THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in doubt as to any aspect of this circular or the offers referred to herein, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant, or other professional adviser.

If you have sold or transferred all your shares in **Shanghai FourSemi Semiconductor Co., Ltd.**, you should at once hand this circular with the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the bank, the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

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Shanghai FourSemi Semiconductor Co., Ltd.
上海傅里葉半導體股份有限公司

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

(Stock Code: 3625)

(1) PROPOSED ADOPTION OF THE 2026 H SHARE INCENTIVE SCHEME; (2) PROPOSED AUTHORIZATION TO THE BOARD OF DIRECTORS AND/OR THE AUTHORIZED PERSON(S) TO HANDLE MATTERS RELATING TO THE 2026 H SHARE INCENTIVE SCHEME; AND (3) NOTICE OF THE 2026 FIRST EXTRAORDINARY GENERAL MEETING

Capitalised terms used in the lower portion of this cover page shall have the same respective meanings as those defined in the section headed "Definitions" of this circular.

A notice convening the EGM to be held on Tuesday, November 3, 2026 at 10:00 a.m. at Conference Room, 10/F, Building 1, No. 2007, Hongmei Road, Xuhui District, Shanghai, the PRC is set out on pages EGM-1 to EGM-2 to this circular, respectively. The form of proxy for use at the EGM are also enclosed herein. Such form of proxy is also published on the websites of the Stock Exchange (**www.hkexnews.hk**) and the Company (**www.foursemi.com**).

If you intend to appoint a proxy to attend the EGM, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon as soon as possible and in any event not less than 24 hours before the time appointed for holding the EGM (i.e. not later than 10:00 a.m. on Monday, November 2, 2026) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

October 13, 2026

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

"2026 H Share Incentive Scheme" or "the Scheme"	the proposed H share incentive scheme for the Eligible Persons
"Actual Selling Price"	according to the instruction, the cash value to be allocated and payable to the Grantees with respect to the Award Shares vested, at which corresponding relevant Target Shares with respect to the Award Shares vested are sold by the Trustee (net of brokerage, the Stock Exchange trading fee, SFC transaction levy, Accounting and Financial Reporting Council transaction levy, stamp duty and any other applicable costs) under the 2026 H Share Incentive Scheme
"Adoption Date"	the date on which the 2026 H Share Incentive Scheme is approved by the Shareholders at the EGM
"Articles of Association"	the articles of association of the Company, as amended, modified or otherwise supplemented from time to time
"Associates"	has the meaning ascribed thereto under the Listing Rules
"Authorized Person(s)"	a committee under the Board and/or person(s) authorized by the Board
"Award"	means an award granted to a Grantee by the Board and/or its Authorized Person(s) under the Scheme, which will vest in the form of Award Shares or a cash payment of the Actual Selling Price of the Award Shares in accordance with the terms of the Scheme
"Award Shares"	the award shares under the 2026 H Share Incentive Scheme
"Board"	the board of Directors of the Company
"China" or "PRC"	the People's Republic of China, and for the purposes of this circular only, excluding Hong Kong, Macau and Taiwan

"Company" or "our Company"	Shanghai FourSemi Semiconductor Co., Ltd. (上海傅里葉半導體股份有限公司), a joint stock company incorporated in the PRC with limited liability, the H Shares of which are listed on the Stock Exchange (stock code: 3625)
"Company Law"	the Company Law of the PRC
"Director(s)"	director(s) of the Company
"Domestic Share(s)"	ordinary Shares in the share capital of our Company with a nominal value of RMB1.00 each, which are subscribed for and paid up in RMB and are unlisted Shares not currently listed or traded on any stock exchange
"EGM" or "Extraordinary General Meeting"	the 2026 first extraordinary general meeting of the Company to be held on Tuesday, November 3, 2026 at 10:00 a.m. at Conference Room, 10/F, Building 1, No. 2007, Hongmei Road, Xuhui District, Shanghai, the PRC to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages EGM-1 to EGM-2 of this circular, or any adjournment thereof
"Eligible Person(s)"	for the 2026 H Share Incentive Scheme, including Employee Participants, Related Entity Participants and Service Providers

"Employee Participant(s)"	director(s) (excluding independent non-executive Director(s)), senior management, and employee(s) of our Company and/or any of its subsidiaries (employees shall mean persons who have entered into formal labour contracts or service contracts with a member of our Group and whose employment or service relationship with our Group is ongoing, provided that in the case of a service contract, such person serves in an executive or management capacity equivalent to an employee (including Executive Directors) and does not participate as a Service Provider (as defined below)), including persons who are granted awards under the 2026 H Share Incentive Scheme to facilitate their entering into employment contracts with such companies
"ESOP Platform(s)"	Shanghai FourSemi Management, Xiamen FourSemi Management and Xiamen FourSemi Chuangke, each being a limited partnership established in the PRC and controlled by Mr. Xu as the general partner
"Grant Date"	the date on which the Award Shares are granted to a Grantee, being the date of issuance of the Grant Letter
"Grant Letter"	a letter issued by the Company to each Grantee in such form as the Board and/or the Authorized Person(s) may from time to time determine, specifying the name of the Grantee, the number of Award Shares granted, the vesting criteria and conditions, the vesting date, the Purchase Price, the conditions for the lapse of Award Shares and such other terms and conditions to be determined by the Board and/or the Authorized Person(s) that are not inconsistent with the 2026 H Share Incentive Scheme
"Grantee(s)"	an Eligible Person who has been determined and selected by the Board and/or the Authorized Person(s) to participate in the 2026 Share Incentive Scheme and has been granted Award Shares
"Granted Shares"	means the H Shares granted to a Grantee as an Award

"Group"	the Company and its subsidiaries
"H Share(s)"	overseas-listed foreign shares in the share capital of our Company with nominal value of RMB1.00 each, which are traded in HK dollars and listed on the Stock Exchange
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Inside Information"	has the meaning ascribed to it under the SFO
"Latest Practicable Date"	October 9, 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular
"Listing Committee"	the listing committee of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange as amended, modified or otherwise supplemented from time to time
"Other Schemes"	all the schemes or arrangements involving the grant by the Company or any member of the Group of awards, options over Shares or other securities of the Company to, or for the benefit of, specified participants of such schemes or arrangements which, in the opinion of the Stock Exchange, is analogous to a share scheme as described in Chapter 17 of the Listing Rules, other than the Share Incentive Scheme (as the case may be). As at the Latest Practicable Date, the Company does not have any share schemes subject to the provisions of Chapter 17 of the Listing Rules
"Participant(s)"	the Employee Participants, Related Entity Participants and Service Providers

"Personal Representative(s)"	in case of the death, physical or mental disability or incapacity of a Grantee or other events which, in the opinion of the Board, deprive a Grantee of his capacity to act (other than in the case of insolvency, bankruptcy or liquidation of the Grantee), such person(s) recognised by the Company as the representative(s) to be assigned or vested with the consequence of such events by operation of law and subject to provision of such evidence as to his or her entitlement as may from time to time be required by and to the satisfaction of the Board and/or the Authorized Person(s)
"Purchase Price"	the grant price of each Target Share in relation to Award Shares, as determined by the Board (or any committee or person duly authorized by the Board) at the time of granting the Award Shares, details of which are set out in Appendix I — The 2026 H Share Incentive Scheme Rules — 6.10 Acceptance Price and Purchase Price
"Related Entity(ies)"	the holding company(ies), fellow subsidiary(ies) or associated company(ies) of the Company
"Related Entity Participant(s)"	the director(s) and employee(s) of the Company's holding companies, fellow subsidiaries or associated companies
"Remuneration Committee"	the remuneration and appraisal committee of the Board
"RMB"	Renminbi, the lawful currency of the PRC
"Scheme Funds"	has the meaning ascribed to it under "Sources of Funds" section of the 2026 H Share Incentive Scheme in this circular
"Scheme Limit"	has the meaning ascribed to it under "Scheme Limit" section of the 2026 H Share Incentive Scheme in this circular
"Scheme Period"	has the meaning ascribed to it under "Duration" section of the 2026 H Share Incentive Scheme in this circular

"Service Provider(s)"	refers to, subject to the rules of the 2026 H Share Incentive Scheme, an independent third party that provides professional services, advisory services, or other similar services to the Group in its ordinary course of business that are beneficial to its long-term development, but does not include placement agents, financial advisors who advise on fundraising, mergers or acquisitions, or professional service providers that provide assurance services or services that must be performed impartially and objectively, such as auditors or valuers
"Service Provider Sub-limit"	has the meaning ascribed to it under "Scheme Limit" section of the 2026 H Share Incentive Scheme in this circular
"SFO" or "Securities and Futures Ordinance"	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Shanghai FourSemi Management"	Shanghai FourSemi Management Consulting Partnership (Limited Partnership)* (上海傅里葉管理諮詢合夥企業(有限合夥)), an ESOP Platform
"Share(s)"	ordinary share(s) in the issued share capital of the Company with a nominal value of RMB1.00 each, comprising the unlisted share(s) and the H Share(s)
"Shareholder(s)"	holder(s) of the Share(s)
"Share Incentive Scheme Rules"	the rules of the 2026 H Share Incentive Scheme (in its present or any amended form), which are set out in the Appendix to this circular
"Stock Exchange"	the Stock Exchange of Hong Kong Limited
"Subsidiary"	has the meaning ascribed to it under the Listing Rules
"Target Share(s)"	H Share(s) of the Company involved in the 2026 H Share Incentive Scheme

"Treasury Shares"	has the meaning ascribed to it in the Listing Rules. For the purposes of the 2026 H Share Incentive Scheme, references to new H Share(s) shall include treasury shares listed on the Stock Exchange, and references to the issue of new H Share(s) shall include the transfer of treasury shares listed on the Stock Exchange
"Trust"	the trust established for the purpose of administering the 2026 H Share Incentive Scheme
"Trust Agreement(s)"	the trust management agreement(s) to be entered into between the Company and the Trustee pursuant to the 2026 H Share Incentive Scheme
"Trustee(s)"	the trustee(s) to be appointed by the Company for the purposes of the Trust (who shall be independent third-parties). No director is or shall be a trustee of the 2026 H Share Incentive Scheme, nor does any director hold any direct or indirect interest in the trustee(s) of the 2026 H Share Incentive Scheme (if any)
"Vesting Date"	means the date on which the Award Shares vest in the relevant Grantee as determined by the Board and/or the Authorized Person(s) from time to time in accordance with the 2026 Share Incentive Scheme and as set out in the relevant Grant Letter
"Vesting Window Period"	means the specific effective period from the date on which a Grantee satisfies all vesting conditions stipulated in the Scheme until the Vesting Date. Such period is generally six (6) months
"Xiamen FourSemi Chuangke"	Xiamen FourSemi Chuangke Enterprise Management Consulting Partnership (Limited Partnership)* (厦門傅里葉創科企業管理諮詢合夥企業(有限合夥)), an ESOP Platform
"Xiamen FourSemi Management"	Xiamen FourSemi Enterprise Management Consulting Partnership (Limited Partnership)* (厦門傅里葉企業管理諮詢合夥企業(有限合夥)), an ESOP Platform
"%"	per cent

* *for identification purposes only*

Shanghai FourSemi Semiconductor Co., Ltd.
上海傅里葉半導體股份有限公司

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

(Stock Code: 3625)

Executive Directors:
Mr. Xu Xiaolin *(Chairman)*
Mr. Liu Baoliang
Mr. Qian Shun
Ms. Yu Bingbing

Non-executive Directors:
Mr. Chen Binglin
Mr. Lin Enfeng

Independent Non-executive Directors:
Mr. Liu Hongcan
Ms. Liu Liping
Mr. Dai Xueguang

Registered Office and Headquarters in the PRC:
Room 303, Building 4
Second Street, Gangcheng Square
No. 11 Yunjuan Road, Lane 88
Lin-gang Special Area
China (Shanghai) Free Trade Pilot Zone

Principal place of business in Hong Kong:
46/F, Hopewell Centre
183 Queen's Road East
Wan Chai
Hong Kong

October 13, 2026

To the Shareholders,

Dear Sir or Madam,

(1) PROPOSED ADOPTION OF THE 2026 H SHARE INCENTIVE SCHEME;
(2) PROPOSED AUTHORIZATION TO THE BOARD OF DIRECTORS AND/OR THE AUTHORIZED PERSON(S) TO HANDLE MATTERS RELATING TO THE 2026 H SHARE INCENTIVE SCHEME;
AND
(3) NOTICE OF THE 2026 FIRST EXTRAORDINARY GENERAL MEETING

I. INTRODUCTION

The purpose of this circular is to provide you with the notice of the EGM to be held on Tuesday, November 3, 2026 and the details of the resolutions to be proposed to consider and approve at the EGM and provide all the information reasonably required to enable you to make an informed decision on whether to vote for or against or abstain from voting on those resolutions.

II. PROPOSED ADOPTION OF THE 2026 H SHARE INCENTIVE SCHEME

Reference is made to the announcement of the Company dated August 28, 2026 regarding the proposed adoption of the 2026 H Share Incentive Scheme. The H Share Award Scheme will constitute a share scheme involving issue of new shares under Chapter 17 of the Listing Rules and is therefore subject to the Shareholders' approval. Special resolutions will be proposed at the EGM to approve the H Share Award Scheme.

Prior to its listing on the Stock Exchange on March 31, 2026, the Company approved and established Shanghai FourSemi Management, Xiamen FourSemi Management and Xiamen FourSemi Chuangke as the Company's employee shareholding platforms, which is not subject to the provision of Chapter 17 of the Listing Rules. Shanghai FourSemi Management, Xiamen FourSemi Management and Xiamen FourSemi Chuangke are controlled by the same general partner, Mr. Xu. All of the underlying Shares under the employee stock ownership plan had already been issued to the Employee Shareholding Platforms and all the participants have been granted with relevant limited partnership interests in the Employee Shareholding Platforms pursuant to the employee stock ownership plan. For details, please refer to the Company's prospectus dated March 23, 2026. As of the Latest Practicable Date, save as disclosed above, the Company did not operate any share schemes governed under Chapter 17 of the Listing Rules and did not hold any treasury shares.

Reasons for adopting the 2026 Share Incentive Scheme post listing

Since the Listing, the Group has embarked on its next phase of strategic expansion, which requires attracting and retaining high-caliber talent to execute key growth initiatives. While existing cash-based compensation arrangements served the Company well in its pre-listing stage, the Board considers that relying exclusively on cash rewards is no longer sufficient or competitive in the current market. Cash incentives alone do not adequately align the long-term personal interests of key employees with the sustainable performance of the Group or the equity value created for Shareholders.

Adopting the 2026 Share Incentive Scheme pursuant to Chapter 17 of the Listing Rules allows the Group to leverage its status as a listed entity by offering equity-based incentives tied directly to the value of the Shares. The Scheme provides a flexible, long-term incentive structure designed to motivate key personnel, preserve cash resources for business development, and recruit top-tier talent essential for driving the Group's post-listing strategy and delivering long-term Shareholder value.

Maximum Number of new Shares to be issued under the 2026 Share Incentive Scheme

The maximum number of new Shares which may be issued and allotted under this Scheme of the Company, being 11,200,000 H Shares (representing approximately 10.00% of the total number of Shares in issue (excluding Treasury Shares) on the Adoption Date assuming that there is no change in the issued Shares during the period from the Latest Practicable Date to the Adoption Date). The Scheme Mandate Limit may be adjusted or refreshed from time to time in accordance with the Scheme Rules, subject to compliance with any Applicable Laws, rules and regulations. In any event, the total number of Shares which may be issued pursuant to all Awards to be granted under this Scheme and options and awards to be granted under any other share schemes of the Company shall not exceed 10% of the relevant class of Shares in issue (excluding Treasury Shares) on the Adoption Date.

Others

The implementation of the 2026 H Share Incentive Scheme is conditional upon the passing of a special resolution at the shareholders' general meeting to approve the adoption of the 2026 H Share Incentive Scheme, to authorize the Board and/or the Authorized Person(s) to grant Awards under the 2026 H Share Incentive Scheme and to handle matters related to the 2026 H Share Incentive Scheme, and the approval from the Stock Exchange for the listing of, and permission to deal in, any Shares which may be issued pursuant to all Awards proposed to be granted under the terms and conditions of the 2026 H Share Incentive Scheme.

Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares which may fall to be issued in respect of all Awards to be granted under the 2026 H Share Incentive Scheme. As at the Latest Practicable Date, the Company has no specific intention to grant any Awards under the 2026 H Share Incentive Scheme.

The Company has sought legal advice on the 2026 H Share Incentive Scheme and understands that although participants in the 2026 H Share Incentive Scheme are not limited to executives and employees of the Group, the adoption of the 2026 H Share Incentive Scheme does not constitute an offer to the public, and the prospectus requirements of the Companies (Winding Up and Miscellaneous Provision) Ordinance are not applicable.

Summary of the principal terms of the H Share Incentive Scheme

A summary of the principal terms of the 2026 H Share Incentive Scheme is set out in Appendix I to this circular. This serves as a summary of the terms of the 2026 H Share Incentive Scheme but does not constitute the full terms of the same.

1. Purposes of the 2026 H Share Incentive Scheme

The purposes of the 2026 H Share Incentive Scheme are: to promote the long-term sustainable development and achievement of performance targets of the Company; to attract and retain Eligible Persons who are important to the long-term growth and success of the Company, and to recognize and reward Eligible Persons for their past contributions to the Group; to closely align the interests of the Grantees with those of the Shareholders, investors and the Company, enhancing the Company's cohesion, and promote the maximization of the Company's value; and to improve the Company's long-term incentive mechanism.

2. Duration

Subject to any early termination as may be determined by the Board according to the Share Incentive Scheme Rules, the 2026 H Share Incentive Scheme shall be valid and effective for a period of ten (10) years commencing on the Adoption Date (i.e. the date on which the adoption of the 2026 H Share Incentive Scheme is approved by the Shareholders' general meeting) (the "**Scheme Period**"), after which no additional Award Shares shall be granted, if there are any Award Shares that are granted but unvested by the end of the 2026 H Share Incentive Scheme term, the 2026 H Share Incentive Scheme will be extended until such Award Shares have vested.

3. Sources of Funds

The sources of funds for funding the 2026 H Share Incentive Scheme are (i) drawn from the Company's own funds; (ii) cash income of the Trust; and/or (iii) the amount payable by the Grantee to the Company (or such other person as directed by the Board and/or the Authorized Person(s)) in accordance with the grant letter and/or the terms of the 2026 H Share Incentive Scheme (the contribution of which must be lawful remuneration and/or his/her lawful own funds)

to obtain the Award Shares. The Board and/or the Authorized Person(s) shall ensure that the Trustee obtains the necessary funds to establish the Trust, which funds shall be the sum of the following (the "**Award Scheme Funds**"):

(a) the amount for the purchase or acquisition of the Target Shares under the 2026 H Share Incentive Scheme or an equivalent amount as determined by the Board and/or the Authorized Person(s) in their sole discretion; and

(b) the relevant expenses for the purchase of the Target Shares (including the then brokerage fees, stamp duty, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee) and other necessary expenses required to complete the purchase of the Target Shares under the 2026 H Share Incentive Scheme.

The Board and/or the Authorized Person(s) may adjust the Award Scheme Funds from time to time in accordance with the trust deed.

4. Source of Target Shares

The source of the Target Shares under the 2026 H Share Incentive Scheme shall be: (i) H Shares acquired by the Trustee from the secondary market through on-market and/or off-market transactions at the prevailing market price using the Award Scheme Funds in accordance with the relevant trust deed, the instructions of the Company and the relevant provisions of the rules of the 2026 H Share Incentive Scheme; and/or (ii) new H Shares to be allotted and issued by the Company (for the avoidance of doubt, including the transfer of treasury shares), which shall rank pari passu in all respects with the fully paid-up Shares in issue on the date of allotment.

5. Scheme Limit

As at the Latest Practicable Date, there were 112,000,000 Shares in issue. Assuming that (a) no further Shares will be allotted, issued, repurchased or cancelled prior to the EGM and (b) the resolutions regarding the proposed adoption of the 2026 H Share Incentive Scheme with the relevant Scheme Limit are passed at the EGM, the maximum number of Shares that may be granted and issued under the 2026 H Share Incentive Scheme and other share award and/or share option schemes (if any) (the "**Scheme Mandate Limit**") shall be 10% of the total issued share capital of the Company as at the Adoption Date of the 2026 H Share Incentive Scheme (excluding any treasury shares), i.e. a maximum of 11,200,000 H Shares. Within the Scheme Mandate Limit, all Awards granted to Service Providers shall not exceed 1% of the total number of issued Shares (excluding any treasury shares) as at the Adoption Date, i.e. a maximum of 1,120,000 H Shares (the "**Service Provider Sub-limit**").

Basis of determination of the Service Provider Sub-limit

The Service Provider Sublimit was determined based on the maximum possible number of Shares that the Company intends to grant to Service Provider Participants and the Company's future business and development plans.

The Service Provider Sub-limit is determined by reference to (i) the purpose of the 2026 Share Incentive Scheme; (ii) the potential dilutive effect of using the Service Provider Sub-limit; and (iii) the business needs and plans of the Group for the use of Service Providers.

After considering the following factors, the Board (including the independent non-executive Directors) is of the view that the Service Provider limit is appropriate and reasonable: (i) the potential dilutive effect of grants to Service Providers; (ii) the importance of balancing the effective achievement of the objectives of the 2026 Share Incentive Scheme with the protection of Shareholders from the dilutive effect of granting a large number of Shares to Service Providers; (iii) the reasons and criteria for including Service Providers as Eligible Persons as described below; (iv) the ability and flexibility to provide equity incentives (rather than using cash or other financial resources) to incentivise and reward (aa) persons with expertise in their fields, (bb) persons who, due to the nature of the business, practice and/or other reasons, cannot be employees of the Group, but whose continuity and stability as Service Providers are important to the Group, and (cc) persons who may have contributed or will contribute to the Group; (v) the Company will, at its discretion, include additional grant and/or vesting conditions; and (vi) the Service Provider Sub-limit of 1% is consistent with prevailing market practice adopted by other companies listed on the Stock Exchange.

Maximum number of Shares to single Grantee without Shareholders' approval

Unless approved by the Shareholders as required under the Listing Rules, the total maximum number of Shares already issued or to be issued in respect of Award Shares or any share awards or share options (if any) granted to any single Grantee under the Scheme or any other share scheme of the Company in the 12-month period up to and including the date of grant of the relevant Award Shares shall not exceed 1% of the total number of issued Shares of the Company on the date of grant (excluding any treasury shares).

6. Eligible Persons and Grantees

Eligible Persons of the 2026 H Share Incentive Scheme include any Employee Participants, Related Entity Participants and Service Providers.

Employee Participants

When assessing the eligibility of an Employee Participant, the Board and/or the Authorized Person(s) will consider all relevant factors as applicable, including: (i) his/her skills, knowledge, experience, professional competence and other relevant personal qualities; (ii) his/her performance, time commitment, responsibilities or conditions of employment, as well as prevailing market practices and industry standards; (iii) his/her expected contribution to the Group's growth, with reference to his/her past contributions; and (iv) his/her educational and professional qualifications, and industry knowledge.

Related Entity Participants

When assessing the eligibility of a Related Entity Participant, the Board and/or the Authorized Person(s) will consider all relevant factors as applicable, including: (i) the expected positive impact of the Related Entity Participant on the Group's technology research and development, iteration or future commercialization work (including support, assistance, guidance, advice, efforts and/or contributions), with reference to the positive impact brought by the Related Entity Participant in the past; (ii) the extent to which the Related Entity Participant actually participates in and/or cooperates with the Group, and the duration of the cooperative relationship established with the Group through his/her duties and positions held at the Related Entity Participant; (iii) the number, scale and nature of projects in which the Related Entity Participant is involved that can promote the Group's business, research and development, and growth; (iv) whether the Related Entity Participant has referred or introduced opportunities to the Group (such as research collaborations, licensing, strategic alliances, new technology platforms or joint R&D ventures) that have materialized into further cooperative relationships; (v) whether the Related Entity Participant has assisted the Group in entering new research areas, accessing new scientific or technological platforms, or enhancing the Group's competitive position in its areas of focus; and (vi) the importance and nature of the business relationship between the Related Entity where the Related Entity Participant holds a duty or position and the Group, and the contribution that the Related Entity Participant can make at that Related Entity to benefit the Group's core R&D, innovation, or future commercialization through the cooperative relationship.

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

As a result, the Board (including independent non-executive Directors) consider that the proposed categories of and assessment criteria for the Related Entity Participants are in line with the purpose of the 2026 H Share Incentive Scheme, the Company's business needs and the industry norm. Through the grant of the Award Shares, such participants and the Group will have a common goal in the growth and development of the Group's business, and could participate in the future prospect of the Group and share the additional reward through their sustainable contribution, which is in the interest of the Company and the Shareholders as a whole.

Service Providers

Service Providers are persons who have been and continue to provide services to the Group in its ordinary course of business that are beneficial to its long-term development. Such persons provide professional services, consulting services or other similar services to the Group, the table below sets out the categories of service providers, their scope of services and contributions, and the additional criteria that the Board of Directors (including the independent non-executive Directors) and/or authorized persons will consider when assessing their eligibility:

Category	Contribution of Service Providers	Eligibility Criteria for Service Providers
(a) Suppliers, agents and product or service providers of any member of the Group	The scope of services of product or service providers: providing the following products or services to any member of the Group on a continuous or frequent basis in the ordinary and usual course of the Group's business: (i) technical services: technical consulting, patent technology licensing, technical training and support services; (ii) product manufacturing services: wafer production, chip packaging and testing, product testing and equipment supply; and (iii) consulting services: advisory and consulting services related to product manufacturing and sales, business strategy, human resources, marketing, corporate management. The Group believes that their services are highly professional, continuous, and strategically critical. The content and results of their work directly affect the competitiveness and innovation capability of the Group's products, and the recurring services they provide play a core role in maintaining the continuity of the Group's operations.	Namely, (i) operating in the integrated circuit design and sales, semiconductor manufacturing and packaging and testing, electronic products and equipment supply or related industries in which the Group operates from time to time; (ii) having business dealings with the Group on a regular or frequent basis under long-term or framework arrangements; and (iii) making significant and reliable contributions to the Group's business, such as improving operational efficiency, reducing procurement and manufacturing costs, increasing product yield rates and delivery reliability, supporting the Group's revenue and business growth through seamless supply chain solutions, or bringing tangible benefits and resulting business opportunities.

Category	Contribution of Service Providers	Eligibility Criteria for Service Providers
(b) Advisers (professional or otherwise) or consultants of any member of the Group	The scope of services of advisers or consultants: providing advisory, consulting or professional services in key areas of the Group's operation and development, namely technical R&D and process route optimisation, product and business strategy, human resources, marketing, corporate management, legal and compliance, finance and capital markets. The Group believes that their professional knowledge, skills and industry experience facilitate the continuous and steady development of the Group's business strategies and operations, and maximise its operational efficiency and decision-making quality.	Namely, (i) possessing professional knowledge, skills or experience in the industries in which the Group operates from time to time or in the relevant professional fields in which they provide services; (ii) maintaining a close and continuous cooperative relationship with the Group, or providing services to the Group on a regular or frequent basis under long-term or framework arrangements; and (iii) bringing long-term strategic value in assisting the Group to enhance its technical capabilities, operational efficiency, compliance level or industry competitiveness, such as through technological innovation, cost savings, regulatory navigation or enhancing industry competitiveness.
(c) Business partners (distributors and partners) of any member of the Group	The scope of services of business partners: (i) distribution and channel services: product distribution, dealer management, channel development, regional distributorship services; and (ii) customer relationship and after-sales services: customer relationship management, after-sales service support, customer training, technical maintenance, warranty services and customer satisfaction management services. Their services directly contribute to revenue growth and market share expansion, and their performance is highly correlated with the Group's long-term business results.	Namely, (i) operating in the distribution, channel or related industries for integrated circuit and semiconductor-related products or services in which the Group operates from time to time; (ii) having business dealings with the Group on a regular or frequent basis under long-term or framework arrangements; and (iii) making significant and reliable contributions to the Group's business, such as expanding market coverage, enhancing customer satisfaction and loyalty, improving delivery reliability, or supporting the Group's revenue, market share and brand growth.

Their services directly contribute to revenue growth and market share expansion, and their performance is highly correlated with the Group's long-term business results. Granting Awards to them helps to ensure the alignment of long-term interests between such Service Providers and the Company. The Board (including the independent non-executive Directors) believes that including them as Eligible Persons under the 2026 Share Incentive Scheme is fair and reasonable is in line with the business needs of the Company and industry practice. The proposed categories and eligibility criteria for the aforesaid Service Providers are in line with the purpose of the 2026 H Share Incentive Scheme to attract and retain persons who are important to the long-term growth and success of the Company, and are consistent with the long-term interests of the Group and all Shareholders for the following reasons:

(a) Service Providers have a sufficiently close relationship with, and are in a position to influence, the Group's business, reputation, operations and performance. Although the Group has paid service fees to such Service Providers for the services they provide, incentivising such participants through share-based awards will further align their interests with those of the Group and Shareholders and motivate them to contribute to the Group's long-term growth and success. The industry expertise, skills and/or network resources possessed by Service Providers are crucial for enhancing the Group's competitiveness and supporting its future business growth capabilities. Equity incentive can cultivate a sense of belonging and responsibility among Service Providers, motivating them to make greater contributions to the Company's success beyond the scope of their then-current contractual obligations. By granting the Company's equity interests to Service Providers, it not only enhances their loyalty but also incentivizes them to invest in service quality and innovation;

(b) Service Provider Participants fall within service provider sub-categories that the Company considers to be particularly important to the success of the Group's business and future development, in that they: (i) contribute to the Group's operations and business model through their expertise and services (for example, information technology support); and (ii) enable the Group to preserve its cash resources by allowing the Company to use share-based incentives, rather than cash remuneration, to attract talented individuals from outside the Group, while at the same time aligning their interests with those of the Group and Shareholders by granting them a proprietary interest in the Company;

(c) the scope of the eligible Service Providers is, to the best knowledge of the Directors, consistent with the practices of peer companies operating in similar or comparable industries to that of the Group and other companies listed on the Stock Exchange of Hong Kong, having regard to their respective remuneration and compensation arrangements.

The eligibility of each Service Provider under this category will be considered on a case-by-case basis, with reference to factors including (but not limited to): (a) their potential and/or actual contribution or importance to the Company; and (b) their importance to the Company's financial performance and business development, innovation and growth strategies.

In addition, when assessing whether a Service Provider provides services to the Company on an ongoing and continuous basis or on a recurring basis, the Board and/or the Authorized Person(s) will consider the following factors, including (i) the period and nature of the services provided by the Service Provider to the Group, and the recurring and regular nature of such products or services; (ii) the length of the past and/or expected engagement period of the Service Provider; and (iii) the purpose of engaging the Service Provider; and (iv) the importance of the Service Provider to the Group's business, and whether their contribution to the Group is significant and reliable.

Lapse of the Awards

If, on or before the Vesting Date, any of the following circumstances occurs causing a Grantee to cease to be an Eligible Person, the unvested Award Shares shall immediately and automatically lapse. For the avoidance of doubt, vested Award Shares (including, for the avoidance of doubt, Award Shares that have vested but in respect of which the underlying Shares have not yet been delivered to the Grantee as at the date the Grantee ceases to be an Eligible Person) shall not be affected by this Article 4.5 and, subject to compliance with relevant laws, regulations, rules and regulatory documents such as the PRC Company Law, the relevant regulatory rules of the place of incorporation and listing of the Company, and the Articles of Association, the Trustee shall continue to complete the payment to the Grantee in accordance with the relevant terms:

(i) Without prejudice to the circumstances listed in Article 4.6, the Grantee terminates the employment relationship with the Company and its subsidiaries, or ceases to provide services for any reason, other than where the Grantee is summarily dismissed for cause, misconduct or breach of the Grantee's employment or service terms, and if such termination occurs after the relevant Award Shares have vested but before delivery of the underlying Shares to the Grantee, such vesting shall not be affected or clawed back by reason of such termination;

(ii) The Grantee retires, becomes incapacitated or dies;

If, on or before the Vesting Date, any of the following circumstances occurs causing a Grantee to cease to be an Eligible Person, the unvested Award Shares shall immediately and automatically lapse, and any portion of vested Award Shares for which payment has not yet been completed by the Trustee to the Grantee shall automatically lapse. The identified circumstances are as follows:

(i) The Grantee violates the rules and regulations of the Group, the labor contract/service agreement and relevant documents or systems such as agreements on confidentiality, intellectual property ownership, non-competition and non-solicitation, or violates professional ethics;

(ii) The Grantee is guilty of serious dereliction of duty or malfeasance;

(iii) The Grantee discloses or infringes upon the trade secrets, technical secrets, or intellectual property rights of the Company and its subsidiaries;

(iv) The Grantee misappropriates funds, abuses power for personal gain, solicits or accepts bribes, defames, or otherwise damages the reputation or interests of the Company or its connected companies;

(v) The Grantee violates the Group's internal policies on anti-corruption and anti-commercial bribery, or engages in corruption or commercial bribery;

(vi) The Grantee engages in unfair competition or intentionally discredits the Group in public or other places, spreads remarks unfavorable to the Company or its connected companies, or slanders or defames the Group;

(vii) The Grantee violates laws and regulations and is penalized by state organs (including administrative detention) or is held criminally liable according to law; or

(viii) The Group suffers losses or adverse effects due to other faults or misconduct of the Grantee.

Clawback Mechanism

The Grantee agrees, undertakes and warrants that: if the Grantee ceases to be an Eligible Person after the Vesting Date due to any of the circumstances mentioned above, and if at that time there are any vested Award Shares for which payment has not yet been completed by the Trustee to the Grantee in accordance with Article 7.8 of Appendix I, the Grantee will voluntarily forfeit such corresponding Award Shares for which payment has not been completed. Such Award Shares shall be deemed to have lapsed but shall remain part of the trust. At the same time, the Grantee agrees, undertakes and warrants that if the Grantee ceases to be an Eligible Person after the Vesting Date due to any of the circumstances mentioned above and such event has a material adverse effect on the interests of the Group, the Board and/or the Authorized Person(s) shall have the right to require the Grantee to return all or part (as determined by the Board and/or the Authorized Person(s)) of the amount already paid to him/her.

The Board and/or the Authorized Person(s) may select any Eligible Person to be a Grantee of the 2026 H Share Incentive Scheme in accordance with the 2026 H Share Incentive Scheme Rules.

7. Administration of the 2026 H Share Incentive Scheme

The 2026 H Share Incentive Scheme shall be subject to the administration of the following administrative bodies:

(i) the shareholders' general meeting of the Company is the highest authority of the Company and is responsible for considering and approving the adoption of the 2026 H Share Incentive Scheme, while the Board of Directors of the Company is the executive management body of the 2026 H Share Incentive Scheme. The 2026 H Share Incentive Scheme shall be implemented after it has been considered and approved by the Board and then submitted to and approved by the shareholders' general meeting. The Board and/or the Authorized Person(s) may handle and implement all related matters of the 2026 H Share Incentive Scheme within the scope of authorization granted by the shareholders' general meeting;

(ii) the independent non-executive Directors shall supervise whether the 2026 H Share Incentive Scheme is conducive to the sustainable development of the Company, whether it is detrimental to the overall interests of the Company and its Shareholders, and whether the implementation of the 2026 H Share Incentive Scheme complies with relevant laws, regulations, regulatory documents and the relevant regulatory rules of the Company's places of incorporation and listing;

(iii) the Trust is established to serve the 2026 H Share Incentive Scheme. Pursuant to the relevant provisions of the trust deed and the instructions of the Company, the Trustee shall, in accordance with the terms of the 2026 H Share Incentive Scheme and the provisions of the trust deed, execute matters such as the vesting and sale of Granted Shares in accordance with the instructions given by the Board, the Authorized Person(s) and/or the Grantees (as applicable) through the Company.

(iv) Without prejudice to the general powers of administration of the Board, the Board may delegate its power to administer the 2026 H Share Incentive Scheme (including the power to grant Awards under the 2026 H Share Incentive Scheme) to its designated Authorized Person(s). The term of office, scope of authority and remuneration (if any) of the Authorized Person(s) shall be determined by the Board from time to time in its absolute discretion.

For the avoidance of doubt, the decision of the Board and/or the Authorized Person(s) shall be final and binding on all persons under the 2026 Share Incentive Scheme.

The Company would appoint the Trustee(s) and establish the Trust to facilitate the administration of the 2026 H Share Incentive Scheme.

8. Grant of Award Shares

Subject to the terms and conditions of the 2026 H Share Incentive Scheme, the Board and/or the Authorized Person(s) may, in their absolute discretion, grant Award Shares to any Eligible Person at a Purchase Price on such terms and conditions as they deem appropriate. The Grantees are not required to pay any consideration to the Company for accepting awards under the 2026 H Share Incentive Scheme. The Board and/or the Authorized Person(s) may, in their sole discretion, determine the purchase price of the Award Shares, including zero price, par value, the then market price or a discount to the then market price. and, if so, determine the amount of the Purchase Price after taking into account the practices of comparable companies and the effectiveness of the Scheme in attracting talent and incentivizing Grantees to contribute to the long-term development of the Group. The purchase price shall be paid by the Grantees upon the Vesting Window Period in accordance with the manner agreed under Article 7.7, and the amount of the purchase price shall be determined by the Board and/or the Authorized Person(s) and set out in the grant letter. The Board is of the view that the basis for determining the Purchase Price is consistent with the

purpose of the 2026 Share Incentive Scheme to encourage Eligible Persons to contribute to the long-term development and interests of the Company, and that imposing appropriate criteria on the Purchase Price will better align the interests of the Grantees with those of the Group.

Any grant of Award Shares to any Director, chief executive officer or substantial Shareholder of the Company (or any of their respective associates) by way of issuing new H Shares under the 2026 H Share Incentive Scheme shall be subject to the prior approval of the independent non-executive Directors of the Company (any independent non-executive Director who is a grantee of an Award shall not be counted). In addition:

(a) if any Award is granted to a Director (other than an independent non-executive Director) or chief executive officer of the Company or their respective associates by way of issuing new H Shares, which will result in the total number of new Shares issued and to be issued in respect of all Awards granted to such person under the 2026 H Share Incentive Scheme and other awards granted to such person under other share schemes (excluding any awards or other awards which have lapsed in accordance with the terms of the 2026 H Share Incentive Scheme or other share schemes) in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the total number of issued Shares (excluding any treasury shares), such further grant of Awards shall be subject to the approval of the Shareholders in a general meeting; or

(b) if an Award is granted to an independent non-executive Director, a substantial shareholder or their respective associates by way of issuing new H Shares, which will result in the total number of new Shares issued and to be issued in respect of all Awards granted to such person under the 2026 H Share Incentive Scheme and other share options (if any) and/or awards granted to such person under other share schemes (excluding any awards or share options (if any) which have lapsed in accordance with the terms of the 2026 H Share Incentive Scheme or other share schemes (as the case may be)) in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the total number of issued Shares (excluding any treasury shares), such further grant of Awards shall be subject to the approval of the Shareholders at a general meeting of the Company.

In the circumstances set out above, the Company shall issue a circular to the Shareholders. The selected Grantee, his/her associates and all core connected persons of the Company shall abstain from voting in favour at such general meeting.

Award Shares that have lapsed in accordance with the relevant provisions of Chapter IV or Article 7.5 of Appendix I or for any other reason may be re-granted at the absolute discretion of the Board and/or the Authorized Person(s).

After the Board and/or the Authorized Person(s) has decided to make a grant of Award Shares to any Grantee, the Company shall issue a Grant Letter to such Grantee, which shall set out details of the grant, including but not limited to the name of the Grantee, the number of Award Shares

granted, the vesting criteria and conditions, the vesting date, the Purchase Price and other terms and conditions as confirmed by the Board and/or the Authorized Person(s). The Grantee may accept the offer to grant the Award Shares in the manner set out in the grant letter, and the Grantee shall sign the grant letter online through the digital management system within five (5) business days from the date of the grant letter. Once signed, the Award Shares shall be deemed to have been granted from the date of the grant letter. Upon signing, the Grantee will become a participant in the 2026 H Share Incentive Scheme.

Subject to the rules of the 2026 H Share Incentive Scheme, the Listing Rules, in particular note (2) to Rule 17.03(18) of the Listing Rules, namely being subject to approval by the Board, the Remuneration and Appraisal Committee, the independent non-executive Directors and/or the shareholders of the Company (as the case may be) if the initial grant of the Awards was approved in such way, and the applicable laws and regulations, (i) the Board and/or the Authorized Person(s) shall have the right from time to time to impose any conditions as they may deem appropriate in their absolute discretion on the vesting of Award Shares to a Grantee (including the period of continued service to the Group after the grant date, performance assessment, performance appraisal, etc.), and shall notify the Trustee and the Grantee of the relevant vesting conditions of the Award Shares; and (ii) the Board and/or the Authorized Person(s) may in accordance with applicable laws and regulations and the Listing Rules (including Rule 17.03(18) of the Listing Rules), freely waive any vesting conditions contained in the grant letter. The performance targets applicable to performance-linked Awards may include the attainment of the Group's financial indicators and business plan milestones, and such targets may vary among different Grantees. The Board and/or the Authorized Person(s) shall conduct assessment by comparing the actual performance against the pre-agreed performance targets so as to determine whether and to what extent the relevant vesting targets have been satisfied. If the Board and/or the Authorized Person(s) determines that any prescribed performance targets have not been met, the relevant unvested Award Shares shall not vest in accordance with the 2026 H Share Incentive Scheme rules. Hence, the Board is of the view that this is appropriate and consistent with the purpose of the 2026 H Share Incentive Scheme.

9. Vesting of Award Shares

The Board and/or the Authorized Person(s) may, during the validity period of the 2026 H Share Incentive Scheme and subject to compliance with all applicable laws, rules and regulations, from time to time determine the vesting criteria and conditions and the vesting period for the Award Shares to be vested under the 2026 H Share Incentive Scheme. Except in the circumstances described below, the vesting period for any Award Shares shall not be earlier than twelve (12) months from and including the grant date.

The Remuneration Committee or the Board or the Authorized Person(s) may, in their absolute discretion, shorten the vesting period of Award Shares granted to an Employee Participant in the following circumstances:

(i) for granting "buy-out" Awards to new hires to replace the share awards they forfeited when leaving their former employers;

(ii) for Awards granted in tranches within a year for administrative or compliance reasons, which include Awards that should have been granted earlier but had to await a subsequent tranche due to the aforementioned administrative or compliance reasons. In such cases, the vesting period may be shortened accordingly to reflect the time when the grant should have originally been made;

(iii) for adopting a mixed or accelerated vesting schedule, for example, where share awards may vest evenly over 12 months, or vest in tranches with the first tranche vesting within 12 months of the grant date and the last tranche vesting after 12 months from the grant date;

(iv) for adopting performance-based vesting conditions as stipulated in the 2026 H Share Incentive Scheme or in the grant letter, rather than time-based vesting conditions;

(v) for grants to Employee Participants whose employment is terminated due to death or disability or the occurrence of any force majeure event; and

(vi) when the scenarios listed in Articles 9.2, 9.4, and 9.5 of Appendix I occur.

The Board or the Authorized Person(s) (or the Remuneration Committee in the case of Awards to Directors and/or senior management) considers that setting a shorter vesting period in the circumstances described in (i) to (iv) above is in line with market practice, appropriate, and consistent with the purpose of the 2026 Share Incentive Scheme.

The Board or the Authorized Person(s) (or the Remuneration Committee in the case of Awards to Directors and/or senior management) considers that setting a shorter vesting period in the circumstances described in (v) to (vi) above is appropriate and consistent with the purpose of the 2026 H Share Incentive Scheme, which is to promote the achievement of the Company's long-term sustainable development and performance goals, and to align the interests of the Grantees with the interests of the Company.

Unless otherwise notified in writing by the Board and/or the Authorized Person(s), the vesting for each Grantee shall be carried out in accordance with the specific vesting conditions contained in the grant letter and the provisions of the 2026 H Share Incentive Scheme.

Vesting of the Award Shares is subject to, among other things, the performance targets as described in "10. Performance Targets" below and any other conditions as may be specified in the Grant Letter. If a selected Grantee fails to meet the applicable vesting conditions for a portion of Award Shares, unless waived by the Board and/or the Authorized Person(s), such portion of Award Shares scheduled to vest during the vesting period shall not vest. Such Award Shares shall be deemed unvested for that Grantee and returned to the Trustee to be held for satisfying other

Awards under the 2026 H Share Incentive Scheme. In such a case, the Board and/or the Authorized Person(s) shall have the right to issue a sale notice to the Trustee in respect of the aforementioned unvested Award Shares, instructing the Trustee to sell the relevant Shares on the open market at the market price within a reasonable period after receiving the notice.

Barring any unforeseen circumstances, the Board and/or the Authorized Person(s) will instruct and cause the Trustee to issue a vesting notice (the "**Vesting Notice**") to the relevant Grantee within a reasonable period before any Vesting Date as may be agreed between the Trustee and the Board and/or the Authorized Person(s) from time to time. The Vesting Notice shall include confirmation of the satisfaction of the Grantee's vesting conditions and the Vesting Date, confirmation of the payment method for the Purchase Price, and confirmation of the Grantee's bank account details for the payment of cash corresponding to the Actual Selling Price as described in Article 7.8 of Appendix I (after deducting the relevant Purchase Price and taxes payable by the Grantee, if applicable).

Upon receipt of the Vesting Notice, the Grantee (or his/her legal representative) shall promptly reply to the Authorized Person(s) in writing or by email. If the Authorized Person(s) does not receive a reply from the Grantee within fifteen (15) business days, unless otherwise agreed in writing by the Authorized Person(s), the Award Shares that should have vested for that Grantee shall lapse and be returned to the trust account (in the case where the source of the incentive is secondary market shares repurchased by the trust). The Grantee shall, within the Vesting Window Period, pay the corresponding Purchase Price in cash to the account designated by the Company, or instruct the Trustee (if any) to sell part of his/her Award Shares to offset the capital contribution required for vesting. After receiving confirmation from the Company that all vesting criteria and conditions listed in the grant letter have been met and/or after assisting the Grantee in selling a portion of the Award Shares (if any), the Trustee shall transfer the vested Award Shares, or the remaining Award Shares after such sale, to the Grantee.

In respect of the relevant Award Shares vested to the Grantee under Article 7.7 of Appendix I, the Trustee shall, in accordance with the Grantee's written instructions from time to time and subject to compliance with the PRC Company Law, relevant regulatory rules of the place of incorporation and listing of the Company, and other relevant laws, regulations, rules, regulatory documents and the Articles of Association, transfer all or part of the Grantee's vested Award Shares to be held by the Grantee or his/her designated entity on a date specified by the Grantee, and/or sell all or part of the Grantee's vested Award Shares through on-market transactions at the prevailing market price and pay the corresponding cash for the Actual Selling Price (after deducting applicable taxes payable by the Grantee, if applicable) to the Grantee.

10. Performance targets

An Award shall only vest after the Grantee has satisfied the performance targets (if any) determined by the Remuneration Committee or the Board or the Authorized Person(s) from time to time. The performance targets may: (i) include the annual results and performance of the Group or a member company of the Group; (ii) the achievement of milestones for major projects of the

Group; (iii) the key performance indicators of the Eligible Person's department and/or business unit and/or the position held by the Eligible Person ; and (iv) the position held by the Eligible Person and their annual appraisal results, and such targets may vary for each Grantee.

Without prejudice to the principles of the above indicators, unless otherwise determined by the Remuneration Committee or the Board and/or the authorized person(s) in their absolute discretion or as otherwise specified in the grant letter, the performance targets will be set and assessed based on the category to which the Grantee belongs, including:

(i) for Directors and senior management of the Company: achievement of business or financial milestones within a specific period, attainment of a satisfactory level of performance, or the expected future contribution of the Grantee to the Group (including their experience, expertise, insights, participation in specific projects or achievement of specific goals);

(ii) for other employee participants (excluding Directors or senior management of the Company): attainment of a satisfactory level of performance within a specific period, or the expected future contribution of the Grantee to the Group (including their experience, expertise, insights, participation in specific projects or achievement of specific goals); and

(iii) for Related Entity Participants and Service Providers: the expected future contribution of the Grantee to the long-term development of the Group (including their experience, expertise, insights, participation in specific projects, achievement of specific goals or business collaboration objectives).

The Board or the Authorized Person(s) shall, at the end of the set performance period, determine whether and to what extent such targets have been met by comparing the performance of the Group and/or the individual performance of the Eligible Person against pre-agreed targets. For Related Entity Participants and Service Providers, the Board and/or the authorized person(s) may include the achievement of business collaboration objectives and their performance and contribution in providing services to the Group within the scope of assessment. If a selected Grantee fails to meet the applicable vesting conditions for a portion of Award Shares, unless waived by the Board and/or the Authorized Person(s), such portion of Award Shares scheduled to vest during the vesting period shall not vest. Such Award Shares shall be deemed unvested for that Grantee and returned to the Trustee to be held for satisfying other Awards under the Scheme. In such a case, the Board and/or the Authorized Person(s) shall have the right to issue a sale notice to the Trustee in respect of the aforementioned unvested Award Shares, instructing the Trustee to sell the relevant Shares on the open market at the market price within a reasonable period after receiving the notice.

The Board believes that the above will provide the Board with more flexibility in setting the performance targets under particular circumstances of each grant and facilitate the Board to offer suitable incentives to attract and retain quality personnel that are valuable to the development of

the Group. Further, the Board is of the view that the setting of performance targets can provide ample motivations and incentives for the Grantees to improve their performance and contribute to the Group's overall development and business success. Considering the aforesaid, the Board considers that the performance targets are in line with the purpose of the 2026 H Share Incentive Scheme and in the interests of the Group and the Shareholders as a whole.

11. Interests in the Award Shares

An Award is personal to the Grantee and shall not be assigned or transferred. During the Term of the 2026 H Share Incentive Scheme, unless and until the Award Shares are vested and actually transferred to the Grantee (if applicable) in accordance with the terms of the 2026 H Share Incentive Scheme, the Grantee shall not dispose of the granted Award Shares in any way, including but not limited to selling, transferring, pledging, mortgaging, encumbering or creating any interest for others, or entering into any agreement to do so.

For any act that substantially or intentionally violates the provisions of Article 8.1 of Appendix I, the Board of Directors of the Company and/or the Authorized Person(s) shall have the right to cancel or deem as lapsed all or any of the granted but unvested Award Shares granted to the Grantee without any compensation.

During the Term of the 2026 H Share Incentive Scheme, the dividend income (if any) of the Target Shares shall be enjoyed by each Grantee in the trust in proportion to his/her Award Shares, but shall only be paid to the Grantee upon vesting.

For the avoidance of doubt, before the Award Shares are vested and transferred to the Grantee (if applicable), the Grantee shall not enjoy any rights of the Target Shares other than the right to dividends (such as voting rights, pre-emptive rights, rights to subscribe in a rights issue, etc.).

During the Term of the 2026 H Share Incentive Scheme, the Trustee shall not exercise the voting rights in respect of any Target Shares held by it under the 2026 H Share Incentive Scheme.

12. Restrictions on Sale of Target Shares

The Company and any Grantees who are restricted by laws and regulations shall not instruct the Trustee to sell Target Shares when any of the following circumstances occur:

(i) at any time when there is Inside Information in relation to the Company and until the date of publication of such Inside Information;

(ii) during the 60 days immediately preceding the publication of annual results up to the date of publication (inclusive);

(iii) during the 30 days immediately preceding the publication of interim results and quarterly results (if applicable) up to the date of publication (inclusive); or

(iv) other restrictive circumstances stipulated by the relevant laws and regulations of the place of incorporation and listing of the Company, as well as by the China Securities Regulatory Commission, the SFC and the stock exchange where the Company's securities are listed.

13. Reorganisation of Capital Structure

If the capital structure of the Company is altered by way of a capitalisation issue, rights issue, share split or consolidation or a reduction of the Company's share capital (excluding any change in the capital structure of the Company arising from the issue of Shares as consideration for a transaction entered into by the Company) in accordance with the laws and regulations of the PRC or Hong Kong or the rules of the Stock Exchange, the number or nominal value of the Shares involved in the unvested Share Awards shall be adjusted accordingly (if any), and such adjustments shall be made in accordance with the provisions of Rule 17.03(13) of the Listing Rules and the relevant guidelines and interpretations of the Listing Rules issued by the Stock Exchange from time to time. Any adjustment made pursuant to Rule 17.03(13) must ensure that the proportion of the share capital to which an Eligible Person is entitled (calculated to the nearest whole Share) is the same as that to which he/she was entitled before such adjustment, provided that no such adjustment shall result in the issue of Shares at a price below their nominal value (if any). The issue of securities as consideration for a transaction will not be regarded as a circumstance requiring adjustment. Except for adjustments made for a capitalisation issue, any other adjustments must be confirmed in writing to the Directors by an independent financial adviser or the auditors of the listed issuer that the adjustments comply with the provisions of this note.

14. Amendment or Termination of the 2026 H Share Incentive Scheme

Any material amendment to the terms and conditions of the Scheme or any amendment to the provisions concerning the matters set out in Rule 17.03 of the Listing Rules (which is favourable to the participants) must be approved by the Shareholders of the Company at a shareholders' general meeting. Any change to the authority of the Board and/or the Authorized Person(s) to amend the terms of the Scheme must be approved by the Shareholders of the Company at a shareholders' general meeting.

Subject to not exceeding the Scheme Mandate Limit and the above provisions, the Scheme may be amended or supplemented in any respect by a resolution of the Board. During the validity period of the Scheme, if there is any change to the terms of the Scheme, the Company must immediately provide all Grantees with full details of the change after it takes effect. Any modification to the terms of an Award granted to an Eligible Person must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be), provided that the initial grant of such Award has been approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be). This requirement does not apply if the relevant modification takes effect automatically under the existing terms of the Scheme.

The amended terms of the Scheme must still comply with the relevant provisions of Chapter 17 of the Listing Rules.

When the Board amends the Scheme, the independent non-executive Directors shall review such amendment to ensure that it is conducive to the sustainable development of the Company and not prejudicial to the overall interests of the Company and its Shareholders.

Cancellation of the Awards

The Board and/or the Authorized Person(s) may, at their discretion, cancel any unvested Awards or lapsed Awards. Notice of such cancellation shall be given to the Trustee and the relevant Grantees. If the Company cancels any Award granted to a Grantee and makes a new grant to the same Grantee (whether under the 2026 H Share Incentive Scheme or any other share scheme), such new grant may only be made within the available Scheme Mandate Limit approved by the Shareholders. For the purpose of calculating the Scheme Mandate Limit (and the Service Provider Sub-limit), cancelled Awards will be deemed to have been utilised.

Termination of the Scheme

The 2026 H Share Incentive Scheme shall be terminated on the following dates, whichever is earlier: (i) the tenth (10th) anniversary of the Adoption Date of the 2026 H Share Incentive Scheme; and (ii) the date on which the Board determines to terminate the 2026 H Share Incentive Scheme early by a resolution of the Board.

Upon termination of the Scheme:

(a) no further Awards shall be granted under the Scheme; and

(b) the Trustee shall, within a reasonable period agreed between the Trustee and the Company after receiving notice of the termination of the Scheme, (i) sell the remaining unvested Target Shares under the trust (or for such longer period as may be otherwise determined by the Company in consultation with the Trustee), and remit the net proceeds from such sale, as well as other remaining funds in the trust (after making appropriate deductions for all disposal costs, expenses and other existing and future liabilities in accordance with the trust deed) to the Company. For the avoidance of doubt, the Trustee shall not transfer any H Shares to the Company, nor shall the Company otherwise hold any H Shares (except for the proceeds from the sale of such H Shares pursuant to this paragraph); and (ii) upon the instruction of the Grantee, transfer the vested Target Shares of the Grantee to the Grantee or an entity designated by him/her, or sell the vested Target Shares of the Grantee and remit the net proceeds of the sale (after deducting relevant taxes and fees, etc., if applicable) to the Grantee. If the Grantee fails to give instructions to the Trustee within a reasonable period, the Trustee shall, upon the instruction of the Board and/or the Authorized Person(s), sell the relevant vested Target Shares and remit the net proceeds of the sale (after deducting relevant taxes and fees, etc., if applicable) to the Grantee.

III. PROPOSED AUTHORIZATION TO THE BOARD AND/OR THE AUTHORIZED PERSON TO HANDLE MATTERS RELATING TO THE 2026 H SHARE INCENTIVE SCHEME

In order to ensure the successful implementation of the 2026 H Share Incentive Scheme, the Board proposed that subject to the approval of the 2026 H Share Incentive Scheme by the Shareholders at the EGM, the Shareholders also grant an authorization to the Board and/or the Authorized Person(s) to deal with matters in relation to the 2026 H Share Incentive Scheme, including:

(i) to authorise the Board and/or the Authorized Person(s) to enter into the Trust Agreement on behalf of the Company with the Trustee and to affix the Company seal onto such Trust Agreement, pursuant to which the Trustee will provide trust services for the 2026 H Share Incentive Scheme;

(ii) to authorise the Board and/or the Authorized Person(s) to handle all the matters pertaining to the 2026 H Share Incentive Scheme, including:

(a) explain the rules of the 2026 H Share Incentive Scheme and the relevant provisions;

(b) make or modify the arrangements, guidelines, procedures and/or regulations for the management, interpretation, implementation and operation of the 2026 H Share Incentive Scheme, provided that such arrangements, guidelines, procedures and/or regulations shall not conflict with the rules of the 2026 H Share Incentive Scheme;

(c) grant Awards to the Eligible Persons selected by it from time to time;

(d) approve the form and content of the Grant Letter;

(e) determine, review, approve and adjust the Grant Date, the list of Grantees, the volume of Award Shares to be granted, the Purchase Price and the vesting conditions;

(f) establish, evaluate and set the vesting conditions, and review the achievement of the satisfaction of the vesting conditions;

(g) adjust, evaluate and review any change of the vesting conditions, or adjust the Vesting Date of any Award Shares in accordance with the terms of the 2026 H Share Incentive Scheme;

(h) determine, review, approve and adjust the conditions or circumstances for the lapse of Award Shares, and adjust, evaluate and review the validity and enforceability effectiveness of any Award Shares;

(i) review and approve the resolution and handling measures for any special circumstance not specified in the 2026 H Share Incentive Scheme;

(j) decide other matters related to the implementation of the 2026 H Share Incentive Scheme in accordance with the applicable laws and regulations;

(k) select and appoint banks, accountants, trustees, lawyers, consultants and other professionals (if any) for the purpose of the 2026 H Share Incentive Scheme;

(l) sign, execute, amend and terminate all documents related to the 2026 H Share Incentive Scheme, conduct all procedures, filings and approvals related to the 2026 H Share Incentive Scheme, and take other steps or actions to give effect to the provisions, intention and implementation of the rules of the 2026 H Share Incentive Scheme;

(m) consider and approve all matters related to the trust arrangement;

(n) amend this H Share Incentive Scheme within the scope of authorization granted by the shareholders' meeting; and

(o) manage and conduct other matters necessary for the implementation of the 2026 H Share Incentive Scheme, excluding matters that shall be determined by the shareholders' meeting pursuant to express provisions.

For the avoidance of doubt, the power of the Board of Directors and/or the Authorized Person(s) under this sub-paragraph (ii) shall be subject to Article 10.2 of Appendix I. Any material amendment to the terms and conditions of the 2026 H Share Incentive Scheme, or any amendment to the provisions concerning the matters set out in Rule 17.03 of the Listing Rules which is favourable to the Participants, must be approved by the Shareholders of the Company at a shareholders' general meeting in accordance with Article 10.2(i) of Appendix I. Any change to the terms of an Award granted to a Grantee must be approved by the Board of Directors, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) in accordance with Article 10.2(ii) of Appendix I and Rule 17.03(18) of the Listing Rules, save for changes that take effect automatically under the existing terms of the 2026 H Share Incentive Scheme.

The aforementioned authorization to the Board and/or the Authorized Person(s) shall be valid for the Scheme Period. The proposed adoption of the 2026 H Share Incentive Scheme and the proposed authorization to the Board to handle matters relating to the 2026 H Share Incentive Scheme are subject to the approval of the Shareholders by special resolution(s) at the EGM.

IV. EGM, PROXY ARRANGEMENT AND CLOSURE OF REGISTER OF MEMBERS

The notice of the EGM is set out on pages EGM-1 to EGM-2 of this circular. The proxy form of the EGM is enclosed herewith and published on the websites of the Stock Exchange (**www.hkexnews.hk**) and the Company (**www.foursemi.com**).

If you intend to appoint a proxy to attend the EGM, you are required to complete and return the accompanying proxy form in accordance with the instructions printed thereon by personal delivery or by post not less than 24 hours before the time fixed for holding the EGM (i.e. not later than 10:00 a.m. on Monday, November 2, 2026) or any adjourned meeting thereof. Shareholders are required to return the proxy form to (i) the Company's H share registrar, Computershare Hong Kong Investor Services Limited, 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (for holders of H Shares) or (ii) the office of the Company, at Room 303, Building 4, Second Street, Gangcheng Square, No. 11 Yunjuan Road, Lane 88, Lin-gang Special Area, China (Shanghai) Free Trade Pilot Zone (for holders of Domestic Shares). Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or at any adjourned meeting should you so wish, and in such event the form of proxy shall be deemed to be revoked.

The record date for the purpose of ascertaining the eligibility of the holders of H Shares and Domestic Shares to attend and vote at the EGM is on Tuesday, November 3, 2026. In order to ascertain holders of H Shares who are entitled to attend the EGM, the register of members of holders of H Shares will be closed from Thursday, October 29, 2026 to Tuesday, November 3, 2026 (both days inclusive). Holders of H Shares who intend to attend the EGM are required to lodge all completed transfer documents accompanied by the relevant share certificates with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited at Shop 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong on or before 4:30 p.m. on Wednesday, October 28, 2026 for registration. Holders of Domestic Shares who intend to attend the EGM are required to lodge all completed transfer documents accompanied by the relevant share certificates at the office of the Company, at Room 303, Building 4, Second Street, Gangcheng Square, No. 11 Yunjuan Road, Lane 88, Lin-gang Special Area, China (Shanghai) Free Trade Pilot Zone on or before 4:30 p.m. on Wednesday, October 28, 2026 for registration.

V. VOTING BY POLL

In accordance with Rule 13.39(4) of the Listing Rules, any vote of Shareholders at the EGM must be taken by poll except where the chairman of the general meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. The Company shall publish the poll results announcement in the manner prescribed under Rule 13.39(5) of the Listing Rules. None of the Shareholders are required to abstain from voting on the proposed resolutions at the EGM.

VI. RESPONSIBILITY STATEMENT

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

VII. RECOMMENDATIONS

The Board (including independent non-executive Directors) considers that the resolutions proposed at the EGM are fair and reasonable and in the best interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favor of the proposed resolution at the EGM.

VIII. FURTHER INFORMATION AND DOCUMENT ON DISPLAY

Your attention is also drawn to the additional information set forth in the Appendix to this circular.

Copy of the 2026 H Share Incentive Scheme will be published for not less than 14 days prior to the date of the EGM and will be made available for inspection at the EGM from the date of this circular on the websites of the Hong Kong Stock Exchange (**www.hkexnews.hk**) and the Company (**www.foursemi.com**).

By Order of the Board
Shanghai FourSemi Semiconductor Co., Ltd.
Mr. Xu Xiaolin
Chairman of the Board, Executive Director and President

The following are the principal terms of the 2026 Share Incentive Scheme proposed to be approved at the EGM. Unless otherwise provided hereunder, for the purposes of the 2026 Share Incentive Scheme, references to new shares include Treasury Shares, and references to the issue of shares or securities include the transfer of Treasury Shares.

CHAPTER I DEFINITIONS

Please refer to the section headed "Definitions" in this circular.

CHAPTER II PURPOSE, TERM AND BASIC PRINCIPLES OF THE SCHEME

2.1. The Company has formulated the Scheme in accordance with the Company Law of the People's Republic of China, relevant laws, regulations, rules and regulatory documents of the places of incorporation and listing of the Company, and the Articles of Association.

2.2. Purpose of Formulating the Scheme

(i) To promote the long-term sustainable development and achievement of performance targets of the Company;

(ii) To attract and retain Eligible Persons who are important to the long-term growth and success of the Company, and to recognize and reward Eligible Persons for their past contributions to the Group;

(iii) To closely align the interests of Grantees with those of Shareholders, investors and the Company, enhance the Company's cohesion, and promote the maximization of the Company's value; and

(iv) To improve the Company's long-term incentive mechanism.

2.3. Term of the Scheme

The Scheme shall be valid and effective for a period of ten (10) years from the Adoption Date (the "**Scheme Period**"), and no further Award Shares may be granted after the expiry of the Scheme Period. If there are any Award Shares that have been granted but have not yet vested before the end of the Scheme Period, the Scheme will be extended until the vesting of such Award Shares is completed, and the expiry of the Scheme Period shall not affect any subsisting rights of any Grantee granted thereunder.

2.4. Basic Principles of the Scheme

(i) Principle of legal compliance: The Company shall strictly follow the procedures stipulated in the Company Law of the People's Republic of China and relevant laws, regulations, rules and regulatory documents of the places of incorporation and listing of the Company, and shall implement information disclosure in a true, accurate, complete and timely manner. No one shall use the Scheme to engage in securities fraud such as insider trading or manipulation of the securities market.

(ii) Principle of voluntary participation: The Company's implementation of the Scheme follows the principles of the Company's independent decision and the voluntary participation of Eligible Persons. The Company shall not compel Eligible Persons to participate in the Scheme by means of apportionment, forced allocation, or other similar methods.

(iii) Principle of No Guarantee on Proceeds: Grantees acknowledge and agree that the Company makes no commitment as to the actual selling price and proceeds when the Trustee sells the vested Award Shares of the Grantees under the Scheme (if applicable) or as affected by market share price fluctuations.

2.5. Prerequisites of the Scheme

The implementation of the Scheme is conditional upon the passing of a special resolution at the shareholders' general meeting to approve the adoption of the Scheme, to authorize the Board and/or the Authorized Person(s) to grant Awards under the Scheme and to handle matters related to the Scheme, and the approval from the Stock Exchange for the listing of, and permission to deal in, any Shares which may be issued pursuant to all Awards proposed to be granted under the terms and conditions of the Scheme.

CHAPTER III ADMINISTRATION OF THE SCHEME

3.1. The shareholders' general meeting of the Company is the highest authority of the Company and is responsible for considering and approving the adoption of the Scheme, while the Board of Directors of the Company is the executive management body of the Scheme. The Scheme shall be implemented after it has been considered and approved by the Board and then submitted to and approved by the shareholders' general meeting. The Board and/or the Authorized Person(s) may handle and implement all related matters of the Scheme within the scope of authorization granted by the shareholders' general meeting.

3.2. The independent non-executive Directors shall supervise whether the Scheme is conducive to the sustainable development of the Company, whether it is detrimental to the overall interests of the Company and its Shareholders, and whether the implementation of the Scheme complies with relevant laws, regulations, regulatory documents and the relevant regulatory rules of the Company's places of incorporation and listing.

3.3. The Trust is established to serve the Scheme. Pursuant to the relevant provisions of the trust deed and the instructions of the Company, the Trustee shall, in accordance with the terms of the Scheme and the provisions of the trust deed, execute matters such as the vesting and sale of Granted Shares in accordance with the instructions given by the Board, the Authorized Person(s) and/or the Grantees (as applicable) through the Company.

3.4. Without prejudice to the general powers of administration of the Board, the Board may delegate its power to administer the Scheme (including the power to grant Awards under the Scheme) to its designated Authorized Person(s). The term of office, scope of authority and remuneration (if any) of the Authorized Person(s) shall be determined by the Board from time to time in its absolute discretion.

3.5. Subject to the rules of the Scheme, the Listing Rules and any applicable laws and regulations, the Board and/or the Authorized Person(s) (within the scope of authorization of the Board) shall have the right from time to time to:

(i) interpret the rules and relevant terms of the Scheme;

(ii) make alterations and other arrangements, guidelines, procedures and/or regulations for the administration, interpretation, implementation and operation of the Scheme, provided that such arrangements, guidelines, procedures and/or regulations shall not conflict with the rules of the Scheme;

(iii) grant Awards to Eligible Persons selected by them from time to time;

(iv) approve the form and content of the Grant Letter;

(v) determine, review, approve and adjust the Grant Date, the list of Grantees, the Award Shares granted, the Purchase Price, and the vesting conditions;

(vi) establish, evaluate and set vesting conditions and review the fulfillment of vesting conditions;

(vii) adjust, evaluate and review changes in vesting conditions or adjust the Vesting Date of any Award Shares in accordance with the terms of the Scheme;

(viii) determine, review, approve and adjust the conditions or circumstances for the lapse of Granted Shares, and adjust, evaluate and review the validity of any Granted Shares;

(ix) consider and approve the handling of special circumstances not explicitly provided for in the Scheme;

(x) decide on other matters related to the implementation of the Scheme in accordance with relevant laws and regulations;

(xi) select and engage banks, accountants, trustees, lawyers, consultants and other professional institutions (if any) for the purpose of the Scheme;

(xii) sign, execute, amend and terminate all documents related to the Scheme, carry out all procedures, filings and approvals related to the Scheme, and take other steps or actions to implement and give effect to the terms and intent of the rules of the Scheme;

(xiii) determine and approve all matters related to the trust arrangement;

(xiv) amend the Scheme and other matters within the scope of authorization granted by the shareholders' general meeting of the Company; and

(xv) manage and execute other matters necessary for the implementation of the Scheme, unless such matters are explicitly stipulated by the shareholders' general meeting of the Company to be decided by the shareholders' general meeting.

For the avoidance of doubt, the power of the Board of Directors and/or the Authorized Person(s) under this Article 3.5 shall be subject to Article 10.2 of the Scheme. Any material amendment to the terms and conditions of the Scheme, or any amendment to the provisions concerning the matters set out in Rule 17.03 of the Listing Rules which is favourable to the Participants, must be approved by the Shareholders of the Company at a shareholders' general meeting in accordance with Article 10.2(i). Any change to the terms of an Award granted to a Grantee must be approved by the Board of Directors, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) in accordance with Article 10.2(ii) of the Scheme and Rule 17.03(18) of the Listing Rules, save for changes that take effect automatically under the existing terms of the Scheme.

3.6. For the avoidance of doubt, the decision of the Board and/or the Authorized Person(s) shall be final and binding on all persons under the Scheme.

3.7. Without prejudice to the general administrative powers of the Board and/or the Authorized Person(s), the Board and/or the Authorized Person(s) may also from time to time appoint one or more Trustees for the grant, administration or vesting of any Award Shares, to the extent not prohibited by applicable laws and regulations. For the avoidance of doubt, notwithstanding any provision of the Scheme, the Board (or an Authorized Person(s) designated by the Board) shall be the sole party entitled (directly or through its designated associates) to issue any instructions, directions or recommendations to the Trustee.

3.8. For the administration of the Scheme, the Company shall comply with all relevant disclosure requirements, including the Listing Rules and all applicable PRC laws, regulations and rules.

CHAPTER IV SCOPE OF INCENTIVE

4.1. Eligible Person

(i) Eligible Persons entitled to participate in the Scheme include Employee Participants, Related Entity Participants and Service Providers (collectively, "**Eligible Persons**"). The Board and/or the Authorized Person(s) may select any qualified Eligible Person as a Grantee to participate in the 2026 Share Incentive Scheme.

(ii) When assessing the eligibility of an Employee Participant, the Board and/or the Authorized Person(s) will consider all relevant factors as applicable, including: (i) his/her skills, knowledge, experience, professional competence and other relevant personal qualities; (ii) his/her performance, time commitment, responsibilities or conditions of employment, as well as prevailing market practices and industry standards; (iii) his/her expected contribution to the Group's growth, with reference to his/her past contributions; and (iv) his/her educational and professional qualifications, and industry knowledge.

(iii) When assessing the eligibility of a Related Entity Participant, the Board and/or the Authorized Person(s) will consider all relevant factors as applicable, including: (i) the expected positive impact of the Related Entity Participant on the Group's technology research and development, iteration or future commercialization work (including support, assistance, guidance, advice, efforts and/or contributions), with reference to the positive impact brought by the Related Entity Participant in the past; (ii) the extent to which the Related Entity Participant actually participates in and/or cooperates with the

Group, and the duration of the cooperative relationship established with the Group through his/her duties and positions held at the Related Entity Participant; (iii) the number, scale and nature of projects in which the Related Entity Participant is involved that can promote the Group's business, research and development, and growth; (iv) whether the Related Entity Participant has referred or introduced opportunities to the Group (such as research collaborations, licensing, strategic alliances, new technology platforms or joint R&D ventures) that have materialized into further cooperative relationships; (v) whether the Related Entity Participant has assisted the Group in entering new research areas, accessing new scientific or technological platforms, or enhancing the Group's competitive position in its areas of focus; and (vi) the importance and nature of the business relationship between the Related Entity where the Related Entity Participant holds a duty or position and the Group, and the contribution that the Related Entity Participant can make at that Related Entity to benefit the Group's core R&D, innovation, or future commercialization through the cooperative relationship.

(iv) Service Providers are persons who have been and continue to provide services to the Group in its ordinary course of business that are beneficial to its long-term development. Such persons provide professional services, consulting services or other similar services to the Group. The table below sets out the categories of service providers, their scope of services and contributions, and the additional criteria that the Board of Directors (including the independent non-executive Directors) and/or Authorized Persons will consider when assessing their eligibility:

Category	Contribution of Service Providers	Eligibility Criteria for Service Providers
(a) Suppliers, agents and product or service providers of any member of the Group	The scope of services of product or service providers: providing the following products or services to any member of the Group on a continuous or frequent basis in the ordinary and usual course of the Group's business: (i) technical services: technical consulting, patent technology licensing, technical training and support services; (ii) product manufacturing services: wafer production, chip packaging and testing, product testing and equipment supply; and (iii) consulting services: advisory and consulting services related to product manufacturing and sales, business strategy, human resources, marketing, and corporate management. The Group believes that their services are highly professional, continuous, and strategically critical. The content and results of their work directly affect the competitiveness and innovation capability of the Group's products, and the recurring services they provide play a core role in maintaining the continuity of the Group's operations.	Namely, (i) operating in the integrated circuit design and sales, semiconductor manufacturing and packaging and testing, electronic products and equipment supply or related industries in which the Group operates from time to time; (ii) having business dealings with the Group on a regular or frequent basis under long-term or framework arrangements; and (iii) making significant and reliable contributions to the Group's business, such as improving operational efficiency, reducing procurement and manufacturing costs, increasing product yield rates and delivery reliability, supporting the Group's revenue and business growth through seamless supply chain solutions, or bringing tangible benefits and resulting business opportunities.
(b) Advisers (professional or otherwise) or consultants of any member of the Group	The scope of services of advisers or consultants: providing advisory, consulting or professional services in key areas of the Group's operation and development, namely technical R&D and process route optimisation, product and business strategy, human resources, marketing, corporate management, legal and compliance, and finance and capital markets. The Group believes that their professional knowledge, skills and industry experience facilitate the continuous and steady development of the Group's business strategies and operations, and maximise its operational efficiency and decision-making quality.	Namely, (i) possessing professional knowledge, skills or experience in the industries in which the Group operates from time to time or in the relevant professional fields in which they provide services; (ii) maintaining a close and continuous cooperative relationship with the Group, or providing services to the Group on a regular or frequent basis under long-term or framework arrangements; and (iii) bringing long-term strategic value in assisting the Group to enhance its technical capabilities, operational efficiency, compliance level or industry competitiveness, such as through technological innovation, cost savings, regulatory navigation or enhancing industry competitiveness.

Category	Contribution of Service Providers	Eligibility Criteria for Service Providers
(c) Business partners (distributors and partners) of any member of the Group	The scope of services of business partners: (i) distribution and channel services: product distribution, dealer management, channel development, regional distributorship services; and (ii) customer relationship and after-sales services: customer relationship management, after-sales service support, customer training, technical maintenance, warranty services and customer satisfaction management services. Their services directly contribute to the Group's revenue growth and market share expansion, and their performance is highly correlated with the Group's long-term business results.	Namely, (i) operating in the distribution, channel or related industries for integrated circuit and semiconductor-related products or services in which the Group operates from time to time; (ii) having business dealings with the Group on a regular or frequent basis under long-term or framework arrangements; and (iii) making significant and reliable contributions to the Group's business, such as expanding market coverage, enhancing customer satisfaction and loyalty, improving delivery reliability, or supporting the Group's revenue, market share and brand growth.

The eligibility of each Service Provider under this category will be considered on a case-by-case basis, with reference to factors including (but not limited to): (a) their potential and/or actual contribution or importance to the Company; and (b) their importance to the Company's financial performance and business development, innovation and growth strategies. The Board (including the independent non-executive Directors) believes that including the above categories of service providers as Eligible Persons under the 2026 Share Incentive Scheme is fair and reasonable and in the overall interests of the Company. Granting Awards to them helps to ensure the alignment of long-term interests between such Service Providers and the Company.

In addition, when assessing whether a Service Provider provides services to the Company on an ongoing and continuous basis or on a recurring basis, the Board and/or the Authorized Person(s) will consider the following factors, including (i) the period and nature of the services provided by the Service Provider to the Group, and the recurring and regular nature of such products or services; (ii) the length of the past and/or expected engagement period of the Service Provider; and (iii) the purpose of engaging the Service Provider; and (iv) the importance of the Service Provider to the Group's business, and whether their contribution to the Group is significant and reliable.

Although the Group has paid service fees to such Service Providers for the services they provide, granting Awards to such Service Providers can align their interests with the long-term development interests of the Group. The industry expertise, skills and/or network resources possessed by Service Providers are crucial for enhancing the Group's

competitiveness and supporting its future business growth capabilities. Equity incentive can cultivate a sense of belonging and responsibility among Service Providers, motivating them to make greater contributions to the Company's success beyond the scope of their then-current contractual obligations. By granting the Company's equity interests to Service Providers, it not only enhances their loyalty but also incentivizes them to invest in service quality and innovation.

(v) A person shall not be considered an Eligible Person if any of the following circumstances exist on the Grant Date:

(a) such person has been publicly censured or declared to be an unfit person by a securities regulatory authority in the last 12 months;

(b) such person has been subject to administrative penalties by a securities regulatory authority for major violations of laws and regulations in the last 12 months;

(c) such person is prohibited from participating in the Scheme under the provisions of laws and regulations;

(d) such person has committed other serious violations of the relevant regulations of the Group or acts that the Board has determined to have caused significant damage to the interests of the Group; or

(e) any other circumstances stipulated by the Board and/or the Authorized Person(s) to safeguard the interests of the Group and ensure compliance with applicable laws and regulations related to the operation of the Scheme.

4.2. The Board (including the independent non-executive Directors) believes that including Related Entity Participants and Service Providers in the scope of Eligible Persons is in line with the Company's business needs, the nature of the Company's operations and industry practices. Maintaining a sustainable and stable relationship with Related Entity Participants and Service Providers is crucial to the Group, and including non-employee participants in the 2026 Share Incentive Scheme can align their interests with those of the Group and incentivize them to provide better services, create more opportunities and/or promote the Group's success in the long run, thereby driving the Group's growth and development, enhancing the Group's long-term value, and achieving the objectives of the 2026 Share Incentive Scheme. Therefore, the Board (including the independent non-executive Directors) believes that the inclusion of Related Entity Participants and Service Providers and their selection criteria, as well as the

grant terms under the 2026 Share Incentive Scheme, are in line with the objectives of the 2026 Share Incentive Scheme and the long-term interests of the Company and its Shareholders as a whole.

4.3. With reference to the aforementioned scope of Eligible Persons and corresponding eligibility criteria, the Board (including the independent non-executive Directors) believes that, given that the Eligible Persons are all parties who maintain close cooperative business relationships with the Group, it is in the interests of the Group to grant Awards to Employee Participants and to allow the Company the flexibility to grant Awards to Related Entity Participants and Service Providers. This is intended to recognize their contributions to the long-term growth and development of the Group and, by granting Awards, to incentivize such Eligible Persons to share common goals with the Group in its long-term growth and development. The Board (including the independent non-executive Directors) believes that the above scope of Eligible Persons and the corresponding eligibility criteria are fair and reasonable, can achieve the objectives of the 2026 Share Incentive Scheme, and are in the overall interests of the Company and its Shareholders.

4.4. Scope of Grantees of the Scheme

(i) The scope of Grantees involved in the Scheme includes all Eligible Persons who have been granted and have accepted the grant of Awards under the Scheme.

(ii) The Board and/or the Authorized Person(s) may select any qualified Eligible Person as a Grantee to participate in the Scheme, who shall otherwise have no right to participate in the Scheme.

4.5. If, on or before the Vesting Date, any of the following circumstances occurs causing a Grantee to cease to be an Eligible Person, the unvested Award Shares shall immediately and automatically lapse. For the avoidance of doubt, vested Award Shares (including, for the avoidance of doubt, Award Shares that have vested but in respect of which the underlying Shares have not yet been delivered to the Grantee as at the date the Grantee ceases to be an Eligible Person) shall not be affected by this Article 4.5 and, subject to compliance with relevant laws, regulations, rules and regulatory documents such as the PRC Company Law, the relevant regulatory rules of the place of incorporation and listing of the Company, and the Articles of Association, the Trustee shall continue to complete the payment to the Grantee in accordance with the relevant terms:

(i) Without prejudice to the circumstances listed in Article 4.6, the Grantee terminates the employment relationship with the Company and its subsidiaries, or ceases to provide services for any reason, other than where the Grantee is summarily dismissed for cause, misconduct or breach of the Grantee's employment or service terms, and if such termination occurs after the relevant Award Shares have vested but before delivery of the underlying Shares to the Grantee, such vesting shall not be affected or clawed back by reason of such termination;

(ii) The Grantee retires, becomes incapacitated or dies;

4.6. If, on or before the Vesting Date, any of the following circumstances occurs causing a Grantee to cease to be an Eligible Person, the unvested Award Shares shall immediately and automatically lapse, and any portion of vested Award Shares for which payment has not yet been completed by the Trustee to the Grantee shall automatically lapse. The identified circumstances are as follows:

(i) The Grantee violates the rules and regulations of the Group, the labor contract/service agreement and relevant documents or systems such as agreements on confidentiality, intellectual property ownership, non-competition and non-solicitation, or violates professional ethics;

(ii) The Grantee is guilty of serious dereliction of duty or malfeasance;

(iii) The Grantee discloses or infringes upon the trade secrets, technical secrets, or intellectual property rights of the Company and its subsidiaries;

(iv) The Grantee misappropriates funds, abuses power for personal gain, solicits or accepts bribes, defames, or otherwise damages the reputation or interests of the Company or its connected companies;

(v) The Grantee violates the Group's internal policies on anti-corruption and anti-commercial bribery, or engages in corruption or commercial bribery;

(vi) The Grantee engages in unfair competition or intentionally discredits the Group in public or other places, spreads remarks unfavorable to the Company or its connected companies, or slanders or defames the Group;

(vii) The Grantee violates laws and regulations and is penalized by state organs (including administrative detention) or is held criminally liable according to law; or

(viii) The Group suffers losses or adverse effects due to other faults or misconduct of the Grantee.

4.7. The Grantee agrees, undertakes and warrants that: if the Grantee ceases to be an Eligible Person after the Vesting Date due to any of the circumstances in Article 4.6, and if at that time there are any vested Award Shares for which payment has not yet been completed by the Trustee to the Grantee in accordance with Article 7.8, the Grantee will voluntarily forfeit such corresponding Award Shares for which payment has not been completed. Such Award Shares shall be deemed to have lapsed but shall remain part of the trust. At the same time, the Grantee agrees, undertakes and warrants that if the Grantee ceases to be an Eligible Person after the Vesting Date due to any of the circumstances in Article 4.6 and such event has a material adverse effect on the interests of the Group, the Board and/or the Authorized Person(s) shall have the right to require the Grantee to return all or part (as determined by the Board and/or the Authorized Person(s)) of the amount already paid to him/her.

4.8. For the purpose of calculating the Scheme Mandate Limit (as defined below) and the Service Provider Sub-limit, Award Shares that have lapsed in accordance with the terms of the Scheme shall not be deemed to have been utilized and may still be granted to the remaining Grantees.

4.9. The Grantee agrees that he/she will not make any claim against the Company, any other member of the Group, the Board, the Authorized Person(s), the Trust or the Trustee in any of the circumstances arising under Articles 4.4, 4.5, 4.6 and 4.7 above.

4.10. The Company shall from time to time notify the Trustee in writing (including but not limited to email, text message, documents, etc.) of the date and reason why the Grantee ceases to be an Eligible Person, the lapse of any unvested or vested Award Shares, and any amendments to the vesting terms and conditions for that Grantee (including the Award Shares granted).

CHAPTER V SOURCE OF FUNDS AND SOURCE OF TARGET SHARES

5.1 Source of Funds

(i) The source of funds for the purchase, issue or subscription of the Target Shares involved in the Scheme shall be: (i) drawn from the Company's own funds; (ii) cash income of the Trust; and/or (iii) the amount payable by the Grantee to the Company (or such other person as directed by the Board and/or the Authorized Person(s)) in accordance with the grant letter and/or the terms of the Scheme (the contribution of which must be lawful remuneration and/or his/her lawful own funds) to obtain the Award Shares. The Board

and/or the Authorized Person(s) shall ensure that the Trustee obtains the necessary funds to establish the Trust, which funds shall be the sum of the following (the "**Award Scheme Funds**"):

(a) the amount for the purchase or acquisition of the Target Shares under the Scheme or an equivalent amount as determined by the Board and/or the Authorized Person(s) in their sole discretion; and

(b) the relevant expenses for the purchase of the Target Shares (including the then brokerage fees, stamp duty, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee) and other necessary expenses required to complete the purchase of the Target Shares under the Scheme.

(ii) After the Scheme and/or its amendments have been considered and approved at a shareholders' general meeting, and in accordance with the decision of the Board or its Authorized Person(s), subject to compliance with laws and regulations:

(a) if the Company decides to use existing H Shares as Target Shares for the grant, the Company will remit the necessary funds to the Trustee or instruct the Trustee to use cash income, and instruct the Trustee to purchase H Shares through on-market or off-market transactions;

(b) if the Company decides to issue new H Shares as Target Shares for the grant, the Company will issue new H Shares to the Trustee and/or the Grantees.

(iii) The Board and/or the Authorized Person(s) may adjust the Award Scheme Funds from time to time in accordance with the trust deed.

5.2 Source and Maximum Number of Target Shares

(i) The source of Target Shares under the Scheme shall be: (1) H Shares acquired by the Trustee from the secondary market through on-market and/or off-market transactions at the prevailing market price using the Award Scheme Funds in accordance with the relevant trust deed, the instructions of the Company and the relevant provisions of the rules of the Scheme. The Board and/or the Authorized Person(s) may issue instructions to the Trustee regarding the acquisition of H Shares and specify any conditions or terms, including but not limited to the designated price or price range for the acquisition, the maximum amount of funds to be used for the acquisition, the maximum number of H Shares to be acquired and/or the designated date or period, provided that such

acquisition instructions shall comply with applicable laws, regulations and the Listing Rules (including but not limited to any restrictions on trading in H Shares relating to lock-up periods and Inside Information) and avoid triggering the relevant provisions on mandatory general offer; (2) new H Shares to be allotted and issued by the Company (for the avoidance of doubt, including the transfer of treasury shares), which shall rank pari passu in all respects with the fully paid-up Shares in issue on the date of allotment.

(ii) In any event, the maximum number of Shares that may be granted and issued under the Scheme and other share award and/or share option schemes (if any) (the "**Scheme Mandate Limit**") shall be 10% of the total issued share capital of the Company as at the Adoption Date of the Scheme (excluding any treasury shares), i.e. a maximum of 11,200,000 H Shares. Within the Scheme Mandate Limit, all Awards granted to Service Providers shall not exceed 1% of the total number of issued Shares (excluding any treasury shares) as at the Adoption Date, i.e. a maximum of 1,120,000 H Shares.

Awards that have lapsed in accordance with the terms of the 2026 Share Incentive Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sub-limit. For the avoidance of doubt, if the Target Shares of an Award are existing H Shares purchased by the Trustee from the secondary market and/or acquired through off-market transactions, such Awards will not be counted for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sub-limit.

The Service Provider Sub-limit is determined by reference to (i) the purpose of the 2026 Share Incentive Scheme; (ii) the potential dilutive effect of using the Service Provider Sub-limit; and (iii) the business needs and plans of the Group for the use of Service Providers.

After considering the following factors, the Board (including the independent non-executive Directors) is of the view that the Service Provider limit is appropriate and reasonable: (i) the potential dilutive effect of grants to Service Providers; (ii) the importance of balancing the effective achievement of the objectives of the 2026 Share Incentive Scheme with the protection of Shareholders from the dilutive effect of granting a large number of Shares to Service Providers; (iii) the reasons and criteria for including Service Providers as Eligible Persons as described above; (iv) the ability and flexibility to provide equity incentives (rather than using cash or other financial resources) to incentivise and reward (aa) persons with expertise in their fields, (bb) persons who, due to the nature of the business, practice and/or other reasons, cannot be employees of the Group, but whose continuity and stability as Service Providers are important to the Group, and (cc) persons who may have contributed or will contribute to

the Group; (v) the Company will, at its discretion, include additional grant and/or vesting conditions; and (vi) the limit practices adopted by other companies listed on the Stock Exchange.

(iii) Unless approved by the Shareholders as required under the Listing Rules, the total maximum number of Shares already issued or to be issued in respect of Award Shares or any share awards or share options (if any) granted to any single Grantee under the Scheme or any other share scheme of the Company in the 12-month period up to and including the date of grant of the relevant Award Shares shall not exceed 1% of the total number of issued Shares of the Company on the date of grant (excluding any treasury shares). At the meeting, the Grantee and his/her close associates or (if the Eligible Person is a connected person) his/her associates must abstain from voting. The listed issuer must send a circular to its Shareholders. The circular must disclose the identity of the Grantee, the number and terms of the options or awards to be granted (and any options (if any) or awards granted to that participant during the said 12-month period), the purpose of granting the options or awards to the Grantee and how the grant conditions of such options or awards are aligned with such purpose. The number and terms of the options or awards to be granted to the participant must be fixed before the Shareholders' approval. Without the approval of the shareholders' general meeting by way of a poll, the Board and/or the Authorized Person(s) shall not grant any further Award Shares that would result in the Scheme limit being exceeded.

(iv) Grant of Awards to Connected Persons:

(a) The grant of an Award to a Director, chief executive officer or substantial shareholder or their respective associates by way of issuing new H Shares under the Scheme shall be subject to the approval of the independent non-executive Directors (any independent non-executive Director who is a grantee of an Award shall not be counted);

(b) if any Award is granted to a Director (other than an independent non-executive Director) or chief executive officer of the Company or their respective associates by way of issuing new H Shares, which will result in the total number of new Shares issued and to be issued in respect of all Awards granted to such person under the Scheme and other awards granted to such person under other share schemes (excluding any awards or other awards which have lapsed in accordance with the terms of the Scheme or other share schemes) in the 12-month period up to

and including the date of such grant representing in aggregate over 0.1% of the total number of issued Shares (excluding any treasury shares), such further grant of Awards shall be subject to the approval of the Shareholders in a general meeting;

(c) if an Award is granted to an independent non-executive Director, a substantial shareholder or their respective associates by way of issuing new H Shares, which will result in the total number of new Shares issued and to be issued in respect of all Awards granted to such person under the Scheme and other share options (if any) and/or awards granted to such person under other share schemes (excluding any awards or other share options and awards (if any) which have lapsed in accordance with the terms of the Scheme or other share schemes (as the case may be)) in the 12-month period up to and including the date of such grant representing in aggregate over 0.1% of the total number of issued Shares (excluding any treasury shares), such further grant of Awards shall be subject to the approval of the Shareholders at a general meeting of the Company;

(d) for the purpose of the above Shareholders' approval, the Company shall issue a circular to the Shareholders. The Grantee, his/her associates and all core connected persons of the Company shall abstain from voting in favour at such general meeting. The Company shall comply with the applicable provisions of the Listing Rules.

(v) Refreshment of the Scheme Mandate Limit and the Service Provider Sub-limit

The Company may refresh the Scheme Mandate Limit (and the Service Provider Sub-limit, if applicable) in the following ways:

(a) The Company may, in accordance with the applicable Listing Rules, refresh the Scheme Mandate Limit (and the Service Provider Sub-limit, if applicable) with the approval of the Shareholders at a general meeting after three (3) years from the Adoption Date (or the date of the last refreshment approved by the Shareholders); and

(b) Any refreshment of the Scheme Mandate Limit (and the Service Provider Sub-limit, if applicable) within the three-year period from the Adoption Date (or the date of the last refreshment approved by the Shareholders) shall be subject to the approval of the Shareholders at a general meeting and shall comply with the following provisions:

1) any Controlling Shareholder of the Company (as defined in the Listing Rules) and its associates (or, if there is no Controlling Shareholder, the Directors (excluding independent non-executive Directors) and senior executives of the Company and their respective associates) shall abstain from voting in favour of the relevant resolution at the general meeting; and

2) The Company shall comply with the provisions of Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules.

The provisions of sub-paragraphs 5.2(v)(b)(1) and (2) of this paragraph shall not apply where the refreshment is made immediately after a pro-rata issue of securities by the Company to its Shareholders as set out in Rule 13.36(2)(a) of the Listing Rules, such that the unused portion of each of the refreshed Scheme Mandate Limit and the Service Provider Sub-limit (as a percentage of the total number of issued Shares (excluding treasury shares, if any)) is the same as the unused portion of each of the Scheme Mandate Limit and the Service Provider Sub-limit.

The refreshed Scheme Mandate Limit shall not exceed 10% of the total number of issued Shares (excluding treasury shares, if any) on the date of Shareholders' approval of the refreshment of the Scheme Mandate Limit. A circular regarding the proposed refreshment of the Scheme Mandate Limit shall be sent to the Shareholders, stating the number of Awards and any other share options (if any) and share awards granted under the existing Scheme Mandate Limit (and the Service Provider Sub-limit, if applicable) and the reasons for such refreshment.

Subject to separate approval by the Shareholders of the Company in a general meeting in accordance with Rule 17.03C(3) of the Listing Rules and/or subject to such other requirements as may be prescribed by the Listing Rules from time to time, the Board may grant Award Shares in excess of the Scheme Mandate Limit or the Service Provider Sub-limit (or the new scheme limit, as the case may be) to Eligible Persons specifically identified by the Board, provided that the grant is made only to Eligible Persons specifically identified by the Company prior to seeking approval. The Company must send a circular to its Shareholders containing the name of each specific Eligible Person who may be granted the relevant Award Shares, the number and terms of the options (if any) or Award Shares to be granted to each relevant Eligible Person, and the purpose of granting the options (if any) or Award Shares to the specific Eligible Person, together with an explanation of how the terms of such options (if any) or Award Shares achieve

such purpose. The number and terms of the options (if any) or Award Shares to be granted to the relevant Eligible Person must be determined prior to Shareholders' approval.

5.3 Restrictions on Purchase of Target Shares

The Company shall not instruct the Trustee to purchase Target Shares and shall immediately notify the Trustee to cease purchasing Target Shares when any of the following occurs:

(i) at any time when there is Inside Information in relation to the Company and until the date of publication of such Inside Information;

(ii) during the 30 days immediately preceding the publication date of annual results, interim results and quarterly results (if applicable) up to the date of publication (inclusive); or

(iii) other restrictive circumstances stipulated by the relevant laws and regulations of the place of incorporation and listing of the Company, as well as by the CSRC, the Securities and Futures Commission of Hong Kong and the stock exchange where the Company's securities are listed.

5.4 The Board and/or the Authorized Person(s) may, at any time after instructing the Trustee to purchase or acquire any Target Shares, instruct the Trustee in writing to cease or suspend the purchase of Target Shares until further notice (without having to state any reason).

CHAPTER VI GRANT OF AWARD SHARES

6.1 Subject to the terms and conditions of the Scheme, the Board and/or the Authorized Person(s) may, in their absolute discretion, grant Award Shares to any Eligible Person at a Purchase Price on such terms and conditions as they deem appropriate, which Purchase Price shall be paid by the Grantee upon vesting of the relevant Award Shares in accordance with Article 7.8.

6.2 Award Shares that have lapsed in accordance with the relevant provisions of Chapter IV or Article 7.5 or for any other reason may be re-granted at the absolute discretion of the Board and/or the Authorized Person(s).

6.3 Upon the grant of Award Shares, the Company shall issue a grant letter to the Grantee, which shall cover (among other things) the following matters:

(i) the name of the Grantee;

(ii) the number of Award Shares granted;

(iii) the vesting criteria and conditions;

(iv) the Vesting Date;

(v) the Purchase Price; and

(vi) other terms and conditions as confirmed by the Board and/or the Authorized Person(s).

6.4 The Board and/or the Authorized Person(s) shall have the right from time to time to impose any conditions as they may deem appropriate in their absolute discretion on the vesting of Award Shares to a Grantee (including the period of continued service to the Group after the grant date, performance assessment, performance appraisal, etc.), and shall notify the Trustee and the Grantee of the relevant vesting conditions of the Award Shares. Notwithstanding any other provisions of the Scheme, the Board and/or the Authorized Person(s) may, in accordance with applicable laws and regulations and the Listing Rules (including Rule 17.03(18) of the Listing Rules), freely waive any vesting conditions contained in the grant letter and/or described in this Article 6.4.

6.5 The Grantee may accept the offer to grant the Award Shares in the manner set out in the grant letter, and the Grantee shall sign the grant letter online through the digital management system within five (5) business days from the date of the grant letter. Once signed, the Award Shares shall be deemed to have been granted from the date of the grant letter. Upon signing, the Grantee will become a participant in the Scheme. The Board and/or the Authorized Person(s) may collect, use, process and transmit the personal information of the Grantees (including but not limited to the Grantee's name, contact address, phone number, date of birth, ID card number, salary, nationality, rank, number of Awards granted, etc.) for the purposes of administering and implementing the Incentive Scheme.

6.6 If a Grantee fails to sign before the expiration of the signing period specified in Article 6.5 above, the Award Shares granted to that Grantee shall lapse immediately. In such a case, the Board and/or the Authorized Person(s) shall, as soon as practicable after the expiration of the acceptance period under Article 6.5 above, notify the Trustee of the lapse of the grant of such Award Shares.

6.7 After the appointment of the Trustee and after any Award Shares have been granted and formally accepted by the Grantee, the Board and/or the Authorized Person(s) shall inform the Trustee of the matters set out in Article 6.3.

6.8 Restrictions on the Grant Date:

The Board and/or the Authorized Person(s) shall not grant any Award Shares during the following periods:

(i) at any time when there is Inside Information in relation to the Company and until the trading day after the publication of such Inside Information;

(ii) during the 30 days immediately before the earlier of: (1) the date of the board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for approving the issuer's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (2) the deadline for the issuer to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement.

(iii) other restrictive circumstances stipulated by the relevant laws and regulations of the place of incorporation and listing of the Company, as well as by the China Securities Regulatory Commission, the Securities and Futures Commission of Hong Kong and the stock exchange where the Company's securities are listed.

6.9 No Award shall be granted to any Eligible Person under any of the following circumstances:

(i) where the necessary approvals from any applicable regulatory authorities (including but not limited to the Stock Exchange) have not been obtained;

(ii) where the securities laws or regulations require the publication of a prospectus or other offering documents in respect of the grant of Award Shares or the Scheme, unless otherwise determined by the Board and/or the Authorized Person(s);

(iii) where the grant of Award Shares would cause any member company of the Group or its Directors to be in breach of any applicable laws, regulations, rules and regulatory documents of any jurisdiction, and the relevant regulatory rules of the place of incorporation and listing of the Company;

(iv) where the Board and/or the Authorized Person(s) are aware of unpublished Inside Information (as defined in the Securities and Futures Ordinance) in relation to the Group, or where any Director reasonably believes there is Inside Information that must be disclosed under the Listing Rules and the Inside Information Provisions (as defined

in the Listing Rules) in Part XIVA of the Securities and Futures Ordinance, or in circumstances where Directors are prohibited from dealing in the Company's securities under any code or requirement of the Listing Rules and all applicable laws, rules or regulations from time to time; or

(v) after the expiration of the Scheme Period or after the early termination of the Scheme in accordance with Article 10.4.

6.10 Acceptance Price and Purchase Price

The Grantees are not required to pay any consideration to the Company for accepting awards under the Scheme.

The Board and/or the Authorized Person(s) may, in their absolute discretion, determine the purchase price of the Award Shares, including nil price, par value, the prevailing market price or a discount to the prevailing market price, and if required, determine the amount of the Purchase Price after taking into account the practices of comparable companies and the effectiveness of the Scheme in attracting talent and incentivizing Grantees to contribute to the long-term development of the Group. The purchase price shall be paid by the Grantees upon the Vesting Window Period in accordance with the manner agreed under Article 7.7, and the amount of the purchase price shall be determined by the Board and/or the Authorized Person(s) and set out in the grant letter.

The Board is of the view that the basis for determining the Purchase Price is consistent with the purpose of the 2026 Share Incentive Scheme to encourage Eligible Persons to contribute to the long-term development and interests of the Company, and that imposing appropriate criteria on the Purchase Price will better align the interests of the Grantees with those of the Group.

CHAPTER VII VESTING OF AWARD SHARES

7.1 The Board and/or the Authorized Person(s) may, during the validity period of the Scheme and subject to compliance with all applicable laws, rules and regulations, from time to time determine the vesting criteria and conditions and the vesting period for the Award Shares to be vested under the Scheme. Except in the circumstances described in Article 7.2, the vesting period for any Award Shares shall not be earlier than twelve (12) months from and including the grant date.

7.2 The Remuneration Committee or the Board or the Authorized Person(s) may, in their absolute discretion, shorten the vesting period of Award Shares granted to an Employee Participant in the following circumstances:

(i) for granting "buy-out" Awards to new hires to replace the share awards they forfeited when leaving their former employers;

(ii) for Awards granted in tranches within a year for administrative or compliance reasons, which include Awards that should have been granted earlier but had to await a subsequent tranche due to the aforementioned administrative or compliance reasons. In such cases, the vesting period may be shortened accordingly to reflect the time when the grant should have originally been made;

(iii) for adopting a mixed or accelerated vesting schedule, for example, where share awards may vest evenly over 12 months, or vest in tranches with the first tranche vesting within 12 months of the grant date and the last tranche vesting after 12 months from the grant date;

(iv) for adopting performance-based vesting conditions as stipulated in the Scheme or in the grant letter, rather than time-based vesting conditions;

(v) for grants to Employee Participants whose employment is terminated due to death or disability or the occurrence of any force majeure event; and

(vi) when the scenarios listed in Articles 9.2, 9.4, and 9.5 occur.

The Board or the Authorized Person(s) (or the Remuneration Committee in the case of Awards to Directors and/or senior management) considers that setting a shorter vesting period in the circumstances described in (i) to (iv) above is in line with market practice, appropriate, and consistent with the purpose of the 2026 Share Incentive Scheme. This takes into account that (a) such discretion allows the Company to retain flexibility in certain circumstances to offer competitive remuneration packages and reward outstanding performers, thereby encouraging and incentivizing Employee Participants, as well as attracting and retaining the best talent for the Group; and (b) strict enforcement of a 12-month vesting period would be impracticable, or inappropriate or unfair to the Grantee.

The Board or the Authorized Person(s) (or the Remuneration Committee in the case of Awards to Directors and/or senior management) considers that setting a shorter vesting period in the circumstances described in (v) to (vi) above is appropriate and consistent with the purpose of the Scheme, which is to promote the achievement of the Company's long-term sustainable development and performance goals, and to align the interests of the Grantees with the interests of the Company. Considering that these situations are uncommon and beyond the control of the Grantees (and, in some cases, the Board and the Company), the Grantees should not be adversely affected in such circumstances.

7.3 Unless otherwise notified in writing by the Board and/or the Authorized Person(s), the vesting for each Grantee shall be carried out in accordance with the specific vesting conditions contained in the grant letter and the provisions of the Scheme.

7.4 An Award shall only vest after the Grantee has satisfied the performance targets (if any) determined by the Remuneration Committee or the Board or the Authorized Person(s) from time to time. After the Board or the Authorized Person(s) decides to select an Eligible Person for the grant of an Award under the Scheme, it shall specify the conditions such as performance targets (if any) in the grant letter. The indicators for performance targets include:

(i) the annual results and performance of the Group or a member company of the Group;

(ii) the achievement of milestones for major projects of the Group;

(iii) the key performance indicators of the Eligible Person's department and/or business unit; and/or

(iv) the position held by the Eligible Person and their annual appraisal results, and such targets may vary for each Grantee.

Without prejudice to the principles of the above indicators, unless otherwise determined by the Remuneration Committee or the Board and/or the Authorized Person(s) in their absolute discretion or as otherwise specified in the grant letter, the performance targets will be set and assessed based on the category to which the Grantee belongs, including:

(i) for Directors and senior management of the Company: achievement of business or financial milestones within a specific period, attainment of a satisfactory level of performance, or the expected future contribution of the Grantee to the Group (including their experience, expertise, insights, participation in specific projects or achievement of specific goals);

(ii) for other employee participants (excluding Directors or senior management of the Company): attainment of a satisfactory level of performance within a specific period, or the expected future contribution of the Grantee to the Group (including their experience, expertise, insights, participation in specific projects or achievement of specific goals); and

(iii) for Related Entity Participants and Service Providers: the expected future contribution of the Grantee to the long-term development of the Group (including their experience, expertise, insights, participation in specific projects, achievement of specific goals or business collaboration objectives).

During the vesting period, the Board or the Authorized Person(s) shall, at the end of the set performance period, assess whether and to what extent the performance targets required for the vesting of a relevant Award have been met by comparing the performance of the Group and/or the individual performance of the Eligible Person against pre-agreed targets. For Related Entity Participants and Service Providers, the Board and/or the Authorized Person(s) may include the achievement of business collaboration objectives and their performance and contribution in providing services to the Group within the scope of assessment.

The Board or the Authorized Person(s) has the flexibility to decide whether to set performance target conditions. From the perspective of being more beneficial to the Company's development, it is not conducive to the Company's development to explicitly list a set of universal performance targets in the rules of the Scheme, as each Grantee holds different responsibilities in the Company and contributes to the Company in different ways. When making such decisions, the Board or the Authorized Person(s) shall consider the purpose of the Scheme and ensure that appropriate and specific performance targets are set for the particular circumstances of the relevant Grantee.

7.5 If a selected Grantee fails to meet the applicable vesting conditions for a portion of Award Shares, unless waived by the Board and/or the Authorized Person(s), such portion of Award Shares scheduled to vest during the vesting period shall not vest. Such Award Shares shall be deemed unvested for that Grantee and returned to the Trustee to be held for satisfying other

Awards under the Scheme. In such a case, the Board and/or the Authorized Person(s) shall have the right to issue a sale notice to the Trustee in respect of the aforementioned unvested Award Shares, instructing the Trustee to sell the relevant Shares on the open market at the market price within a reasonable period after receiving the notice.

7.6 Barring any unforeseen circumstances, the Board and/or the Authorized Person(s) will instruct and cause the Trustee to issue a vesting notice (the "**Vesting Notice**") to the relevant Grantee within a reasonable period before any Vesting Date as may be agreed between the Trustee and the Board and/or the Authorized Person(s) from time to time. The Vesting Notice shall include confirmation of the satisfaction of the Grantee's vesting conditions and the Vesting Date, confirmation of the payment method for the Purchase Price, and confirmation of the Grantee's bank account details for the payment of cash corresponding to the Actual Selling Price as described in Article 7.8 (after deducting the relevant Purchase Price and taxes payable by the Grantee, if applicable).

7.7 Upon receipt of the Vesting Notice, the Grantee (or his/her legal representative) shall promptly reply to the Authorized Person(s) in writing or by email. If the Authorized Person(s) does not receive a reply from the Grantee within fifteen (15) business days, unless otherwise agreed in writing by the Authorized Person(s), the Award Shares that should have vested for that Grantee shall lapse and be returned to the trust account (in the case where the source of the incentive is secondary market shares repurchased by the trust). The Grantee shall, within the Vesting Window Period, pay the corresponding Purchase Price in cash to the account designated by the Company, or instruct the Trustee (if any) to sell part of his/her Award Shares to offset the capital contribution required for vesting. After receiving confirmation from the Company that all vesting criteria and conditions listed in the grant letter have been met and/or after assisting the Grantee in selling a portion of the Award Shares (if any), the Trustee shall transfer the vested Award Shares, or the remaining Award Shares after such sale, to the Grantee.

7.8 In respect of the Award Shares vested to the Grantee under Article 7.7, the Trustee shall, in accordance with the Grantee's written instructions from time to time and subject to compliance with the PRC Company Law, relevant regulatory rules of the place of incorporation and listing of the Company, and other relevant laws, regulations, rules, regulatory documents and the Articles of Association, at the request of the Grantee, transfer all or part of the Grantee's vested Award Shares to be held by the Grantee or his/her designated entity on a date specified by the Grantee, and/or sell all or part of the Grantee's vested Award Shares through on-market transactions at the prevailing market price and pay the corresponding cash for the Actual Selling Price (after deducting applicable taxes payable by the Grantee, if applicable) to the Grantee.

7.9 Any expenses arising from the administration of the trust scheme shall be borne by the trust property.

7.10 The financial and accounting treatment and tax issues related to the Company's implementation of this Scheme shall be handled in accordance with relevant laws and regulations and the Company's internal management system. The Grantee shall bear all other taxes and fees (including personal income tax, salaries tax or other levies (hereinafter referred to as "Taxes")) in connection with his/her participation in the Scheme or in connection with the Target Shares or cash equivalent to the Target Shares. Neither the Company nor the Trustee shall be liable for any Taxes. The Grantee will indemnify the Trustee and all member companies of the Group against any liability to pay or account for such Taxes, including any withholding liability in connection with any Taxes. To give effect to this, notwithstanding any other provisions of the rules of the Scheme (but subject to applicable laws), the Group may:

(i) instruct the Trustee, after the sale of the Target Shares corresponding to the relevant Award Shares of the Grantee, to deduct or withhold from the cash corresponding to the Actual Selling Price an amount corresponding to the Taxes attributable to the Grantee, and transfer such amount to the Company for payment of the Taxes; or

(ii) if the amount deducted or withheld is insufficient for the Company to pay the Taxes, the Grantee shall transfer the shortfall to the Company, and the Company shall pay the relevant Taxes on behalf of the Grantee.

7.11 If the Actual Selling Price (after deducting applicable taxes payable by the Grantee, if applicable) is not paid to the Grantee in a timely manner due to incorrect bank card information provided by the Grantee, abnormal bank account status such as a frozen account, or other circumstances not caused by the subjective operational errors of the Company and the Trustee, the corresponding losses shall be borne by the Grantee.

7.12 Unless the Grantee satisfies the Company that he/she has fulfilled his/her obligations under the Scheme, and the Trustee has received the confirmation under Article 7.7 and the payment of the Purchase Price, the Trustee shall have no obligation to make any payment to the Grantee under Article 7.8.

7.13 Restrictions on Sale of Target Shares

The Company and any Grantees who are restricted by laws and regulations shall not instruct the Trustee to sell Target Shares when any of the following circumstances occur:

(i) at any time when there is Inside Information in relation to the Company and until the date of publication of such Inside Information;

(ii) during the 60 days immediately preceding the publication of annual results up to the date of publication (inclusive);

(iii) during the 30 days immediately preceding the publication of interim results and quarterly results (if applicable) up to the date of publication (inclusive); or

(iv) other restrictive circumstances stipulated by the relevant laws and regulations of the place of incorporation and listing of the Company, as well as by the China Securities Regulatory Commission, the SFC and the stock exchange where the Company's securities are listed.

7.14 The Grantee agrees, undertakes and warrants that when the Scheme is terminated in accordance with Article 10.4, any vested Award Shares for which the Purchase Price remains unpaid and which have not yet been transferred by the Trustee to the Grantee shall be voluntarily forfeited by the Grantee and deemed to have lapsed.

CHAPTER VIII TRANSFER OF AWARD SHARES AND OTHER RIGHTS

8.1 An Award is personal to the Grantee and shall not be assigned or transferred. During the Term of the Scheme, unless and until the Award Shares are vested and actually transferred to the Grantee (if applicable) in accordance with the terms of the Scheme, the Grantee shall not dispose of the granted Award Shares in any way, including but not limited to selling, transferring, pledging, mortgaging, encumbering or creating any interest for others, or entering into any agreement to do so.

8.2 During the Term of the Scheme, the Trustee shall not exercise the voting rights in respect of any Target Shares held by it under the Scheme.

8.3 For any act that substantially or intentionally violates the provisions of Article 8.1, the Board of Directors of the Company and/or the Authorized Person(s) shall have the right to cancel or deem as lapsed all or any of the granted but unvested Award Shares granted to the Grantee without any compensation.

8.4 During the Term of the Scheme, the dividend income (if any) of the Target Shares shall be enjoyed by each Grantee in the trust in proportion to his/her Award Shares, but shall only be paid to the Grantee upon vesting.

8.5 For the avoidance of doubt:

(i) before the Award Shares are vested and transferred to the Grantee (if applicable), the Grantee shall not enjoy any rights of the Target Shares other than the right to dividends (such as voting rights, pre-emptive rights, rights to subscribe in a rights issue, etc.);

(ii) the Grantee has no rights to the Award Shares under the trust account or other Grantee accounts;

(iii) the Grantee shall not give any instructions to the Trustee except as provided for in Article 7.8 of the Scheme; and

(iv) unless otherwise waived by the Board and/or the Authorized Person(s), if the vesting conditions specified in the grant letter are not fully met on or before the relevant Vesting Date, or if the Grantee ceases to be an Eligible Person before the relevant Vesting Date, the matter shall be handled in accordance with the provisions of the Scheme.

8.6 The Grantee agrees, undertakes and warrants that under no circumstances will he/she make any claim against the Company, any other member company of the Group, the Board, the Authorized Person(s), the trust or the Trustee.

CHAPTER IX REORGANISATION OF CAPITAL STRUCTURE, CHANGE OF CONTROL AND VOLUNTARY WINDING-UP, ETC.

9.1 Reorganisation of Capital Structure

If the capital structure of the Company is altered by way of a capitalisation issue, rights issue, share split or consolidation or a reduction of the Company's share capital (excluding any change in the capital structure of the Company arising from the issue of Shares as consideration for a transaction entered into by the Company) in accordance with the laws and regulations of the PRC or Hong Kong or the rules of the Stock Exchange, the number or nominal value of the Shares involved in the unvested Share Awards shall be adjusted accordingly (if any), and such adjustments shall be made in accordance with the provisions of Rule 17.03(13) of the Listing Rules and the relevant guidelines and interpretations of the Listing Rules issued by the Stock Exchange from time to time. Any adjustment made pursuant to Rule 17.03(13) must ensure that the proportion of the share capital to which an Eligible Person is entitled (calculated to the nearest whole Share) is the same as that to which he/she was entitled before such adjustment, provided that no such adjustment shall result in

the issue of Shares at a price below their nominal value (if any). The issue of securities as consideration for a transaction will not be regarded as a circumstance requiring adjustment. Except for adjustments made for a capitalisation issue, any other adjustments must be confirmed in writing to the Directors by an independent financial adviser or the auditors of the listed issuer that the adjustments comply with the provisions of this note.

9.2 Change of Control

Subject to the provisions of the Hong Kong Code on Takeovers and Mergers and Share Buy-backs, notwithstanding any other provisions of the Scheme, if there is a change in the control of the Company, whether through an offer, merger, scheme of arrangement or otherwise, and the Company ceases to subsist after a merger with another company, or the Company is spun-off, the Board and/or the Authorized Person(s) may decide:

(i) whether the Scheme should be terminated within five (5) business days after the change of control of the Company, and the unvested Award Shares should be cancelled, with the corresponding Target Shares to be dealt with in accordance with the second paragraph (b) of Article 10.4; or

(ii) all unvested Award Shares shall vest immediately on the date on which such change of control becomes or is declared unconditional, and such date shall be deemed to be the Vesting Date. Subject to compliance with the Company Law, relevant laws, regulations, rules and regulatory documents of the place of incorporation and listing of the Company, and the Articles of Association, the Trustee shall sell the relevant Target Shares in accordance with Article 7.8; or

(iii) other schemes as the Board and/or the Authorized Person(s) may deem appropriate.

For the purpose of this Article 9.2, "control" shall have the meaning ascribed to it in the Hong Kong Code on Takeovers and Mergers and Share Buy-backs as amended from time to time.

9.3 Scrip Dividend Warrants

If the Company issues scrip dividend warrants in respect of any H Shares held by the Trustee, unless otherwise instructed by the Company, the Trustee shall not exercise any subscription rights on the scrip dividend warrants to subscribe for any new H Shares, and shall sell the scrip dividend warrants so obtained, and the net proceeds from the sale of such scrip dividend warrants shall be distributed as dividends in accordance with the Scheme.

9.4 Voluntary Winding-up

If the Company passes a valid resolution for voluntary winding-up during the Term of the Scheme (other than for the purpose of a reorganisation, merger or scheme of arrangement), the Board and/or the Authorized Person(s) shall, at their discretion, decide:

(i) subject to compliance with the PRC Company Law, relevant laws, regulations, rules and regulatory documents of the place of incorporation and listing of the Company, and the Articles of Association, to adjust the Vesting Date of any Award Shares, and whether the Grantee is entitled, on an equal basis with the Shareholders, to receive from the assets available in the liquidation an amount corresponding to the Actual Selling Price of the Target Shares corresponding to his/her vested Award Shares (after deducting applicable taxes payable by the Grantee, if applicable); or

(ii) to terminate the Scheme, and the unvested Award Shares shall be cancelled, with the corresponding Target Shares to be dealt with in accordance with the second paragraph (b) of Article 10.4; or

(iii) to adopt other schemes as the Board and/or the Authorized Person(s) may deem appropriate.

9.5 Scheme of Arrangement or Compromise

If a scheme of arrangement or compromise is proposed between the Company and its Shareholders or creditors for the reconstruction of the Company or its amalgamation with any other company, and the Company gives notice to its Shareholders to convene a shareholders' general meeting to consider and, if thought fit, approve such arrangement or compromise, and upon obtaining such approval from the Shareholders, the Board and/or the Authorized Person(s) shall, at their discretion, decide:

(i) to adjust the Vesting Date of any Award Shares; or

(ii) to terminate the Scheme, and the unvested Award Shares shall be cancelled, with the corresponding Target Shares to be dealt with in accordance with the second paragraph (b) of Article 10.4; or

(iii) to adopt other schemes as the Board and/or the Authorized Person(s) may deem appropriate.

CHAPTER X AMENDMENT, DISPUTE, TERMINATION OF THE SCHEME AND CANCELLATION OF AWARD SHARES

10.1 Validity Period of the Scheme and Duration of the Trust Scheme

Unless terminated earlier by a resolution of the Board, the Scheme shall be valid for a period of ten (10) years from the date of its approval at a shareholders' general meeting.

10.2 Amendment of the Scheme

(i) Any material amendment to the terms and conditions of the Scheme or any amendment to the provisions concerning the matters set out in Rule 17.03 of the Listing Rules (which is favourable to the participants) must be approved by the Shareholders of the Company at a shareholders' general meeting. Any change to the authority of the Board and/or the Authorized Person(s) to amend the terms of the Scheme must be approved by the Shareholders of the Company at a shareholders' general meeting.

(ii) Subject to not exceeding the Scheme Mandate Limit and the above provisions, the Scheme may be amended or supplemented in any respect by a resolution of the Board. During the validity period of the Scheme, if there is any change to the terms of the Scheme, the Company must immediately provide all Grantees with full details of the change after it takes effect. Any modification to the terms of an Award granted to an Eligible Person must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be), provided that the initial grant of such Award has been approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be). This requirement does not apply if the relevant modification takes effect automatically under the existing terms of the Scheme.

(iii) The amended terms of the Scheme must still comply with the relevant provisions of Chapter 17 of the Listing Rules.

(iv) When the Board amends the Scheme, the independent non-executive Directors shall review such amendment to assess whether it is conducive to the sustainable development of the Company and whether it is prejudicial to the overall interests of the Company and its Shareholders.

10.3 Cancellation of Awards

The Board and/or the Authorized Person(s) may, at their discretion, cancel any unvested Awards or lapsed Awards. Notice of such cancellation shall be given to the Trustee and the relevant Grantees.

If the Company cancels any Award granted to a Grantee and makes a new grant to the same Grantee (whether under the Scheme or any other share scheme), such new grant may only be made within the available Scheme Mandate Limit approved by the Shareholders. For the purpose of calculating the Scheme Mandate Limit (and the Service Provider Sub-limit), cancelled Awards will be deemed to have been utilised.

10.4 Termination of the Scheme and Subsequent Arrangements

(i) The Scheme shall terminate on the earlier of the following dates:

(a) the tenth (10th) anniversary of the Adoption Date of the Scheme; and

(b) the date on which the Board determines to terminate the Scheme early by a resolution of the Board.

(ii) Upon termination of the Scheme:

(a) no further Awards shall be granted under the Scheme; and

(b) the Trustee shall, within a reasonable period agreed between the Trustee and the Company after receiving notice of the termination of the Scheme, (i) sell the remaining unvested Target Shares under the trust (or for such longer period as may be otherwise determined by the Company in consultation with the Trustee), and remit all cash and the net proceeds from such sale, as well as other remaining funds in the trust (after making appropriate deductions for all disposal costs, expenses and other existing and future liabilities in accordance with the trust deed) to the Company. For the avoidance of doubt, the Trustee shall not transfer any H Shares to the Company, nor shall the Company otherwise hold any H Shares (except for the proceeds from the sale of such H Shares pursuant to this Article 10.4); and (ii) upon the instruction of the Grantee, transfer the vested Target Shares of the Grantee to the Grantee or an entity designated by him/her, or sell the vested Target Shares of the Grantee and remit the net proceeds of the sale (after deducting relevant taxes and fees, etc., if applicable) to the Grantee. If the Grantee fails to

give instructions to the Trustee within a reasonable period, the Trustee shall, upon the instruction of the Board and/or the Authorized Person(s), sell the relevant vested Target Shares and remit the net proceeds of the sale (after deducting relevant taxes and fees, etc., if applicable) to the Grantee.

10.5 For the avoidance of doubt, a decision by the Board and/or the Authorized Person(s) to temporarily suspend the grant of any Awards shall not be construed as a termination of the operation of the Scheme.

CHAPTER XI MISCELLANEOUS

11.1 Other Provisions

(i) The Scheme does not form part of the employment contract between the Company or any of its subsidiaries and any employee, and the rights and obligations or appointment of an employee under his/her term of office or authority will not be affected by his/her participation in the Scheme.

(ii) No Director or any Authorized Person shall be personally liable for any contract or other instrument executed by him/her or on his/her behalf in connection with the Scheme or for any error of judgment made in good faith, and the Company shall indemnify each member of the Board and/or any Authorized Person in respect of the administration or interpretation of the Scheme against any costs or expenses (including legal fees) or liabilities (including any amount paid in settlement of a claim with the approval of the Board and/or the Authorized Person(s)) incurred as a result of any act in connection with the Scheme, except where caused by the person's own wilful default, fraud, breach of trust or illegal act.

(iii) Any notice or other communication between the Company and any Eligible Person, if given by the Company to the Eligible Person, may be sent by email, prepaid post or personal delivery to the Company's principal place of business in China or to such other address as the Eligible Person may from time to time notify the Company. If given by the Eligible Person to the Company, it shall be sent to the address, email address or delivered in person to the Company as notified by the Company from time to time.

(iv) Any notice or other communication sent by post shall be deemed to have been served 72 hours after posting. Any notice or other communication sent electronically shall be deemed to have been received on the day following its dispatch.

(v) None of the Company, the Board of Directors, the Authorized Person(s), the Trust and the Trustee shall be liable for any failure of any Eligible Person to obtain any consent or approval required for his/her participation in the Scheme as a Grantee, or for any tax, duty, expense, fee or any other liability to which he/she may be subject as a result of his/her participation in the Scheme.

(vi) The provisions of the Scheme shall be deemed to be separate and severable, and shall be enforceable as such. In the event that any provision is unenforceable, it shall be deemed to be deleted from the Rules of this Scheme, and any such deletion shall not affect the enforceability of the remaining Rules of this Scheme.

(vii) Save as otherwise specifically provided in the Scheme, the Scheme shall not, directly or indirectly, grant any person any legal or equitable rights against the Group (other than the rights constituting and attaching to the Award Shares themselves), nor shall it give rise to any legal or equitable action against the Group. Under no circumstances shall any person hold the Board, the Authorized Person(s) and/or the Company liable for any costs, losses, expenses and/or damages arising from or in connection with the Scheme or its administration.

(viii) If any Award Shares lapse in accordance with the Rules of this Scheme, the Grantee shall not be entitled to any compensation for any loss he/she may suffer or for any rights or benefits or expected rights or benefits under this Scheme.

(ix) The operation of the Scheme shall be subject to the Articles of Association of the Company and any restrictions imposed by any applicable laws, rules and regulations.

11.2 Disclosure Rights

By participating in the Scheme, the Grantee consents to his/her personal information and data being properly held, processed, stored and used by the Company in the PRC, Hong Kong or other regions for the purpose of executing, administering or implementing the Scheme. Such consent includes, but is not limited to:

(i) administering and maintaining records of the Selected Grantees;

(ii) providing data or information to the Group, the Trustee of the Scheme, or a third-party administrator or manager in Hong Kong or other regions;

(iii) where applicable, disclosure to future acquirers or merger partners of the Company; and

(iv) disclosure of the Grantee's identity, the Award Shares, the vesting terms of the grant and/or future grants, and all other data as required by the Listing Rules or other applicable laws, rules and regulations for the purpose of any announcement, or circular required for the grant of Award Shares, or disclosure in the Company's annual report; the Grantee may, upon request to the Company, obtain a copy of his/her personal data and has the right to request correction if such personal data is inaccurate.

11.3 Governing Law

The Scheme shall be governed by and construed in accordance with the laws of the Hong Kong Special Administrative Region of the People's Republic of China.

Shanghai FourSemi Semiconductor Co., Ltd.
上海傅里葉半導體股份有限公司

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

(Stock Code: 3625)

NOTICE OF THE 2026 FIRST EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 2026 first extraordinary general meeting (the "**EGM**") of Shanghai FourSemi Semiconductor Co., Ltd. (the "**Company**") will be held on November 3, 2026 at 10:00 a.m. at Conference Room, 10/F, Building 1, No. 2007, Hongmei Road, Xuhui District, Shanghai, the PRC for the purposes of considering and, if thought fit, approving the following resolutions. In this notice, unless the context otherwise requires, terms used herein shall have the same meanings as defined in the Company's circular dated October 13, 2026 (the "**Circular**").

SPECIAL RESOLUTIONS

1. To consider and approve the proposed adoption of the 2026 H Share Incentive Scheme.

2. To consider and approve the proposed Service Provider Sub-limit.

3. To consider and if thought fit, pass with or without amendments, the proposed authorization to the Board and/or the Authorized Person(s) to handle matters in relation to the 2026 H Share Incentive Scheme.

By Order of the Board
Shanghai FourSemi Semiconductor Co., Ltd.
Mr. Xu Xiaolin
Chairman of the Board, Executive Director and President

Shanghai, the PRC, October 13, 2026

Notes:

1. Resolutions to be submitted at the EGM shall be voted on by poll.

2. The record date for the purpose of ascertaining the eligibility of the holders of H Shares and Domestic Shares to attend and vote at the EGM will be Tuesday, November 3, 2026. In order to ascertain holders of H Shares who are entitled to attend the EGM, the register of members of holders of H Shares will be closed from Thursday, October 29, 2026 to Tuesday, November 3, 2026 (both days inclusive). Holders of H Shares who intend to attend the EGM are required to lodge all completed transfer documents accompanied by the relevant share certificates with the Company's H Share registrar, Computershare Hong Kong Investor Services Limited at Shop 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong on or before 4:30 p.m. on Wednesday, October 28, 2026 for registration. Holders of Domestic Shares who intend to attend the EGM are required to lodge all completed transfer documents accompanied by the relevant share certificates at the office of the Company, at Room 303, Building 4, Second Street, Gangcheng Square, No. 11 Yunjuan Road, Lane 88, Lin-gang Special Area, China (Shanghai) Free Trade Pilot Zone on or before 4:30 p.m. on Wednesday, October 28, 2026 for registration.

3. Shareholders who are entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote on their behalf. A proxy need not be a Shareholder. If more than one proxy is appointed, the number and class of Shares in respect of which each such proxy is so appointed shall be specified in the appointment of the proxy.

4. The form of proxy must be signed by the Shareholder or by an authorised person appointed by the Shareholder in writing. If the Shareholder is a legal person, it must be stamped with the seal of the legal person or signed by a director or duly authorised attorney. If the form is signed by an attorney of the Shareholder, the power of attorney authorising that attorney to sign or other authorization document must be notarised.

5. In order to be valid, the form of proxy, and if the form of proxy is signed by a person under a power of attorney or other authorization document on behalf of the appointer, a notarially certified copy of that power of attorney or other authorization document, must be deposited with (i) the H Share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (for holders of H Shares); or (ii) the office of the Company, at Room 303, Building 4, Second Street, Gangcheng Square, No.11 Yunjuan Road, Lane 88, Lin-gang Special Area, China (Shanghai) Free Trade Pilot Zone (for holders of Domestic Shares), not less than 24 hours before the time appointed for holding the EGM (i.e. not later than Monday, November 2, 2026) or any adjournment thereof.

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

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

6. Shareholders and their proxies are required to produce identity proof when attending the EGM (and any adjournment hereof).

7. The EGM is expected to last for no more than half a day. Shareholders or their proxies attending the EGM are responsible for their own transportation and accommodation expenses.

8. All times refer to Hong Kong local time, except as otherwise stated.

As at the date of this notice, the Board comprises: (i) Mr. Xu Xiaolin, Mr. Liu Baoliang, Mr. Qian Shun and Ms. Yu Bingbing as executive Directors; (ii) Mr. Chen Binglin and Mr. Lin Enfeng as non-executive Directors; and (iii) Mr. Liu Hongcan, Ms. Liu Liping and Mr. Dai Xueguang as independent non-executive Directors.