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If you have sold or transferred all your shares in **Lingbao Gold Group Company Ltd.**, you should at once hand this circular to the purchaser or the transferee or to the bank, the licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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LINGJIN

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Lingbao Gold Group Company Ltd.

靈寶黃金集團股份有限公司

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

(Stock Code: 3330)

**(1) PROPOSED ADOPTION OF THE SHARE AWARD SCHEME;
(2) PROPOSED MANDATE TO THE BOARD AND/OR THE
COMMITTEE TO HANDLE MATTERS PERTAINING
TO THE SHARE AWARD SCHEME;
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A letter from the Board is set out on pages 5 to 31 of this circular.

A notice convening the EGM of the Company to be held at the office of the Company at Hangu Road and Jingshan Road Intersection, Lingbao City, Henan Province, the PRC on 5 August 2025 at 9:00 a.m. is set out on pages 56 to 59 of this circular. A form of proxy for use at the EGM is enclosed with this circular.

Whether or not you are able to attend the EGM in person, you are requested to complete and return the form of proxy (as applicable) 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 of the EGM or any adjournment thereof. In order to be valid, the proxy form must be deposited by hand or by post to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (in the case of holders of H Shares) or to the Company's registered office at Hangu Road and Jingshan Road Intersection, Lingbao City, Henan Province, the PRC (in the case of holders of Domestic Shares). If the proxy form is signed by a person under a power of attorney or other authority, a notarially certified copy of that power of attorney or authority shall be deposited at the same time as mentioned in the proxy form. 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 if you so wish. For the avoidance of doubt, holders of treasury Shares of the Company, if any, shall abstain from voting at the EGM in connection to such treasury Shares.

18 July 2025

CONTENTS

	<i>Page</i>
Definitions	1
Letter from the Board	5
Appendix — Rules of the Share Award Scheme	32
Notice of Extraordinary General Meeting	56

DEFINITIONS

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

“Adjustment Event”	any capitalization issue, rights issue, share consolidation or subdivision or reduction of the Company’s share capital conducted by the Company, provided that the shares or other securities of the Group issued as consideration in transactions may not be regarded as a circumstance requiring an adjustment
“Adoption Date”	the date on which the Share Award Scheme is approved and adopted by the Shareholders at the EGM
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Award Notice”	the notice issued by the Company to each of the Selected Participant(s) in the form as determined by the Board and/or the Committee from time to time, setting out the conditions or term of the Awarded Shares and other terms and conditions as the Board and/or the Committee shall determine without prejudice to the Share Award Scheme
“Awarded Share(s)” or “Award(s)”	the H Shares (restricted stock) awarded to a Selected Participant in accordance with the terms of the Share Award Scheme, which shall become vested and outstanding only after the vesting conditions set forth in the plan have been met. For the avoidance of doubt, the issuance of new H Shares includes the transfer of treasury Shares
“Board”	the board of Directors of the Company
“Board Committee” or “Committee”	the committee, sub-committee, any Director(s) or person(s) from time to time delegated by the Board with the power and authority to administer the Share Award Scheme
“Business Day” or “Trading Day”	any day on which Stock Exchange opens for trading of securities
“Company”	靈寶黃金集團股份有限公司 (Lingbao Gold Group Company Ltd.), a joint stock company incorporated in the PRC with limited liability on 27 September 2002, the H Shares of which are listed on the Main Board of the Stock Exchange with stock code 3330
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“control”	has the meaning ascribed thereto under the Codes on Takeovers and Mergers and Share Buybacks of Hong Kong, as amended from time to time

DEFINITIONS

“Director(s)”	the director(s) of the Company
“Domestic Share(s)”	the ordinary domestic share(s) of the Company with a nominal value of RMB0.20 each in the share capital of the Company
“EGM”	the first extraordinary general meeting of the Company to be held in 2025 to consider and, if thought fit, to approve the (1) proposed adoption of the Share Award Scheme and (2) proposed mandate to the Board and/or the Committee to handle matters pertaining to the Share Award Scheme
“Eligible Person(s)”	person(s) eligible to participate in the Share Award Scheme. For more information, please refer to the paragraph headed “(2) Proposed adoption of the Share Award Scheme — Eligible Persons and Selected Participants”
“Employee Participant(s)”	directors (including the non-executive Directors and the independent non-executive Directors) and employees (whether full-time or part-time) of the Group (including persons who are granted options or Awards under the Scheme as an inducement to enter into employment contracts with these companies)
“employee(s)”	employee(s) of the Group
“Grant Price”	the amount payable on acceptance of the Awarded Share by a Selected Participant
“Group”	collectively, the Company and its subsidiaries
“H Share(s)”	the overseas listed foreign share(s) of the Company with a nominal value of RMB0.20 each in the share capital of the Company which are listed on the Stock Exchange and are traded in Hong Kong dollars
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	14 July 2025, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Committee”	the Listing Committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
“Notice of EGM”	the notice convening the EGM as set out on pages 56 to 59 of this circular

DEFINITIONS

“performance target(s)”	any one or more performance target(s) relating to the Eligible Person, the Company, a department, segment or business unit of the Company or the Group as a whole, which shall be assessed annually or cumulatively over a period of time based on pre-determined targets, past or current performance or absolute or relative benchmarks against internal targets or industry performance, as specified in each case by the Board (or, as the case may be, the Remuneration Committee of the Company) in its sole discretion
“PRC”	the People’s Republic of China, which for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Related Entity”	the holding companies, fellow subsidiaries or associated companies of the Company
“Related Entity Participant(s)”	directors and employees of the holding companies, fellow subsidiaries or associated companies of the Company
“Remuneration Committee”	the remuneration committee of the Board
“Returned Shares”	such Awarded Shares and related income which are not vested and/or lapsed in accordance with the Scheme Rules, or such Awarded Shares being deemed to be Returned Shares in accordance with the Scheme Rules and the Trust Deed
“Scheme Mandate Limit”	has the meaning ascribed to in the paragraph headed “2. Proposed adoption of the Share Award Scheme — Scheme Mandate Limit” in the Letter from the Board of this circular
“Scheme Rules”	the rules governing the operation of the Share Award Scheme and the implementation procedures (as amended from time to time), which is proposed to be considered, and if thought fit, adopted at the EGM, the terms of which are set out in the Appendix to this circular
“Selected Participant(s)”	Eligible Person(s) selected by the Board or the Committee for participating in the Scheme
“Share Award Scheme” or “Scheme”	the share award scheme, as amended from time to time, proposed to be adopted by the Company at the EGM
“Share(s)”	collectively, the Domestic Share(s) and the H Share(s)
“Shareholder(s)”	holder(s) of the Shares

DEFINITIONS

“Shares Pool”	comprising the followings: <ul style="list-style-type: none">(a) H Shares subscribed by the Trustee which are allotted or issued to it in accordance with the Scheme Rules or otherwise contributed to the trust funds;(b) any H Shares irrevocably donated or transferred to the Trustee by persons recommended by the Company to be held by the Trustee upon Trust in accordance with and subject to the powers and provisions under the Trust Deed;(c) H Shares as may be allotted or issued to the Trustee as a holder of Shares which form part of the trust funds, whether by way of scrip dividend or otherwise; and(d) the Returned Shares.
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the meaning ascribed thereto under the Listing Rules
“treasury Shares”	has the meaning ascribed thereto under the Listing Rules. For the purposes of the Scheme, references to the new H Shares include treasury Shares, and references to the issuance of new H Shares include the transfer of treasury Shares
“Trust”	the trust constituted by the Trust Deed
“Trust Deed”	the trust administration contract to be entered into between the Company and the Trustee pursuant to the Share Award Scheme
“Trustee”	Vistra Trust (Hong Kong) Limited, or such other person for the time being duly appointed as trustee (or trustees) of the Trust
“%”	per cent

LETTER FROM THE BOARD



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Lingbao Gold Group Company Ltd.

靈寶黃金集團股份有限公司

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

(Stock Code: 3330)

Executive Directors:

Mr. Chen Jianzheng
Mr. Xing Jiangze
Mr. He Chengqun
Mr. Wu Liming
Ms. Zhao Li

Registered Office:

Hangu Road and
Jingshan Road Intersection
Lingbao City
Henan Province
The PRC

Non-executive Directors:

Mr. Zhang Feihu
Mr. Wang Guanran

Principal Place of Business in Hong Kong:

Room 1104, 11/F
Leighton Centre 77 Leighton Road
Causeway Bay, Hong Kong

Independent non-executive Directors:

Mr. Yeung Chi Tat
Mr. Tan Chong Huat
Mr. Bo Shao Chuan
Mr. Guo Michael Xinsheng

18 July 2025

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSED ADOPTION OF THE SHARE AWARD SCHEME
(2) PROPOSED MANDATE TO THE BOARD AND/OR THE
COMMITTEE TO HANDLE MATTERS PERTAINING TO THE
SHARE AWARD SCHEME
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

1. INTRODUCTION

Reference is made to the announcement of the Company dated 5 September 2024 in relation to (i) the proposed adoption of the Share Award Scheme; and (ii) the proposed authorization of the Board and/or the Committee to handle matters pertaining to the Share

LETTER FROM THE BOARD

Award Scheme. The purpose of this circular is to provide you with the notice of the EGM and the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolutions to be proposed at the EGM.

At the EGM, special resolutions will be proposed to consider and (if appropriate) approve:

- (1) the adoption of the Share Award Scheme; and
- (2) the mandate to the Board and/or the Committee to handle matters pertaining to the Share Award Scheme.

2. PROPOSED ADOPTION OF THE SHARE AWARD SCHEME

The Board has resolved at the Board meeting held on 5 September 2024 to propose the adoption of the Share Award Scheme. The Share Award Scheme is designed to retain and attract talents by rewarding the Eligible Persons for their past, present or expected contribution and loyalty to the Group and aligning their interests with those of the Shareholders through the grant of Award. Upon further consideration by the Board, the Board proposes to further amend the terms relating to the lapse of Award and clawback mechanism under the Share Award Scheme as disclosed in the Company's announcement dated 5 September 2024. For details of such further amendments, please refer to the section headed "6. Further information" in the Letter from the Board of this circular.

Pursuant to Chapter 17 of the Listing Rules, the Share Award Scheme will constitute a share scheme involving the issue of new H shares by the Company, and the adoption of the Share Award Scheme is subject to the approval from the Shareholders. The Company will convene the EGM for the purposes of, among other things, seeking the approval from the Shareholders for the adoption of the Share Award Scheme.

The Share Award Scheme will take effect upon the satisfaction of the following conditions:

- (i) the passing of special resolutions by the Shareholders at the EGM to approve the proposed adoption of the Share Award Scheme; and
- (ii) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the H Shares which may be issued in respect of the Awards granted under the Share Award Scheme.

The principal terms of the Share Award Scheme are set out below.

Purposes

The objectives of the Share Award Scheme are to:

1. provide incentives and rewards to Eligible Persons for their contribution;

LETTER FROM THE BOARD

2. retain Eligible Persons to serve the Group for the continuous operation and development of the Group; and
3. attract suitable persons for the further development of the Group.

Period of validity

Unless terminated early by the Board or the Committee in accordance with the Scheme Rules, the Share Award Scheme shall be valid and effective for a period of ten (10) years from the Adoption Date, provided that no new H Shares will be allotted or issued to the Trust by the Company on or after the tenth (10th) anniversary of the Adoption Date.

Source of Awarded Shares

The source of the Awarded Shares under the Share Award Scheme shall be solely funded by new H Shares (for the avoidance of doubt, including transfer of treasury Shares) issued by the Company to the Trustee and/or existing treasury Shares (if any). Subject to the Scheme Rules, the Company may issue and allot H Shares to the Trustee under the Scheme Mandate Limit granted by the Shareholders at general meetings from time to time (unless such issue and allotment of H Shares has otherwise been approved by the Shareholders), and such H Shares will form part of the Shares Pool. The Trustee must hold and maintain the Shares Pool during the Trust period. When the Selected Participant has satisfied all vesting conditions specified by the Board or the Committee at the time of granting the Awarded Shares and become entitled to the Awarded Shares, the Trustee will transfer the relevant vested Shares in the Shares Pool to the Selected Participant.

In the Share Award Scheme, any reference to new H Shares shall include the treasury Shares listed on the Stock Exchange, and any reference to the issue of H Shares shall include the transfer of treasury Shares listed on the Stock Exchange.

Scheme Mandate Limit

Without Shareholders' approval, the Company shall not grant any Awarded Shares if it would result in the scheme mandate limit (excluding Awarded Shares lapsed under the Scheme) exceeding 5% of the total number of H Shares in issue (excluding treasury Shares) as at the Adoption Date (the "**Scheme Mandate Limit**").

As at the Latest Practicable Date, the Company had no concrete plan to grant Awards to Eligible Persons under the Share Award Scheme in the next 12 months, but does not rule out this possibility depending on the financial performance of the Company, market conditions, talent needs, etc.. The Company will make further announcement(s) and take further actions in accordance with the requirements under the Listing Rules in this regard if and as appropriate.

LETTER FROM THE BOARD

Refreshment of the limits

The Company may seek approval of the Shareholders in general meeting to refresh the Scheme Mandate Limit after three (3) years from the Adoption Date or the date of Shareholders' approval for the last refreshment.

Pursuant to the requirements under the Listing Rules, any refreshment of the Scheme Mandate Limit within any three (3)-year period shall be approved by Shareholders, and any controlling Shareholders and their associates (or if there is no controlling Shareholder, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates) shall abstain from voting in favour of the relevant resolution at the general meeting of the Company.

The Company may seek separate approval by its Shareholders in general meeting for granting Awarded Shares beyond the Scheme Mandate Limit or the refreshed Scheme Mandate Limit to the eligible participant specially identified by the Company before such approval is sought.

Selected Participant limit

The total number of Awarded Shares or share options granted to a Selected Participant under the Scheme, or any other share scheme of the Company, in any twelve (12)-month period shall not exceed 1% of the total number of H Shares in issue (excluding treasury Shares) from time to time.

Where any grant of Awards to a Selected Participant would result in the Awards granted (excluding any Awards lapsed in accordance with the terms of the Scheme) in the twelve (12)-month period up to and including the date of such grant representing in aggregate over 1% of the total number of H Shares in issue (excluding treasury Shares), such grant must be separately approved by Shareholders in general meeting with such Selected Participant and his/her close associates (or his/her associates if the Selected Participant is a connected person of the Company) abstaining from voting.

Connected person limit

Any grant of Awarded Shares to a Director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of Awarded Shares).

Where any grant of Awards (excluding the grant of options) to a Director (other than an independent non-executive Director) or chief executive of the Company, or any of their associates would result in the H Shares issued and to be issued in respect of all Awards granted (excluding any Awards lapsed in accordance with the terms of the Scheme) to such person in the twelve (12)-month period up to and including the date of such grant, representing in aggregate over 0.1% of the total number of H Shares in

LETTER FROM THE BOARD

issue (excluding treasury Shares), such further grant of Awards must be approved by the Shareholders in general meeting with such Selected Participant, his/her associates and all core connected persons of the Company abstaining from voting.

Where any grant of options or Awards to an independent non-executive Director or a substantial shareholder of the Company, or any of their respective associates would result in the H Shares issued and to be issued in respect of all options and Awards granted (excluding any Awards lapsed in accordance with the terms of the Scheme) to such person in the twelve (12)-month period up to and including the date of such grant, representing in aggregate over 0.1% of the total number of H Shares in issue (excluding treasury Shares), such further grant of options or Awards must be approved by the Shareholders in general meeting with such Selected Participant, his/her associates and all core connected persons of the Company abstaining from voting.

Eligible Persons and Selected Participants

Eligible Persons who may participate in the Share Award Scheme include any of the following, subject to relevant regulations of PRC government and securities regulatory commission:

1. Directors (including the non-executive Directors and the independent non-executive Directors) and employees (whether full-time or part-time) of the Group (including persons who are granted options or Awards under the Scheme as an inducement to enter into employment contracts with these companies) (the “**Employee Participant(s)**”); and
2. Directors and employees of the holding companies, fellow subsidiaries or associated companies of the Company (the “**Related Entity Participant(s)**”).

The Board or the Committee may, in its sole discretion, determine whether the relevant person falls within the above categories and may, in its sole discretion, invite Eligible Persons to be granted Awarded Shares (the “**Selected Participant(s)**”) based on the contribution of the Eligible Persons to the development and growth of the Group.

Employee Participants

In determining the criteria for the selection of any Employee Participant, the Directors will consider, among others: (i) his/her skills, knowledge, experience, expertise and other relevant personal qualities; (ii) his/her performance, time commitment, responsibilities or employment conditions and the prevailing market practice and industry standard; (iii) his/her contribution made or expected to be made to the growth of the Group and the positive impacts which he/she may bring to the Group’s business and development; (iv) his/her educational and professional qualifications, and knowledge in the industry; and (v) whether granting Awards to him/her is an appropriate incentive to motivate him/her to continue to contribute towards the betterment of the Group.

LETTER FROM THE BOARD

The Directors are of the view that the aforesaid criteria for determining the eligibility of the Employee Participants are in line with the purpose of the Share Award Scheme. As at the Latest Practicable Date, the Company has not formulated any concrete plan or intention to grant any Awards to the non-executive Directors and the independent non-executive Directors under the Share Award Scheme. However, having considered that (i) equity-based remuneration continues to be an important means of ensuring alignment between the interests of Shareholders and all Board members, including the non-executive Directors and the independent non-executive Directors; (ii) it is common to include non-executive directors and independent non-executive directors as eligible persons of share award schemes among public companies; and (iii) non-executive Directors and independent non-executive Directors may provide crucial contributions to the Group's development and business in providing valuable insight and advices to the Group with their deep industry knowledge and professional background, as well as their vital role in maintaining a sound corporate governance framework and supervising the internal control system within the Group, the Board believes that the inclusion of non-executive Directors and independent non-executive Directors as Employee Participants and the flexibility to grant Awards to the non-executive Directors and independent non-executive Directors in addition to cash-based incentives will allow the Company to keep its remuneration package competitive in order to attract and retain talents.

The Company is of the view that the independence and impartiality of the independent non-executive Directors will not be impaired by any potential grant of the Awards under the Share Award Scheme for the following reasons: (i) the independent non-executive Directors will continue to comply with the independence requirement under Rule 3.13 of the Listing Rules; (ii) approval by independent Shareholders will be required if any Award is to be granted to independent non-executive Directors or any of their respective associates and would result in the total number of Shares issued in respect of the Awards granted or to be granted to such person in the period of 12 months up to and including the date of the grant representing in aggregate over 0.1% of the Shares in issue; and (iii) the Board will be mindful of the recommended best practice E.1.9 of the Corporate Governance Code set out in Appendix C1 to the Listing Rules that issuers should generally not grant equity-based remuneration with performance-related elements to independent non-executive directors when considering any future grants of Awards to the independent non-executive Directors.

Related Entity Participants

The Related Entity Participants are the employees, officers, senior management and directors of the holding companies, fellow subsidiaries or associated companies of the Company. From time to time, Related Entity Participants will provide advisory services, consultancy services, and/or other professional services to the Group relating to the Group's principal businesses or on areas that are desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group, or otherwise will have contributions to the development and growth to the Group. As such, the Company considers that it is appropriate to include Related Entity Participants as Eligible Persons.

LETTER FROM THE BOARD

The Company often from time to time collaborate with the Related Entity Participants by utilising the skills, expertise, experience and connections of the Related Entity Participants to achieve the synergy effect. The Related Entity Participants have often significantly contributed to the Group's business by referring opportunities that lead to new business relationships. Despite that the Related Entity Participants may not be directly appointed or employed by the Group, the Company occasionally seeks their assistance on projects, opportunities or business engagements that align with the Group's objectives due to their close corporate ties. As such, the Directors (including the independent non-executive Directors) are of the view that the contributions and close collaboration with the Related Entity Participants are integral to the operation of the Company and are as significant as employees.

Furthermore, the growth and development of the Related Entities positively impact the Group's financial performance. This allows the Group to benefit from the successes of these Related Entities. As such, the Directors (including the independent non-executive Directors) are of the view that collaboration with Related Entities may support the long term development of the Group and hence, the inclusion of Related Entity Participants as Eligible Persons aligns with the purpose of the Share Award Scheme.

In determining the criteria for the selection of any Related Entity Participants, the Directors will consider all relevant factors as appropriate, including, among others (i) the positive impacts (including support, assistance, guidance, advice, efforts and/or contributions) expected from the Related Entity Participant on the Group's business development in terms of an increase in revenue or profits, an addition of expertise to the Group and/or other aspects in support of the development and growth of the Group's business with reference to the historical positive impacts brought by such Related Entity Participant (including the provision of certain advisory services, consultancy services, and/or other professional services to the Group relating to the Group's principal businesses or on areas that are desirable and necessary from a commercial perspective); (ii) the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Related Entity Participant has established with the Group via his/her role and position held with the Related Entity; (iii) the number, scale and nature of the projects which promote the business, development and growth of the Group in which the Related Entity Participant is involved; (iv) whether the Related Entity Participant has referred or introduced opportunities to the Group which have materialised into further business relationships; (v) whether the Related Entity Participant has assisted the Group in tapping into new markets and/or increased its market share; and (vi) the materiality and nature of the business relation between the Related Entity of which the Related Entity Participant holds office or position on the one hand and the Group on the other hand, and the Related Entity Participant's contribution in such Related Entity which may benefit the core business of the Group through a collaborative relationship.

LETTER FROM THE BOARD

The Company has not previously granted any share options or share awards to the Related Entity Participants. However, Related Entity Participants, who include employees, directors, and officers of Related Entities, play a vital role in enhancing the Group's success. Their professional expertise and insights are invaluable, as they bring a wealth of knowledge and skills and strategic connections and network that are essential for advancing the Group's business in terms of optimizing the Group's cost structure, accelerating the pace of internationalization, and promoting the dual transformation of digital intelligence and green and low-carbon, so as to ensure the steady progress of the Company. These Related Entity Participants have contributed to the long-term growth and sustainability of the Group's operations. Their deep understanding of market dynamics and their ability to forge relationships with key stakeholders not only foster business development but also enhance the Group's competitive edge. By leveraging their expertise, the Group can navigate challenges more effectively, seize new opportunities in a rapidly evolving marketplace and enhance its market position.

Recognizing the contributions of Related Entity Participants, the Directors (including the independent non-executive Directors) believe it is in the Company's best interest to have the flexibility to grant Awards to these individuals. Such recognition serves multiple purposes as it could better align the interests of the Group and Related Entity Participants, incentivizing them to contribute actively to the Group's success while preserving cash resources through equity-based incentives instead of monetary compensation. By offering share incentives, the Company can foster a sense of ownership and commitment among Related Entity Participants. This alignment of interests is crucial for driving the Group's long-term growth, as both parties stand to benefit from shared success. After taking into account the above, the Directors (including the independent non-executive Directors) are of the view that (i) the Related Entity Participants are valuable human resources to the Group akin to those of the Employee Participants as they are able to bring a wealth of knowledge and skills and strategic connections and network in connection with the Group's businesses, which have contributed to the development and growth of the Group's businesses and, (ii) the inclusion of the Related Entity Participants is in line with the Company's business needs and the industry norm, desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group and will not give rise to any material dilution effect on the shareholdings of the Company which aligns with the purpose of the Share Award Scheme and the long-term interests of the Company and its Shareholders.

The Directors (including the independent non-executive Directors) consider the above proposed scope, selection criteria and basis of eligibility for Eligible Persons to be appropriate and aligns with the purpose of the Share Award Scheme. In particular, the Related Entity Participants will have a sufficiently close relationship with the Group and would likely be in a position to influence the Group's business, operations and performance. The Group maintains close collaborative relationships with the Related Entity Participants such as senior management of the associated companies of the Group. Given that the Company may have significant interests in these associated companies, the Directors consider it important for the Company to be able (if thought

LETTER FROM THE BOARD

fit) to deploy benefits in the form of Awards to attract, retain and/or incentivise appropriate directors and/or employees of such entities (being Related Entity Participants) in the same way as Employee Participants, so that the Related Entity Participants may also align their interest with the growth and performance of such entities as well as the Group. Accordingly, the Directors (including the independent non-executive Directors) consider it appropriate to enhance the long-term relationship with these Eligible Persons by aligning their interests with that of the Company and Shareholders.

Based on the above, the Directors (including the independent non-executive Directors) believe that the above proposed scope, selection criteria and basis of eligibility for Eligible Persons is in line with the purpose of Share Award Scheme.

Administration

The Share Award Scheme is subject to the administration of the Board or the Board Committee in accordance with the Scheme Rules and the terms of the Trust Deed.

Vesting

The Board or the Board Committee may determine the vesting criteria and conditions or periods in accordance with all applicable laws at the time of granting Awards and as set out in the Award Notice, provided that the vesting period is not less than twelve (12) months.

Save as otherwise provided under the Share Award Scheme and unless otherwise specified in the Award Notice or other documents approved by the Board or persons authorized by it, the vesting of Awarded Shares shall follow the vesting schedule below. The specific commencement dates and durations of each vesting period, as well as the actual vesting amount of Awards granted to Selected Participants for each period, shall be specified in the Award Notice approved by the Board or persons authorized by it.

Vesting arrangement	Timing of the vesting	Upper limit of the vesting ratio
Lock-up period	Commencing on the first Business Day after the Grant Date and ending on the last Business Day of the 12-month period from the Grant Date	0%
First vesting period	Commencing on the first Business Day after the 12-month period from the Grant Date and ending on the last Business Day of the 24-month period from the Grant Date	33%

LETTER FROM THE BOARD

Vesting arrangement	Timing of the vesting	Upper limit of the vesting ratio
Second vesting period	Commencing on the first Business Day after the 24-month period from the Grant Date and ending on the last Business Day of the 36-month period from the Grant Date	33%
Third vesting period	Commencing on the first Business Day after the 36-month period from the Grant Date and ending on the last Business Day of the 48-month period from the Grant Date	34%

The Board or the Committee (and the Remuneration Committee in the cases of Awarded Shares granted to Directors and/or senior executives) may, in its sole discretion, determine that Awarded Shares granted to Employee Participants shall be subject to a shorter vesting period in the following circumstances:

1. grants of “full amount” Awarded Shares to new joiners to replace the Awarded Shares or options forfeited when leaving their previous employers;
2. grants made in batches during a year for administrative or compliance reasons, which include Awarded Shares that would have been granted earlier but for such reasons and were instead included in a subsequent batch. In such cases, the vesting period may be shortened to reflect the time from which the Awarded Shares would have originally been granted;
3. grants subject to performance-based vesting conditions provided under the Scheme or as specified in the Award Notice in lieu of time-based vesting criteria; and
4. grants with a total vesting and holding period exceeding 12 months.

To ensure the practicability in fully attaining the purpose of the Scheme, the Board and the Remuneration Committee are of the view that the vesting periods prescribed in the paragraph headed “Vesting of Awards” in the Scheme Rules is in line with the market practice and is appropriate and aligns with the purpose of the Scheme for the following reasons:

1. 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;

LETTER FROM THE BOARD

2. the Company should be allowed discretions to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition, and thus should have flexibility to impose vesting conditions such as performance-based vesting conditions instead of time-based vesting criteria depending on individual circumstances; and
3. such vesting period is in line with the requirements under the Listing Rules and customary market practice.

In addition, in the event that a takeover offer is made to all holders of the Shares (or to the offeror, any person controlled by the offeror and all holders other than those acting jointly or in concert with the offeror) by way of a takeover, merger, scheme of arrangement, share repurchase or otherwise resulting in a change of control of the Company, and such offer becomes or is declared unconditional prior to the vesting of the Awarded Shares in the Selected Participant (i.e. all the conditions to which the relevant transaction is subject have been satisfied), (i) in the case that the date when such change of control event becomes or is declared unconditional is no less than twelve (12) months from the date of grant of the relevant Awards, all such Awards granted shall immediately vest on the date when such change of control event becomes or is declared unconditional; or (ii) in the case that the date when such change of control event becomes or is declared unconditional is less than twelve (12) months from the date of grant of the relevant Awards, all such Awards shall automatically lapse. For the purposes of the Scheme, “control” has the meaning as set out in the Takeovers Code.

Vesting of Awards granted under the Scheme is subject to:

1. the applicable vesting conditions set forth in the Award Notice; and
2. any customs, requirements, conditions or obligations (whether or not set forth in the Award Notice or the Scheme Rules) relating to the grant or vesting of any Awarded Shares under any applicable laws, rules or regulations.

Performance targets

The Board or the Board Committee may, at its discretion, impose any conditions (including performance targets, if any) that must be satisfied before the Awarded Shares may vest. The performance targets may be based on (i) the Group’s performance appraisal; and (ii) the individual performance appraisal of Selected Participants. Both may include a range of key performance indicators. The Group’s Performance appraisal shall be assessed annually or cumulatively over a specified period based on pre-determined targets, historical or current performance or absolute or relative benchmarks against industry performance, as determined and approved by the Board or the Board Committee. Performance targets may include, but are not limited to, revenue, profit (before or after income tax), cash flow (before or after dividends), earnings per share, market capitalization or economic value added, return

LETTER FROM THE BOARD

on assets, return on equity, return on investment, share price, return on shareholders' equity, cost reductions (including expense management), customer satisfaction metrics, product quality metrics, research and development milestones, productivity, and operating margins and performance, and such other targets as the Board may determine from time to time. For the avoidance of doubt, the performance targets are not applicable to independent non-executive Directors.

Lapse of Award and clawback mechanism

Unless the Directors or the Board Committee otherwise determined and provided in the Award Notice, the Directors have the authority to provide that any Awarded Shares shall be subject to a clawback if any of the following events shall occur during the relevant vesting period:

1. the date of the commencement of liquidation of the Company;
2. the date on which any compromise or arrangement between the Company and its Shareholders or creditors in relation to a scheme of reconstruction or amalgamation becomes effective; or
3. the Selected Participant is summarily dismissed by any member of the Group, Related Entity; the Selected Participant or his/her connected person is in breach of any contract with any member of the Group or is in any legal dispute with the Group (as determined at the sole discretion of the Board or the Board Committee); or
4. the Selected Participant resigns without completing the resignation procedures with the Company in accordance with applicable laws, regulations, and the Company's internal management rules and regulations; or
5. the Selected Participant has been convicted of a criminal offence involving integrity or honesty; or
6. the Selected Participant is charged with, convicted of or held liable for an offence under the relevant securities laws in Hong Kong or any other applicable laws or regulations in force from time to time; or
7. the Selected Participant, without approval from the relevant authority of the Company, transfers, pledges, or otherwise disposes of the Awarded Shares held; or
8. the Selected Participant engages in other conduct that seriously harms the interests or reputation of the Group,

then the Board or the Board Committee may make a determination at its absolute discretion that: (A) any Awards issued to that grantee shall automatically lapse forthwith, and the relevant Awarded Shares (including the related income, if

LETTER FROM THE BOARD

necessary) shall not vest on the relevant vesting date but shall be treated as Returned Shares and remain part of the trust fund under the Trust. Such Selected Participant shall have no right or claim against the Company, any other member of the Group, the Board, the Trust or the Trustee or with respect to those or any other Shares or any right thereto or interest therein in any way, regardless of whether such Awards have vested or not, (B) with respect to any Awarded Shares issued or transferred to that grantee, (i) where such Awarded Shares are subject to clawback and have not yet vested, the grantee shall be required to transfer back to the Company or its nominee the equivalent number of Shares, and the Company shall refund the Grant Price (if any) to the grantee; (ii) where such Awarded Shares are subject to clawback and have already vested, the Board or the Board Committee may, at its sole and absolute discretion and having regard to the circumstances, require the grantee to transfer back to the Company or its nominee any of the following: (1) the exact number of vested Shares; (2) a cash amount equivalent to the value of the relevant Shares as at the Grant Date; (3) a cash amount equivalent to the value of the relevant Shares as at the relevant vesting date; (4) a cash amount equivalent to the value of the relevant Shares as at the date of clawback; or (5) any combination of (1) to (4) above; and (iii) in the case of serious misconduct, the Company may also seek recovery of any losses suffered as a result, in accordance with applicable laws and regulations, and/or (C) with respect to any Awarded Shares held by the Trustee for the benefit of the grantee, those Awarded Shares shall no longer be held on trust for nor inure to the benefit of the grantee. For the avoidance of doubt, the clawback mechanism above applies regardless of whether such Awards have vested or not.

Unless the Directors or the Board Committee otherwise determined and provided in the Award Notice, the Directors have the authority to provide that any Awarded Shares (if such Awarded Shares are unvested) shall be subject to a clawback if any of the following events shall occur during the relevant vesting period:

1. the Selected Participant, being an Employee Participant, ceases to be an Employee Participant under any of the following circumstances: resignation, mutual termination of the employment contract, non-renewal of the employment contract upon expiration, or termination of the employment relationship initiated by the Company without fault on the part of the Employee Participant and reached through mutual agreement; or
2. the subsidiary in which the Selected Participant is employed as an Employee Participant ceases to be a subsidiary of the Company (or a member of the Group); or
3. if the Selected Participant fails to deliver the vesting document (as defined in the Trust Deed) to the Trustee within the prescribed period, the Awarded Shares shall cease to vest (or shall not be deemed to vest, as applicable); or
4. the Selected Participant passes away, is declared deceased or declared missing; or

LETTER FROM THE BOARD

5. the Selected Participant is adjudicated by a court as a person with no or limited capacity for civil conduct; or
6. the Selected Participant retires on a normal retirement date or on an earlier retirement date (with the prior written consent of the Group); or
7. if the Selected Participant is certified by the municipal Labor Competency Appraisal Committee (in the locality where their social insurance is registered) as having a Grade 1 to Grade 6 disability due to a work-related injury or occupational disease; or if the Selected Participant's employment relationship with the Group is terminated due to complete or substantial loss of working capacity (not resulting from a work-related injury or illness), as certified by the aforementioned committee, thereby rendering he/her a non-qualified person; or
8. if force majeure or emergencies render the continued implementation of the Scheme legally or factually impossible, or if the fundamental purpose of the Scheme is frustrated; or
9. other circumstances where the labor contract or employment contract between the Company or a member of the Group and the Selected Participant cannot be performed due to material changes in the objective economic conditions upon which such contract was originally concluded,

then the Board or the Board Committee may make a determination at its absolute discretion that: (A) in the event that such Awarded Shares are unvested, any Awards issued to that grantee shall immediately and automatically lapse forthwith, and the relevant Awarded Shares (including the related income, if necessary) shall not vest on the relevant vesting date but shall be treated as Returned Shares and remain part of the trust fund under the Trust. Such Selected Participant shall have no right or claim against the Company, any other member of the Group, the Board, the Trust or the Trustee or with respect to those or any other Shares or any right thereto or interest therein in any way, (B) with respect to any Awarded Shares issued or transferred to that grantee, the grantee shall be required to transfer back to the Company or its nominee the equivalent number of Shares, (C) the Company shall refund the Grant Price (if any) to the grantee, and/or (D) with respect to any Awarded Shares held by the Trustee for the benefit of the grantee, those Awarded Shares shall no longer be held on trust for nor inure to the benefit of the grantee. For the avoidance of doubt, the clawback mechanism above applies only to unvested Awarded Shares.

The Returned Shares shall be held by the Trustee exclusively for the benefit of the Selected Participant who shall be determined at the sole discretion of, and selected in writing by, the Board or the Committee from time to time. Such Returned Shares shall become an integral part of the Shares Pool.

LETTER FROM THE BOARD

Voting right

The Trustee shall not exercise any voting right and power attached to any Shares held upon Trust, including but not limited to the Awarded Shares, the Returned Shares, any bonus shares and dividend shares.

Transferability and other rights

Any Award granted but not yet vested under the Scheme shall belong to the Selected Participant and shall not be transferable. The Selected Participant shall not sell, transfer, charge, pledge, encumber or create any benefit in favor of any other person upon any unvested Awarded Shares in any manner whatsoever, or enter into any agreement to dispose the unvested Awarded Shares so granted.

The H Shares allocated and issued to the Selected Participant upon the vesting of the Award, shall rank *pari passu* in all aspects with other fully-paid H Shares in issue as at the date of issue. They shall also carry the same rights, including voting right, dividend entitlements, right to transfer or other rights attached to other fully-paid H Shares, including such rights arising upon the liquidation of the Company.

Consolidation and subdivision

If the Company conducts a capitalization issue, rights issue, share consolidation or subdivision or reduction of the Company's share capital (each an "**Adjustment Event**"), the Selected Participant shall be entitled to receive the same percentage (rounded down to the nearest whole number) of such Awarded Shares as such Selected Participant was entitled to immediately prior to such Adjustment Event. The Board or the Committee shall, as soon as reasonably practicable after the occurrence of such Adjustment Event, notify such Selected Participant of any adjustment to the number of Awarded Shares to which such Selected Participant shall be entitled upon vesting after such Adjustment Event, provided that:

1. no such adjustment shall be made in the case of H Shares issued at less than their par value;
2. in respect of any adjustment (other than an adjustment in relation to a capitalization issue), the auditors or the independent financial adviser of the Company must confirm in writing to the Directors that the adjustment complies with the relevant requirements of the Listing Rules; and
3. any such adjustment shall be made in compliance with the Listing Rules and such applicable rules, codes, guidance notes and/or interpretation of the Listing Rules (including but not limited to the supplementary guidance as set out in Appendix 1 to the Frequently Asked Questions FAQ13 — No.1–20 issued by the Stock Exchange) from time to time promulgated by the Stock Exchange.

LETTER FROM THE BOARD

For the avoidance of doubt, the issuance of the Group's shares or other securities as consideration in the Transaction would not constitute an Adjustment Event.

Black-out period

No Awarded Shares shall be granted by the Company to a Selected Participant who is a Director in any of the following circumstances:

1. Any Director who has obtained unannounced inside information concerning the Company or its securities and is prohibited from dealing in any securities of the Company in accordance with any code or requirement of the Listing Rules and all applicable laws from time to time;
2. the publication date of the annual results announcement of the Company under the Listing Rules and during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
3. the publication date of the interim results announcement of the Company under the Listing Rules and during the period of 30 days immediately preceding the publication date of the interim results or, if shorter, the period from the end of the half-year period up to the publication date of the results, until the date of publication of the relevant inside information announcement or results announcement.

Each grant of Awarded Shares to a Director shall be subject to the prior approval of the Remuneration Committee or, in the case of a proposed grant of Awarded Shares to any member of the Remuneration Committee, subject to the approval of all other members of the Remuneration Committee.

Additionally, the Company shall not grant any Awarded Shares after becoming aware of inside information until (and including) the Trading Day following the announcement of such information. In particular, the Company shall not grant any Awarded Shares during the period commencing one (1) month immediately prior to the earlier of:

1. the date of the Board meeting (as first notified to the Stock Exchange under the Listing Rules) for approving the Company's results for any year, half-year period, or any other interim period (whether or not required under the Listing Rules); and
2. the deadline for the Company to announce its results for any year, half-year period, or any other interim period under the Listing Rules (whether or not required under the Listing Rules),

until the date of the results announcement.

LETTER FROM THE BOARD

Amendment or termination

The Board or the Committee may amend any aspect of the Share Award Scheme by resolution, provided that the relevant provisions as set out in the Listing Rules and the Scheme Rules are complied with.

Without exceeding the Scheme Mandate Limit, the Share Award Scheme may be amended or supplemented in any aspect with the approval by a resolution of the Board, provided that:

1. any material amendment to the terms and conditions of the Share Award Scheme or any amendment to the provisions relating to the matters set out in Rule 17.03 of the Listing Rules in favour of the grantees shall be approved by the Shareholders in general meeting;
2. any alteration to the terms of Awards granted to the grantees shall be approved by the Board of the Company, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of such Awards were approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders of the Company (as the case may be). This requirement does not apply where the alterations take effect automatically under the existing terms of the Scheme;
3. the amended terms of the Share Award Scheme or the Awards shall still comply with the relevant requirements under Chapter 17 of the Listing Rules; and
4. any change to the authority of the Directors or the Committee in relation to any amendment to the terms of the Share Award Scheme shall be approved by the Shareholders in general meeting.

Any amendments or supplements to the Share Award Scheme shall be notified to the Trustee and all Selected Participants in writing.

The Share Award Scheme shall terminate on the earlier of: (i) the tenth (10th) anniversary of the Adoption Date; or (ii) the date of early termination as determined by the Board or the Committee (provided that such termination shall not affect any subsisting rights of any Selected Participants).

LETTER FROM THE BOARD

After the termination of the Share Award Scheme (whether by early termination or expiration of the Scheme period), the Company will not, and shall not, grant any Awarded Shares and will notify the Trustee in writing. All Awarded Shares granted to Selected Participants under the Share Award Scheme will remain valid. The Awarded Shares that are not yet vested will be vested in the Selected Participants in accordance with the conditions (such Awarded Shares have not been vested in the Selected Participants through the transfer of the Awarded Shares held upon Trust and the trust funds).

Furthermore, the Trustee shall not transfer any H Shares to the Company under any circumstances upon the termination of the Share Award Scheme.

Fees

The Company shall bear the costs for the establishment and management of the Share Award Scheme. Other expenses, including but not limited to transaction levies, brokerage commissions, taxes, or expenses of any nature payable by Selected Participants or the Trustee in connection to the sale, purchase, vesting, or transfer of any H Shares under the Share Award Scheme, shall be borne by the Selected Participants.

Reasons for and Benefits of the Adoption of the Share Award Scheme

Please refer to the paragraph headed “2. Proposed adoption of the Share Award Scheme” in the Letter from the Board of this circular. The Directors are of the view that the adoption of the Share Award Scheme will realise the aforesaid purpose, and that the Scheme Rules are on normal commercial terms and are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

General

None of the Directors is a trustee of the Share Award Scheme or has a direct or indirect interest in any trustee of the Share Award Scheme. Upon adoption of the Share Award Scheme, the Company shall enter the Trust Deed to appoint a trustee to administer the Share Award Scheme. The trustee shall be a third party independent of the Company and not connected with any of its connected persons (as defined in the Listing Rules). The Share Award Scheme may be subject to amendments in order to comply with any requirements of regulatory authorities.

LETTER FROM THE BOARD

Pursuant to the Note to Rule 17.03(2) of the Listing Rules, the Board has sought legal advice on the prospectus requirements of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) in relation to the proposed adoption of the Share Award Scheme, and understands that the adoption of the Share Award Scheme and the grant of Awards under the Scheme as well as the grant of the Awarded Shares would not constitute an offer to public. Accordingly, the prospectus requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) are not applicable.

A summary of the principal rules of the Share Award Scheme is set out in the Appendix to this circular. A copy of the Share Award Scheme will be made available for inspection at the EGM.

Applications will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the H Shares which may be issued in respect of all Awarded Shares to be granted under the Share Award Scheme.

As at the Latest Practicable Date, to the best of the Directors' knowledge having made all reasonable enquiries, no Shareholder had any material interest in the proposed adoption of the Share Award Scheme. Accordingly, no Shareholder is required to abstain from voting on the resolutions in relation thereto.

3. PROPOSED MANDATE TO THE BOARD AND/OR THE COMMITTEE TO HANDLE MATTERS PERTAINING TO THE SHARE AWARD SCHEME

In order to ensure the successful implementation of the Scheme, the Board proposed that, subject to the approval of the Scheme at the EGM, the Shareholders also grant a mandate to the Board and/or the Committee to handle matters pertaining to the Share Award Scheme with full authority, including but not limited to, the following powers:

- (a) to construe and interpret the Scheme Rules and the terms of the Award granted under the Scheme;
- (b) to supervise the daily management of the Scheme;
- (c) to make or vary such arrangements, guidelines, procedures and/or regulations for the administration, interpretation, implementation and operation of the Scheme, provided that they are not inconsistent with the Scheme Rules;
- (d) to determine how the vesting of the Awarded Shares will be settled pursuant to the Scheme Rules;

LETTER FROM THE BOARD

- (e) to determine the basis of eligibility of any Eligible Person for the grant of Awards from time to time on the basis of their contribution to the development and growth of the Group or such other factors deemed appropriate;
- (f) to grant Awards to those Eligible Persons whom it shall select from time to time;
- (g) to determine the terms and conditions of the Awards and determine whether the vesting conditions are met;
- (h) to establish and administer performance targets in respect of the Scheme;
- (i) to approve from time to time the form of the Award Notice and vesting notice;
- (j) to exercise any authority as may be granted by the Shareholders from time to time;
- (k) to determine the execution, amendment and termination of the Scheme and obtain any approvals from the Shareholders in general meeting as required by the Scheme Rules and/or the laws, regulations, or relevant regulatory authorities for such amendments;
- (l) to engage bank(s), broker(s), trustee(s), accountant(s), legal adviser(s), consultant(s) and other professional institutions for the purpose of the Scheme; and
- (m) to sign, execute, amend and terminate documents (including the Trust Deed) relating to the Scheme and take such other steps or actions to give effect to the terms and intent of the Scheme Rules.

The above mandate to the Board and/or the Committee shall be valid for the period during which the Scheme remains valid.

4. EGM AND POLL PROCEDURE

A notice of the EGM to be held at the office of the Company at Hangu Road and Jingshan Road Intersection, Lingbao City, Henan Province, the PRC at 9:00 a.m. on Tuesday, 5 August 2025 is enclosed with this circular. Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Therefore, all the resolutions set out in the notice of the EGM shall be voted by poll. Votes may be given either personally or by proxy. The results of the poll will be published on the websites of the Stock Exchange and the Company.

LETTER FROM THE BOARD

A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM in person, you are requested to complete and return the form of proxy (as applicable) 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 of the EGM or any adjournment thereof. In order to be valid, the proxy form must be deposited by hand or by post to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (in the case of holders of H Shares) or to the Company's registered office at Hangu Road and Jingshan Road Intersection, Lingbao City, Henan Province, the PRC (in the case of holders of Domestic Shares). If the proxy form is signed by a person under a power of attorney or other authority, a notarially certified copy of that power of attorney or authority shall be deposited at the same time as mentioned in the proxy form. 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 if you so wish.

5. CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining the entitlement of the Shareholders to attend and vote at the EGM, the H Share register of members of the Company will be closed from Thursday, 31 July 2025 to Tuesday, 5 August 2025, both days inclusive, during which period no transfer of H Shares will be registered. In order to qualify for attending and voting at the EGM, all H Share transfer documents, together with the relevant share certificates, must be lodged with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 30 July 2025. The record date for the attending and voting at the EGM is Tuesday, 5 August 2025.

6. FURTHER INFORMATION

Your attention is drawn to the additional information set out in the Appendix (Share Award Scheme Rules) to this circular. The English translation of the rules of the Share Award Scheme is for reference only. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

LETTER FROM THE BOARD

Upon further consideration by the Board, the Board proposes to further amend the terms relating to the lapse of Award and clawback mechanism under the Share Award Scheme as disclosed in the Company's announcement dated 5 September 2024. The details of such further amendments are set out as follows:

<u>Terms as set out in the announcement dated 5 September 2024</u>	<u>Terms as further amended</u>
<p>Scheme mandate limit</p> <p>Without Shareholders' approval, the Company shall not grant any Awarded Shares if it would result in the scheme mandate limit exceeding 10% of the total number of issued H Shares as at the Adoption Date, i.e. 67,650,096 Shares.</p> <p>Lapse of Award and clawback mechanism</p> <p>All Awarded Shares granted but not vested will lapse and be cancelled forthwith, and such Awarded Shares shall not vest as at their respective vesting date and shall become the Returned Shares under the Scheme in the event of certain circumstances stipulated in the Share Award Scheme, unless the Board or the Committee has otherwise determined that such Awarded Shares shall not be deemed to have lapsed. For instance, such circumstances include commencement of liquidation of the Company; and in case of an individual Selected Participant, failure of the Selected Participant to deliver the vesting document under the Trust Deed to the Trustee within the required period; termination of employment of the Selected Participant due to dishonesty or serious misconduct, actions that adversely affect the reputation of the Group and malpractice; immediate dismissal or conviction of any criminal offence relating to his/her integrity or honesty; or being determined to be ineligible to participate in the Share Award Scheme upon the resolution of the Board or the Committee (each a "Lapse Event"). In addition, all fractional shares in relation to the Awarded Shares of the Selected Participant arising from allocation or consolidation shall become Returned Shares under the Scheme.</p> <p>The Returned Shares shall be held by the Trustee exclusively for the benefit of the Selected Participant who shall be determined at the sole discretion of, and selected in writing by, the Board or the Committee from time to time. Such Returned Shares shall become an integral part of the Shares Pool.</p>	<p>Scheme mandate limit</p> <p>Without Shareholders' approval, the Company shall not grant any Awarded Shares if it would result in the scheme mandate limit <u>(excluding Awarded Shares lapsed under the Scheme)</u> exceeding <u>5%10%</u> of the total number of issued H Shares in issue (excluding treasury Shares) as at the Adoption Date, i.e. 67,650,096 Shares.</p> <p>Lapse of Award and clawback mechanism</p> <p><u>Unless the Directors or the Board Committee otherwise determined and provided in the Award Notice, the Directors have the authority to provide that any Awarded Shares shall be subject to a clawback if any of the following events shall occur during the relevant vesting period:</u></p> <ol style="list-style-type: none"> <u>1. the date of the commencement of liquidation of the Company;</u> <u>2. the date on which any compromise or arrangement between the Company and its Shareholders or creditors in relation to a scheme of reconstruction or amalgamation becomes effective; or</u> <u>3. and in case of an individual the Selected Participant, failure of the Selected Participant to deliver is summarily dismissed by any member of the Group or Related Entity; the Selected Participant or his/her connected person is in breach of any contract with any member of the Group or is involved in any legal dispute with the Group (as determined at the sole direction of the Board or the Board Committee); For the avoidance of doubt, the clawback mechanism above applies only to unvested Awarded Shares.</u>

LETTER FROM THE BOARD

<u>Terms as set out in the announcement dated 5 September 2024</u>	<u>Terms as further amended</u>
	<p>4. <u>the Selected Participant resigns without completing the resignation procedures with the Company in accordance with applicable laws, regulations, and the Company's internal management rules and regulations; or</u></p> <p>5. <u>the vesting document under the Trust Deed to the Trustee within the required period; termination of employment of the Selected Participant has been convicted of a criminal offence involving his/her integrity or honesty; or due to dishonesty or serious misconduct, actions that adversely affect the reputation of the Group and malpractice; immediate dismissal or conviction of any criminal offence relating to his/her integrity or honesty; or being determined to be ineligible to participate in the Share Award Scheme upon the resolution of the Board or the Committee (each a "Lapse Event").</u></p> <p>6. <u>the Selected Participant is charged with, convicted of or held liable for an offence under the relevant securities laws in Hong Kong or any other applicable laws or regulations in force from time to time; or</u></p> <p>7. <u>the Selected Participant, without approval from the relevant authority of the Company, transfers, pledges, or otherwise disposes of the Awarded Shares held; or</u></p> <p>8. <u>the Selected Participant engages in other conducts that seriously harms the interests or reputation of the Group,</u></p>

LETTER FROM THE BOARD

<u>Terms as set out in the announcement dated 5 September 2024</u>	<u>Terms as further amended</u>
	<p>then the Board or the Board Committee may make a determination at its absolute discretion that: (A) any Awards issued to that grantee shall automatically lapse forthwith, and the relevant Awarded Shares (including the related income, if necessary) shall not vest on the relevant vesting date but shall be treated as Returned Shares and remain part of the trust fund under the Trust. Such Selected Participant shall have no right or claim against the Company, any other member of the Group, the Board, the Trust or the Trustee or with respect to those or any other Shares or any right thereto or interest therein in any way, regardless of whether such Awards have vested or not, (B) with respect to any Awarded Shares issued or transferred to that grantee, (i) where such Awarded Shares are subject to clawback and have not yet vested, the grantee shall be required to transfer back to the Company or its nominee the equivalent number of Shares, and the Company shall refund the Grant Price (if any) to the grantee; (ii) where such Awarded Shares are subject to clawback and have already vested, the Board or the Board Committee may, at its sole and absolute discretion and having regard to the circumstances, require the grantee to transfer back to the Company or its nominee any of the following: (1) the exact number of vested Shares; (2) a cash amount equivalent to the value of the relevant Shares as at the Grant Date; (3) a cash amount equivalent to the value of the relevant Shares as at the relevant vesting date; (4) a cash amount equivalent to the value of the relevant Shares as at the date of clawback; or (5) any combination of (1) to (4) above; and (iii) in the case of serious misconduct, the Company may also seek recovery of any losses suffered as a result, in accordance with applicable laws and regulations, and/or (C) with respect to any Awarded Shares held by the Trustee for the benefit of the grantee, those Awarded Shares shall no longer be held on trust for nor inure to the benefit of the grantee. For the avoidance of doubt, the clawback above applies regardless of whether such Awards have vested or not.</p> <p>Unless the Directors or the Board Committee otherwise determined and provided in the Award Notice, the Directors have the authority to provide that any Awarded Shares (if such Awarded Shares are unvested) shall be subject to a clawback if any of the following events shall occur during the relevant vesting period:</p> <ol style="list-style-type: none"> the Selected Participant, being an Employee Participant, ceases to be an Employee Participant under any of the following circumstances: resignation, mutual termination of the employment contract, non-renewal of the employment contract upon expiration, or termination of the employment relationship initiated by the Company without fault on the part of the Employee Participant and reached through mutual agreement; or

LETTER FROM THE BOARD

<u>Terms as set out in the announcement dated 5 September 2024</u>	<u>Terms as further amended</u>
	<p><u>2.</u> the subsidiary in which the Selected Participant is employed as an Employee Participant ceases to be a subsidiary of the Company (or a member of the Group); or</p> <p><u>3.</u> if the Selected Participant fails to deliver the vesting document (as defined in the Trust Deed) to the Trustee within the prescribed period, the Awarded Shares shall cease to vest (or shall not be deemed to vest, as applicable); or</p> <p><u>4.</u> the Selected Participant passes away, is declared deceased or declared missing; or</p> <p><u>5.</u> the Selected Participant is adjudicated by a court as a person with no or limited capacity for civil conduct; or</p> <p><u>6.</u> the Selected Participant retires on a normal retirement date or on an earlier retirement date (with the prior written consent of the Group); or</p> <p><u>7.</u> if the Selected Participant is certified by the municipal Labor Competency Appraisal Committee (in the locality where their social insurance is registered) as having a Grade 1 to Grade 6 disability due to a work-related injury or occupational disease; or if the Selected Participant's employment relationship with the Group is terminated due to complete or substantial loss of working capacity (not resulting from a work-related injury or illness), as certified by the aforementioned committee, thereby rendering he/her a non-qualified person; or</p> <p><u>8.</u> if force majeure or emergencies render the continued implementation of the Scheme legally or factually impossible, or if the fundamental purpose of the Scheme is frustrated; or</p>

LETTER FROM THE BOARD

<u>Terms as set out in the announcement dated 5 September 2024</u>	<u>Terms as further amended</u>
	<p>9. <u>other circumstances where the labor contract or employment contract between the Company or a member of the Group and the Selected Participant cannot be performed due to material changes in the objective economic conditions upon which such contract was originally concluded,</u></p> <p><u>then the Board or the Board Committee may make a determination at its absolute discretion that: (A) in the event that such Awarded Shares are unvested, any Awards issued to that grantee shall immediately and automatically lapse forthwith, and the relevant Awarded Shares (including the related income, if necessary) shall not vest on the relevant vesting date but shall be treated as Returned Shares and remain part of the trust fund under the Trust. Such Selected Participant shall have no right or claim against the Company, any other member of the Group, the Board, the Trust or the Trustee or with respect to those or any other Shares or any right thereto or interest therein in any way, (B) with respect to any Awarded Shares issued or transferred to that grantee, the grantee shall be required to transfer back to the Company or its nominee the equivalent number of Shares, (C) the Company shall refund the Grant Price (if any) to the grantee, and/or (D) with respect to any Awarded Shares held by the Trustee for the benefit of the grantee, those Awarded Shares shall no longer be held on trust for nor inure to the benefit of the grantee. For the avoidance of doubt, the clawback mechanism above applies only to unvested Awarded Shares.</u></p>

LETTER FROM THE BOARD

7. RECOMMENDATION

The Board considers that the proposed adoption of the Share Award Scheme and the proposed delegation of authority to the Board and/or the Committee to handle matters pertaining to the Share Award Scheme are fair and reasonable and in the best interests of the Company and the Shareholders as a whole, and accordingly recommends all Shareholders to vote in favour of all the resolutions to be proposed at the EGM.

8. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

Yours faithfully,
By order of the Board
Lingbao Gold Group Company Ltd.
Chen Jianzheng
Chairman

The following is the full text of the rules of the Share Award Scheme, originally prepared in Chinese. The English translation of the rules of the Share Award Scheme is for reference only. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.



LINGJIN

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Lingbao Gold Group Company Ltd.

靈寶黃金集團股份有限公司

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

(H Shares Stock Code: 3330)

**RULES OF THE SHARE AWARD SCHEME OF
LINGBAO GOLD GROUP COMPANY LTD.**

CONTENTS

1	DEFINITIONS AND INTERPRETATION	34
2	OBJECTIVES	37
3	DURATION	37
4	ADMINISTRATION AND MANAGEMENT	38
5	OPERATION OF THE SCHEME	38
6	VESTING OF AWARDS	42
7	LAPSE OF AWARDS AND CLAWBACK MECHANISM	44
8	SCHEME MANDATE LIMIT	47
9	TRANSFERABILITY AND OTHER RIGHTS OF THE AWARDED SHARES	49
10	CHANGE OF CONTROL, CONSOLIDATION, SUBDIVISION, BONUS ISSUE AND OTHER DISTRIBUTIONS	50
11	CANCELLATION OF AWARDED SHARES	52
12	AMENDMENT	52
13	TERMINATION	53
14	DISPUTES	53
15	MISCELLANEOUS	54
16	GOVERNING LAW	55

LINGBAO GOLD GROUP COMPANY LTD.

SHARE AWARD SCHEME

1 DEFINITIONS AND INTERPRETATION

Unless the context otherwise requires, the following terms are defined herein as follows:

“Adoption Date”	the date on which the Scheme is approved and adopted at a general meeting of the Company;
“Board”	the board of Directors of the Company;
“Board Committee” or “Committee”	the committee, sub-committee, any Director(s) or person(s) from time to time delegated by the Board with the power and authority to administer the Share Award Scheme;
“Remuneration Committee”	the remuneration committee of the Board;
“Business Day” or “Trading Day”	any day on which Stock Exchange opens for trading of securities;
“Award(s)”	the Share award(s) made by the Board or the Board Committee to a Selected Participant in accordance with the terms of the Scheme Rules;
“Awarded Share(s)”	the Share(s) (restricted stock) awarded to a Selected Participant in accordance with the terms of the Scheme Rules, which shall become vested and outstanding only after the vesting conditions set forth in the plan have been met;
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules;
“core connected person(s)”	has the meaning ascribed thereto under the Listing Rules;
“associate(s)”	has the meaning ascribed thereto under the Listing Rules;
“close associate(s)”	has the meaning ascribed thereto under the Listing Rules;
“Company”	靈寶黃金集團股份有限公司 (Lingbao Gold Group Company Ltd.), a company incorporated in the PRC with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange with H Shares stock code 3330;

“Grant Date”	the date on which the Company grants the Awarded Shares to the Selected Participants, the grant date must be a Trading Day;
“Grant Price”	the amount payable on acceptance of the Awarded Share by a Selected Participant;
“Director(s)”	the director(s) of the Company;
“employee(s)”	employee(s) of the Company or its subsidiaries;
“Related Entity”	the holding companies, fellow subsidiaries or associated companies of the Company;
“Related Entity Participant(s)”	directors and employees of the holding companies, fellow subsidiaries or associated companies of the Company;
“Returned Shares”	such Awarded Shares and related income which are not vested and/or lapsed in accordance with the terms of the Scheme Rules;
“Group”	the Company and its subsidiaries;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange (as amended, supplemented or otherwise modified from time to time);
“Selected Participant(s)” or “Participant(s)”	Eligible Person(s) selected by the Board or the Board Committee for participating in the Scheme;
“Eligible Person(s)” or “Eligible Participant(s)”	any individual, being an Employee Participant or, a Related Entity Participant, provided that the Board or Board Committee shall have absolute discretion to determine whether or not one falls within the above categories;
“Employee Participant(s)”	directors (including the non-executive Directors and the independent non-executive Directors) and employees (whether full-time or part-time) of the Company or any of its subsidiaries (including persons who are granted shares or options under any share schemes as an inducement to enter into employment contracts with the Company or any of its subsidiaries);

“PRC”	the People’s Republic of China;
“Scheme” or “Share Award Scheme”	the rules of the Share Award Scheme (as amended from time to time);
“Scheme Mandate Limit”	the total number of Shares that may be issued pursuant to all Awards granted under the Scheme;
“Scheme Rules”	the rules governing the operation of the Award Scheme and the implementation procedures (as amended from time to time);
“Share(s)”	H shares of the Company or, if the shares of the Company have been subdivided, capital reduced, consolidated, reclassified or reorganized, the shares constituting the H shares of the Company;
“Shareholder(s)”	holder(s) of the Shares
“Shares Pool”	comprising the followings: <ol style="list-style-type: none">1. the Shares subscribed by the Trustee which are allotted or issued in accordance with Clause 5.5 below or otherwise contributed to the trust funds;2. any Shares irrevocably donated or transferred to the Trustee by persons recommended by the Company to be held by the Trustee upon Trust in accordance with and subject to the powers and provisions under the Trust Deed;3. the Shares as may be allotted or issued to the Trustee as a Shareholder which form part of the trust funds, whether by way of scrip dividend or otherwise; and4. the Returned Shares;
“subsidiary”	has the meaning ascribed thereto under the Listing Rules;
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs (as amended, supplemented or otherwise modified from time to time);
“treasury Shares”	has the meaning ascribed thereto under the Listing Rules;

“Award Notice”	the notice issued by the Company to each of the Selected Participant(s) in the form as determined by the Board and/or the Board Committee and/or authorised persons from time to time, setting out the criteria and conditions or term of the Awarded Shares and other terms and conditions as the Board and/or the Board Committee and/or authorised persons shall determine without prejudice to the Share Award Scheme;
“Trust”	the trust constituted by the Trust Deed;
“Trust Deed”	the trust deed to be entered into between the Company and the Trustee in respect of this Share Award Scheme (as restated, supplemented and amended from time to time);
“Trustee”	Vistra Trust (Hong Kong) Limited, or such other person for the time being duly appointed as trustee (or trustees) of the Trust; and
“%”	per cent.

2 OBJECTIVES

2.1 The objectives of the Scheme are to:

- a) provide incentives and rewards to Eligible Persons for their contribution;
- b) retain Eligible Persons to serve the Group for the continuous operation and development of the Group; and
- c) attract suitable persons for the further development of the Group.

2.2 The Board or the Board Committee may, at their sole and absolute discretion, invite any person belonging to any of the following classes of Eligible Persons on the basis of the Directors’ opinion as to their contribution to the development and growth of the Group to be granted Awarded Shares:

- a) any Employee Participants; and
- b) any Related Entity Participants.

3 DURATION

3.1 Unless terminated early by the Board or the Board Committee in accordance with the Scheme Rules, the Scheme shall be valid and effective for a period of ten (10) years from the Adoption Date, provided that no new Shares will be allotted or issued to the Trust by the Company on or after the tenth (10th) anniversary of the Adoption Date.

4 ADMINISTRATION AND MANAGEMENT

- 4.1 The Scheme shall be administered by the Board or the Board Committee and the Trustee in accordance with the terms of the Scheme Rules, the Trust Deed, and the Listing Rules.

5 OPERATION OF THE SCHEME**Conditions applicable to the grant and vesting of awards**

- 5.1 Subject to compliance with any customs, requirements, conditions or obligations prescribed by any applicable laws, rules or regulations in relation to the grant or vesting of any Awarded Shares, the grant or vesting of such Awarded Shares shall be subject to the full compliance with or satisfaction of all such customs, requirements, conditions or obligations, regardless of whether they are set out in the Award Notice or in the Scheme.

Participants

- 5.2 Participants under the Scheme may be any Eligible Persons.
- 5.3 In determining the criteria for the selection of any Employee Participants, the Directors will consider, among others: (i) his/her skills, knowledge, experience, expertise and other relevant personal qualities; (ii) his/her performance, time commitment, responsibilities or employment conditions and the prevailing market practice and industry standard; (iii) his/her contribution made or expected to be made to the growth of the Group and the positive impacts which he/she may bring to the Group's business and development; (iv) his/her educational and professional qualifications, and knowledge in the industry; and (v) whether granting Awards to him/her is an appropriate incentive to motivate him/her to continue to contribute towards the betterment of the Group.

- 5.4 In determining the criteria for the selection of any Related Entity Participants, the Directors will consider all relevant factors as appropriate, including, among others (i) the positive impacts (including support, assistance, guidance, advice, efforts and/or contributions) expected from the Related Entity Participant on the Group's business development in terms of an increase in revenue or profits, an addition of expertise to the Group and/or other aspects in support of the development and growth of the Group's business with reference to the historical positive impacts brought by such Related Entity Participant (including the provision of certain advisory services, consultancy services and/or other professional services to the Group, either in respect of the Group's principal business or in respect of areas which are commercially appropriate and necessary); (ii) the actual degree of involvement in and/or cooperation with the Group and length of collaborative relationship the Related Entity Participant has established with the Group via his/her role and position held with the Related Entity; (iii) the number, scale and nature of the projects which promote the business, development and growth of the Group in which the Related Entity Participant is involved; (iv) whether the Related Entity Participant has referred or introduced opportunities to the Group which have materialised into further business relationships; (v) whether the Related Entity Participant has assisted the Group in tapping into new markets and/or increased its market share; and (vi) the materiality and nature of the business relation between the Related Entity of which the Related Entity Participant holds office or position on the one hand and the Group on the other hand, and the Related Entity Participant's contribution in such Related Entity which may benefit the core business of the Group through a collaborative relationship.

Operation

- 5.5 Subject to the Scheme and the relevant Scheme Rules, the Company may issue and allot Shares to the Trustee under the Scheme Mandate Limit granted or to be granted by the Shareholders at general meetings from time to time (unless such issue and allotment of Shares has otherwise been approved by the Shareholders) for future awards, and such Shares will form part of the Shares Pool. The Trustee must hold and maintain the Shares Pool during the Trust period. A selected Participant shall be entitled to receive the Shares forming the Awards upon the satisfaction of all vesting conditions specified by the Board or the Board Committee at the time the Awards are made.
- 5.6 In the Scheme, any reference to new Shares shall include the treasury Shares, and any reference to the issue of new Shares shall include the transfer of treasury Shares.

Voting rights

- 5.7 The Trustee shall not exercise any voting right and power attached to any Shares held pursuant to the Trust, including but not limited to Awarded Shares, Returned Shares, any bonus shares and dividend shares.

Black-out period

- 5.8 In accordance with the Scheme, (i) any Director who possesses unannounced inside information concerning the Company or its securities and is prohibited from dealing in any securities of the Company under any code or requirement of the Listing Rules and all applicable laws from time to time; (ii) the publication date of the annual results announcement of the Company under the Listing Rules and during the period of 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and (iii) the publication date of the interim results announcement of the Company under the Listing Rules and during the period of 30 days immediately preceding the publication date of the interim results or, if shorter, the period from the end of the half-year period up to the publication date of the results, until the date of publication of the relevant inside information announcement or the results announcement, no Awarded Shares shall be granted to a Selected Participant who is a Director.
- 5.9 Each Awarded Share to be granted to a Director shall be subject to the prior approval of the Remuneration Committee of the Company or, in the case of a proposed grant of Awarded Shares to any member of the Remuneration Committee, subject to the approval of all other members of the Remuneration Committee.
- 5.10 The Company shall not grant any Awarded Shares after becoming aware of any inside information until (and including) the Trading Day following the announcement of such information. In particular, the Company shall not grant any Awarded Shares within one (1) month immediately prior to the earlier of:
- a) the date of the Board meeting (as first notified to the Stock Exchange under Rule 13.43 of the Listing Rules) for approving the Company's results for any year, half-year period, or any other interim period (whether or not required under the Listing Rules); and
 - b) the deadline for the Company to announce its results for any year, half-year period, or any other interim period under Rule 13.49(1) or 13.49(6) of the Listing Rules (whether or not required under the Listing Rules),
- until the date of the results announcement.

Grant Date

- 5.11 The Grant Date shall be determined by the Board after the Scheme is considered and approved by the Shareholders in the general meeting of the Company, and the Grant Date must be a Trading Day.

Grant Price

- 5.12 Subject to the relevant powers of the Board, the Board Committee, or the person authorized by the Board under Clause 5.13, the Grant Price for the Awarded Shares under the Scheme shall be RMB1 per Awarded Share, which represents the amount payable on acceptance of the Awarded Shares.
- 5.13 For the avoidance of doubt, the Board, the Board Committee, or the person authorized by the Board shall have the right to determine the Grant Price for the Awarded Shares by reference to the above Grant Price or otherwise consider and decide based on the implementation of the grant of the Awarded Shares.

Grant of Awards to a Selected Participant

- 5.14 Once the Board has resolved to grant Awarded Shares to any Selected Participant, the Board shall procure the Company and the Eligible Participant to execute a written instrument (the “**Award Notice**”), which sets out details of the Awarded Shares granted and any applicable conditions (if any, including but not limited to such performance targets as may be determined by the Board from time to time). Upon due execution of the Award Notice by the Company and the relevant Eligible Participant, and upon payment of the Grant Price (if any) by the relevant Eligible Participant to the Company, the Awarded Shares will be deemed granted to and accepted by the Eligible Participant, who shall then become the Selected Participant. The Board shall, within 10 Business Days after the Award Notice is duly executed by the Company and the Selected Participant, notify the Trustee in writing of the terms and conditions of such grant (including without limitation the name of the Selected Participant, details of the grant of the Awarded Shares, vesting schedule and conditions (if any)).
- 5.15 If an Eligible Participant fails to execute the Award Notice within 10 Business Days after the Grant Date, the Awarded Shares shall be treated as lapsed and shall remain as part of the Trust. Such Eligible Participant shall have no right or claim against the Company, any other member of the Group, the Board, the Trust or the Trustee in respect of those or any other H Shares, or any rights or interests therein.
- 5.16 The grant of the Awarded Shares shall be satisfied by the Company issuing and allotting new H shares to the Trustee within the Scheme Mandate Limit granted by Shareholders at the general meeting.

6 VESTING OF AWARDS**Vesting period**

- 6.1 The Board or the Board Committee or persons authorized by the Board may determine the vesting criteria, conditions or periods of the Awards to be vested under the Scheme in accordance with all applicable laws at the time of grant and as set out in the Award Notice, provided that such vesting period shall not be less than twelve (12) months.
- 6.2 Save as provided in Clause 7 and unless otherwise specified in the Award Notice or other documents approved by the Board or persons authorized by it, the vesting of Awarded Shares shall follow the vesting schedule below. The specific commencement dates and durations of each vesting period, as well as the actual vesting amount of Awards granted to Selected Participants for each period, shall be specified in the Award Notice approved by the Board or persons authorized by it.

Vesting arrangement	Timing of the vesting	Upper limit of the vesting ratio
Lock-up period	Commencing on the first Business Day after the Grant Date and ending on the last Business Day of the 12-month period from the Grant Date	0%
First vesting period	Commencing on the first Business Day after the 12-month period from the Grant Date and ending on the last Business Day of the 24-month period from the Grant Date	33%
Second vesting period	Commencing on the first Business Day after the 24-month period from the Grant Date and ending on the last Business Day of the 36-month period from the Grant Date	33%
Third vesting period	Commencing on the first Business Day after the 36-month period from the Grant Date and ending on the last Business Day of the 48-month period from the Grant Date	34%

- 6.3 The Board or the Board Committee (and the Remuneration Committee in the cases of Awarded Shares granted to Directors and/or senior management) may, in its sole discretion, determine that Awarded Shares granted to Employee Participants shall be subject to a shorter vesting period in the following circumstances: (i) grants of Awarded Shares to new joiners to replace the share awards or options forfeited when leaving their previous employers; (ii) grants made in batches during a year for administrative or compliance reasons, which include Awarded Shares that would have been granted earlier but for such reasons and were instead included in a subsequent batch. In such cases, the vesting period may be shortened to reflect the time from which the Awarded Shares would have originally been granted; (iii) grants subject to performance-based vesting conditions provided under the Scheme or as specified in the Award Notice in lieu of time-based vesting criteria; and (iv) grants with a total vesting and holding period exceeding twelve months.

Performance targets

- 6.4 The Board or the Board Committee may, at its discretion, impose any conditions (including performance targets, if any) that must be satisfied before the Awarded Shares may vest. The performance targets may be based on (i) the Group's performance appraisal; and (ii) the individual performance appraisal of Selected Participants. Both may include a range of key performance indicators.
- 6.5 Performance appraisal of the Group shall be assessed annually or cumulatively over a specified period based on pre-determined targets, historical or current performance or absolute or relative benchmarks against industry performance, as determined and approved by the Board or the Board Committee. Performance targets may include, but are not limited to, revenue, profit (before or after income tax), cash flow (before or after dividends), earnings per share, market value or economic value added, return on assets, return on equity, return on investment, share price, return on shareholders' equity, cost reductions (including expense management), customer satisfaction metrics, product quality metrics, research and development milestones, productivity and operating margins and results, and other targets as the Board may from time to time determine. Performance appraisal of individual Selected Participant will be conducted in accordance with the performance appraisal criteria determined by the Group. The Board or the Board Committee 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 before the vesting of relevant Awards if there is a change in circumstances, provided that any such adjustments shall be less onerous than the original targets and are considered fair and reasonable by the Board or the Board Committee. For the avoidance of doubt, the performance targets are not applicable to independent non-executive Directors.

- 6.6 The vesting rate of the Awarded Shares applicable to a Selected Participant for each vesting period is based on the Group's performance appraisal in conjunction with the individual performance appraisal of the Selected Participant. The formula for calculating the performance targets and the number of Shares that will vest must be set out in the Award Notice issued to the Selected Participant.

7 LAPSE OF AWARDS AND CLAWBACK MECHANISM

- 7.1 Unless the Directors or the Board Committee otherwise determined and provided in the Award Notice, the Directors have the authority to provide that any Awarded Shares shall be subject to a clawback if any of the following events shall occur during the relevant vesting period:

- a) the date of the commencement of liquidation of the Company; or
- b) the date on which any compromise or arrangement between the Company and its Shareholders or creditors in relation to a scheme of reconstruction or amalgamation becomes effective; or
- c) the Selected Participant is summarily dismissed by any member of the Group or Related Entity; the Selected Participant or his/her associate is in breach of any contract with any member of the Group or is involved in any legal dispute with the Group (as determined at the sole discretion of the Board or the Board Committee); or
- d) the Selected Participant resigns without completing the resignation procedures with the Company in accordance with laws, regulations, and the Company's internal management rules and regulations; or
- e) the Selected Participant has been convicted of a criminal offence involving integrity or honesty; or
- f) the Selected Participant is charged with, convicted of or held liable for an offence under the relevant securities laws in Hong Kong or any other applicable laws or regulations in force from time to time; or
- g) the Selected Participant, without approval from the relevant authority of the Company, transfers, pledges, or otherwise disposes of the Awarded Shares held; or
- h) the Selected Participant engages in other conduct that seriously harms the interests or reputation of the Group,

then the Board or the Board Committee may make a determination at its absolute discretion that: (A) any Awards issued to that grantee shall automatically lapse forthwith, and the relevant Awarded Shares (including the related income, if necessary) shall not vest on the relevant vesting date but shall be treated as Returned Shares and remain part of the trust fund under the Trust. Such

Participant shall have no right or claim against the Company, any other member of the Group, the Board, the Trust or the Trustee or with respect to those or any other Shares or any right thereto or interest therein in any way, regardless of whether such Awards have vested or not, (B) with respect to any Awarded Shares issued or transferred to that grantee, (i) where such Awarded Shares are subject to clawback and have not yet vested, the grantee shall be required to transfer back to the Company or its nominee the equivalent number of Shares, and the Company shall refund the Grant Price (if any) to the grantee; (ii) where such Awarded Shares are subject to clawback and have already vested, the Board or the Board Committee may, at its sole and absolute discretion and having regard to the circumstances, require the grantee to transfer back to the Company or its nominee any of the following: (1) the exact number of vested Shares; (2) a cash amount equivalent to the value of the relevant Shares as at the Grant Date; (3) a cash amount equivalent to the value of the relevant Shares as at the relevant vesting date; (4) a cash amount equivalent to the value of the relevant Shares as at the date of clawback; or (5) any combination of (1) to (4) above; and (iii) in the case of serious misconduct, the Company may also seek recovery of any losses suffered as a result, in accordance with applicable laws and regulations, and/or (C) with respect to any Awarded Shares held by the Trustee for the benefit of the grantee, those Awarded Shares shall no longer be held on trust for nor inure to the benefit of the grantee. For the avoidance of doubt, the clawback mechanism pursuant to this Clause 7.1 applies regardless of whether such Awards have vested or not.

7.2 Unless the Directors or the Board Committee otherwise determined and provided in the Award Notice, the Directors have the authority to provide that any Awarded Shares (if such Awarded Shares are unvested) shall be subject to a clawback if any of the following events shall occur during the relevant vesting period:

- a) the Selected Participant, being an Employee Participant, ceases to be an Employee Participant under any of the following circumstances: resignation, mutual termination of the employment contract, non-renewal of the employment contract upon expiration, or termination of the employment relationship initiated by the Company without fault on the part of the Employee Participant and reached through mutual agreement; or
- b) the subsidiary in which the Selected Participant is employed as an Employee Participant ceases to be a subsidiary of the Company (or a member of the Group); or
- c) if the Selected Participant fails to deliver the vesting document (as defined in the Trust Deed) to the Trustee within the prescribed period, the Awarded Shares shall cease to vest (or shall not be deemed to vest, as applicable); or
- d) the Selected Participant passes away, is declared deceased or declared missing; or

- e) the Selected Participant is adjudicated by a court as a person with no or limited capacity for civil conduct; or
- f) the Selected Participant retires on a normal retirement date or on an earlier retirement date (with the prior written consent of the Group); or
- g) if the Selected Participant is certified by the municipal Labor Competency Appraisal Committee (in the locality where their social insurance is registered) as having a Grade 1 to Grade 6 disability due to a work-related injury or occupational disease; or if the Selected Participant's employment relationship with the Group is terminated due to complete or substantial loss of working capacity (not resulting from a work-related injury or illness), as certified by the aforementioned committee, thereby rendering he/her a non-qualified person; or
- h) if force majeure or emergencies render the continued implementation of the Scheme legally or factually impossible, or if the fundamental purpose of the Scheme is frustrated; or
- i) other circumstances where the labor contract or employment contract between the Company or a member of the Group and the Selected Participant cannot be performed due to material changes in the objective economic conditions upon which such contract was originally concluded,

then the Board or the Board Committee may make a determination at its absolute discretion that: (A) in the event that such Awarded Shares are unvested, any Awards issued to that grantee shall immediately and automatically lapse forthwith, and the relevant Awarded Shares (including the related income, if necessary) shall not vest on the relevant vesting date but shall be treated as Returned Shares and remain part of the trust fund under the Trust. Such Participant shall have no right or claim against the Company, any other member of the Group, the Board, the Trust or the Trustee or with respect to those or any other Shares or any right thereto or interest therein in any way, (B) with respect to any Awarded Shares issued or transferred to that grantee, the grantee shall be required to transfer back to the Company or its nominee the equivalent number of Shares, (C) the Company shall refund the Grant Price (if any) to the grantee, and/or (D) with respect to any Awarded Shares held by the Trustee for the benefit of the grantee, those Awarded Shares shall no longer be held on trust for nor inure to the benefit of the grantee. For the avoidance of doubt, the clawback mechanism pursuant to this Clause 7.2 applies only to unvested Awarded Shares.

8 SCHEME MANDATE LIMIT

- 8.1 The Company shall not grant any further Awarded Shares without Shareholders' approval to the extent that it would result in the Scheme Mandate Limit (excluding the Awarded Shares lapsed under the Scheme) to exceed 5% of the H Shares issued (excluding treasury Shares) of the Company as at the Adoption Date.

Refreshment of the limits

- 8.2 The Company may seek approval of the Shareholders in general meeting to refresh the Scheme Mandate Limit after three (3) years from the Adoption Date or the date of approval of the subsequent refreshment of limits (for which purpose, the Company shall despatch a circular to the shareholders of the Company containing the information required under the Listing Rules).
- 8.3 Pursuant to the requirements under the Listing Rules, any refreshment of the Scheme Mandate Limit within any three (3)-year period shall be approved by Shareholders, and any controlling Shareholders and their associates (or if there is no controlling Shareholder, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates) shall abstain from voting in favour of the relevant resolution at the general meeting of the Company.
- 8.4 The Company may seek separate approval by its Shareholders in general meeting for granting Awarded Shares beyond the Scheme Mandate Limit or the refreshed Scheme Mandate Limit to the Eligible Participant specially identified by the Company before such approval is sought. In such case, the Company shall despatch a circular to its Shareholders containing a general description of the specific Eligible Participants, the number and terms of the Awards to be granted, the purpose for which the Awards are to be granted to the specific Eligible Participants and an explanation of how the terms of the Awards will fulfil such purpose, as well as such other information and the information required pursuant to Rule 17.02(2)(d) of the Listing Rules.

Selected Participant limit

- 8.5 The total number of Awarded Shares or any share awards or share options granted to a Selected Participant under the Scheme, or any other share scheme (including the new share option scheme) of the Company, in any twelve (12)-month period shall not exceed 1% of the total number of H Shares (excluding treasury Shares) in issue of the Company from time to time. Where any grant of Awards to a Selected Participant would result in the Awards granted (excluding any awards lapsed in accordance with the terms of the Scheme) in the twelve (12)-month period up to and including the date of such grant representing in aggregate over 1% of the total number of H Shares in issue of the Company (excluding treasury Shares), such grant must be separately approved by shareholders of the Company in general meeting with such Selected Participant

and his/her close associates (or associates if the participant is a connected person) abstaining from voting. The Company must despatch a circular to the Shareholders. The circular must disclose the identity of the Selected Participant, the number and terms of the Awards to be granted (and those previously granted to such Selected Participant in the twelve (12)-month period), the purpose of granting Awards to the Selected Participant and an explanation as to how the terms of the Awards serve such purpose. The number and terms of the Awards to be granted to such Selected Participant must be fixed before Shareholders' approval.

Limit of director, chief executive or substantial shareholder of the Company, or any of their respective associates

- 8.6 Any grant of Awards to a Director, chief executive or substantial shareholder of the Company, or any of their respective associates under the Scheme, must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of Awarded Shares).
- 8.7 Where any grant of Awards (excluding the grant of options) to a Director (other than an independent non-executive Director) or chief executive of the Company, or any of their associates would result in the Shares issued and to be issued under all Awards granted (excluding any Awards lapsed in accordance with the terms of the Scheme) to such person in the twelve (12)-month period up to and including the date of such grant, representing in aggregate over 0.1% of the number of H Shares in issue of the Company (excluding treasury shares), such further grant of Awards must be approved by the shareholders of the Company in general meeting in the manner set out in Rule 17.04(4) of the Listing Rules.
- 8.8 Where any grant of options or 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 under all options and Awards granted (excluding any Awards lapsed in accordance with the terms of the Scheme) to such person in the twelve (12)-month period up to and including the date of such grant, representing in aggregate over 0.1% of the number of H Shares in issue of the Company (excluding treasury shares), such further grant of options or Awards must be approved by the shareholders of the Company in general meeting in the manner set out in Rule 17.04(4) of the Listing Rules.
- 8.9 In the event of any of the circumstances set out in Rule 8.7 or 8.8 above, the Company is required to despatch a circular to its Shareholders and comply with the relevant requirements of the Listing Rules in relation to general meetings. The grantees, his/her associates and all core connected persons of the Company must abstain from voting at such general meeting. The Company must also comply with the requirements under Rules 13.40, 13.41 and 13.42 of the Listing Rules.

9 TRANSFERABILITY AND OTHER RIGHTS OF THE AWARDED SHARES

- 9.1 No Selected Participant is entitled to any interest or right in Awarded Shares prior to the vesting of such Awards.

Transferability

- 9.2 Any Award granted but not yet vested under the Scheme shall belong to the Selected Participant and shall not be transferable. No Selected Participant shall sell, transfer, charge, pledge, encumber or create any benefit in favor of any other person upon any Awards in any manner whatsoever, or enter into any agreement for disposal.
- 9.3 Any actual or purported breach of the foregoing shall entitle the Company to cancel any outstanding Award, or part thereof, granted to such Selected Participant. For this purpose, a determination from the Board, the Board Committee or other person authorized by the Board, as to whether the Selected Participant has breached any of the foregoing shall be final and conclusive.

Equity interest

- 9.4 The Shares allotted and issued to the Selected Participant upon the vesting of the Award, shall rank *pari passu* in all respects with other fully-paid Shares in issue as at the date of vesting. They shall also carry the same rights, including voting right, dividend entitlements, right to transfer and other rights attached to other fully-paid H Shares, including such rights arising upon the liquidation of the Company.

Right of first refusal

- 9.5 Where a Selected Participant intends to sell any of his/her Awarded Shares that are actually vested and transferred to the Selected Participant, the Selected Participant shall first notify the Board or the Board Committee and submit a relevant request. Provided that it complies with the in compliance with the applicable laws, rules or regulations (including but not limited to the Listing Rules and the Takeovers Code), the Group shall have the right to instruct the Trustee, in accordance with the relevant procedures set out in the Trust Deed, to exercise its right of first refusal over such Awarded Shares that have been vested and transferred to the Selected Participant.

10 CHANGE OF CONTROL, CONSOLIDATION, SUBDIVISION, BONUS ISSUE AND OTHER DISTRIBUTIONS

Change of control

10.1 In the event that a takeover offer is made to all holders of the Shares of the Company (or to all holders other than the offeror, any person controlled by the offeror and all holders acting with or in concert with the offeror) by way of takeover, merger, debt settlement arrangement, share repurchase or otherwise resulting in a change of control of the Company, and the offer becomes or is declared unconditional before the Awarded Shares vest in the Selected Participant (i.e. all conditions that the transaction is subject to have been satisfied), (i) in the case that the date when such change of control event becomes or is declared unconditional is no less than twelve (12) months from the date of grant of the relevant Awards, all such Awards granted shall immediately vest on the date when such change of control event becomes or is declared unconditional; or (ii) in the case that the date when such change of control event becomes or is declared unconditional is less than twelve (12) months from the date of grant of the relevant Awards, all such Awards shall automatically lapse. For the purposes of this Scheme, “control” has the meaning as set out in the Takeovers Code.

Consolidation and subdivision

10.2 If the Company conducts a capitalization issue, rights issue, share consolidation or subdivision or reduction of the Company’s share capital (each an “**Adjustment Event**”), the Selected Participant shall be entitled to receive the same percentage (rounded down to the nearest whole number) of such Awarded Shares as such Selected Participant was entitled to immediately prior to such Adjustment Event. The Board or the Board Committee shall, as soon as reasonably practicable after the occurrence of such Adjustment Event, notify such Selected Participant of any adjustment to the number of Awarded Shares to which such Selected Participant shall be entitled upon vesting after such Adjustment Event, provided that:

- a) no such adjustment shall be made in the case of Shares issued at less than their par value;
- b) in respect of any adjustment (other than an adjustment in relation to capitalization issue), the auditors or the independent financial adviser of the Company must confirm in writing to the Directors that the adjustment complies with the relevant requirements of the Listing Rules; and
- c) any such adjustment shall be made in compliance with the Listing Rules and such applicable rules, codes, guidance notes and/or interpretation of the Listing Rules (including but not limited to the supplementary guidance as set out in Appendix 1 to the Frequently Asked Questions FAQ13 — No.1–20 issued by the Stock Exchange) from time to time promulgated by the Stock Exchange.

For the avoidance of doubt, the issue of Shares or other securities of the Group in consideration for any transaction will not be an Adjustment Event.

Rights issue and public offering

10.3 In the event of a public offering by the Company involving any Shares held directly or indirectly by the Trustee under the Scheme, the Trustee shall not subscribe for any new Shares. In the event of a rights issue by the Company, the Trustee shall properly sell, or procure the sale of, the outstanding equity interests allotted to him in the market. The net proceeds from the sale of such equity interests shall be used to fund the trust fund under the Trust established under the Trust Deed.

Bonus issue

10.4 In the event that the Company issues bonus warrants in respect of any Shares held directly or indirectly by the Trustee, the Trustee shall not subscribe for any new Shares by exercising any subscription rights attached to the bonus warrants. Instead, the Trustee shall sell, or procure the sale of, the bonus warrant issued and granted to him/her in the market. The net proceeds from the sale of such bonus warrants shall be held as part of the trust funds under the Trust established under the Trust Deed.

10.5 In the event that the Company undertakes to issue bonus shares, the bonus shares allotted in respect of any Shares held directly or indirectly by the Trustee shall be held as part of the trust funds of the Trust established under the Trust Deed.

Other distributions

10.6 Any underlying dividends of the unvested Awarded Shares shall be retained by the Trustee and transferred to the selected participant upon vesting together with the Awarded Shares. If the Awarded Shares are forfeited, such corresponding dividends shall be recovered and held by the Trust.

10.7 In the event that the Company undertakes to a scrip dividend scheme, the Trustee shall elect to accept the scrip shares, and the scrip shares allotted in respect of any Shares held directly or indirectly by the Trustee shall be held as part of the trust funds of the Trust established under the Trust Deed.

10.8 In the event that the Company makes other non-cash and non-scrip dividend distributions in respect of the Shares held in the Trust, the Trustee shall dispose of such distributions and the net proceeds from the sale thereof shall be treated as cash income from the Shares held as part of the trust funds of the Trust established under the Trust Deed.

11 CANCELLATION OF AWARDED SHARES

- 11.1 Subject to Clause 11.2, any unvested Awards granted may not be cancelled except with the prior written consent of the relevant Selected Participant of the Awards and the approval of the Board or the Board Committee.
- 11.2 Notwithstanding the provision in Clause 11.1, the Company shall be entitled to cancel any Awards granted but not vested in the event that a Selected Participant has transferred or assigned any Award granted to him/her or has sold, transferred, charged, mortgaged, encumbered or otherwise disposed of or created any security or adverse interest whatsoever in favour of any third party over or in relation to an Award or entered or purported to enter into any agreement to do so.
- 11.3 Where the Company cancels any unvested Award and grants new Award(s) to the same Selected Participant, the grant of such new Award(s) may only be made with available Scheme Mandate Limit. The Awards cancelled shall be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

12 AMENDMENT

- 12.1 The Board or the Board Committee may amend any aspect of the Scheme by resolution, provided that:
- a) any material amendment to the terms and conditions of the Scheme or any amendment to the provisions relating to the matters set out in Rule 17.03 of the Listing Rules in favour of the grantees shall be approved by the Shareholders in general meeting;
 - b) any alteration to the terms of Awards granted to the grantees shall be approved by the Board of the Company, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of such Awards were approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders of the Company (as the case may be). This requirement does not apply where the alterations take effect automatically under the existing terms of the Scheme;
 - c) the amended terms of the Scheme or the Awards shall still comply with the relevant requirements under Chapter 17 of the Listing Rules; and
 - d) any change to the authority of the Directors or the Board Committee in relation to any amendment to the terms of the Scheme shall be approved by the Shareholders in general meeting.

13 TERMINATION

- 13.1 The Scheme shall be terminated on the earlier of the tenth (10th) anniversary of the Adoption Date, or the date of early termination as determined by the Board or the Board Committee (provided that such termination shall not affect any subsisting rights of any Selected Participants). No further Awards shall be granted upon termination.
- 13.2 After the termination of the Scheme (whether by early termination or expiration of the Scheme period), the Company shall not grant other Awarded Shares and shall notify the Trustee such termination. All Awarded Shares granted to Selected Participants under the Scheme shall remain valid and will be vested in the Selected Participants in accordance with the terms and conditions of the Awards (such Awarded Shares have not been vested in the Selected Participants through the transfer of the Awarded Shares held upon Trust and the trust funds).
- 13.3 Upon receipt of the written notice of termination (regarding the termination of the Scheme or the termination of the Trust Period) from the Company, the Trustee shall, within ten Business Days of receipt of such notice of termination or such longer period as may be agreed from time to time between the Trustee and the Board, sell all Returned Shares and remaining non-cash proceeds, if any, of the Trust, and immediately remit the sale proceeds together with the remaining cash accumulated in the Trust (after deducting all applicable expenses in respect of such sale in accordance with the Trust Deed) to the Company after the sale.
- 13.4 For the avoidance of doubt, the Trustee shall not transfer any Shares to the Company under any circumstances after the termination of the Scheme.

14 DISPUTES

- 14.1 Any dispute, claim or matter arising out of and in connection with the Scheme, including but not limited to any dispute between the Participants and the Company or its subsidiaries in respect of the grant, vesting of or arising out of or in connection with the Awarded Shares, shall be resolved by negotiation. If no settlement is reached within 30 days of the commencement of negotiations, the dispute shall be subject to the exclusive jurisdiction of the PRC courts.

15 MISCELLANEOUS**Fees**

15.1 The Company shall bear the costs associated with the establishment and management of the Scheme. Other expenses, including but not limited to transaction levies, brokerage commissions, taxes, or expenses of any nature payable by Selected Participants or the Trustee in connection to the sale, purchase, vesting, or transfer of any Shares under the Scheme (the “**Excluded Expenses**”), shall be borne by the Selected Participants. Excluded Expenses may initially be paid by the trust funds of the Trust. If the trust funds do not have sufficient assets for the Trustee to cover the Excluded Expenses under the authority granted by the Trust Deed, the Company shall undertake to cover the shortfall. The Company may, in its sole discretion, notify the Selected Participant to reimburse the actual amount of the Excluded Expenses incurred or payable by the Trustee in connection with the vesting of the relevant Awarded Shares.

Not constituting an employment contract

15.2 The Scheme shall not form part of any employment or service contract (as the case may be) between the Company, its subsidiaries and any Participants, and the rights and obligations of any Participant during his/her term of office or the term of his/her employment or service contract (as applicable) shall not be affected by his/her participation in the Scheme or his/her entitlement to participate in the Scheme. The Scheme shall not confer upon any Participant any additional rights to compensation or damages in the event of termination of tenure or employment for any reason.

Notice

15.3 Any notice shall be given by facsimile, delivery or post to the registered office address of the Company at Hangu Road and Jingshan Road Intersection, Lingbao City, Henan Province, the PRC or such other address as the Board may designate from time to time, and shall take effect upon receipt of the notice.

15.4 Any notice or other communication served by post;

- a) if sent by the Company or the Trustee, shall be deemed to have been served 24 hours after it has been posted; and
- b) if sent by the participant or the Selected Participant, shall not be deemed to have been received until it has been received by the Company.

16 GOVERNING LAW

16.1 The Scheme and the Awarded Shares granted thereunder, including but not limited to any dispute between the Participants and the Company or its subsidiaries in respect of the grant, vesting of or arising out of or in connection with the Awarded Shares, shall be governed by and construed in accordance with the laws of the PRC.

NOTICE OF EXTRAORDINARY GENERAL MEETING

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LINGJIN

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Lingbao Gold Group Company Ltd.

靈寶黃金集團股份有限公司

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

(Stock Code: 3330)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an extraordinary general meeting (the “EGM”) of Lingbao Gold Group Company Ltd. (the “**Company**”) will be held at the office of the Company at Hangu Road and Jingshan Road Intersection, Lingbao City, Henan Province, the PRC on Tuesday, 5 August 2025 at 9:00 a.m. for the purposes of considering and, if thought fit, passing, with or without modifications, the following resolution of the Company:

SPECIAL RESOLUTIONS

1. “**THAT**

- (a) subject to and conditional upon the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal in, the new Shares to be allotted and issued in connection with the Share Awards granted under the terms and conditions of the Share Award Scheme of the Company (the “**Share Award Scheme**”) (the rules of which are contained in the document marked “A” produced to the EGM and initialed by the chairman of the EGM for the purpose of identification), the Share Award Scheme be and is hereby approved and adopted; and
- (b) the total number of Shares which may be issued pursuant to all options and awards to be granted under the Share Award Scheme and any other schemes of the Company must not in aggregate exceed 5% of the total number of H Shares in issue (excluding treasury Shares) as at the Adoption Date or the relevant date of approval of the refreshment of the Scheme Mandate Limit.

NOTICE OF EXTRAORDINARY GENERAL MEETING

2. **“THAT:**

Conditional upon resolution no. 1 above being passed, the Board and/or the Committee is hereby authorized to do all such acts and to enter into all such transactions, arrangements and agreements as they may in their absolute discretion consider necessary or expedient to implement the Share Award Scheme, including but not limited to:

- (a) to construe and interpret the Scheme Rules and the terms of the Award granted under the Scheme;
- (b) to supervise the daily management of the Scheme;
- (c) to make or vary such arrangements, guidelines, procedures and/or regulations for the administration, interpretation, implementation and operation of the Scheme, provided that they are not inconsistent with the Scheme Rules;
- (d) to determine how the vesting of the Awarded Shares will be settled pursuant to the Scheme Rules;
- (e) to determine the basis of eligibility of any Eligible Person for the grant of Awards from time to time on the basis of their contribution to the development and growth of the Group or such other factors deemed appropriate;
- (f) to grant Awards to those Eligible Persons whom it shall select from time to time;
- (g) to determine the terms and conditions of the Awards and determine whether the vesting conditions are met;
- (h) to establish and administer performance targets in respect of the Scheme;
- (i) to approve from time to time the form of the Award Notice and vesting notice;
- (j) to exercise any authority as may be granted by the Shareholders from time to time;
- (k) to determine the execution, amendment and termination of the Scheme and obtain any approvals from the Shareholders in general meeting as required by the Scheme Rules and/or the laws, regulations, or relevant regulatory authorities for such amendments;
- (l) to engage bank(s), broker(s), trustee(s), accountant(s), legal adviser(s), consultant(s) and other professional institutions for the purpose of the Scheme; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (m) to sign, execute, amend and terminate documents (including the Trust Deed) relating to the Scheme and take such other steps or actions to give effect to the terms and intent of the Scheme Rules.

By order of the board of
Lingbao Gold Group Company Ltd.
Chen Jianzheng
Chairman

Henan, the PRC

18 July 2025

NOTICE OF EXTRAORDINARY GENERAL MEETING

As at the date of this notice, the Board comprises five executive directors, namely Mr. Chen Jianzheng, Mr. Xing Jiangze, Mr. He Chengqun, Mr. Wu Liming and Ms. Zhao Li; two non-executive directors, namely Mr. Zhang Feihu and Mr. Wang Guanran; and four independent non-executive directors, namely Mr. Yeung Chi Tat, Mr. Tan Chong Huat, Mr. Bo Shao Chuan and Mr. Guo Michael Xinsheng.

Notes:

1. Pursuant to the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. As such, each of the resolutions set out in the notice of EGM will be voted by poll. An announcement on the voting results will be published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.lbgold.com) in accordance with the Listing Rules.
2. Any Shareholder entitled to attend and vote at the EGM convened by the above notice is entitled to appoint one or more proxies to attend and vote instead of him/her. A proxy need not be a Shareholder. Shareholders or their proxies shall produce their identity documents when attending the meeting.
3. The proxy form together with the notarised power of attorney or other documents of authorisation, if any, must be completed and returned to the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited (in case of H Shareholders) or registered office of the Company at Hangu Road and Jingshan Road Intersection, Lingbao City, Henan Province, the PRC (in case of Domestic Shareholders) not less than 24 hours before the time appointed for holding the EGM or any adjournment thereof. Computershare Hong Kong Investor Services Limited is located at 17M/F, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong. Completion and return of the proxy form will not preclude a Shareholder from attending and voting in person at the EGM or any adjournment thereof should he/she so wish.
4. The H Shares register of members of the Company will be closed, for the purpose of determining the entitlement of H Shareholders to attend the EGM, from Thursday, 31 July 2025 to Tuesday, 5 August 2025 (both days inclusive), during which period no transfer of H Shares will be registered. In order to attend the EGM, all share certificates, together with the relevant transfer documents, must be lodged by the H Shareholders for registration with the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, and not later than 4:30 p.m. on Wednesday, 30 July 2025. The record date for the attending and voting at the EGM is Tuesday, 5 August 2025.
5. Where there are joint holders of any Shares, the one whose name stands first in the register of members shall be entitled to attend and vote at the EGM in respect of such shares.
6. The EGM is expected to last for not more than one day. Eligible Shareholders (or their proxies) who attend the meeting shall bear their own travelling and accommodation expenses.
7. The address of the headquarter of the Company is:

Hangu Road and Jingshan Road Intersection Lingbao City
Henan Province The PRC

Tel: 86–398 886 0166
email: lbgold@lbgold.com