;

“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules;
“Supervisor(s)”	the supervisor(s) of the Company;
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs approved by the Securities and Futures Commission, as amended, supplemented, or otherwise modified from time to time;
“Treasury Share(s)”	has the meaning ascribed to it under the Listing Rules;
“Trust”	any trust to be constituted for the purpose of administering the 2025 H Shares Incentive Scheme;
“Trust Deed”	the trust deed to be entered into between the Company (as grantor) and the Trustee (as trustee of the trust) (as restated, supplemented and amended from time to time);
“Trustee”	in respect of the 2025 H Shares Incentive Scheme, any trustee to be appointed to hold H Shares under the 2025 H Shares Incentive Scheme, any such Trustee shall be independent from the Company and its connected persons. It is expected that none of the Directors of the Company will have a direct or indirect interest in the trustee; and
“Vesting Date”	for the purpose of a Selected Participant, the date on which the relevant Award Shares are vested on such Selected Participant in accordance with Rule 5.4(A) and other terms of the Scheme Rules.

(B) In the Scheme Rules, unless the context otherwise requires:

- (i) Headings are inserted for convenience only and shall not limit, alter, extend, or otherwise affect the interpretation of any rule of the Scheme Rules;
- (ii) References to rules are the rules of the Scheme Rules;
- (iii) References to any statute or statutory provision shall be construed as references to such statute or statutory provision as respectively amended, consolidated, or re-enacted, or to any statute or statutory provision modifying (whether amended or not) the implementation thereof, and shall include any subsidiary legislation made under the relevant statute;
- (iv) Words in the singular include the plural and vice versa;
- (v) Words of any gender include other genders; and
- (vi) References to a relevant person include a body corporate, a company, a partnership, a sole proprietorship, an organization, an association, an enterprise, a branch, and any other type of entity.

2. PURPOSES AND OBJECTIVES

(A) The purposes of the Scheme are to:

- (i) attract and retain Eligible Participants whose contributions are important to the long-term growth and success of the Group, to recognize and reward Eligible Participants for their past contributions to the Group;
- (ii) encourage Eligible Participants to further contribute to the Company and work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole;

- (iii) enhance the Company's long-term remuneration incentive strategy; and
 - (iv) to align the interests of the Eligible Participants with those of the Company and the Shareholders to promote the long-term performance (whether in financial, business, and operational aspects) of the Group.
- (B) The purpose of these Rules is to prescribe all operational terms and conditions to be followed for the incentive arrangements made for Eligible Participants.

3. DURATION

Except for early termination as determined pursuant to Rule 12 of the Scheme Rules, the Scheme shall be valid for a period of ten (10) years starting from the Adoption Date, and no further Award Shares will be granted under the Scheme.

4. ADMINISTRATION

- (A) The Scheme shall be subject to the administration of the Board and/or its designated persons (including the Trustee) in accordance with the Scheme Rules and/or the Trust Deed.
- (i) **The Board:** The Board is the authorized administrator of the Scheme, responsible for its day-to-day execution and management. Within the scope of authorization by the shareholders' meeting, the Board shall handle matters related to the Scheme. The Board may, as directed by the Board from time to time, appoint an independent third party (i.e. the Trustee) to administer the Grant and vesting of Award Shares in accordance with the Scheme Rules. The Remuneration Committee is responsible for reviewing matters related to the Scheme (including but not limited to performance assessment criteria and procedures) and making recommendations to the Board for its consideration. Decisions made by the Board on any matter arising under the Scheme (including the construction of any provision) shall be final and binding. The Board may, by way of a board resolution, delegate its authorities to one or more authorized persons; and

- (ii) **The Trustee:** The Company (through the Board and/or its authorized persons) may appoint one or more independent third-party trustees to administer the Grant and vesting of Award Shares in accordance with the Scheme Rules. The Company will purchase existing H Shares or transfer Treasury Shares of the Company as Award Shares to be granted to Selected Participants. For the avoidance of doubt, the Company (through the Board and/or its authorized persons) has the right but is not obliged to appoint a Trustee under this clause to assist in the administration of the Grant and vesting of Award Shares. If the Company administers the 2025 H Shares Incentive Scheme through a Trustee, such Trustee shall not exercise (and (if applicable) shall cause its holding company not to exercise) the voting rights of any shares it administers (including but not limited to Award Shares, any bonus shares, and scrip dividends arising therefrom).

For the avoidance of doubt, Directors, being Eligible Participants, shall abstain from voting on Board resolutions approving matters in relation to the 2025 H Shares Incentive Scheme and shall not be involved in the management of the 2025 H Shares Incentive Scheme during the implementation of the 2025 H Shares Incentive Scheme.

Where any Trustee is appointed for the administration of the 2025 H Shares Incentive Scheme and Treasury Shares are utilized as Award Shares, the Company will hold the Treasury Shares in accordance with the Listing Rules and application PRC laws and regulations. Such Treasury Shares will be transferred to the Trustee at or prior to the vesting of Award Shares to a Selected Participant, upon which the Shares transferred to the Trustee out of treasury will cease to be Treasury Shares.

Where no Trustee is appointed, the 2025 H Shares Incentive Scheme will be subject to the administration of the Board and Treasury Shares are utilized as Award Shares. Under such circumstances, existing H shares for the 2025 H Shares Incentive Scheme will not be purchased on or off the market. The Company will hold the Treasury Shares in accordance with the Listing Rules and application PRC laws and regulations. Such Treasury Shares will be transferred to the Selected Participant upon vesting of Award Shares, upon which the Shares transferred to the relevant Selected Participant will cease to be Treasury Shares.

For any Treasury Shares deposited with CCASS, the Company will (i) procure its broker not to give any instructions to Hong Kong Securities Clearing Company Limited to vote at general meetings of the Company for the Treasury Shares deposited with CCASS; and (ii) in the case of dividends or distributions, withdraw the Treasury Shares from CCASS before the record date for the dividends or distributions, or take any other appropriate measures to ensure that it will not exercise any shareholders' rights or receive any entitlements which would otherwise be suspended under the applicable laws if those Shares were registered in its own name as Treasury Shares. The Company will adopt appropriate measures to ensure that Treasury Shares and Award Shares will be segregated.

5. OPERATION OF THE SCHEME

5.1 Grant of Award Shares to Selected Participants

- (A) Subject to the Scheme Rules, including but not limited to the restrictions set forth in Rule 5.4(B) and Rule 7 of the Scheme Rules, when determining the basis of eligibility of the participants, the Board may, from time to time, at its sole and absolute discretion select any Eligible Participant (other than an Excluded Participant) for participation in the Scheme as a Selected Participant, and grant an Award Share to any Selected Participant at such consideration and subject to such terms and conditions as the Board may in its sole and absolute discretion determine.

There are two types of awards that may be granted under the Scheme: two-year award and one-year award. The basic information of these two types of awards is set out below:

Award type	Grantee	Award Price
2-year award	Middle and back office staff, core key talents and specially hired talents	To be determined by the management authorized by the Board and approved by the Remuneration Committee
1-year award	Sales executives and sales personnel	To be determined by the management authorized by the Board and approved by the Remuneration Committee

In assessing the eligibility of Employee Participants, the Board will consider, in its sole discretion, on a case-by-case basis, all relevant factors as appropriate, including:

- (i) the individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard;
- (ii) the length of service within the Group;

- (iii) the individual contribution or potential contribution to the development and growth of the Group;
 - (iv) the amount of support, assistance, guidance, advice or efforts that has been given or will be given towards the Group's success;
 - (v) for existing employee having a management role, the contribution of the department in which the employee works to the long-term operation and development of the Group; and
 - (vi) for new joining employee, his/her position shall be key position such as senior management, middle-level management, core business and/or technical backbones of the Group, and the potential important influence and positive contributions are expected to be brought by the relevant individual to the Group's long-term development.
- (B) No person shall be considered as an Eligible Participant if he/she, at the Date of Grant:
- (a) has been publicly reprimanded or deemed as an inappropriate candidate for similar award schemes or share incentive plans of a listed company by any authorized securities regulatory bodies in the last 12 months;
 - (b) has been imposed with penalties or punishment by any authorized securities regulatory bodies for major violations of laws and regulations within the last 12 months;
 - (c) is prohibited from serving as a director or senior manager of the Company as stipulated by the Company Law or the Listing Rules;
 - (d) is prohibited by laws and regulations to participate in the Scheme;
 - (e) any other circumstances that seriously violate the relevant regulations of the Group or cause major damage to the interests of the Group as determined by the Board; or

- (f) any other circumstances required by the Board to protect the interests of the Group and ensure compliance with applicable laws and regulations relating to the operation of the Scheme.
- (C) The Board and/or its authorized persons shall have the right, at their sole discretion, to impose any conditions they deem appropriate on the vesting of Award Shares for Selected Participants, provided that in no event shall the vesting period for the award interests be less than twelve (12) months, and shall notify the Trustee and such Selected Participant the relevant conditions of the Award Shares.
- (D) If any Award Shares are intended to be granted to any Selected Participant, the Company shall comply with any applicable provisions under the Listing Rules, including any disclosure, reporting, announcement and/or shareholder approval requirements, unless otherwise exempted under the Listing Rules.
- (E) Upon the decision of the Board to grant Award Shares to any Eligible Participant, the Board shall cause the Company and the Eligible Participant to execute a written document (the “**Letter of Grant**”) in substantially the form set out in Appendix I, which shall contain the details of the grant of Award Shares and the conditions (if any) for granting such Award Shares (including but not limited to any performance targets to be achieved by the Selected Participant before any Award Shares may vest, as may be determined, established, and administered from time to time by the Board or a dedicated committee of the Board or persons authorized by the Board). After the formal execution of the Letter of Grant by the Company and the relevant Eligible Participant, the Award Shares shall be deemed granted to and accepted by the Eligible Participant, who shall then become a Selected Participant. The Board shall, within five (5) business days after the formal execution of the Letter of Grant by the Company and the Selected Participant, notify the Trustee in writing of the terms and conditions of the grant (including but not limited to the name of the Selected Participant, details of the Award Shares granted, the vesting schedule and its conditions (if any), as applicable). Subject to any adjustments that may be made under Rule 6 of the Scheme Rules, the number of Award Shares specified in the Letter of Grant shall constitute the final number of Award Shares granted to such Selected Participant.

- (F) If an Eligible Participant is unable to sign the Letter of Grant within five (5) business days after the Date of Grant, the relevant Award Shares shall be deemed as never have been granted to such Eligible Participant, and the Award Shares shall remain part of the Award Shares. Such Eligible Participant shall have no further rights or claims of any kind against the Company, any other member of the Group, the Board, or the Trustee, or in respect of such or any other shares or any rights or interests therein.
- (G) Pursuant to the authorization granted by the shareholders at the general meeting, the Company may satisfy the grant of Award Shares by acquiring H shares through the purchase of existing shares at the prevailing market price (whether on-or off-market, provided that any such purchase may only be conducted in compliance with applicable laws and regulations, including but not limited to the Takeovers Code and the Listing Rules), or by transferring Treasury Shares, as the case may be.
- (H) The purchase price (if any) for the Award Shares shall be determined by the Board, a dedicated committee of the Board, or persons authorized by the Board from time to time, taking into consideration factors such as the prevailing closing price of the shares, the purpose of the award, and the characteristics and profile of the Selected Participant. The purchase price (if any) for the Award Shares will be specified in the Letter of Grant.

5.2 Award Shares granted to Directors, supervisors, chief executive, or substantial shareholders of the Company or any of their respective associates.

- (A) Subject to any waiver or ruling granted by the Stock Exchange, where an Award Share is to be granted to any Director, supervisor, chief executive or any substantial shareholder of the Company (or any of their respective associates), the Grant shall not be valid unless it has been approved by the independent non-executive Directors, excluding any independent non-executive Director who is the proposed Selected Participant of the Award Share.

(B) Subject to any waiver or ruling granted by the Stock Exchange, where an Award Share is to be granted to any Director (other than an independent non-executive Director), supervisor, chief executive or any of their respective associates, would result in the number of Shares issued and to be issued in respect of all awards granted to such proposed Selected Participant (excluding any awards lapsed in accordance with the terms of the Scheme and any other share schemes involving issuance of new Shares or transfer of Treasury Shares adopted and to be adopted by the Company from time to time (together with the Scheme, the “**Relevant Scheme(s)**”)) in the twelve (12)-month period up to and including the Date of Grant of the relevant Award Share representing in aggregate over 0.1% of the total number of H Shares (excluding Treasury Shares) in issue as at the Date of Grant, such grant of Award Share shall not be valid unless:

- (a) the Grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by the Shareholders in general meeting, at which the proposed Selected Participant, his/her associates and all core connected persons of the Company abstained from voting in favour of the relevant resolution approving the Grant;
- (b) a circular containing the details of the Grant has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules (including but not limited to, the views of the independent non-executive Directors as to whether the terms of the Grant are fair and reasonable and whether such grant is in the interests of the Company and Shareholders as a whole, and their recommendation to the independent Shareholders as to voting); and
- (c) the number and terms of such Award Shares are fixed before the general meeting of the Company at which the same are approved.

- (C) Subject to any waiver or ruling granted by the Stock Exchange, where any grant of options or awards to an independent non-executive director or a substantial shareholder of the listed issuer, or any of their respective associates, would result in the number of H Shares issued and to be issued in respect of all options and awards granted to such proposed Selected Participant (excluding any options and awards lapsed in accordance with the terms of the Relevant Schemes) in the twelve (12)-month period up to and including the Date of Grant representing in aggregate over 0.1% of the total number of H Shares (excluding Treasury Shares) in issue as at the Date of Grant, such grant of Award Share shall not be valid unless:
- (a) the Grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by the Shareholders in general meeting, at which the proposed Selected Participant, his associates and all core connected persons of the Company abstained from voting in favour of the relevant resolution approving the Grant;
 - (b) a circular containing the details of the Grant has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules (including but not limited to, the views of the independent non-executive Directors as to whether the terms of the Grant are fair and reasonable and whether such Grant is in the interests of the Company and Shareholders as a whole, and their recommendation to the independent Shareholders as to voting); and
 - (c) the number and terms of such Award Shares are fixed before the general meeting of the Company at which the same are approved.
- (D) Subject to any exemption or ruling granted by the Stock Exchange, if any changes are made to the terms of the Grant to Directors, supervisors, chief executive, or substantial shareholders of the Company, or any of their respective associates, and:
- (a) the Grant has been approved in accordance with Rule 5.2(B) and/or 5.2(C) of the Scheme Rules; or

- (b) if the grant is not subject to the requirements of Rule 5.2(B) and/or 5.2(C) of the Scheme Rules) the proposed changes to such terms would result in the Grant becoming subject to the requirements of Rule 5.2(B) and/or 5.2(C) of the Scheme Rules,

such changes shall not become effective unless:

- (c) the changes have been duly approved by shareholders at a general meeting in the manner required by the relevant provisions of Chapter 17 of the Listing Rules, and such Selected Participant, their associates, and all core connected persons of the Company have abstained from voting in favor of the resolution approving such grant at the general meeting; and
- (d) a circular regarding the changes has been dispatched to shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules (including but not limited to the opinion of the independent non-executive directors (excluding any independent non-executive director who is a Selected Participant of the Award Shares) on whether the changes are fair and reasonable and in the overall interests of the Company and its shareholders, as well as the recommendation of the independent non-executive directors on the voting by independent shareholders).

5.3 Performance targets

The details of the performance targets for Eligible Participants shall be determined from time to time by the Board and/or its authorized persons and must be set out in the Letter of Grant. The Board and/or its authorized persons are entitled to impose any conditions, as it deems appropriate in their sole and absolute discretion with respect to the vesting of the Award Shares to the Selected Participant, including but not limited to the vesting based on the performance assessment of the group where the Selected Participant is employed and the individual and group performance evaluation results of the Selected Participant.

5.4 Vesting of Award Shares

- (A) Vesting of Award Shares is subject to the following conditions:
- (a) unless otherwise required by the Scheme Rules, the Scheme is still valid and has not been terminated;
 - (b) the vesting schedule set out in the Letter of Grant has been achieved;
 - (c) the Selected Participant remains as an Eligible Participant;
 - (d) there are no circumstances in which the Selected Participant is not allowed to be vested the underlying Shares pursuant to the Scheme;
 - (e) the performance targets, assessment conditions and other conditions (if any) set out in the Letter of Grant have been achieved; and
 - (f) the Selected Participant is not prohibited by any applicable laws and regulations to participate in the Scheme.
- (B) Subject to the terms and condition of the Scheme and the fulfillment of all vesting conditions applicable to the vesting of the Award Shares on such Selected Participant, the respective Award Shares held by the Company on behalf of the Selected Participant pursuant to the provision thereof shall vest in such Selected Participant in accordance with the applicable vesting schedule, and the Company shall cause the Award Shares to be transferred to such Selected Participant and/or a vehicle controlled by him/her (such as a trust or a private company) for the benefit of the Selected Participant and any family members of such Selected Participant in accordance with the Rule 5.4(C) of the Scheme Rules. If the Selected Participant fails to meet the vesting conditions applicable to the relevant Award Shares, all relevant Award Shares that may vest during each vesting period shall not vest and shall lapse immediately unless the Board and/or its authorized persons decide the otherwise. In such event, the Board and/or its authorized persons may, at their sole discretion, determine the vesting of the relevant Award Shares in accordance with the deferred schedule and adjust the vesting percentage and shall notify the Trustee of the same in writing as soon as reasonably practicable.

The vesting schedule for the two types of Awards under the Scheme is set out below:

Vesting arrangement for 2-year award	Percentage of Award Shares that are vestible
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First vesting date	The first trading day after 12 months from the Date of Grant	50%
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Second vesting date	The first trading day after 24 months from the Date of Grant	50%
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Vesting arrangement for 1-year award	Percentage of Award Shares that are vestible
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First vesting date	The first trading day after 12 months from the Date of Grant	100%
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(C) Upon the vesting of the Award Shares,

- (a) barring any unforeseen circumstances and unless otherwise agreed by the Board, it shall, prior to the Vesting Date of the Award Shares granted to the Selected Participant, confirm with the trustee in advance whether the execution of certain transfer documents is required to effect the vesting and transfer of the Award Shares if the Selected Participant and/or an entity controlled by them (such as a trust or private company) intends to transfer the Award Shares to such entity. If the Trustee confirms such requirement, the Board shall, by separate notice, require the Selected Participant and/or cause the aforementioned entity to execute the transfer documents;

- (b) the vesting of Award Shares to the Selected Participant is conditional upon the Company's receipt of (a) the original transfer documents (if any) required by the Trustee and duly executed by the Selected Participant and/or the entity controlled by them (such as a trust or private company); and (b) the customer due diligence documents submitted by the Selected Participant and/or the entity controlled by them (such as a trust or private company) at least ten (10) business days prior to the Vesting Date, in accordance with the Trustee's customer due diligence policy. The Company shall, upon the instruction of the Board, transfer the relevant Award Shares to the relevant Selected Participant and/or the entity controlled by them (such as a trust or private company) on or as soon as practicable after the Vesting Date, but in any event no later than ten (10) business days after the Vesting Date. If the Company does not receive the necessary documents specified in items (a) and (b) above on or before the relevant Vesting Date, the relevant Award Shares shall lapse, shall not vest on the relevant Vesting Date, and the Selected Participant shall have no claim of any kind against the Company or the Trustee, or in respect of such or any other shares or any rights or interests therein; and
- (c) For each Selected Participant, upon satisfying the relevant vesting period and vesting conditions, the Selected Participants may notify and instruct the Trustee in writing to dispose of the Award Shares held by the Trustee for and on behalf of the Selected Participant, subject to compliance with all the relevant laws and the Listing Rules. The proceeds from such disposal, after deducting (i) all related expenses (including but not limited to stamp duty, brokerage fees, applicable levies and all other taxes payable by the Selected Participants, if any), will be deposited in the designated bank account of the relevant Selected Participants within 14 Business Days after completion of the disposal.

- (D) Prior to the Vesting Date, any Award Shares granted under the Scheme shall be the personal property of the Selected Participant to whom such Award Shares are granted and shall not be transferable or assignable. Unless and until such Award Shares have actually vested and been transferred to the Selected Participant and/or an entity controlled by them (such as a trust or private company), no Selected Participant may in any way sell, transfer, charge, mortgage, encumber, or otherwise dispose of or create any interest in favor of any other person in respect of any unvested Award Shares related to such Award Shares, or execute or intend to execute any related agreement. If the Company intends to transfer the awards for the benefit of participants and any of their family members (e.g., for estate or tax planning purposes) to a separate vehicle (such as a trust or private company), it must first apply to the Stock Exchange for an exemption, provided that such transfer continues to align with the objectives of the plan and complies with other provisions of Chapter 17 of the Listing Rules. If such exemption is granted, the Stock Exchange will require the Company to disclose the ultimate beneficial owners of the trust or other transferee vehicle.
- (E) Any Award Shares transferred to the Selected Participant and/or an entity controlled by them (such as a trust or private company) upon vesting of the Award Shares granted under the Scheme shall in all respects rank *pari passu* with fully paid shares on the date of transfer, and shall accordingly entitle the holder thereof to participate in all dividends or other distributions paid or made on or after the date of transfer, and to exercise all voting rights pertaining to such shares.

5.5 Disqualification of Selected Participants

- (A) In the event that prior to or on the Vesting Date, if a Selected Participant is found to be an Excluded Participant or is deemed to cease to be an Eligible Participant pursuant to the Rule 5.5(B) of the Scheme Rules, the relevant Award Shares made to such Selected Participant shall automatically lapse and the relevant Award Shares shall not vest on the relevant Vesting Date and but shall remain part of the Award Shares. Such Excluded Participant or such Selected Participant who is deemed to cease to be an Eligible Participant shall have no right or claim against the Company, any other member of the Group, the Board or the Trustee or with respect to those or any other Shares or any right thereto or interest therein in any way. In respect of the lapsed Award Shares, such relevant Award Shares shall not vest on the relevant Vesting Date and will not be regarded as utilized for the purpose of calculating the Scheme Mandate Limit.
- (B) Unless the Board determines otherwise, the circumstances under which a person shall be treated as having ceased to be an Eligible Participant shall include the following:
 - (i) dismissal by the Company due to serious damage to the Company's interests, disclosure of the Company's commercial secrets, breach of the Company's confidentiality agreement and breach of the labour contract or the Company's rules and regulations, or serious violation of laws and discipline;
 - (ii) refusing to return or destroy the materials and resources of the Company when leaving the Company;
 - (iii) engaging in or soliciting others to engage in business activities that are the same as, similar to or competitive with the Company's business, or holding a position in such entities;
 - (iv) colluding with the Company's competitors, seizing the Company's business opportunities and causing material adverse effect on the interests of the Company;
 - (v) where such person has convicted of any criminal offense; or

- (vi) where such person is convicted of or held liable for any offence under the SFO or other Hong Kong securities laws or regulations or any other applicable laws or regulations in force from time to time or breaches the relevant ordinance, laws and regulations.

If a Selected Participant's employment or services are terminated for any reason other than those stated above (the "**Bona Fide Former Employee**"), any unvested Award Shares granted to the Bona Fide Former Employee will lapse on the date of termination of service with the Group. In the event of (i) retirement according to applicable laws and regulations and the Company's policies, or (ii) death, physical or mental disability or incapacity caused by force majeure factors of the Bona Fide Former Employee, the Board has absolute discretion to determine whether the unvested Award Shares will continue to vest according to the original vesting schedule, while if no such determination is reached by the Board, such unvested Award Shares shall be regarded as having lapsed.

5.6 Other Terms and Conditions

- (A) For the avoidance of doubt,
 - (a) a Selected Participant shall not have any interest or rights (including the right to vote, receive dividends, or other rights such as any rights arising on a liquidation of the Company) in the Award Shares by virtue of the grant of an Award Share pursuant to the Scheme, unless and until the Award Shares are actually transferred to the Selected Participant and/or a vehicle controlled by him/her (such as a trust or a private company) upon vesting of the Award Shares on the Vesting Date;
 - (b) the Selected Participant shall have no rights in respect of any shares other than the Award Shares granted to them;
 - (c) the Selected Participant shall not issue any instructions (including but not limited to voting rights) to the Trustee regarding Award Shares that have not yet vested or other Award Shares managed by the Trustee;

- (d) if the Company administers the Scheme through a Trustee, the Trustee shall refrain from exercising and (where applicable) cause the holding company to refrain from exercising the voting rights of any shares it manages (if any) (including but not limited to Award Shares, any bonus shares, and scrip dividends arising therefrom);
 - (e) the Board may, at its sole discretion, determine that all cash income and distributions declared by the Company from the date of the Award Shares to the Vesting Date, as well as the proceeds from the sale of any non-scrip dividend distributions derived from any Award Shares managed by the Trustee, shall be used as part of the Award Shares. Unless otherwise specified in the Letter of Grant at the sole discretion of the Board, the Selected Participant shall have no right to any cash or non-cash income, dividends, or distributions and/or the proceeds from the sale of any non-cash and non-scrip dividend distributions from such Award Shares prior to the vesting of such Award Shares; and
 - (f) unless otherwise determined by the Board, if the vesting conditions specified in the Letter of Grant are not fully satisfied on or before the relevant Vesting Date, the Award Shares related to such Vesting Date shall lapse, such Award Shares shall not be vested on the relevant Vesting Date, and the Selected Participant shall have no claim against the Company, the Board, or the Trustee.
- (B) No grant of Award Shares shall be made by the Board pursuant to the Scheme Rules and no instructions to acquire any Shares shall be given to the Trustee under Rule 5.1(A) of the Scheme where dealings in the Shares are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time. Without limiting the generality of the foregoing, no such instruction is to be given and no such grant is to be made:
- (a) after information that are required to be disclosed under Rule 13.09 of the Listing Rules or inside information that are required to be disclosed under Part XIVA of the SFO has come to the knowledge of the Company until (and including) the trading day after such information has been publicly announced in accordance with the Listing Rules, the SFO and/or the application laws;

- (b) 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 in accordance with 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 publish an announcement of 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 announcements. Such period will cover any period of delay in the publication of a results announcement;
- (c) in the event that the Selected Participant is a Director (other than an independent non-executive Director), supervisor or the chief executive of the Company) during the period of 60 days immediately preceding the publication date of the annual results for any financial period of the Company, during the period of 30 days immediately preceding the publication date of the interim results for any financial period of the Company, or, if shorter, the period from the end of the relevant financial period up to the publication date of the results;
- (d) in any circumstance where dealing in Shares by a Selected Participant (including directors of the Company) is prohibited under the Listing Rules, the SFO or any other applicable laws or regulations;
- (e) in any circumstance where any requisite approval from any governmental or regulatory authority has not been granted; and
- (f) in any circumstance where the granting the Award Shares is prohibited by or would result in a breach of the Listing Rules, the SFO or any other applicable laws or regulations.

- (C) In any of the following circumstances, the Board would, at its sole and absolute discretion, require the Selected Participant to return the gains from the vested Award Shares:
- (a) when the Selected Participant is an Eligible Participant, the Selected Participant has committed any act of fraud or dishonesty or serious misconduct in connection with his/her employment or engagement by any member of the Group;
 - (b) when the Selected Participant is an Eligible Participant, the Selected Participant has engaged in any act or omission to perform any of his/her duties that has had or will have a material adverse effect on the reputation or interests of any member of the Group;
 - (c) when the Selected Participant has engaged in any act that has had or will have a material adverse effect on the reputation or interests of any member of the Group after the Selected Participant ceases to be an Eligible Participant; or
 - (d) there has been a material misstatement to the Company's financial statement.
- (D) For the administration of the Scheme, the Company shall comply with all applicable disclosure requirements, including but not limited to those stipulated by the Listing Rules from time to time.

6. TAKEOVER, RIGHT ISSUE, PUBLIC OFFER, SCRIP DIVIDEND SCHEME

(A) Notwithstanding any other provision provided herein, if there occurs an event of change in control of the Company (whether by way of offer, merger, scheme of arrangement or otherwise), the Board shall determine at its sole and absolute discretion whether such Award Shares shall vest in the Selected Participant and the time at which such Award Shares shall vest. If the Board determines that any Award Shares shall be vested to any Selected Participant, the Company shall distribute the Award Shares to such Selected Participant and/or a vehicle controlled by him/her (such as a trust or a private company) for the benefit of the Selected Participant and any family members of such participant in accordance with provisions of Rule 5.3(C) of the Scheme Rules.

(B) If there occurs an event of alteration in the capital structure of the Company (including but not limited to capitalization issue, rights issue, consolidation, subdivision or reduction of the share capital of the Company) whilst any Award Share remains outstanding, the Board may make equitable adjustments that it considers appropriate, at its sole and absolute discretion, including the number of Shares that may be offered by the Company to the Selected Participant pursuant to the Award Share that have already granted but not vested,

provided that:

- (a) such adjustments shall not result in the issuance of H shares at a price below their par value;
- (b) no such adjustments shall be made in respect of an issue of securities by the Company as consideration in a transaction;
- (c) any such adjustments made must give each Selected Participant the same proportion of the share capital of the Company, rounded to the nearest whole Share, as that to which he was previously entitled;
- (d) no adjustment shall be made to the advantage of the Selected Participant without specific prior approval from the shareholders of the Company;

- (e) provided that the adjustments shall be made in such manner as the Board or its delegate(s) determines to be fair and reasonable in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the 2025 H Shares Incentive Scheme for the Selected Participants;
- (f) any such adjustments, other than those made on a capitalization issue, shall be confirmed by an independent financial adviser or the auditors in writing to the Directors as satisfying the aforesaid requirements of Rule 6(B)(e) of the Scheme Rules, the requirements of the relevant provisions of the Listing Rules and the supplementary guidance on Rule 17.03(13) of the Listing Rules as provided by the Stock Exchange from time to time (the “**Supplementary Guidance**”) and any further guidance/interpretation of the Listing Rules issued by the Stock Exchange from time to time, and that in the opinion of the auditors or an independent financial adviser that the adjustments made by the Board under Rule 6(B) of the Scheme Rules are fair and reasonable. The independent financial adviser or the auditors (as the case may be) shall act as experts and not as arbitrators and their certification shall be final and binding on the Company and the Selected Participant. The costs of the independent financial adviser or the auditors (as the case may be) shall be borne by the Company; and
- (g) any adjustments to be made will comply with the Listing Rules, the Supplementary Guidance and any further guidance/interpretation of the Listing Rules issued by the Stock Exchange from time to time.

To the extent not otherwise determined by the Board in accordance with the forgoing provision, the method of adjustment of the number of outstanding Award Shares is set out as below:

Capitalization issue

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

Where: “ Q_0 ” represents the number of Award Shares before the adjustment; “ n ” represents the ratio per Share resulting from the capitalization issue;

“ Q ” represents the number of Award Shares after the adjustment.

Rights issue

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

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

- (C) If there has been any alteration in the capital structure of the Company as mentioned in Rule 6(B) of the Scheme Rules, the Company shall notify each such Selected Participant (with a copy of the notification to the Trustee) of the adjustment to be made after such alteration in the capital structure of the Company.
- (D) Unless otherwise determined by the Board, in the event the Company undertakes an open offer of new securities in respect of any Shares which are managed by the Trustee under the Scheme, the Trustee shall not subscribe for and (if applicable) procure the Holding Company not to subscribe for, any new Shares. In the event of a rights issue, the Trustee shall sell or cause to be sold such amount of the nil-paid rights allotted to it or the Holding Company on the market as is appropriate and the net proceeds of sale of such rights shall be returned to the Company or the Company’s direction shall be sought.
- (E) Unless otherwise determined by the Board, in the event the Company issues bonus warrants in respect of any Shares which are managed by the Trustee, the Trustee shall not subscribe for, and, where applicable, procure the Holding Company to subscribe for, any new Shares by exercising any of the subscription rights attached to the bonus warrants and shall sell or cause to be sold the bonus warrants created and granted to it on the market, the net proceeds of sale of such bonus warrants shall be returned to the Company or the Company’s direction shall be sought.

- (F) Unless otherwise determined by the Board, in the event that the Company undertakes an issue of bonus Shares, the bonus Shares allotted with respect to any Shares which are managed by the Trustee shall be returned to the Company.
- (G) Unless otherwise determined by the Board, in the event the Company undertakes a scrip dividend scheme, the Trustee shall elect or, where applicable, procure the Holding Company to elect to receive scrip Shares and scrip Shares allotted with respect to any Shares which are managed by the Trustee shall be returned to the Company.
- (H) Unless otherwise determined by the Board, in the event of other non-cash and non-scrip distribution made by the Company in respect of the Award Shares, the Trustee shall dispose of or, where applicable, procure the Holding Company to dispose of such distribution and the net sale proceeds thereof shall be returned to the Company.
- (I) If notice is duly given by the Company to the Shareholders to convene a Shareholders' meeting for the purpose of considering a resolution for the voluntary winding-up of the Company (other than for the purposes of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company) or an order of winding up of the Company is made, the Board shall determine at its sole and absolute discretion whether any Award Shares shall vest in the Selected Participant and the time at which such Award Shares shall vest. If the Board determines that any Award Shares shall vest, it shall promptly notify such Selected Participant (with a copy of the notification to the Trustee) and shall use its reasonable endeavours to take such action as may be necessary to transfer the legal and beneficial ownership of the Award Shares to such Selected Participant and/or a vehicle controlled by him/her (such as a trust or a private company) for the benefit of the participant and any family members of such participant. For the avoidance of doubt, if the Board determines that such unvested Award Interests shall not vest, such award shall lapse with immediate effect.

7. SCHEME MANDATE LIMIT AND INDIVIDUAL LIMIT

- (A) Subject to Rules 7(D), 7(E) and 7(F) of the Scheme Rules and any waiver or ruling granted by the Stock Exchange, the total number of all Award Shares to be granted and issued (including transfer of treasury shares) under the Relevant Scheme(s) must not exceed 10% of the total number of issued H Shares (excluding any treasury shares) as at the Adoption Date (the “**Scheme Mandate Limit**”).
- (B) Subject to Rule 9(B) of the Scheme Rules, Award Shares or options that have already lapsed in accordance with the terms of the Relevant Scheme(s) shall not be regarded as utilized for the purpose of calculating the Scheme Mandate Limit as stipulated in Rule 7(A) of the Scheme Rules.
- (C) If the Company conducts a share consolidation or subdivision after the approval of the Scheme Mandate Limit by Shareholders at the general meeting, the maximum number of all Award Shares to be granted under all Relevant Scheme(s) under the Scheme Mandate Limit shall remain unchanged.
- (D) The Scheme Mandate Limit may be refreshed by the Shareholders in general meeting after three years from the later date of (i) the date of Shareholders’ approval for the last refreshment; and (ii) the date of adoption of the Scheme, provided that:
 - (a) the total number of H Shares (including transfer of treasury shares) which may be issued in respect of all awards and options to be granted under all Relevant Scheme(s) under the Scheme Mandate Limit as refreshed shall not exceed 10% of the total number of Shares (excluding treasury Shares) in issue as at the date of approval of the refreshing of the Scheme Mandate Limit by the Shareholders; and
 - (b) a circular regarding the proposed refreshment of the Scheme Mandate Limit has been despatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules, including but not limited to the number of Award Shares or options that have already been granted under the existing Scheme Mandate Limit and the reason for the refreshment.

Any refreshment of the Scheme Mandate Limit within any three-year period must be approved by the Shareholders subject to the following provisions:

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

The requirements under paragraphs (i) and (ii) above do not apply if the refreshment is made immediately after an issue of securities by the Company to its Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate (as a percentage of the relevant class of Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate immediately before the issue of securities, rounded to the nearest whole share.

- (E) The Company may seek separate approval from the Shareholders in general meeting for granting Award Shares beyond the Scheme Mandate Limit, provided that:
 - (a) the Award Shares will only be granted to Eligible Participants specifically identified by the Company before the relevant Shareholders' approval is sought;
 - (b) a circular containing the details of the Grant has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules, including but not limited to the name of each Eligible Participant who may be granted such Award Shares, the number and terms of the Award Shares to be granted to each Eligible Participant, and the purpose of granting Award Shares to the Eligible Participants with an explanation as to how the terms of the Award Shares serve such purpose; and

- (c) the number and terms of the Award Shares to be granted to such Eligible Participants are fixed before the general meeting of the Company at which the same are approved.
- (F) Subject to the Scheme Rules and any waiver or ruling granted by the Stock Exchange, no Award Share shall be granted to any Eligible Participant (the “**Relevant Eligible Participant**”) under this circumstance. The aforementioned circumstance refers to: if, at the time of the Grant, the number of H Shares (including transfer of treasury shares) issued and to be issued in respect of all awards and options granted to the Relevant Eligible Participant (excluding any awards or options lapsed in accordance with the terms of the Relevant Schemes) in the twelve (12) months period up to and including the Date of Grant would exceed 1% of the total number of Shares (excluding treasury Shares) in issue as at the Date of Grant unless:
- (a) The grant of the relevant Award Shares has been duly approved by the Shareholders at the general meeting in the manner required by the relevant provisions of Chapter 17 of the Listing Rules and the relevant Eligible Participant and his/her close associates (or, if the relevant Eligible Participant is a connected person, his/her associates) have abstained from voting at the general meeting;
 - (b) A circular containing details of the Grant has been sent to the shareholders in a manner consistent with the relevant provisions of Chapter 17 of the Listing Rules, setting out the information specified in the relevant provisions of Chapter 17 of the Listing Rules (including but not limited to the identity of the Relevant Eligible Participant, the number and terms of the Award Shares to be granted (and the number and terms of the Award Shares previously granted to the Relevant Eligible Participant during the twelve (12) month period described above) and the purpose for which the Award Shares are granted to the Relevant Eligible Participant and an explanation of how the terms of the Award Shares achieve that purpose; and
 - (c) The number and terms of such Award Shares are determined before approval by the general meeting of the Company.

8. LAPSE OF AWARD SHARES

If the Selected Participant is unable to meet the vesting conditions applicable to the relevant Award Shares, unless the Board and/or its authorized persons determines otherwise, all Award Shares which may vest during each vesting period shall not vest and shall expire immediately, and such Award Shares shall lapse and any Award shall be returned. Any outstanding Award Shares and relevant unvested income shall be forfeited immediately and shall not be regarded as utilized for the purpose of calculating the Scheme Mandate Limit.

9. CANCELLATION OF AWARD SHARES

- (A) Upon occurrence of any event triggering the clawback mechanism (and whether an event is to be regarded as triggering the clawback mechanism is subject to the sole determination of the Board) in relation to a Selected Participant, the Board will claw back such number of Award Shares granted (to the extent not already vested). The Board may (but is not obliged to) by notice in writing to the relevant Selected Participant in respect of the cancellation. The Award Shares that are clawed back shall be regarded as cancelled and the Award Shares so cancelled shall be regarded as utilized for the purpose of calculating the Scheme Mandate Limit.

Notwithstanding any other provisions of the Scheme or any terms and conditions set forth in the Letter of Grant in respect of the Board's discretion to cancel any Award Shares that have not been vested, any Award Shares granted but not vested may be cancelled if the Selected Participant so agrees.

- (B) The Award Shares cancelled shall be regarded as utilized for the purpose of calculating the Scheme Mandate Limit.

10. DISPUTES

Any dispute in connection with the Scheme shall be decided by the Board, which shall be final and binding.

11. ALTERATION OF THE SCHEME

- (A) The Scheme may be amended in any respect by a resolution of the Board provided that, any alteration to the terms and conditions of the Scheme that are of a material nature or any alteration to the authority of the Board to alter the terms of the Scheme or any alternation to the specific terms of the Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules to the advantage of Selected Participant or proposed Selected Participant must be approved by the Shareholders in general meeting (with the Selected Participant or proposed Selected Participant and his/her associates abstaining from voting). The Board's determination as to whether any proposed alteration to the terms and conditions of the Scheme is material shall be conclusive.
- (B) Any change to the terms of Award Shares granted to a Selected Participant must be approved by the Board, the Remuneration Committee of the Company, the independent non-executive Directors and/or the Shareholders (as the case may be) of the Company if the initial grant of such Award Shares under the Scheme was approved by the Board, the Remuneration Committee of the Company, the independent non-executive Directors and/or the Shareholders (as the case may be) of the Company except where the alterations take effect automatically under the existing terms of the Scheme.
- (C) The provisions in the Scheme may be amended by the Board to reflect any amendments on the relevant Listing Rules made by the Stock Exchange after the date of adoption of the Scheme to comply with the relevant provisions of the Listing Rules which the Scheme has been drafted to reflect the position as at the date of adoption of the Scheme.
- (D) Written notice of all details relating to change in the terms of to the Scheme during the lifetime of the Scheme shall be given to all Selected Participants and the Trustee immediately upon the changes take effect.
- (E) In the event of any inconsistency between the Scheme Rules and the relevant laws, regulations, agreements or Listing rules, the provisions of the relevant laws, regulations, agreements and Listing Rules shall prevail.

12. TERMINATION

(A) The Scheme shall be terminated on the earlier of:

- (a) the date of the tenth (10th) anniversary of the Adoption Date; and
- (b) such date of early termination as determined by Shareholders at the general meeting,

provided that such termination shall not affect any subsisting rights of any Selected Participant under the Scheme.

(B) Upon termination of the Scheme,

- (a) no further grant of Award Shares may be made under the Scheme;
- (b) all the Award Shares of the Selected Participants granted under the Scheme shall continue to be managed by the Trustee and become vested in the Selected Participants according to the conditions of the Award Share, subject to the receipt by the Trustee of the required documents prescribed by the Trustee;
- (c) unless otherwise determined by the Board and to the extent a Trust has been established, all H Shares (except for any Award Shares subject to vesting on the Selected Participants) remaining in the Trust Fund shall be sold by the Trustee within twenty-eight (28) Business Days (on which the trading of the Shares has not been suspended) (or such longer period as the Trustee and the Board may otherwise determine); and
- (d) any net proceeds of sale and such other funds and properties remaining in the Trust Fund managed by the Trustee (after making appropriate deductions in respect of all disposal costs, liabilities and expenses) shall be remitted to the Company forthwith. For the avoidance of doubt, the Trustee may not transfer any H Shares to the Company nor may the Company otherwise hold any H Shares whatsoever (other than its interest in the proceeds of sale of such Shares).

- (C) For the avoidance of doubt, the suspension of granting any Award Shares shall not be construed as a decision to terminate the implementation of the Scheme.

13. WITHHOLDING

- (A) The Company or any Subsidiary shall be entitled to withhold, and any Selected Participant shall be obliged to pay, the amount of any tax and/or social security contributions attributable to or payable in connection with the grant of the Award Shares.
- (B) The Board may establish appropriate procedures to provide for any such payment so as to ensure that the Company or any Subsidiary receive advice concerning the occurrence of any event which may create, or affect the timing or amount of, any obligation to pay or withhold any such taxes or social security contributions or which may make available to the Company or such Subsidiary any tax relief resulting from the occurrence of such event.
- (C) The Company or any Subsidiary may, by notice to the Selected Participant and subject to any rules as the Board may adopt, require that the Selected Participant pay at the time of obtaining the Award Shares an amount estimated by the Company or any Subsidiary to cover all or a portion of the tax and/or social security contributions attributable to or payable in connection with the Award Shares.

14. MISCELLANEOUS

- (A) The Scheme shall not form part of any contract of employment or service between the Company or any Subsidiary and any Eligible Participant, and the rights and obligations of any Eligible Participant according to his/her position or employment terms shall not be affected by his/her participation in the Scheme or any right which he/she may have to participate in it and the Scheme shall afford such Eligible Participant no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.

- (B) The Company shall bear the costs of establishing and administering the Scheme, including, for the avoidance of doubt, costs of communication as referred to in Rule 14(D) of the Scheme Rules, expenses, stamp duty, transaction levies and normal registration fees incurred in the management of Shares by the Trustee and the transfer of Award Shares to any Selected Participant and/or a vehicle controlled by him/her (such as a trust or a private company) on the relevant Vesting Date. For the avoidance of doubt, the Company shall not be liable for any tax or expenses of such other nature payable on the part of any Eligible Participant in respect of any sale, purchase, vesting or transfer of Shares.
- (C) In the event that any tax, duty, levy or social security contribution in any jurisdiction is payable by any Selected Participant in connection with the grant of any Award Shares or the vesting (or otherwise the transfer) of any Award Shares, such Selected Participant shall be responsible for the prompt payment of such tax, duty, levy or social security contribution (as the case may be) and shall indemnify the Company and the Trustee against any loss, damage, liability, costs and expenses arising from or in connection with any default or delay in the payment thereof.
- (D) Any notice or other communication in connection with the Scheme from any person may be given by sending the same by (a) prepaid post or by personal delivery to, in the case of the Company or Trustee, its head office and principal place of business in Hong Kong or such other address as notified to the sender from time to time, and in the case of an Eligible Participant, his/her address as notified to the sender from time to time, (b) email to the designated email address of the recipient, (c) fax to the designated fax number of the recipient, or (d) send instructions, information, and data via ESOP System (if available) to the account of the recipient (provided that communication services through ESOP System are made available for the purpose of the Scheme). For the avoidance of doubt, the Company may send copies of Letter of Grant or Notice of Vesting to the Trustee via ESOP System (if available), or provide instructions regarding grant/ vesting information. Any notice or other communication served shall be deemed to have been served (a) if by post, 24 hours after the same was put in the post, (b) if by email, when the relevant receipt of such email being read is given, or where no read receipt is requested by the sender, at the time of sending, provided that no delivery failure notification is received by the sender within 24 hours of sending such email, (c) if by fax, when the relevant delivery receipt is received by the sender, or (d) if via ESOP System (if available), when data transmission is completed.

- (E) The Company, the Board and the Trustee shall not be responsible for any failure by any Eligible Participant to obtain any consent or approval required for such Eligible Participant to participate in the Scheme as a Selected Participant or for any tax, duty, expenses, fees or any other liability to which he/she may become subject as a result of his/her participation in the Scheme.
- (F) Each provision of the Scheme Rules shall be treated as a separate provision and shall be severally enforceable as such. To the extent that any provision or provisions are unenforceable, they shall be deemed to be deleted from these rules of the Scheme, and any such deletion shall not affect the enforceability of the provisions of Scheme Rules as remain not so deleted.
- (G) In the event of any discrepancy between the Chinese and English versions in the Rules, the Chinese version shall prevail.

15. GOVERNING LAW

- (A) The Scheme shall operate subject to the Articles of Association of the Company and any applicable law and regulations to which the Company is subject.
- (B) The Scheme is governed by and shall be construed in accordance with the laws of Hong Kong.
- (C) Hong Kong courts shall be the exclusive venue for resolving dispute relating to or arising from the Scheme.

APPENDIX 1

LETTER OF GRANT AND ACCEPTING AWARDS

Date: 202[•].

Parties:

- (1) **Shandong Weigao Group Medical Polymer Company Limited**, a company incorporated under the laws of the PRC with its registered office at 1 Weigao Road, Torch Hi-tech Science Park, Weihai, Shandong Province, the PRC (the “**Company**”);
- (2) **Eligible Participant**, holder of fill in the type of identification document No. fill in the document number (the “**Selected Participant**”).

WHEREAS

The Company adopts a H Shares Incentive Scheme known as the “2025 H Shares Incentive Scheme” (the “**H Shares Incentive Scheme**”, together with the rules of the H Shares Incentive Scheme, the “**Scheme Rules**”) on [•].

- A. Unless otherwise defined, the terms used in this instrument shall have the same meanings as those defined in the Scheme Rules.
- B. The Scheme Rules stipulate that, the Award Shares must be granted and accepted through the Letter of Grant. By executing this instrument, the Company wishes to confirm the decision of its board of directors (the “**Board**”) to grant certain Award Shares to the Selected Participant, and by executing this instrument, the Selected Participant wishes to confirm his/her acceptance of such Award Shares.

This is hereby certified that with this instrument:

1. The Company hereby confirms that the Board has decided on [•] to grant to the selected participants

- **H Awards Shares**

This award shall be subject to the terms and conditions of the H Shares Incentive Scheme (including but not limited to the vesting conditions set out in Rule 5.3 of the Scheme Rules) and this instrument (including but not limited to the vesting schedule and vesting conditions stipulated below).

Vesting Schedule: The Award Shares granted to the Selected Participants under this instrument shall be vested in the following proportions and on the following dates:

Fill in the vesting schedule as set out in the Scheme Rules or determined by the Board (if any)

Vesting Conditions: The following award conditions must be satisfied:

Fill in any additional conditions, including whether employees are required to pay any consideration upon vesting

Clawback Mechanism: In any of the following circumstances, the Board would, at its sole and absolute discretion, require the Selected Participant to return the gains from the vested Award Shares:

- (a) when the Selected Participant is an Eligible Participant, the Selected Participant has committed any act of fraud or dishonesty or serious misconduct in connection with his/her employment or engagement by any member of the Group;
- (b) when the Selected Participant is an Eligible Participant, the Selected Participant has engaged in any act or omission to perform any of his/her duties that has had or will have a material adverse effect on the reputation or interests of any member of the Group;

- (c) when the Selected Participant has engaged in any act that has had or will have a material adverse effect on the reputation or interests of any member of the Group after the Selected Participant ceases to be an Eligible Participant; and
- (d) there has been a material misstatement to the Company's financial statement.

The Board will also claw back and cancel any unvested Award Shares as detailed in the paragraph headed "Cancellation of Award Shares" under the Scheme Rules.

2. The Selected Participant hereby confirms that he/she accepts the Award Shares granted to him/her under this instrument. The Selected Participant agrees and accepts that the grant and administration of the Award Shares shall be subject to the terms and conditions of the Scheme Rules and this instrument (where applicable), and the Selected Participant agrees to be bound by such terms and conditions.
3. The Selected Participant hereby agrees that the Company and/or the Trustee may collect, process, use, transfer, and disclose the personal data of the Selected Participant, as well as other information that the Trustee/the Company deems necessary or appropriate for the administration of the Scheme.
4. Selected Participant
 - a. confirms that he/she is a tax resident of please fill in the place of jurisdiction; and
 - b. undertakes to notify the Company within 30 days of any change in his/her tax residency status.
5. The Company may amend this instrument by providing written notice to the Selected Participant, provided that if the amendment could materially and adversely affect any existing rights of the Selected Participant, then such amendment shall not become effective unless the consent of the Selected Participant is obtained.
6. This instrument may be executed in different copies by different parties, each of which shall be deemed an original when executed, and all such copies shall together constitute one and the same instrument.
7. This instrument shall be governed by the laws of the Hong Kong Special Administrative Region of the People's Republic of China.

[Below is signature page]

This is to certify that this instrument is executed by both parties on the date and in the year written on the first page. For and on behalf of the Company

Authorized Signatory

Name:

Selected Participant