
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

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

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.



Edianyun Limited
易點雲有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2416)

**PROPOSED ADOPTION OF THE 2023 SHARE SCHEME;
DETERMINATION OF REMUNERATION OF THE AUDITOR;
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

A notice convening the Extraordinary General Meeting of Edianyun Limited to be held at Edianyun Building, No. 41 Xixiaokou Road, Haidian District, Beijing, PRC on Thursday, 7 December 2023 at 10:00 a.m. is set out on pages EGM-1 to EGM-3 of this circular. A form of proxy for use at the Extraordinary General Meeting is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the website of Edianyun Limited (<http://edianyun.com>).

Whether or not you intend to attend the Extraordinary General Meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the Extraordinary General Meeting (i.e. before 10:00 a.m. on 5 December 2023) or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Extraordinary General Meeting or any adjournment thereof should you so wish. References to times and dates in this circular are to Hong Kong local times and dates.

20 November 2023

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	6
Introduction	6
Proposed Adoption of the 2023 Share Scheme	7
Determination of Remuneration of the Auditor	10
Responsibility Statement	10
Closure of Register of Members	11
Form of Proxy	11
Voting by Poll	11
Recommendation	12
 APPENDIX I – SUMMARY OF THE PRINCIPAL TERMS OF THE 2023 SHARE SCHEME	 I-1
 NOTICE OF EXTRAORDINARY GENERAL MEETING	 EGM-1

DEFINITIONS

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

Term	Definition
“2023 Share Scheme”	the 2023 Share Scheme in its present form or as amended from time to time
“Adoption Date”	the date on which the 2023 Share Scheme is first approved by the shareholders of the Company
“Articles of Association”	the eleventh amended and restated memorandum and articles of association of the Company adopted on 5 May 2023 and effective on the Listing Date, as amended from time to time
“associate(s)”	has the meaning ascribed thereto under the Listing Rules
“Auditor”	the auditor of the Company
“Award”	an award, which may take the form of a Share Option or a Share Award, granted under the 2023 Share Scheme by the Board to a Selected Participant in accordance with these Scheme Rules
“Awarded Cash”	in respect of a Selected Participant, such amount of cash from the sale of Shares awarded to him after deduction or withholding of any tax (if applicable), fees, levies, stamp duty and other charges in connection with the sale of Shares
“Awarded Interests”	in respect of a Share Award, the Awarded Shares and/or Awarded Cash, and the Related Income (if any) as awarded under the Award, and in respect of an Award taking the form of a Share Option, the Share Option
“Awarded Share(s)”	new Shares underlying an Award

DEFINITIONS

“Board”	the board of directors of the Company and if the context so permits, it shall include such committee or sub-committee or person(s) as from time to time delegated with the power and authority by the board of directors of the Company in accordance with the Scheme Rules to administer the 2023 Share Scheme and/or to deal with the Trust/Trustee in any manner as authorised by the board of directors of the Company
“Business Day”	a day (other than Saturday, Sunday or public holiday) on which the Stock Exchange is open for trading and on which banks are open for business in Hong Kong
“Company”	Edianyun Limited, a company incorporated in the Cayman Islands with limited liability whose Shares are listed on the Stock Exchange (stock code: 2416)
“Director(s)”	a director of the Company
“Eligible Participant”	any individual being an Employee Participant or a Related Entity Participant at any time during the duration of the 2023 Share Scheme
“Employee Participant(s)”	directors and employees (including full-time employees and part-time employees) of the Company or any of its subsidiaries (including persons who are granted awards under the 2023 Share Scheme as an inducement to enter into employment contracts with these companies)
“Excluded Participant”	any Eligible Participant who is resident in a place where the grant of an Award and/or the vesting and transfer of the Awarded Interests pursuant to the terms of the 2023 Share Scheme is not permitted under the laws or regulations of such place or where in the view of the Board or the Trustee (as the case may be), compliance with applicable laws or regulations in such place makes it necessary or expedient to exclude such Eligible Participant
“Exercise Period”	in respect of any Share Option under an Award, the period during which the Selected Participant may exercise the Share Option under an Award

DEFINITIONS

“Exercise Price”	the price per Share at which a Selected Participant may subscribe for new Shares upon the exercise of a Share Option awarded under the 2023 Share Scheme
“Extraordinary General Meeting”	the extraordinary general meeting of the Company to be held at Edianyun Building, No. 41 Xixiaokou Road, Haidian District, Beijing, PRC on Thursday, 7 December 2023 at 10:00 a.m. or any adjournment thereof and notice of which is set out on pages EGM-1 to EGM-3 of this circular
“Grant Date”	the date (which shall be a Business Day) on which the grant of an Award is made to an Eligible Participant, being the date of the grant instrument
“Group”	the Company and its subsidiaries from time to time, and “member of the Group” means any or a specific one of them
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Latest Practicable Date”	16 November 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Date”	25 May 2023, being the date on which the Shares of the Company were listed on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“Purchase Price”	The consideration, if any, as determined at the sole and absolute discretion of the Board, payable by a Selected Participant to the Company for acceptance of an Award
“Related Entity(ies)”	a holding company (as defined in the Listing Rules), a fellow subsidiary or an associated company of the Company
“Related Entity Participant(s)”	directors and employees of Related Entities

DEFINITIONS

“Related Income”	any and all cash and non-cash income, dividends or distributions, and non-cash and non-scrip distributions in respect of any Shares less any tax, fees, levies, stamp duty and other charges applicable
“Relevant Scheme(s)”	all share schemes (including share option schemes and share award schemes) of the Company involving the grant of new Shares or options over new Shares adopted and to be adopted by the Company from time to time (including the 2023 Share Scheme)
“Remuneration Committee”	the remuneration committee of the Company
“Scheme Rules”	means the rules relating to the 2023 Share Scheme as amended from time to time
“Selected Participant(s)”	Eligible Participant(s) selected by the Board for participation in the 2023 Share Scheme (or his legal personal representative or lawful successor as the case may be)
“SFO”	the Securities and Futures Ordinance (Cap 571 of the Laws of Hong Kong) as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary shares of US\$0.00005 each in the capital of the Company (or of such other nominal amount as shall result from a sub-division, consolidation, reclassification or reconstruction of the share capital of the Company from time to time)
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning given to it by the Listing Rules
“Trust”	the trust constituted by the Trust Deed
“Trust Deed”	a trust deed to be entered into between the Company as settlor and the Trustee as trustee of the Trust (as restated, supplemented and amended from time to time)

DEFINITIONS

“Trust Fund”	the funds and properties held directly or indirectly under the Trust and managed by the Trustee for the benefit of the Selected Participants (other than the Excluded Participants)
“Trust Period”	the duration of the Trust to be set out in the Trust Deed
“Trustee”	the trustee to be appointed under the Trust Deed to act as trustee of the Trust, and any additional or replacement trustees, being the trustee or trustees for the time being of the trusts declared in the Trust Deed, or such other person(s) who for the time being is duly appointed to be the trustee(s) of the Trust
“Vesting Date”	in respect of a Selected Participant, the date on which his entitlement to the relevant Award is vested in such Selected Participant in accordance with the Scheme Rules
“Vesting Price”	the price payable by a Selected Participant to the Company at the vesting of a Share Award
“%”	per cent

LETTER FROM THE BOARD



Edianyun Limited
易點雲有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 2416)

Directors:

Executive Directors:

Dr. Ji Pengcheng
(Chairman and Chief Executive Officer)
Mr. Zhang Bin
Mr. Zheng Tao
Mr. Xiang Zheng

Independent Non-Executive Directors:

Mr. Hong Weili
Mr. Song Shiji
Mr. Wang Jingbo
Ms. Li Dan

Registered office:

Suite #4-210, Governors Square
23 Lime Tree Bay Avenue
PO Box 32311, Grand Cayman
KY1-1209
Cayman Islands

Headquarters in the PRC:

Edianyun Building
No. 41 Xixiaokou Road
Haidian District
Beijing
PRC

***Principal place of business
in Hong Kong:***

31/F, Tower Two
Times Square, 1 Matheson Street
Causeway Bay
Hong Kong

20 November 2023

To the Shareholders,

Dear Sir or Madam

**PROPOSED ADOPTION OF THE 2023 SHARE SCHEME;
DETERMINATION OF REMUNERATION OF THE AUDITOR;
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to give you the notice of the Extraordinary General Meeting and to provide you with information on the proposed adoption of the 2023 Share Scheme and the determination of remuneration of the Auditor.

LETTER FROM THE BOARD

A summary of the principal terms of the 2023 Share Scheme is set out in the Appendix I to this circular.

PROPOSED ADOPTION OF THE 2023 SHARE SCHEME

The Board has resolved to propose the adoption of the 2023 Share Scheme to be approved and adopted by the Shareholders. The 2023 Share Scheme would be a share scheme funded by new Shares within the meaning under Chapter 17 of the Listing Rules.

The Board proposes the adoption of the 2023 Share Scheme, which will be valid for a period of 10 years from the Adoption Date, after which no further Awards will be granted. The purposes of the 2023 Share Scheme are to:

- (i) to provide a flexible method for the Company to attract, motivate and retain, to its Eligible Participant; and
- (ii) to encourage Eligible Participant to contribute to the Company's long-term growth and interests, and enhance the value of the Company and its Shares.

Scope of Eligible Participants

The Eligible Participants of the 2023 Share Scheme comprise Employee Participants and Related Entity Participants. The criteria for determination of their eligibility are set out in the paragraph headed "3. ELIGIBLE PARTICIPANTS AND BASIS OF ELIGIBILITY" in Appendix I to this circular.

Whilst the scope of the Eligible Participants is not limited to the directors and/or employees of members of the Group, the Board is of the view that Related Entity Participants are nonetheless valuable resources to the Group given their close corporate and collaborative relationships with the Group, as well as close connection with the Group's business. In addition, the officers and employees of the Related Entities possess the necessary skill, knowledge and experience to support and assist the Group with its development. As such, the Company recognises the importance of their past or future contribution and considers the inclusion of Related Entity Participants as Eligible Participants will provide the Company with the flexibility to provide equity incentives (instead of expending cash resources in the form of monetary consideration) to reward and collaborate with persons who are Related Entity Participants, but who may have exceptional expertise in their field or who may be able to provide valuable expertise and services to the Group or improve the performance of the related entity and enhance the Group's market position in the industry. Further, it is common for the enterprises in the information technology industry to have a close relationship with the Related Entities. Accordingly, the Board is of the view that the inclusion of Related Entity Participants as Eligible Participants, together with the selection criteria in respect of the Related Entity Participant align with the purpose of the 2023 Share Scheme to recognise contributions made and to be made to the growth and development of the Group and the long term interests of the Company and its Shareholders.

LETTER FROM THE BOARD

Scheme Mandate Limit

Pursuant to the Scheme Rules, the total number of Shares which may be issued in respect of all options and awards to be granted under the Relevant Schemes in aggregate shall not exceed 10% of the issued share capital of the Company as at the Adoption Date (the “**Scheme Mandate Limit**”).

As at the Latest Practicable Date, the number of issued Shares was 574,259,030 Shares. Assuming that there will be no change in the number of issued Shares between the Latest Practicable Date and the Adoption Date, the total number of Shares which may be issued upon exercise of all Awards to be granted under the 2023 Share Scheme together with all share options and/or share awards which may be granted under any other share schemes adopted or to be adopted by the Company would be 57,425,903 Shares, representing 10% of the issued share capital of the Company on the Adoption Date.

Performance targets and clawback mechanisms

The Board has the discretion to impose performance targets for the Awards which must be satisfied by the Eligible Participant for the purpose of vesting (in the case of a Share Award) or becoming exercisable (in the case of a Share Option). The performance targets are determined by the Board based on a range of considerations (such as business or financial milestones, performance results or transaction milestones of the Company and individuals) which may vary among each Eligible Participant.

In certain circumstances, Awards granted to Eligible Participant may be clawed back and cancelled accordingly so long as such Awards are unvested. Please refer to the paragraph headed “12. CLAWBACK MECHANISMS” in Appendix I to this circular for more information on the clawback mechanisms.

The Board is of the view that the performance targets and clawback mechanisms provide flexibility for the Board to align with the purposes of the 2023 Share Scheme to encourage Eligible Participant to contribute to the Company’s long-term growth and interests, and enhance the value of the Company and its Shares.

Vesting Period

The vesting period for the Awards shall be determined by the Board at its sole and absolute discretion, in the range of 12 months to 48 months but in any event shall be not less than 12 months, and, in the case of the grant of Share Awards, the Trustee and the relevant Selected Participant shall be informed of the relevant conditions of the Award.

LETTER FROM THE BOARD

To ensure the practicability in fully attaining the purpose of the 2023 Share Scheme, the Board and the Remuneration Committee are of the view that (i) there are certain instances where a strict 12 months vesting requirement would not work or would not be fair to the holders of the Awards, which are set out in the paragraph headed “6. VESTING PERIOD” in Appendix I to this circular (for paragraphs 6(iv), 6(v) and 6(vi) of Appendix I); (ii) there is a need for the Company to retain flexibility in certain cases to provide a competitive remuneration package to attract and retain individuals to provide services to the Group (for paragraph 6(i) of Appendix I), to provide for the effective transition of employee responsibilities and to reward exceptional performers with accelerated vesting or in exceptional circumstances where justified (for paragraphs 6(ii) and 6(iii) of Appendix I); and (iii) the Company should be allowed discretions to formulate its own talent recruitment and retention strategies in response to changing market conditions and industry competition, and thus should have flexibility to impose vesting conditions such as performance-based vesting conditions instead of time-based vesting criteria depending on individual circumstances (for paragraphs 6(i) and 6(iii) of Appendix I).

Hence, the Board and the Remuneration Committee are of the view that the shorter vesting period prescribed in the paragraph headed “6. VESTING PERIOD” in Appendix I to this circular is in line with the market practice and is appropriate and aligns with the purpose of the 2023 Share Scheme.

Basis of determining the Purchase Price, Vesting Price and Exercise Price

For Share Awards, the Purchase Price and the Vesting Price shall be such price as determined by the Board in their absolute discretion and notified to the Selected Participant in the relevant grant instrument. For the avoidance of doubt, the Board may determine the Purchase Price and the Vesting Price to be at nil consideration.

For Share Options, the basis for determining the Purchase Price and the Exercise Price is specified in paragraph headed “7. PURCHASE PRICE, VESTING PRICE AND EXERCISE PRICE” in Appendix I to this circular.

The Board is of the view that the basis of determining the Purchase Price, the Vesting Price and the Exercise Price aligns with the purposes of the 2023 Share Scheme to encourage Eligible Participant to contribute to the Company’s long-term growth and interests, and enhance the value of the Company and its Shares.

General

None of the Directors is a Trustee of the 2023 Share Scheme nor has a direct or indirect interest in the Trustees of the 2023 Share Scheme (if any).

The Company will, where applicable, comply with the applicable requirements under Chapter 17 of the Listing Rules in respect of the operation of the 2023 Share Scheme.

LETTER FROM THE BOARD

Subject to the approval by the Shareholders in respect of the adoption of the 2023 Share 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 2023 Share Scheme.

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder had a material interest in the adoption of the 2023 Share Scheme. As such, no Shareholder is required to abstain from voting on the resolution(s) in relation thereto.

A summary of the principal rules of the 2023 Share Scheme is set out in Appendix I to this circular. A copy of the 2023 Share Scheme will be made available for inspection at the Extraordinary General Meeting and will be published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at <http://edianyun.com> for not less than 14 days before the date of the Extraordinary General Meeting.

DETERMINATION OF REMUNERATION OF THE AUDITOR

References are made to the circular of the Company dated 8 June 2023, the notice of the annual general meeting of the Company dated 8 June 2023 and the announcement of the Company dated 30 June 2023 in respect of the poll results of annual general meeting held on 30 June 2023.

On 30 June 2023, the Shareholders approved by way of ordinary resolution to re-appoint Deloitte Touche Tohmatsu as the Auditor and to hold office until the conclusion of the next annual general meeting of the Company.

It is proposed that the remuneration of the Auditor shall be RMB3,200,000 for the term of office of the Auditor.

An ordinary resolution would be proposed at the Extraordinary General Meeting for approving the Auditor's remuneration during the term of office of the Auditor.

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 document misleading.

LETTER FROM THE BOARD

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 4 December 2023 (Monday) to 7 December 2023 (Thursday), both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend and vote at the Extraordinary General Meeting, during which period no share transfers will be registered. To be eligible to attend and vote at the Extraordinary General Meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 1 December 2023 (Friday).

FORM OF PROXY

A form of proxy is enclosed for use at the Extraordinary General Meeting. Such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (<http://edianyun.com/>). Whether or not you intend to attend the Extraordinary General Meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for holding the Extraordinary General Meeting (i.e. before 10:00 a.m. on Tuesday, 5 December 2023) or any adjournment thereof. Completion and delivery of the form of proxy shall not preclude Shareholders from attending and voting in person at the Extraordinary General Meeting if they so wish, and in such event the form of proxy shall be deemed to be revoked.

VOTING BY POLL

There is no Shareholder who has any material interest in the proposed resolutions regarding the proposed adoption of the 2023 Share Scheme and the determination of remuneration of the Auditor, therefore none of the Shareholders is required to abstain from voting on the resolutions.

Pursuant to Rule 13.39(4) of the Listing Rules and article 73 of the Articles of Association, any resolution put to the vote of the Shareholders at a general meeting shall be decided on a poll except where the chairman of the Extraordinary 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. Accordingly, the resolutions set out in the Notice of the Extraordinary General Meeting will be taken by way of poll.

On a poll, every Shareholder present in person or by proxy or, in the case of a Shareholder being a corporation, by its duly authorised representative, shall have one vote for every fully paid Share of which he/she is the holder. A Shareholder entitled to more than one vote needs not use all his/her votes or cast all the votes he/she uses in the same way.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors consider that the proposed resolutions for the proposed adoption of the 2023 Share Scheme and the proposed determination of the remuneration of the Auditor is in the interests of the Group and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of all the resolutions to be proposed at the Extraordinary General Meeting.

By order of the Board
Edianyun Limited
Ji Pengcheng
Chairman and Chief Executive Officer

The following is a summary of the principal terms of the 2023 Share Scheme proposed to be adopted at the Extraordinary General Meeting. It does not form part of, nor is it intended to be part of the rules of the 2023 Share Scheme. The Directors reserve the right at any time prior to the Extraordinary General Meeting to make such amendments to the 2023 Share Scheme as they may consider necessary or appropriate provided that such amendments do not conflict with any material aspects with the summary in this Appendix.

1. PURPOSES AND OBJECTIVES

The specific objectives of the 2023 Share Scheme are:

- (i) to provide a flexible method for the Company to attract, motivate and retain, to its Eligible Participant; and
- (ii) to encourage Eligible Participant to contribute to the Company's long-term growth and interests, and enhance the value of the Company and its Shares.

2. CONDITIONS

The 2023 Share Scheme shall become effective upon fulfilment of the following conditions:

- (i) the passing of a resolution by the Shareholders to approve the adoption of the 2023 Share Scheme; and
- (ii) the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, the Shares to be allotted and issued pursuant to Awards.

3. ELIGIBLE PARTICIPANTS AND BASIS OF ELIGIBILITY

The Eligible Participants are the Employee Participants and the Related Entity Participants. The Board may at its sole and absolute discretion select any Eligible Participant (other than any Excluded Participant) for participation in the Scheme as a Selected Participant.

The eligibility of any of the Eligible Participants shall be determined by the Board from time to time on the basis of the Board's opinion as to the Eligible Participant's contribution to the development and growth of the Group. In assessing whether Awards are to be granted to any Eligible Participant, the Board shall take into account various factors, including but not limited to, the nature and extent of contributions provided by such Eligible Participant to the Group, the special skills or technical knowledge possessed by them which is beneficial to the continuing development of the Group, the service period and/or the positive impacts which such Eligible Participant has brought to the Group's business and development and whether granting Awards to such Eligible Participant is an appropriate incentive to motivate such Eligible Participant to continue to contribute towards the betterment of the Group.

In assessing the eligibility of Employee Participant(s), the Board will consider all relevant factors as appropriate, including, among others:

- (i) his/her skills, knowledge, experience, expertise and other relevant personal qualities;
- (ii) his/her performance, time commitment, responsibilities or employment conditions and the prevailing market practice and industry standard;
- (iii) his/her contribution made or expected to be made to the growth of the Group;
- (iv) his/her educational and professional qualifications, and knowledge in the industry; and
- (v) the period of employment of the Employee Participants.

In assessing the eligibility of Related Entity Participant(s), the Board will consider all relevant factors as appropriate, including, among others:

- (i) the positive impacts brought by, or expected from, the Related Entity Participant on the Group's business development in terms of an increase in turnover or profits and/or an addition of expertise to the Group;
- (ii) the period of engagement or employment of the Related Entity Participant by the Group;
- (iii) the number, scale and nature of the projects in which the Related Entity Participant is involved;
- (iv) whether the Related Entity Participant has referred or introduced opportunities to the Group which have materialized into further business relationships;
- (v) whether the Related Entity Participant has assisted the Group in tapping into new markets and/or increased its market share; and
- (vi) the materiality and nature of the business relation of holding companies, fellow subsidiaries or associated companies with the Group and the Related Entity Participant's contribution in such holding companies, fellow subsidiaries or associated companies of the Group which may benefit the core business of the Group through a collaborative relationship.

4. ADMINISTRATION

The 2023 Share Scheme shall be subject to the administration of the Board and the Trustee in accordance with the rules of the 2023 Share Scheme and the Trust Deed. The decision of the Board with respect to any matter arising under the 2023 Share Scheme (including the interpretation of any provision) shall be final and binding. Without prejudice to the foregoing and to the extent permissible under the Listing Rules and other applicable laws and regulations, the Board may resolve to delegate to another committee of the Board or to one or more person(s) of the Company any or all of the authority and responsibility of the Board under the rules of the 2023 Share Scheme and the Trust Deed. Such committee duly established or person(s) duly appointed by the Board may further delegate its/his authority and responsibility under the rules of the 2023 Share Scheme and the Trust Deed.

Decisions of such committee duly established or person(s) duly appointed by the Board in relation to the operation of the 2023 Share Scheme or interpretation of the Scheme Rules shall be final and binding on all parties. In the event of any disagreement or ambiguity, the decision of the Board shall prevail.

The Trustee shall hold the Trust Fund in accordance with the terms of the Trust Deed.

The Trustee holding unvested Shares of the 2023 Share Scheme, whether directly or indirectly, shall abstain, and shall procure the holding company of such unvested Shares to abstain, from voting on matters that require Shareholders' approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given.

5. OPERATION OF SCHEME

Subject to the provisions of the 2023 Share Scheme, the Board may, from time to time, at its sole and absolute discretion select any Eligible Participant (other than any Excluded Participant) for participation in the 2023 Share Scheme as a Selected Participant, and grant an Award to any Selected Participant at such consideration and subject to such terms and conditions as the Board may in its sole and absolute discretion determine.

An Award may be in the form of:

- (i) an award which vests in the form of the right to subscribe for and/or to be issued such number of Awarded Shares as the Board may determine at the Vesting Price in accordance with the terms of the Scheme Rules (a "**Share Award**"); or
- (ii) an award which vests in the form of the right to subscribe for such number of Awarded Shares as the Board may determine during the Exercise Period at the Exercise Price in accordance with the terms of the Scheme Rules (a "**Share Option**").

After the Board has decided to make a grant of Awards to any Eligible Participant, the Board shall procure the Company and the Eligible Participant to execute a written grant instrument which sets out details of the Awards so granted and the conditions (if any) (including but not limited to limitation such performance targets as the Board may determine from time to time) upon which such Awarded Interests were granted.

Upon the due execution of the grant instrument by the Company and the relevant Eligible Participant and payment of the Purchase Price (if any) by the relevant Eligible Participant to the Company, the Awards are considered as having been granted to and accepted by the Eligible Participant, who shall become the Selected Participant. For Awards that are Share Awards, the Board shall, within 15 Business Days after the grant instrument is duly executed by the Company and the Selected Participant, notify in writing the Trustee of the terms and conditions of such grant (including without limitation the name of the Selected Participant, details of the granted Awarded Interests, vesting schedule and conditions (if any) thereof, if applicable). Subject to any adjustment that may be made pursuant to the mechanism as summarised in paragraph 13 of this Appendix I, the number of Awarded Shares specified in the grant instrument shall constitute the definitive number of Awarded Shares being granted to such Selected Participant.

No Award shall be made by the Board and no instructions to subscribe for or otherwise deal in any Shares shall be given to the Trustee under the 2023 Share Scheme where dealings in the Shares are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time. Without limiting the generality of the foregoing, no such instruction is to be given and no such grant is to be made:

- (i) after information that is required to be disclosed under Rule 13.09 of the Listing Rules or inside information that is required to be disclosed under Part XIVA of the SFO has come to the knowledge of the Company until (and including) the trading day after such information has been publicly announced in accordance with the Listing Rules, the SFO and/or the application laws;
- (ii) during the period commencing one (1) month immediately before the earlier of (i) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for approving the Company's results for any year or half-year; and (ii) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, and ending on the date of the results announcements. Such period will cover any period of delay in the publication of a results announcement;
- (iii) during the period of 60 days immediately preceding the publication date of the annual results for any financial period of the Company or, if shorter, the period from the end of the relevant financial period up to the publication date of the results;

- (iv) during the period of 30 days immediately preceding the publication date of the interim results for any financial period of the Company or, if shorter, the period from the end of the relevant half-year period of the financial period up to the publication date of the results; or
- (v) in any circumstance where dealing in Shares by a Selected Participant (including Directors) is prohibited under the Listing Rules, the SFO or any other applicable law or regulation;
- (vi) in any circumstance where any requisite approval from any governmental or regulatory authority has not been granted; and
- (vii) in any circumstance where the granting the Award is prohibited by or would result in a breach of the Listing Rules, the SFO or any other applicable law or regulation.

Grant of Award to a Director, chief executive or substantial shareholder of the Company, or any of their respective associates

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

Subject to any waiver or ruling granted by the Stock Exchange, where a Share Award (but not a Share Option) is to be granted to a Director (other than an independent non-executive Director) or the chief executive of the Company (or any of their respective associates), and the grant of Share Award will result in the number of the Shares issued and to be issued in respect of all share awards granted to such proposed Selected Participant (excluding any share awards lapsed in accordance with the terms of the Scheme and any other Relevant Scheme(s)) in the twelve (12) months period up to and including the Grant Date of the relevant Share Award would exceed 0.1% of the total number of Shares in issue as at the Grant Date, such grant of Share Award shall not be valid unless:

- (i) the grant of Share Award has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by the Shareholders in general meeting, at which the proposed Selected Participant, his associates and all core connected persons of the Company abstained from voting in favour of the relevant resolution granting the approval;
- (ii) a circular containing the details of the grant of the Share Award has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules (including but not limited to, the views of the independent non-executive Directors as to

whether the terms of the grant of the Share Award are fair and reasonable and whether such grant of Share Award is in the interests of the Company and Shareholders as a whole, and their recommendation to the independent Shareholders as to voting); and

- (iii) the number and terms of such Share Award are fixed before the general meeting of the Company at which the same are approved.

Subject to any waiver or ruling granted by the Stock Exchange, where an Award is to be granted to an independent non-executive Director or a substantial Shareholder (or any of their respective associates), and the grant of Award will result in the number of shares issued and to be issued in respect of all options and awards granted to such proposed Selected Participant (excluding any options and awards lapsed in accordance with the terms of the 2023 Share Scheme and any other Relevant Scheme(s)) in the twelve (12) months period up to and including the Grant Date, would exceed 0.1% of the total number of Shares in issue as at the Grant Date, such grant of Award shall not be valid unless:

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

Subject to any waiver or ruling granted by the Stock Exchange, where any change is to be made to the terms of any Award granted to a Director, the chief executive or a substantial Shareholder of the Company (or any of their respective associates) and:

- (i) such grant of Award has been approved in accordance with the Scheme Rules; or

- (ii) (where the grant was not subject to the relevant approval requirements in the Scheme Rules) as a result of such proposed change, such proposed change in the terms will result in the grant of the Award to be subject to the relevant requirements in Scheme Rules,

such change shall not be valid unless:

- (i) the change has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by the Shareholders in general meeting, at which such Selected Participant, his associates and all core connected persons of the Company abstained from voting in favour of the relevant resolution granting the approval; and
- (ii) a circular regarding the change has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules (including but not limited to, the views of the independent non-executive Directors (excluding the independent non-executive Director who is the Selected Participant of the Award) as to whether the change is fair and reasonable and whether such change is in the interests of the Company and Shareholders as a whole, and their recommendation to the independent Shareholders as to voting).

Where an Award has not been approved by the Shareholders in general meeting and/or the independent non-executive Directors (as the case may be), the Purchase Price (if any) paid by the Eligible Participant relating to such Award shall be refunded (without interest) by the Company.

6. VESTING PERIOD

The Board is entitled to impose any conditions, as it deems appropriate in its sole and absolute discretion with respect to the vesting of the Awarded Interests to the Selected Participant providing that, the vesting period for the Award Interests shall be in the range of 12 months to 48 months but in any event shall be not less than 12 months, and, in the case of the grant of Share Awards, shall inform the Trustee and such Selected Participant the relevant conditions of the Award.

Notwithstanding any other provisions of the 2023 Share Scheme, subject to applicable laws and regulations, the Board may in its sole and absolute discretion to determine that the Awards granted to an Employee Participant may be subject to a vesting period of less than 12 months in the following circumstances:

- (i) Awards are grant of “make-whole” share awards to an Employee Participant who is a new joiner of the Group to replace the share awards that has been forfeited when leaving the previous employer;

- (ii) Awards are granted to an Employee Participant whose employment is terminated due to death, retirement by agreement, disability or occurrence of any out of control event, in which circumstances the vesting of shares awards may accelerate;
- (iii) Awards are subject to performance-based vesting conditions provided in the grant instrument, in lieu of time-based vesting criteria;
- (iv) Awards are granted in batches during a year for administrative and compliance reasons, in which case, the vesting period may be shorter to reflect the time from which the Awards would have been granted;
- (v) Awards are granted with a mixed or accelerated vesting schedule (such as where the Awards may vest evenly over a period of 12 months); or
- (vi) Awards with a total vesting and holding period of more than 12 months.

7. PURCHASE PRICE, VESTING PRICE AND EXERCISE PRICE

With respect to the Purchase Price, the Vesting Price and the Exercise Price,

- (i) the Purchase Price of an Award shall be determined at the sole and absolute discretion of the Board and shall be payable by a Selected Participant to the Company for acceptance of an Award. For the avoidance of doubt, the Board may determine the Purchase Price be at nil consideration;
- (ii) for Share Awards, the Vesting Price shall be such price determined by the Board in their absolute discretion and notified to the Selected Participant in the grant instrument. For the avoidance of doubt, the Board may determine the Vesting Price be at nil consideration; and
- (iii) for Share Options, the Exercise Price shall be such price determined by the Board in their sole and absolute discretion and notified to the Selected Participant in the grant instrument, provided that the Exercise Price shall in any event be not less than the higher of: (a) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the Grant Date; or (b) the average closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange for the 5 trading days immediately preceding the Grant Date.

8. EXERCISE PERIOD

With respect to Exercise Period:

- (i) the Exercise Period for any Share Options shall be such period determined by the Board in their sole and absolute discretion and notified to the Eligible Participant in the grant instrument, provided that the Exercise Period shall not be longer than 10 years from the Grant Date. A Share Option shall lapse automatically and shall not be exercisable (to the extent not already exercised) on the expiry of the 10th anniversary from the Grant Date; and

- (ii) the Exercise Period for any Share Awards shall be such period determined by the Board in their sole and absolute discretion and notified to the Eligible Participant in the grant instrument. For the avoidance of doubt, the Board may determine the Exercise Period of a Share Award to be not applicable and determine that the Awarded Shares shall fall to be settled upon the Vesting Date without further action by the Selected Participant.

9. SCHEME MANDATE LIMIT

The total number of Shares which may be issued in respect of all options and awards to be granted under the Relevant Schemes shall not in aggregate exceed 10% of the issued share capital of the Company as at the Adoption Date.

The Company may seek approval of the Shareholders in a general meeting of the Company to refresh the Scheme Mandate Limit under the 2023 Share Scheme on or after the third anniversary of the date of the Shareholders' approval for the last refreshment or the Adoption Date. The total number of Shares which may be issued upon exercise of all the Awards under the 2023 Share Scheme of the Company as "refreshed" must not exceed 10% of the Shares in issue as at the date of approval of the refreshment. For the purpose of seeking approval of the Shareholders hereunder, the Company must send a circular to the Shareholders containing the information required under the Listing Rules; and any refreshment within any three-year period shall be subject to independent Shareholders' approval, where any controlling Shareholders and their associates (or if there is no controlling Shareholder, Directors (excluding independent non-executive Directors) and the chief executive(s) of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting, in accordance with the requirements under the Listing Rules.

No Award shall be granted to any Eligible Participant if, at the time of the Grant, the number of Shares issued and to be issued in respect of all options and awards granted to the relevant Eligible Participant (excluding any options and awards lapsed in accordance with the terms of the Relevant Schemes) in the 12 months period up to and including the relevant date of grant exceed 1% of the total number of Shares in issue as at the date of grant, unless such grant has been separately approved by the Shareholders in a general meeting of the Company with such Eligible Participant and the person's close associates (or associates if the Eligible Participant is a connected person) abstaining from voting.

The Company must send a circular to the Shareholders and the circular must disclose the identity of the Eligible Participant, the number and terms of the Awards to be granted (and Awards previously granted to such Eligible Participant during the 12 months).

10. PERFORMANCE TARGETS

Where performance targets, criteria or conditions are to be specified in the relevant grant instrument, the Board may determine such performance targets, criteria or conditions based on, among others, the following considerations:

Type of Selected Participants	Considerations and assessment method
A. Employee Participant	
(a) Director and member of senior management of the Company	The Board will monitor whether (1) any business or financial milestones or performance results (such as specific millions of devices under subscription as shown in our self-developed system, increase in revenue and net profit after tax as shown in the latest accounts of the Company by a certain percentage to be determined by the Board) or (2) any transaction milestones (such as the receipt of payments in a transaction) are achieved. Upon achieving the aforesaid milestones or performance results, or on a standalone basis, the Board may assess the Selected Participant's historical, current or anticipated contribution to the Group (including with respect to their experience, expertise, insight, management and oversight, or direction, etc.), as considered appropriate by the Board.
(b) Employee Participant (except a director or member of senior management of the Company)	The Board will conduct performance appraisals for assessing such Employee Participants with reference to key performance indicators such as operating metrics, revenue, profits, customer satisfaction metrics and reviews in relation to the business unit of which the relevant Employee Participant serves within a specified period (such as in the previous year), to determine whether the key performance indicators, as further specified in the grant instrument and as determined by the Board, have been reached.

Type of Selected Participants	Considerations and assessment method
B. Related Entity Participant	
(c) Related Entity Participant	The Board will assess whether the Related Entity Participants have contributed, or are likely to contribute, to the long-term development of the Group, with reference to achieving specified targets including, among other criteria, their financial or business performance (such as the achievement of specific millions of devices under subscription as shown in our self-developed system, increase in revenue and net profit after tax as shown in the latest accounts of the Company by a certain percentage to be determined by the Board), reaching of the minimum service period or business collaboration milestones (such as the number and scale of collaboration projects and the corresponding payments received), as determined by the Board.

11. RIGHTS ARE PERSONAL TO SELECTED PARTICIPANTS

Any Award made hereunder shall be personal to the Selected Participant to whom it is made and shall not be assignable nor transferrable and no Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to any unvested Awarded Interests referable to him pursuant to such Award or enter or purport to enter into any agreement to do so, unless and until such Awarded Interests are actually vested and transferred to the Selected Participant and/or a vehicle controlled by him/her (such as a trust or a private company). Any Awarded Shares shall rank *pari passu* in all respects with the fully-paid Shares in issue then exist on the date of transfer, and accordingly shall entitle the holder of such Shares to participate in all dividends or other distributions paid or made on or after the date of transfer and to exercise all voting rights in respect of such Shares.

12. CLAWBACK MECHANISMS

Subject to the rules in the 2023 Share Scheme, an Award shall be personal to the Selected Participant and shall not be assignable and no Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest whatsoever in favour of any third party over or in relation to any Award or enter into any agreement so to do. Any breach of the foregoing by a Selected Participant shall entitle the Company to cancel any Award or any part thereof granted to such Selected Participant to the extent not already exercised.

In the event that prior to or on the Vesting Date, a Selected Participant is found to be an Excluded Participant or is deemed to cease to be an Eligible Participant, the relevant Award made to such Selected Participant shall automatically lapse forthwith and the relevant Awarded Shares shall not vest on the relevant Vesting Date and, in the case of a Share Award, shall remain part of the Trust Fund.

Such Eligible Participant shall have no right or claim against the Company, any other member of the Group, the Board, the Trust or the Trustee or with respect to those or any other Shares or any right thereto or interest therein in any way.

The Company shall refund to the Selected Participant the Purchase Price paid (if any) in correspondence to such lapsed Awarded Interests paid by the Selected Participant in the Scheme Rules and the terms and conditions of the grant instrument.

Unless the Board determines otherwise, the circumstances under which a person shall be treated as having ceased to be an Eligible Participant shall include, without limitation, the following:

- (i) where such person has committed any act of fraud or dishonesty or serious misconduct, whether or not in connection with his employment or engagement by any member of the Group and whether or not it has resulted in his employment or engagement being terminated by the relevant member of the Group;
- (ii) where such person has been declared or adjudged to be bankrupt by a competent court or governmental body or has failed to pay his debts as they fall due (after the expiry of any applicable grace period) or has entered into any arrangement or composition with his creditors generally or an administrator has taken possession of any of his assets;
- (iii) where such person has been convicted of any criminal offence;
- (iv) where such person has engaged in any act that has had or will have a material adverse effect on the reputation or interests of any member of the Group; or
- (v) where such person has been convicted of or is being held liable for any offence under or any breach of the SFO or other securities laws or regulations in Hong Kong or any other applicable laws or regulations in force from time to time.

In respect of a Selected Participant who died or retired by agreement with a member of the Group at any time prior to or on the Vesting Date, all the Awarded Interests of the relevant Selected Participant shall be deemed to be vested and (in the case that the Awarded Interests are Share Option) deemed to be exercised on the day immediately prior to his death or the day immediately prior to his retirement with the relevant member of the Group.

In the event of the death of a Selected Participant, the Trustee shall directly or indirectly hold the vested Awarded Interests upon trust to transfer the same to the legal personal representatives or lawful successors of the Selected Participant within (i) 2 years of the death of the Selected Participant (or such longer period as the Trustee and the Board shall agree from time to time); (ii) the duration of the 2023 Share Scheme; or (iii) the Trust Period (whichever is shorter), subject to, in the case of a Share Award, the Trustee receiving (a) the original transfer documents (if any) prescribed by the Trustee and duly signed by such legal personal representatives or lawful successors of the Selected Participant; and (b) client due diligence documents of such legal personal representatives or lawful successors of the Selected Participant required in accordance with the Trustee's client due diligence policy. If such vested Awarded Interests fails to be transferred or would otherwise become bona vacantia for any reason, such vested Awarded Interests shall be forfeited and cease to be transferable and the Awarded Interests shall, in the case of a Share Award, remain part of the Trust Fund.

Unless otherwise determined by the Board: (i) if a Selected Participant ceases to be an Eligible Participant, or where the Selected Participant's employment or contractual engagement with the Group is terminated, for reasons other than those set out above; or (ii) where the Selected Participant's employment or contractual engagement with the Group has been suspended, or the Selected Participant's position within or in relation to the Group has been vacated, for more than six months:

- (i) a Selected Participant may exercise any vested Share Options within 6 months of such cessation or within the Exercise Period, whichever is the shorter, or such other period as the Board may decide in their sole and absolute discretion. If a Share Option is not exercised within the time mentioned above, the Share Option shall lapse automatically; and
- (ii) any outstanding Share Awards not yet vested shall be immediately forfeited and shall lapse automatically and any Awarded Interests thereof shall remain part of the Trust Fund, unless the Board determines otherwise at their sole and absolute discretion.

13. RIGHT ISSUE, OPEN OFFER, SCRIP DIVIDEND SCHEME

If there occurs an event of alteration in the capital structure of the Company (including but not limited to capitalization issue, rights issue, consolidation, subdivision or reduction of the share capital of the Company) whilst any Award remains outstanding, the Board may make equitable adjustments that it considers appropriate, at its sole and absolute discretion, including:

- (i) the maximum number of Shares subject to the 2023 Share Scheme, in case of a share consolidation or subdivision; and/or
- (ii) the number of Shares that may be offered by the Company to the Selected Participant pursuant to the Awards that have already granted but not vested; and/or

(iii) the Vesting Price of any Share Award or the Exercise Price of any Share Option

provided that

- (iv) no such adjustments shall be made in respect of an issue of securities by the Company as consideration in a transaction;
- (v) any such adjustments made must give each Selected Participant the same proportion of the share capital of the Company, rounded to the nearest whole Share, as that to which he was previously entitled;
- (vi) no such adjustments shall be made which would result in the Vesting Price of any Share Award or the Exercise Price of any Share Option for a Share being less than its nominal value, provided that in such circumstances the Vesting Price of any Share Award or the Exercise Price of any Share Option shall be reduced to the nominal value;
- (vii) no adjustment shall be made to the advantage of the Selected Participant without specific prior approval from the Shareholders;
- (viii) any adjustment made should have a neutral impact or worse from the perspective of the Selected Participant;
- (ix) any such adjustments, other than those made on a capitalisation issue, shall be confirmed by an independent financial adviser or the auditors of the Company (the “**Auditors**”) in writing to the Directors as satisfying the requirements of (v) above, the requirements of the relevant provisions of the Listing Rules and the supplementary guidance on Rule 17.03(13) of the Listing Rules set out in the letter issued by the Stock Exchange on September 5, 2005 (the “**Supplementary Guidance**”) and any further guidance/interpretation of the Listing Rules issued by the Stock Exchange from time to time, and that in the opinion of the Auditors or an independent financial adviser that the adjustments made by the Board hereunder are fair and reasonable;
- (x) any such adjustments to be made pursuant to a subdivision or consolidation of share capital shall be made on the basis that the aggregate Vesting Price of any Share Award or the Exercise Price of any Share Option payable by a Selected Participant for the vesting of the Awarded Shares granted to him shall remain as nearly as possible the same (but shall not be greater than) as it was before such event; and
- (xi) any adjustments to be made will comply with the Listing Rules, the Supplementary Guidance and any further guidance/interpretation of the Listing Rules issued by the Stock Exchange from time to time.

14. ALTERATION OF THE 2023 SHARE SCHEME

The 2023 Share Scheme may be amended in any respect by a resolution of the Board provided that, (i) unless with the prior written consent of the Trustee, any such amendment or modification shall not impose any additional or more onerous duties, responsibilities or liabilities on the Trustee; and (ii) any alteration to the terms and conditions of the 2023 Share Scheme that are of a material nature or any alteration to the authority of the Board to alter the terms of the 2023 Share Scheme or any alteration to the specific terms of the 2023 Share Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules to the advantage of Selected Participant or proposed Selected Participant must be approved by the Shareholders in general meeting (with the Selected Participant or proposed Selected Participant and their associates abstaining from voting). The Board's determination as to whether any proposed alteration to the terms and conditions of the 2023 Share Scheme is material shall be conclusive.

Any change to the terms of Awards granted to a Selected Participant must be approved by the Board and/or the Remuneration Committee and/or the independent non-executive Directors of the Company and/or the Shareholders (as the case may be) if the initial grant of such Awards under the 2023 Share Scheme was approved by the Board and/or the Remuneration Committee and/or the independent non-executive Directors of the Company and/or the Shareholders (as the case may be) except where the alterations take effect automatically under the existing terms of the 2023 Share Scheme.

The provisions in the 2023 Share Scheme may be amended by the Board to reflect any amendments on the relevant Listing Rules made by the Stock Exchange after the Adoption Date of the 2023 Share Scheme to comply with the relevant provisions of the Listing Rules which the 2023 Share Scheme has been drafted to reflect the position as at the Adoption Date of the 2023 Share Scheme.

Written notice of all details relating to change in the terms of to the 2023 Share Scheme during the lifetime of the 2023 Share Scheme shall be given to all Selected Participants and the Trustee immediately upon the changes take effect.

15. LAPSE OF AWARDS

An Award shall lapse automatically (to the extent vested but not already exercised) on the earliest of:

- (i) expiry of Exercise Period;
- (ii) Selected Participant is found to be an Excluded Participant or is deemed to cease to be an Eligible Participant;
- (iii) the date of the commencement of the winding-up of the Company.

The Awards lapsed shall not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

16. CANCELLATION OF AWARDS

The Board may at its discretion cancel any Award that has not vested or lapsed, provided that: (i) the Company has paid to the Selected Participant an amount equal to the Purchase Price; or (ii) the Board has made any arrangement as the Board and Selected Participant may mutually agree in order to compensate him/her for the cancellation of the Awards. The Awards cancelled shall be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

17. DURATION AND TERMINATION

Subject to any early termination as may be determined by the Board pursuant to the Scheme Rules, the 2023 Share Scheme shall be valid and effective for a term of 10 years commencing on the Adoption Date, after which no further Awards will be granted.

The 2023 Share Scheme shall terminate on the earlier of: (i) the 10th anniversary date of the Adoption Date; and (ii) such date of early termination as determined by the Board by a resolution of the Board, provided that such termination shall not affect any subsisting rights of any Selected Participant hereunder.

Upon termination of the 2023 Share Scheme,

- (i) no further grant of Awards may be made under the 2023 Share Scheme;
- (ii) all the Awarded Shares of the Share Awards granted under the 2023 Share Scheme shall continue to be held by the Trustee and become vested in the Selected Participants according to the conditions of the Award, subject to the receipt by the Trustee of the required documents prescribed by the Trustee;
- (iii) all Share Options complying with the provisions of the Listing Rules which are granted during the duration of the 2023 Share Scheme and remain unexpired immediately prior to the termination of the operation of the 2023 Share Scheme shall continue to be valid and exercisable in accordance with their terms of issue after the termination thereof;
- (iv) unless otherwise determined by the Board, all Shares (except for any Awarded Shares subject to vesting on the Selected Participants) remaining in the Trust Fund shall be sold by the Trustee within 28 Business Days (on which the trading of the Shares has not been suspended) (or such longer period as the Trustee and the Board may otherwise determine). All net proceeds of sale referred herein and such other funds and properties remaining in the Trust Fund managed by the Trustee (after making appropriate deductions in respect of all disposal costs, liabilities and expenses) shall be remitted to the Company forthwith. For the avoidance of doubt, the Trustee may not transfer any Shares to the Company nor may the Company otherwise hold any Shares whatsoever (other than its interest in the proceeds of sale of such Shares).

18. MISCELLANEOUS

The terms of the 2023 Share Scheme (and any other schemes adopted by the Company from time to time) shall be in accordance with the requirements set out in Chapter 17 of the Listing Rules.

The Company will comply with the relevant statutory requirements and the Listing Rules from time to time on a continuing basis in respect of the 2023 Share Scheme and any other schemes of the Company.

NOTICE OF EXTRAORDINARY GENERAL MEETING



Edianyun Limited

易點雲有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2416)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the extraordinary general meeting (the “**Extraordinary General Meeting**”) of Edianyun Limited (the “**Company**”) will be held at Edianyun Building, No. 41 Xixiaokou Road, Haidian District, Beijing, PRC on Thursday, 7 December 2023 at 10:00 a.m. for the following purposes:

Ordinary resolutions

To consider and, if thought fit, pass the following resolutions as ordinary resolutions:

1. **“THAT:**

- (i) conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) granting the approval for the listing of, and permission to deal in, the shares of the Company (the “**Shares**”) which may fall to be issued and allotted pursuant to the vesting and/or exercise of any share awards and/or share options (the “**Awards**”) that may be granted under the 2023 share scheme of the Company (the “**2023 Share Scheme**”), the 2023 Share Scheme be and is hereby approved and adopted and that any director of the Company be and is hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the 2023 Share Scheme including without limitation:
 - (a) to administer the 2023 Share Scheme under which Awards will be granted to eligible persons under the 2023 Share Scheme;
 - (b) to modify and/or amend the 2023 Share Scheme from time to time provided that such modification and/or amendment is effected in accordance with the provisions of the 2023 Share Scheme relating to modification and/or amendment and subject to Chapter 17 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”);

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (c) to issue and allot from time to time such number of Shares as may be required to be issued pursuant to the vesting and/or exercise of Awards and subject to the Listing Rules;
 - (d) to make application at the appropriate time or times to the Stock Exchange for the listing of, and permission to deal in, any Shares which may thereafter from time to time be issued and allotted pursuant to the vesting and/or exercise of the Awards; and
 - (e) to consent, if they deem fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the 2023 Share Scheme;
- (ii) the Scheme Mandate Limit as defined in the circular of the Company dated 20 November 2023 (the “**Circular**”) (being 10% of the total number of Shares in issue as at the date of adoption of the 2023 Share Scheme) be and is hereby approved and adopted and that any director of the Company be and is hereby authorised to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as he/she may consider necessary, desirable or expedient to effect and implement the Scheme Mandate Limit; and
 - (iii) subject to provisions in the 2023 Share Scheme, and any waiver or ruling granted by the Stock Exchange, no Award shall be granted to any eligible participant if, at the time of the grant, the number of Shares issued and to be issued in respect of all options and awards granted to the eligible in the 12 months period up to and including the Grant Date as defined in the Circular would exceed 1% of the total number of Shares in issue as at the Grant Date.”
2. “To approve the remuneration of the auditor of the Company.”

By order of the Board
Edianyun Limited
Ji Pengcheng
Chairman and Chief Executive Officer

Beijing, the PRC, 20 November 2023

NOTICE OF EXTRAORDINARY GENERAL MEETING

Registered office:	Headquarters in the PRC:	Principal place of business in Hong Kong:
Suite #4-210, Governors Square	Ediaryun Building	31/F, Tower Two
23 Lime Tree Bay Avenue PO Box 32311	No. 41 Xixiaokou Road	Times Square, 1 Matheson Street
Grand Cayman KY1-1209	Haidian District	Causeway Bay
Cayman Islands	Beijing, PRC	Hong Kong

Notes:

- (i) A shareholder entitled to attend and vote at the above meeting is entitled to appoint one or more proxies to attend, speak and vote in his/her stead. The proxy does not need to be a shareholder of the Company.
- (ii) Where there are joint registered holders of any shares, any one of such persons may vote at the above meeting (or at any adjournment of it), either personally or by proxy, in respect of such shares as if he/she were solely entitled thereto but the vote of the senior holder who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holders and, for this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the relevant joint holding.
- (iii) In order to be valid, the completed form of proxy must be lodged at the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority (such certification to be made by either a notary public or a solicitor qualified to practice in Hong Kong), at least 48 hours before the time appointed for holding the above meeting (i.e. before 10:00 a.m. on 5 December 2023) or any adjournment thereof. The completion and return of the form of proxy shall not preclude shareholders of the Company from attending and voting in person at the above meeting (or any adjourned meeting thereof) if they so wish.
- (iv) The register of members of the Company will be closed from 4 December 2023 (Monday) to 7 December 2023 (Thursday), both days inclusive, in order to determine the identity of the shareholders who are entitled to attend and vote at the above meeting, during which period no share transfers will be registered. To be eligible to attend the above meeting, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 1 December 2023 (Friday).
- (v) Pursuant to Rule 13.39(4) of the Listing Rules, voting for all the resolutions set out in this notice will be taken by poll at the above meeting.