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Beijing Fourth Paradigm Technology Co., Ltd.
北京第四範式智能技術股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 6682)

**PROPOSED ADOPTION OF THE EQUITY INCENTIVE SCHEME
AND
PROPOSED ADOPTION OF THE SHARE OPTION SCHEME**

PROPOSED ADOPTION OF THE EQUITY INCENTIVE SCHEME

The board (the “**Board**”) of directors (the “**Director(s)**”) of Beijing Fourth Paradigm Technology Co., Ltd. (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce that on August 30, 2024, the Board has resolved to propose the adoption of the equity incentive scheme (the “**Equity Incentive Scheme**”) of the Company. The Equity Incentive Scheme consists of the H share restricted share unit scheme (the “**H-Share Scheme**”) and the partnership employee stock ownership plan (the “**Partnership Plan**”) of the Company. The Equity Incentive Scheme constitutes a scheme referred to in Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) involving existing shares of the Company (the “**Share(s)**”).

The H-Share Scheme under the Equity Incentive Scheme aims to (1) advocate a value-oriented performance culture, to establish a mechanism for profit-sharing and mutual accountability between shareholders of the Company (the “**Shareholder(s)**”) and Eligible Participants (as defined in the Equity Incentive Scheme) to enhance the cohesion of the Eligible Participants, to strengthen the Company’s competitiveness, and to ensure the realization of the Company’s future development strategies and business objectives; (2) to align the interests of the Shareholders, the Company and grantees, ensuring that all parties are collectively focused on the Company’s sustained and healthy development, thereby bringing more efficient and long-lasting returns to the Company; (3) to further improve the Group’s performance appraisal system and remuneration system in order to attract, retain and motivate talents required for the realization of the Group’s strategic objectives; and (4) to establish a philosophy and a company culture in which employees and the Group work together for sustainable development.

The Partnership Plan under the Equity Incentive Scheme aims to (1) advocate a value-oriented performance culture, to establish a mechanism for profit-sharing and mutual accountability between shareholders and the management team of the Company, to enhance the cohesion of the management team of the Company, to strengthen the Company's competitiveness, and to ensure the realization of the Company's future development strategies and business objectives; (2) align the interests of the Shareholders, the Company and grantees, ensuring that all parties are collectively focused on the Company's sustained and healthy development, thereby bringing more efficient and long-lasting returns to the Company; (3) further improve the Group's performance appraisal system and remuneration system in order to attract, retain and motivate talents required for the realization of the Group's strategic objectives; and (4) establish a philosophy and a company culture in which employees and the Group work together for sustainable development.

The equity incentive scheme limit, being (i) the H shares of the Company (the "**H Shares**") corresponding to the award granted under the H-Share Scheme; and (ii) Shares corresponding to the incentive shares granted to the grantees on the grant date under the Partnership Plan shall not in aggregate exceed 5% of the total issued ordinary share capital of the Company (excluding treasury shares (as defined under the Listing Rules) ("**Treasury Shares**")) as at the Adoption Date (as defined below) (the "**Equity Incentive Scheme Limit**"). "**Adoption Date**" means the date on which the H-Share Scheme and/or the Partnership Plan is approved by the Shareholders.

The source of awards granted under the H-Share Scheme is H Shares acquired or received by the trustee ("**Trustee**") appointed by the Company for the purpose of the trust(s), which is/are trust(s) established for the purpose of H-Share Scheme. To the best knowledge, information and belief of the Directors, after making all reasonable enquiries, the Trustee and its ultimate beneficial owners are independent third parties and not connected with the Company or any of its connected persons (as defined in the Listing Rules). For the avoidance of doubt, the H-Share Scheme does not involve the issue of new shares or the transfer of Treasury Shares by the Company to the Trustee. The H Shares granted under the H-Share Scheme could be acquired or received by the Trustee on the market or off the market.

The incentive method of the Partnership Plan is that certain limited partnerships established or proposed to be established under the laws of the PRC shall act as employee shareholding platforms (the "**Employee Shareholding Platforms**") to hold the Shares directly or indirectly, and the grantees shall indirectly hold the underlying shares of the incentive (the "**Partnership Plan Incentive Shares**") through the holding of shares of such Employee Shareholding Platforms. The Partnership Plan Incentive Shares under the Partnership Plan could be acquired or received by the Employee Shareholding Platforms on the market or off the market.

Pursuant to the articles of association of the Company, the Equity Incentive Scheme and related matters are subject to, among other things, the approval of the Shareholders at a general meeting of the Company. The proposed adoption of the Equity Incentive Scheme and the proposed authorization to the Board and/or the Authorized Person (as defined in the Equity Incentive Scheme) to handle matters relating to the Equity Incentive Scheme are subject to the approval of the Shareholders by a special resolution at the forthcoming extraordinary general meeting of the Company (the "**EGM**").

PROPOSED ADOPTION OF THE SHARE OPTION SCHEME

The Board further announces that on August 30, 2024, the Board has resolved to propose the adoption of the share option scheme of the Company (the “**Share Option Scheme**”).

The Share Option Scheme aims to (1) attract, motivate and retain skilled and experienced personnel who are Eligible Persons (as defined in the Share Option Scheme) to strive for the future development and expansion of the Group by providing them with the opportunity to own equity interests in the Company; (2) deepen the reform on the Company’s remuneration system and to develop and constantly improve the interests balance mechanism among the Shareholders, the operational and executive management; and (3)(a) recognize the contributions of the management of the Company including the executive Directors, non-executive Directors and/or independent non-executive Directors; (b) encourage, motivate and retain the leadership of the Company whose contributions are beneficial to the ongoing operation, development and long-term growth of the Group; and (c) provide additional incentive for the leadership of the Company and long standing employee by aligning the interests of the management of the Company to those of the Shareholders and the Group as a whole.

The scheme limit of the Share Option Scheme (the “**Share Option Scheme Limit**”), being the maximum limit on the number of H Shares which may be issued upon exercise of option(s) and vesting of award(s), if any, under the Share Option Scheme and all other share scheme(s) of the Company (excluding options or awards lapsed in accordance with relevant scheme rules), is 5% of the total number of issued Shares (excluding Treasury Shares) as at the adoption date of the Share Option Scheme. The Company shall not make any further grant of options which will result in the Share Option Scheme Limit being exceeded unless the Shareholders have approved a further refreshment of the Share Option Scheme Limit or Shareholders’ approval has been obtained in compliance with the Listing Rules. The H Shares underlying the options under the Share Option Scheme will be satisfied by way of issue and allotment of new H Shares. Unless otherwise provided, for the purpose of the Share Option Scheme, references to new shares or new securities include Treasury Shares, and references to the issue of shares or securities include the transfer of Treasury Shares.

The Share Option Scheme constitutes a share scheme involving issue of new shares by the Company under Chapter 17 of the Listing Rules. The provisions of the Share Option Scheme will comply with Chapter 17 of the Listing Rules. The Share Option Scheme and related matters are subject to, among other things, the approval by the Shareholders at a general meeting of the Company. The proposed adoption of the Share Option Scheme and the proposed authorization to the Board and/or the Scheme Administrator (as defined in the Share Option Scheme) to handle matters relating to the Share Option Scheme are subject to the approval of the Shareholders by a special resolution at the EGM.

GENERAL INFORMATION

The EGM will be convened to consider and, if thought fit, approve, among other things, the proposed adoption of the Equity Incentive Scheme and the proposed adoption of the Share Option Scheme. A circular containing, among other things, (1) details and principal terms of the Equity Incentive Scheme; and (2) details and principal terms of the Share Option Scheme together with a notice of the convening of the EGM will be published by the Company in due course in accordance with the Listing Rules.

By order of the Board
Beijing Fourth Paradigm Technology Co., Ltd.
北京第四範式智能技術股份有限公司
Dr. Dai Wenyuan
Chairman and Executive Director

Hong Kong, August 30, 2024

As at the date of this announcement, the executive Directors are Dr. Dai Wenyuan, Mr. Chen Yuqiang and Mr. Yu Zhonghao; the non-executive Directors are Dr. Yang Qiang, Mr. Dou Shuai and Mr. Zhang Jing; and the independent non-executive Directors are Mr. Li Jianbin, Mr. Liu Chijin and Ms. Ke Yele.