
SHENZHEN DOBOT CORP LTD

The H Share Option Scheme

Chapter 1 Definitions

- 1.1. Unless the context otherwise requires, the following terms or abbreviations shall have the following meanings:

Name	Definition
Adoption Date	being the date on which the Scheme was approved at the general meeting
Auditor	the auditors of the Company from time to time
Board	the Board of Directors of our Company
Business Day	the day(s) on which the Stock Exchange is open for business for dealing in securities
Articles of Association	the Articles of Association of the Company in force from time to time
chief executive	has the meaning ascribed to it under the Listing Rules
associate(s)	has the meaning ascribed to it under the Listing Rules
close associate	has the meaning ascribed to it under the Listing Rules
Company/our Company	SHENZHEN DOBOT CORP LTD (深圳市越疆科技股份有限公司), incorporated under the PRC laws on 30 July 2015 under the name of Shenzhen Yuejiang Technology Co., Ltd. (深圳市越疆科技股份有限公司) as a limited liability company and converted to a joint stock limited company under the PRC laws on 28 December 2022, whose H shares are listed on the Main Board of the Stock Exchange (stock code: 02432)
connected person(s)	has the meaning ascribed to it under the Listing Rules
core connected person(s)	means a director, chief executive or substantial shareholder of the Company or of any of the subsidiaries of the Company or a close associate of any of them
Employee Participant(s)	director(s) and employee(s) (whether full-time or part-time employees) of the Company and/or of any of its subsidiaries (including persons who are granted Options under the Scheme as an inducement to enter into employment contracts with these companies)

Name	Definition
Grantee	any Participant(s) who accepts an offer with the terms of the Scheme and holder of any outstanding Option or (where the context so permits) a Personal Representative of such Grantee
Group	the Company and its subsidiaries from time to time, members of the Group shall be construed accordingly
H Share(s)	overseas listed foreign shares in the share capital of our Company with nominal value of RMB1.00 each, which are listed on the Stock Exchange and traded in Hong Kong dollars
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 thereto under the Securities and Futures Ordinance
Listing Rules	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
Option	a right granted to a Grantee to subscribe for Shares pursuant to the Scheme
Option Period	in respect of any Option, the Board will determine and notify the Grantee of the period during which the Option may be exercised, which period shall expire in any event not later than the last day of the 10-year period after the offer date and, for the avoidance of doubt, the Board may also, if it decides to fix different time periods for Options in respect of different Grantees, set conditions and/or restrictions on the exercise of such Option during the period when an Option may be exercised
Other Schemes	other than the Scheme, all the schemes or arrangements involving the grant by the Company or any member of the Group of 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

Name	Definition
Eligible Participant(s)	any person(s) belonging to any of the following classes of participants: (a) Employee Participants; and (b) Related Entity Participants;
Personal Representative	in case of the death, physical or mental disability or incapacity of the Grantee or other event which, in the opinion of the Board, deprives the Grantee of his/her capacity to act (other than in the event of insolvency, bankruptcy or liquidation of the Grantee), a person authorised by the Company to act as an agent for the purpose of obtaining an assignment of the Options granted to the Grantee (if exercisable but not yet exercised) or to obtain other rights on behalf of the Grantee as a result of such event and subject to the operation of the law to exercise such Options (if exercisable but not yet exercised) on behalf of the Grantee, 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
Exercise Period	the period during which the Grantee may exercise the Option
Related Entity(ies)	the holding company(ies), fellow subsidiary(ies) or associated company(ies) of the Company
Related Entity Participant(s)	director(s) and employee(s) (whether full-time or part-time employees) of the Related Entities
Remuneration and Appraisal Committee	The remuneration and appraisal committee of the Board
Scheme/this Scheme	Option Scheme of SHENZHEN DOBOT CORP LTD in its present form or as amended from time to time
Scheme Mandate Limit	has the meaning ascribed thereto under Article 9.1
Scheme Period	the period commencing on the Adoption Date and expiring on the day falling one day immediately before the tenth anniversary of the Adoption Date (both dates inclusive), which may be terminated earlier in accordance with the provisions of the Scheme

Name	Definition
Adoption Date	being the date on which the Scheme was approved at the general meeting
Share(s)	ordinary share(s) in the capital of the Company and any other shares arising from any subdivision, consolidation or reclassification of such shares
Shareholder(s)	holder(s) of the Share(s)
Stock Exchange	The Stock Exchange of Hong Kong Limited
Exercise Price	the price per Share in respect of which Option may be subscribed upon exercise of the Option, as determined by the Board, subject to Articles 6 and 11 or, where applicable, as adjusted from time to time in accordance with the rules of the Scheme
subsidiary	any entity which falls within the meaning of “subsidiary” as defined in the Listing Rules and the term “subsidiaries” shall be construed accordingly
substantial shareholder(s)	has the meaning ascribed to it under the Listing Rules
Takeovers Code	the Code on Takeovers and Mergers of Hong Kong issued by the Securities and Futures Commission of Hong Kong, as amended, supplemented or otherwise modified from time to time
Vesting Date	in relation to any Options, the earliest date specified in the offer by which the Grantee may exercise the Option (or portion thereof) granted to it, whereby Shares (or different portions thereof) may be subscribed for in accordance with the terms of that Option
Vesting Period	in relation to any Option, the period commencing on the date on which the Grantee accepts such Option granted to him/her and ending on the Vesting Date (both dates inclusive)
%	per cent

- 1.2. In the Scheme, unless the context otherwise requires:
- 1.2.1 Words denoting the singular shall include the plural, and vice versa;
 - 1.2.2 Words importing one gender or the neuter shall include all gender and neuter meanings;
 - 1.2.3 The headings are inserted for convenience only and shall not limit, alter, expand or otherwise affect the understanding of any provision of the rules of the Scheme;
 - 1.2.4 References to paragraphs or sub-paragraphs are to the corresponding paragraphs or sub-paragraphs of the rules of the Scheme;
 - 1.2.5 References to any law, statutory provision or regulatory provision (including any provision of the Listing Rules) shall be construed as references to the relevant law, statutory provision or regulatory provision as amended, consolidated or re-enacted, or the operation of which is varied, with or without modification, from time to time before or after the Adoption Date, respectively, by any other law, statutory provision or regulatory provision (including any provision of the Listing Rules), and shall include, any subordinate legislation enacted from time to time under the relevant legislation before or after the Adoption Date;
 - 1.2.6 References to persons shall include individuals, firms, bodies corporate, companies, unincorporated associations, governments, States or State agencies, joint ventures, organisations or partnerships, sole proprietorships, institutions, guilds, enterprises, branches and any other kind of entity (whether or not having separate legal personality);
 - 1.2.7 The word “including” shall be deemed to be followed by the phrase “but not limited to”;
 - 1.2.8 References to any decisions, directions and other acts of the Board shall be deemed to be decisions, directions and acts of the Board made in its absolute discretion and in any reference to the discretion of the Board, the word “discretion” shall be deemed to be qualified by the preceding term “absolute”; and
 - 1.2.9 If any payment due is to be made on a day that is not a Business Day or if any act is to be done on a day that is not a Business Day, the due date of such payment or act shall be automatically postponed to the next Business Day; and if any period during which a Party is obliged to do any act or is entitled to any benefit is a day that is not a Business Day, such period shall automatically be extended to the next Business Day.

1.3. In interpreting the rules of the Scheme:

- 1.3.1 The rules referred to as rules of a kind shall not apply, so that a general term introduced by the word “other” shall not be given a restrictive meaning by being preceded by a term denoting a particular class, matter or thing; and a general term shall not be given a restrictive meaning by being followed by a particular example contained in the general term.

Chapter 2 Conditions

2.1 The Scheme shall not enter into force until the following conditions have been fulfilled:

- 2.1.1 the passing by the Shareholders at the general meeting of the Company of the necessary resolution adopting the Scheme and authorising the Board to (i) grant Options under the Scheme in accordance with the rules of the Scheme and (ii) allot, issue and deal in the relevant number of Shares to be issued upon the exercise of any Options granted under the Scheme; and
- 2.1.2 The Listing Committee approves the listing of, and permission to deal in, the Shares of the Company which may be issued pursuant to the exercise of any such Options in accordance with the terms and conditions of the Scheme.

2.2 The granting by the Listing Committee of the listing and permission referred to in Article 2.1.2 shall include any listing and permission granted subject to the fulfilment of any condition precedent or condition subsequent.

Chapter 3 Purposes and Objectives

- 3.1 The purpose of the Scheme is to: (i) recognise and acknowledge the contribution of the participants and motivate the participants to contribute to, and promote the interests of, the Company by granting Options to them as incentives or rewards for their contribution to the growth and development of the Group; (ii) attract, retain and motivate high-calibre participants to promote the sustainable development of the Group, so as to be in line with the performance goals of the Group; (iii) develop, maintain and strengthen the long-term relationship between the participants and the Group for the benefit of the Group; and (iv) align the interest of the Grantees with those of the Shareholders to promote the long-term performance (whether in financial, business and operational aspects) of the Group.

Chapter 4 Management

- 4.1 The Scheme shall be administered by the Board and the decisions of the Board (except as otherwise provided in the Scheme) on all matters relating to the Scheme and the rules of the Scheme or the interpretation or effect thereof (subject to all applicable laws, rules and regulations (including the Listing Rules) and the requirements of any competent authority, except for matters which are subject to the approval of the Remuneration and Appraisal Committee, the independent non-executive directors and/or the Shareholders, as the case may be, as required by the Scheme or the Listing Rules) shall be final and binding on all persons who may be affected thereby, provided that, where applicable, a prior written statement has been received from the Auditors or independent financial adviser (if provided in Article 10).
- 4.2 Subject to the rules of this Scheme, the Articles of Association, all applicable laws, rules and regulations (including the Listing Rules and the relevant guidelines), the Board or any committee of the Board or person authorised by the Board shall from time to time have general powers to deal with the following matters, without limiting the generality of any other powers and authorisations that the Board or such committee or such person may have under the rules of the Scheme:
- 4.2.1 to interpret and construe the rules of the Scheme and the terms of offers granted under the Scheme;
 - 4.2.2 to make or vary such 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 are not inconsistent with the rules of the Scheme, the Articles of Association, all applicable laws, rules and regulations, including the Listing Rules and the relevant guidelines;
 - 4.2.3 to make offers to participants selected by it from time to time;
 - 4.2.4 to determine the terms and conditions of the offer and impose any restrictions and/or limits on him/her;
 - 4.2.5 to determine and impose performance targets (if any) to be properly fulfilled by the Grantee before the Options can be exercised, and to determine whether such performance targets have been properly fulfilled (except that in the case of any Grantee who is a director or a senior manager (as defined under Rule 17.01A of the Listing Rules) of the Company, the decision of the Board is subject to the opinion of the Remuneration Committee as to whether and why the performance targets and/or clawback mechanism are necessary and how the Options are consistent with the purpose of the Scheme in such circumstances);

- 4.2.6 to develop and implement a clawback policy, and determine whether the Options and underlying Shares are subject to clawback (as defined in paragraph 5.16) (except that in the case of any Grantee who is a director or a senior manager (as defined under Rule 17.01A of the Listing Rules) of the Company, the decision of the Board is subject to the opinion of the Remuneration and Appraisal Committee as to whether and why the performance targets and/or clawback mechanism are necessary and how the Options are consistent with the purpose of the Scheme in such circumstances);
 - 4.2.7 to approve and issue the grant letter; and
 - 4.2.8 to take other methods or actions to implement the terms and intentions of the Scheme.
- 4.3 In respect of the Scheme, no director, member of any committee of the Board or person authorised by the Board to administer the Scheme shall be personally liable for any contract or other instrument signed by or on his/her behalf, or for any error of judgement made in good faith, and the Company shall indemnify and hold harmless the Board, any member of any committee of the Board or any person authorised by the Board to administer or interpret the Scheme from any costs or expenses (including legal fees) or liabilities (including any sums paid in settlement of claims with the approval of the Board) arising from any acts or omissions related to the Scheme, unless such costs, expenses or liabilities result from the person's own wilful neglect of duty, fraud, or dishonesty.
- 4.4 For the management of the Scheme, the Company shall comply with all applicable laws, regulations and rules, including but not limited to the Listing Rules, relevant guidelines and the articles of association from time to time.

Chapter 5 Grant of Options

- 5.1 Pursuant to and subject to the terms of the Scheme and all applicable laws, rules and regulations (including the Listing Rules and related guidelines), the Board shall have the right to make an offer to any participant selected by it in its absolute discretion at any time within 10 years after the Adoption Date to subscribe for such number of Shares at the Exercise Price as the Board may determine (subject to paragraphs 5.5 to 5.7 and 5.9). In making an offer to a participant, the Board may, in its absolute discretion, impose such terms, conditions, restrictions and/or restrictions as it deems appropriate (including but not limited to any performance targets to be achieved and the minimum period for which Options must be held before it can be exercised in individual cases in accordance with paragraph 5.13), provided that such terms, conditions, and/or restrictions shall not be inconsistent with any other terms and conditions of the Scheme and applicable laws, rules and regulations (including the Listing Rules and related guidelines).
- 5.2 The eligibility of any participant for the offer shall be determined by the Board from time to time based on the Board's views regarding the participant's contribution to the development and growth of the Group. In assessing whether to grant Options to any participant, the Board will consider a number of factors, including but not limited to the nature and extent of the contribution that the participant makes or can make to the Group, their special skills or technical knowledge or experience that is beneficial to the continuous development of the Group, the positive impact that the participant has or is likely to have on the business, development and success of the Group (including support, assistance, guidance, advice, effort and/or contribution), and whether the grant of Options to the participant is an appropriate incentive to motivate the participant to continue to contribute to the progress of the Group.
- 5.2.1 In assessing the eligibility of Employee Participants, the Board will consider all relevant factors, where applicable, including but not limited to:
- (A) his/her skills, knowledge, experience, expertise and other relevant personal qualities;
 - (B) his/her performance, time commitment, responsibilities or employment conditions and prevailing market practices and industry standards;
 - (C) his/her contribution expected to be made to the growth of the Group with reference to the historical contribution;
 - (D) his/her length of engagement or employment with the Group; and
 - (E) his/her educational and professional qualifications, and knowledge in the industry.

5.2.2 In assessing the eligibility of Related Entity Participants, the Board will consider all relevant factors, where applicable, including, among others:

- (A) The positive impact (including support, assistance, guidance, advice, effort and/or contribution) expected to be brought by the Related Entity Participants on the business development of the Group with reference to the positive impact brought by the Related Entity Participants in the past in terms of bringing revenue or profit growth and more expertise to the Group and/or supporting the business development and/or growth of the Group;
- (B) the extent of the Related Entity Participant's actual involvement in and/or cooperation with the Group, as well as the duration of the cooperative relationship established between such participant and the Group by virtue of their position and duties in the connected entity;
- (C) the number, scale, and nature of the projects in which the Related Entity Participant is involved that may promote the business, development, and growth of the Group;
- (D) whether the Related Entity Participant has referred or introduced to the Group any opportunities for further business relationships, and whether such opportunities have been materialised;
- (E) whether the Related Entity Participant has assisted the Group in expanding into new markets and/or increasing its market share; and
- (F) the materiality and nature of business relationships between the Group and Related Entities involving participants holding offices or positions, as well as their potential contributions to the Group's core business through such entities' collaborations.

5.3 The offer shall be presented in writing to each participant separately and shall:

- 5.3.1 state the offer issuance date;
- 5.3.2 state the participant's name and identification particulars (e.g., ID document type/number, address, and position if applicable);
- 5.3.3 specify the deadline by which the Participants must accept the offer, which shall not be later than the later of: (i) the date of the offer; or (ii) 30 Business Days (or such other period as may be determined by the Board) after the date on which the conditions of the offer (if any) are satisfied, failing which the offer shall be deemed to have been waived;

- 5.3.4 specify the method for accepting the offer;
- 5.3.5 specify the maximum number of shares related to the offer;
- 5.3.6 specify the Exercise Price and payment method;
- 5.3.7 specify the earliest Vesting Date (and any subsequent Vesting Dates, if any) on which the participants may exercise their granted Options to subscribe for shares (or portions of shares, as the case may be), and the Option Period during which the Options may be exercised (or the corresponding Option Period for different portions of shares, as the case may be);
- 5.3.8 stipulate any performance targets (if any) that participants are required to fully achieve before being entitled to exercise any Options;

- 5.3.9 prescribe any clawback mechanism (as defined in paragraph 5.16) (if any), whereby the Company may claw back or withhold any Options that have been granted to participants in the event of gross misconduct, material misrepresentation in the Company's financial statements or other special circumstances as determined by the Board;
 - 5.3.10 specify any other terms and conditions that may be additionally imposed by the Board, the Remuneration and Appraisal Committee and/or independent non-executive directors (as applicable), provided that such terms are inconsistent with the Scheme provisions and applicable laws and regulations (including the Listing Rules);
 - 5.3.11 require the participant to undertake to hold the Options in compliance with their grant terms and to be subject to the Scheme provisions; and
 - 5.3.12 be made in such form as the Board may prescribe from time to time, subject to the foregoing provisions.
- 5.4 For so long as the Shares are listed on the Stock Exchange:
- 5.4.1 no offer shall be extended following the occurrence of Inside Information or the making of any decision relating to Inside Information, until the trading day on which such Inside Information is officially published and announced (inclusive); in particular, neither the making of offers nor the granting of Options shall occur during the period commencing one month prior to the earlier of:
 - (A) the date of the Board meeting convened to approve the Company's annual, semi-annual, quarterly or any other interim results (whether or not prescribed under the Listing Rules), being the date first notified to the Stock Exchange pursuant to the Listing Rules; and
 - (B) the publication deadline under the Listing Rules for the Company's annual or semi-annual, quarterly or any other interim results (whether or not required by the Listing Rules), and the period up to the actual results announcement date (it being expressly provided that no offers shall be extended nor Options granted during any period of delayed results publication); and

5.4.2 Pursuant to the Model Code for Securities Transactions by directors of Listed Issuers under the Listing Rules or any equivalent code or share dealing restrictions adopted by the Company, neither the making of offers nor the granting of Options shall be permitted to any participant serving as a director during any prohibited period or time applicable to directors' Share dealings.

5.5 Subject to paragraph 5.6 and 5.7, the total number of Shares issued and to be issued in respect of all Options granted under the Scheme and all Share options and Share awards under Other Schemes to each participant during any 12-month period up to and including the relevant offer date (including both exercised and unexercised Options and Share options as well as vested and unvested Share awards, but excluding any Options, Share options or Share awards that have lapsed pursuant to the terms of the Scheme or such Other Schemes) shall not exceed 1% of the total number of issued Shares (the "**Individual Limit**"). Should any proposed offer to participants result in the total number of Shares issued and to be issued in respect of all Options, Share options and Share awards already granted and proposed to be granted to each participant during any 12-month period up to and including the relevant proposed offer date (including both exercised and unexercised Options and Share options as well as vested and unvested Share awards, but excluding any Options, Share options or Share awards that have lapsed pursuant to the terms of the Scheme or such Other Schemes) exceeding the Individual Limit, then any further grant of Options shall be subject to and only take effect upon the fulfilment of the following conditions:

5.5.1 the proposed grant of Options shall have been separately approved by Shareholders at a general meeting of the Company, with both the participant concerned and his/her close associates (or, where the participant is a connected person, his/her associates) having abstained from voting;

5.5.2 where the Listing Rules so require, the Company shall have first sent a circular to Shareholders within the period prescribed by the Listing Rules disclosing all information required thereby (including, where applicable, the participant's identity, the number and terms of the Options to be granted (as well as any Options, Share options or Share awards previously granted to the participant during the aforesaid 12-month period), the purpose of granting the Options to the participant, and an explanation of how the Option terms achieve such purpose); and

- 5.5.3 The number and terms of Options to be granted to the relevant participant shall have been determined prior to the date of seeking Shareholder approval for such grant. For this purpose, the date of the Board resolution recommending the grant shall be deemed the offer date for Exercise Price calculation purposes.
- 5.6 Without prejudice to paragraph 5.7, each grant of Options to a director, the chief executive of the Company, a Substantial Shareholder, or any of their respective Associates shall require the approval of the independent non-executive directors (excluding any independent non-executive director who is a proposed Grantee of such Options).
- 5.7 Should any grant of Options to an independent non-executive director, a substantial shareholder or any of their respective Associates result in the total number of Shares issued and to be issued in respect of all Options granted under the Scheme and all other Share options and Share awards granted under Other Schemes to such person(s) during any 12-month period up to and including the relevant offer date (including both exercised and unexercised Options and Share options as well as vested and unvested Share awards, but excluding any Options, Share options or Share awards that have lapsed pursuant to the terms of the Scheme or such Other Schemes) exceeding 0.1% of the total issued Shares, then any further grant of Options shall be subject to and only take effect upon the fulfilment of the following conditions:
- 5.7.1 where so required by the Listing Rules, the Company shall have sent to Shareholders within the period prescribed thereunder a circular containing all information set forth in paragraph 5.8; and
- 5.7.2 where the Listing Rules so require, the grant of Options shall have obtained Shareholder approval at a general meeting of the Company, the Grantee(s), their associates and all core connected person(s) shall have abstained from casting affirmative votes at such meeting, and the Company shall be in full compliance with Rules 13.40, 13.41 and 13.42 of the Listing Rules and other applicable provisions.

- 5.8 The circular to be sent to Shareholders pursuant to paragraph 5.7.1 shall contain the following information:
- 5.8.1 detailed particulars of the number of Options to be granted to each participant and the terms of such Options (including the information specified in Rules 17.03(5) through 17.03(10) and Rule 17.03(19) of the Listing Rules), which shall be determined prior to the general meeting at which Shareholder approval for the grant is sought. For this purpose, the date of the Board resolution recommending the grant shall be deemed the offer date for Exercise Price calculation purposes.
 - 5.8.2 the opinions of the independent non-executive directors (excluding any independent non-executive director who is a proposed Grantee of such Options) regarding the fairness and reasonableness of the grant terms and whether such grant is in the interests of the Company and its Shareholders as a whole, along with their recommendations concerning the independent Shareholders' vote; and
 - 5.8.3 other information required under the Listing Rules (including Rules 17.02(2)(c) and 2.17 where applicable).
- 5.9 Any modification to the terms of any grant of Options to a director, the chief executive of the Company, a Substantial Shareholder, or any of their respective Associates (where approval was required for the initial grant) shall require approval by the Board, the Remuneration Committee, the independent non-executive directors and/or Shareholders in the manner specified in Rule 17.04(4) of the Listing Rules (as the case may be), unless such modification automatically becomes effective under the existing terms of the Scheme, in which case no separate approval shall be required.
- 5.10 The provisions of paragraph 5.6 to 5.8 of these rules regarding the grant of Options to directors or the chief executive of the Company shall not apply where the participant is merely a proposed director or chief executive.

- 5.11 Any offer may be accepted during the period and in the manner specified in the offer for whole or part of the Shares covered thereby, provided that any reduced number of Shares must be clearly stated at the time of acceptance, and the Board may, if it deems appropriate, impose conditions requiring that acceptances be made only in board lots or integral multiples thereof as traded on the Stock Exchange. If the Offer is not accepted for the intended purpose within the period specified in the offer (whether in whole or in part of the Shares covered thereby), the offer shall be deemed irrevocably rejected and shall accordingly lapse either in whole or as to the portion not accepted (as the case may be).
- 5.12 The Grantee shall ensure and shall be deemed upon acceptance of the offer to have represented and warranted to the Company that the acceptance of the offer, the vesting, holding and exercise of any Options granted, and the holding of Shares following such exercise, are and will remain valid and effective, and that the Grantee will comply with all applicable laws, rules and regulations governing such matters. The Board may require the participant to provide such evidence as it may reasonably require as a precondition to the issuance of the offer and the allotment of Shares upon exercise of the Options.
- 5.13 No Option shall vest within a period of less than 12 months (such other period as may be prescribed or permitted by the Listing Rules from time to time). Under any of the following circumstances, the Vesting Period for Options granted to Employee Participants shall be the shorter of (i) the Vesting Period determined by the Remuneration Committee where the Employee Participant is a director or a senior manager (as defined in Listing Rule 17.01A) of the Company, or (ii) the Vesting Period determined by the Board where the Employee Participant is not a director or a senior manager (as defined in Listing Rule 17.01A) of the Company:
- 5.13.1 the grant of “compensatory” Options to new Employee Participants as replacement for Share awards or Share options forfeited when leaving their former employer;
 - 5.13.2 the grant of Options to Employee Participants whose employment is terminated by reason of death, disability or any force majeure event;
 - 5.13.3 the grant of Options subject to performance-based vesting conditions as determined by the Board, in lieu of the standard time-based vesting schedule;
 - 5.13.4 the grant of Options in multiple tranches within a year for administrative and compliance-related reasons;

5.13.5 the grant of Options with hybrid or accelerated vesting schedules, including equal monthly vesting over a 12-month period; and

5.13.6 the grant of Options where the aggregate of the vesting period and holding period exceeds 12 months.

5.14 [Repealed]

5.15 Unless otherwise determined by the Board and/or stipulated in the offer, no Grantee shall be required to satisfy any performance targets prior to exercising the granted Options, provided that:

5.15.1 where a Participant is a director or a senior manager (as defined in Listing Rule 17.01A) of the Company, the Remuneration Committee may (or for any other participant, the Board or the relevant Board committee duly authorised in this regard may) establish performance targets for granting the Options to such participant upon achievement thereof. Following the grant of any performance-linked Options, the Board (or, as the case may be, the Remuneration Committee or the relevant Board committee duly authorised in this regard) shall have the authority, in the event of changes in circumstances during the vesting period, to make equitable and reasonable adjustments to the established performance targets, provided that any such adjusted targets shall be less stringent than the original targets, and such adjustments shall be deemed fair and reasonable by the Board (or, as the case may be, the Remuneration Committee or the relevant Board committee duly authorised in this regard).

5.15.2 the performance targets may include the Group's business performance, financial condition, operations, capital value creation for its business segments (such as revenue and net profit growth), and individual performance metrics of participants tied to their respective roles and responsibilities. The Board (or, as the case may be, the Remuneration and Appraisal Committee, the relevant Board committee duly authorised in this regard or other relevant persons) shall conduct an evaluation at the end of the performance period by comparing actual performance with the predetermined targets, to determine whether the performance targets have been achieved and the extent of such achievement.

- 5.16 Where the Board in its absolute discretion determines that the vesting of any Options and/or (where such Options have been exercised) the holding of the relevant Shares issued and allotted upon such exercise by any participant may be considered inequitable, including without limitation in circumstances involving material misstatements or omissions in the Group's financial reports, or any fraudulent acts or serious misconduct by the relevant participant, such Options (if any) and the relevant Shares issued and allotted upon such exercise (where applicable) shall be subject to clawback. For the avoidance of doubt, notwithstanding any other provision of the Scheme, any Options and any Shares to be issued upon the exercise thereof shall be subject to clawback in accordance with the Company's clawback policy, as amended from time to time. For the purposes of the Scheme, "clawback" means the Company's priority right, authorisation and power to claw back or withhold the Options (and the relevant Shares) granted to any participant under the circumstances set out in this paragraph, including but not limited to (i) requiring the return or repayment of all or any specified portion of the Options, or any Shares to be issued and allotted upon the exercise thereof by any participant; and/or (ii) terminating or modifying the participant's right to receive or vest in all or any specified portion of any unvested Options, or the right to be issued and allotted any Shares that would otherwise be issued and allotted upon exercise of any such unexercised Options.

Chapter 6 Exercise Price

- 6.1 Subject to the provisions of paragraph 6.2, the Exercise Price (to be adjusted in accordance with paragraph 10) shall be determined by the Board and notified to the participants, and shall not be less than the highest of the following:
- 6.1.1 the closing price of the Shares as shown in the daily quotation sheets of the Stock Exchange on the offer date (being a business day);
 - 6.1.2 the average of the closing prices of the Shares as shown in the daily quotation sheets of the Stock Exchange for the five business days immediately preceding the offer date; and
 - 6.1.3 the nominal value of the Shares.
- 6.2 In the case of the grant of any Options pursuant to paragraphs 5.5, 5.7 or 9.5, for the purposes of paragraphs 6.1.1 and 6.1.2, the date of the Board meeting at which the grant of the Options is proposed shall be deemed to be the offer date of the Options, and the provisions of paragraph 6.1 shall apply *mutatis mutandis*.

Chapter 7 Exercise of the Options

- 7.1 (A) The Options are personal to the Grantee and shall not be transferable. The Grantee shall not, in any manner whatsoever, whether for the benefit of or in favour of any third party, sell, transfer, mortgage, charge, encumber or otherwise dispose of any Options, or create any interest in any Options, or enter into any agreement to effect any of the foregoing, save that: (i) the Grantee's Personal Representatives or nominees may exercise the Options in accordance with the Scheme; and (ii) as otherwise provided in sub-paragraph (B) below. The Personal Representatives and nominees shall comply with all provisions of the Scheme, which shall apply *mutatis mutandis* to such Personal Representatives or nominees. For the avoidance of doubt, where the Grantee is a body corporate, any change of its controlling Shareholder or any material change in its management (as determined by the Board in its absolute discretion) shall be deemed a sale or transfer of the relevant interests hereunder, unless otherwise determined by the Board in its sole and absolute discretion.
- (B) Provided that (i) the Board has given its prior written consent (such consent to be granted or withheld in the Board's absolute discretion), and (ii) the Stock Exchange has granted its express waiver, the Grantee may be permitted to transfer the Options granted to and held by the Grantee to a vehicle designated by the Grantee for the benefit of the Grantee and/or any of his/her family members (including for estate planning, tax planning or such other purposes as the Board and the Stock Exchange may consider reasonable) (the "**Participant Vehicle**") (such as a trust or private company), so long as such transfer remains consistent with the purposes of the Scheme and complies with all other provisions of Chapter 17 of the Listing Rules. When applying to the Board for the aforesaid consent and to the Stock Exchange for the aforesaid waiver, the Grantee shall provide to the Company the information regarding the beneficiaries or objects of discretion of such trust or the ultimate beneficial owners of such Participant Vehicle, the documentary evidence of the trust arrangements between the Grantee and the proposed Participant Vehicle, and such other information as the Board or the Stock Exchange may reasonably require, and shall further consent to the disclosure of all such information in any public disclosures by the Company (including any announcements, circulars and/or reports to be issued by the Company). The Participant Vehicle shall comply with all provisions of the Scheme (including paragraph 7.1), which shall apply *mutatis mutandis* to the Participant Vehicle.

(C) The Company may, by notice, immediately revoke any Options granted to a Grantee (insofar as not yet exercised, whether vested or unvested) upon being reasonably satisfied that the Grantee has breached or attempted to breach the provisions of paragraph 7.1. The revocation notice shall constitute a final notice and be binding on the Grantee. Provided the Company has acted in good faith, the Grantee shall have no right to claim any loss or compensation from the Company, its officers, and/or members of the Board (or any such persons) in connection with such revocation.

7.2 Subject to the terms of the Scheme (including, without limitation, paragraph 7.3) and the terms and conditions set out in the offer (including the achievement of any performance targets (if any) specified in the offer), the Grantee (or his/her Personal Representative) may, during the Option Period, exercise all or part of the Options by delivering written notice to the Company (or notifying the relevant entity through the designated platform in the manner prescribed by the Board from time to time), specifying the exercise of the Options in the manner stipulated in the offer or such other manner as the Board may determine from time to time and the number of Shares in respect of which the Options are exercised; provided that the Board may, in its sole and absolute discretion, prescribe that the Options shall only be exercisable in board lots of Shares traded on the Stock Exchange or integral multiples thereof, except where the unexercised Options relate to fewer Shares than one board lot or where the Options have been fully exercised. The notice shall be accompanied by a remittance for the full amount of the exercise price for the Shares specified in such notice. Within 30 Business Days after receipt of the notice and remittance pursuant to paragraph 10 and where applicable, the certificate from the Auditor or independent financial adviser (or, in the circumstances described in paragraph 7.3 or such other period as the Board may determine if the Shares to be issued and allotted upon exercise of the Options would exceed the Company's then authorised share capital), the Company shall allot and issue the relevant Shares as fully paid to the Grantee (or his/her Personal Representative or estate, as the case may be), and issue share certificates for the allotted Shares to the Grantee (or his/her Personal Representative or estate, as the case may be).

7.3 Subject to the terms of the Scheme and the terms and conditions contained in the offer (including the attainment of any performance targets (if any) specified therein), the Grantee (or his/her Personal Representative) may, during the Option Period, exercise the Options at any time in the manner prescribed in paragraph 7.2, provided that:

7.3.1 Subject to paragraphs 7.3.4, 7.3.9 and 8.1.3, if a Grantee (being an Employee Participant at the time of the offer) of an outstanding Option ceases to be an Employee Participant for any reason, then, unless otherwise determined by the Board in its sole and absolute discretion, such Grantee may exercise the Option up to his or her entitlement at the date of cessation (to the extent exercisable but not already exercised) within six months (or such other period as the Board may determine) after the date of such cessation, which date of cessation shall be his last actual working day with the Company or any Subsidiary regardless of whether salary is paid in lieu of notice or not; provided that if any of the circumstances specified in paragraphs 7.3.5, 7.3.6, 7.3.7 or 7.3.8 occurs, such unexercised Options may be exercised only in the respective manners and within the corresponding period specified in those paragraphs;

7.3.2 Subject to paragraphs 7.3.3, 7.3.4, 7.3.9 and 8.1.3, if a Grantee (being a Related Entity Participant at the time of the offer) of an outstanding Option ceases to be a Related Entity Participant for any reason, then, unless otherwise determined by the Board in its sole and absolute discretion, such Grantee may exercise the Option up to his or her entitlement at the date of cessation (to the extent exercisable but not already exercised) within six months (or such other period as the Board may determine) after the date of such cessation, which date of cessation shall be his last actual working day with the Related Entity where he/she was previously employed, served as a director, or held other positions regardless of whether salary is paid in lieu of notice or not; provided that if any of the circumstances specified in paragraphs 7.3.5, 7.3.6, 7.3.7 or 7.3.8 occurs, such unexercised Options may be exercised only in the respective manners and within the corresponding period specified in those paragraphs;

- 7.3.3 If a Grantee (being a Related Entity Participant at the time of the offer) of an outstanding Option ceases to be a Related Entity Participant due to the Related Entity where the Grantee was employed, served as a director, or held other positions ceasing to be a Related Entity, then, unless otherwise determined by the Board in its sole and absolute discretion, such Grantee may exercise the Option up to his or her entitlement at the date of cessation (to the extent exercisable but not already exercised) within the relevant period as the Board may determine, and any unexercised Options shall lapse upon expiration of such period; provided that if any of the circumstances specified in paragraphs 7.3.5, 7.3.6, 7.3.7 or 7.3.8 occurs, such unexercised Options may be exercised only in the respective manners and within the corresponding period specified in those paragraphs;
- 7.3.4 In the event of the death of a Grantee of an outstanding Option or a Grantee (being an Employee Participant or a Related Entity Participant at the time of the offer) ceasing to be such participant due to physical/mental disability, incapacity, or any other event deemed by the Board to impair capacity (excluding insolvency, bankruptcy or winding-up) prior to exercising all or any of the Options, and provided that no event constituting grounds for termination of employment or appointment under paragraph 8.1.3 has occurred, then, unless otherwise determined by the Board in its sole and absolute discretion, the Grantee or his/her Personal Representative may exercise the Options (to the extent exercisable but not already exercised) up to the entitlement of such Grantee at the date of his death, physical or mental disability or incapacity or such other event by the Grantee or his Personal Representative(s) within twelve months (or such other period as the Board may determine) after the date of death or the date of physical/mental disability, incapacity or other relevant event (which date shall be determined by the Board upon receiving written evidence from the Personal Representative satisfactory to the Board), provided that (i) for any Options that may have reached the earliest vesting date specified in the offer but remain unvested due to failure to meet the performance targets set forth therein, the Board may (but shall not be obliged to), by reference to the level of achievement of the prescribed performance targets and other equitable factors, determine that the Grantee or his/her Personal Representative may exercise such Options in respect of the relevant number of Shares within such period as the Board deems appropriate, subject to any conditions or restrictions the Board may impose; and (ii) if any of the circumstances specified in paragraphs 7.3.5,

7.3.6, 7.3.7 or 7.3.8 occurs, such unexercised Options may be exercised only in the respective manners and within the corresponding period specified in those paragraphs;

7.3.5 In the event of a change of control of the Company occurring hereunder resulting in a general offer (whether by way of takeover offer, share repurchase offer, scheme of arrangement or similar means, excluding a privatisation offer in Paragraph 7.3.6) being made to all Shareholders (or all relevant Shareholders except the offeror and/or its controlled persons and/or persons connected/acting in concert with the offeror), where (i) for a scheme of arrangement, such arrangement is formally proposed to Shareholders prior to the Option expiry date or (ii) for other cases, the offer becomes or is declared unconditional prior to the Option expiry date, then, unless otherwise determined by the Board in its sole and absolute discretion, the Grantee (or his/her Personal Representative, as the case may be) may, by written notice to the Company, exercise the Options in whole or in part as specified in such notice within 14 days (or such other period as the Board may in its sole and absolute discretion determine, provided that such period shall not extend beyond the expiry of the original Option Period) after (i) in the case of a scheme of arrangement, the effective date thereof or (ii) in other cases, the date the offer (or revised offer) becomes or is declared unconditional, notwithstanding that the Option Period for such Options may not have commenced. For purposes of this Paragraph 7.3.5, “control” shall have the meaning ascribed to it in the Takeovers Code as amended from time to time;

7.3.6 If an offer is made to all Shareholders (or all relevant Shareholders except the offeror and/or its controlled persons and/or persons connected/acting in concert with the offeror) to acquire and/or cancel Shares in connection with the Company’s privatisation proposal (whether by way of takeover offer, share repurchase offer, scheme of arrangement or similar means, regardless of whether it involves a change of control of the Company), and (i) for a scheme of arrangement, such scheme is formally proposed to Shareholders prior to the Option expiry date or (ii) for other cases, the offer becomes or is declared unconditional prior to the Option expiry date, then, unless otherwise determined by the Board in its absolute discretion, the Grantee (or his/her Personal Representative) may, by written notice to the Company, exercise the Options in whole or in part as specified in such notice hereafter (provided such exercise occurs before the time notified in writing by the Company but no later than the expiry of the original Option Period) and in any event (i) in the case of a scheme of arrangement, by the deadline for lodging Share transfers to qualify for entitlements under such

scheme or (ii) in any other case, prior to the closing of the offer (or any revised offer), notwithstanding that the Option Period may not have commenced at such time. For purposes of this paragraph 7.3.6, “control” shall have the meaning ascribed to it in the Takeovers Code as amended from time to time;

7.3.7 If a compromise or arrangement is proposed between the Company (as one party) and its Shareholders and/or creditors (as the other party) for or in connection with a scheme of reorganisation of the Company or its amalgamation with any other company, the Company shall give notice thereof to all Grantees on the same day it sends the meeting notice to Shareholders to consider such compromise or arrangement or as soon as practicable thereafter. Thereupon, unless otherwise determined by the Board in its absolute discretion, each Grantee (or his/her Personal Representative) may at any time exercise all or any of the Options (insofar as it is unexercised) by written notice to the Company no later than four (4) Business Days before the proposed meeting date. Accordingly, the Company shall allot the relevant Shares (credited as fully paid) to the Grantees as soon as practicable and in any event no later than the Business Day immediately preceding the proposed meeting date referenced above. The Company may require any Grantee (or his/her Personal Representative) to transfer or dispose of Shares issued upon such Option exercise, to align the shareholding of such Grantee (or his/her Personal Representative) as closely as possible with what it would have been had the Shares been subject to the relevant compromise or arrangement;

7.3.8 If the Company issues a notice to its Shareholders convening a general meeting to consider and, if thought fit, approve a resolution for the Company’s voluntary winding-up, the Company shall give notice thereof to all Grantees on the same day it sends the meeting notice to the Shareholders or as soon as practicable thereafter. Thereupon, unless otherwise determined by the Board in its absolute discretion, each Grantee (or his/her Personal Representative) shall have the right to exercise all or any of the Options (insofar as it is unexercised) at any time by written notice to the Company no later than four (4) Business Days prior to the proposed general meeting date. Accordingly, the Company shall allot the relevant Shares (credited as fully paid) to the Grantees as soon as practicable and in any event no later than the Business Day immediately preceding the proposed general meeting date referenced above;

- 7.3.9 If a Grantee (being an Employee Participant or Related Entity Participant as at the offer date) of an outstanding Option ceases to be such participant due to retirement under his/her employment/appointment contract terms or statutory requirements, and provided that no event constituting grounds for termination of employment or appointment under paragraph 8.1.3 has occurred, then, unless otherwise determined by the Board in its absolute discretion, the Grantee shall have the right to exercise up to his or her entitlement (to the extent exercisable but not already exercised) within twelve (12) months from the retirement date (or such other period as the Board may determine); subject to the condition that if any of the circumstances specified in paragraphs 7.3.5, 7.3.6, 7.3.7 or 7.3.8 occurs, such unexercised Options may be exercised only in the respective manners and within the corresponding period specified in those paragraphs;
- 7.3.10 If a Grantee of an outstanding Option was a Related Entity Participant as at the offer date, and subsequently ceases to qualify as a participant in the sole determination of the Board due to termination of the business relationship with the Company or its relevant Subsidiary (or otherwise), then, unless otherwise determined by the Board in its absolute discretion, all unexercised Options held by such Grantee shall lapse immediately upon the Company's issuance of the termination notice to the Grantee; and
- 7.3.11 Regarding the Participant Vehicle:
- (A) The provisions of paragraphs 7.3 and 8.1 shall apply *mutatis mutandis* to such Participant Vehicle and all Options held thereby, as if such Options were still held by the respective individual Grantee who transferred them to the Participant Vehicle pursuant to paragraph 7.1(B). Upon the occurrence of any event specified in paragraph 7.3 concerning such Grantee, the Options shall accordingly lapse or become exercisable after the expiry of the relevant period stipulated in paragraph 7.3; and
 - (B) All Options held by a Participant Vehicle shall lapse and terminate on the date the Participant Vehicle ceases to be wholly owned by the relevant individual Grantee or any of his/her family members (or if the Participant Vehicle is a trust and individual Grantee or any of his family members is his or her beneficiary or discretionary object, the date when such individual Grantee or any family member ceases to be a beneficiary or discretionary object of the trust) (unless the Board in its absolute discretion determines otherwise).

7.4 Regarding paragraph 7:

7.4.1 Unless the context otherwise requires, any reference to the exercise of the Options shall mean the exercise of such Options to the extent exercisable but not already exercised;

7.4.2 Upon occurrence of any event specified in paragraph 7.3, and subject to applicable laws, rules and regulations (including the Listing Rules), the Board may in its absolute discretion make any determination concerning the exercise of the Options, irrespective of the relevant offer terms of the Option, including without limitation:

- (A) the period during which the Options may be exercised, provided that such period shall not extend beyond the expiry of the original Option Period;
- (B) whether any applicable performance targets (if any) must be fully achieved as a condition precedent to the Grantee's entitlement to exercise such Options;
- (C) the extent to which the Options may be exercised, regardless of whether in whole or in part and whether only to the extent vested or unvested, provided that such scope shall not be less than the exercisable scope stipulated in the Option's terms;
- (D) the manner of exercising the Options;
- (E) whether any performance targets or other performance conditions set by the Board must be fulfilled as prerequisites for exercising the Options;
- (F) any conditions or restrictions applicable to the exercise of the Options;
- (G) if the Options are only partially exercisable (regardless of whether pursuant to these Rules or as determined by the Board), whether the balance of the Option shall lapse or remain exercisable in accordance with the offer terms or such other terms as the Board may deem appropriate; and

- (H) Documents required by the Grantee and/or Personal Representative to prove that the Grantee is physically or mentally disabled or incapacitated, or otherwise depriving him/her of his/her capacity and/or the Personal Representative of the authority and capacity to act on behalf of the Grantee; and

7.4.3 Upon the occurrence of any event referred to in paragraph 7.3, the exercise of any Option shall be in the manner described in paragraph 7.2, to the extent applicable and not superseded by such arrangements as provided under paragraphs 7.3.1 to 7.3.11 or otherwise as determined by the Board.

7.5 Any Share to be allotted and issued upon exercise of an Option shall not carry voting rights until the registration of the Grantee (or his Personal Representative(s) or Participant Vehicle, as the case may be) as the holder thereof in the register of shareholders of the Company. The Shares to be allotted upon the exercise of the Option shall be subject to the Articles of Association and any applicable laws, rules and regulations (including the Listing Rules and the relevant guidelines) for the time being in force and shall rank *pari passu* in all respects with the fully-paid Shares in issue as at the date of allotment (or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members) and will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment (or, if that date falls on a day when the register of members of the Company is closed, the first day of the reopening of the register of members), other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date shall be on or before the date of allotment.

Chapter 8 Lapse of Options

8.1 The right to exercise an Option (to the extent not already exercised) shall terminate immediately upon the earliest of:

8.1.1 the expiry of the Option Period (subject to compliance with applicable laws, rules and regulations including the Listing Rules and the relevant guidelines), subject to any alteration pursuant to the provisions of the rules of the Scheme;

8.1.2 the expiry of any of the periods referred to in paragraph 7.3 (unless the Board otherwise determines pursuant to paragraph 7.4.2);

- 8.1.3 the date on which (i) the Grantee (being an Employee Participant as at the offer date) ceases to be an Employee Participant or (ii) the Grantee (being a Related Entity Participant as at the offer date) ceases to be a Related Entity Participant, in each case by reason of the termination of his/her employment or other contracts on any one or more of the grounds that he/she has been guilty of misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his/her creditors generally, or has been convicted of any criminal offence involving his/her integrity or honesty or on any other ground on which an employer would be entitled to terminate his/her employment at common law or pursuant to any applicable laws, rules and regulations or under the Grantee's service contract with the Company or the relevant subsidiary of the Company or the relevant Related Entity (as the case may be), and for the purpose of this paragraph, a resolution of the Board or the Board of Directors of such Related Entity (or equivalent organ thereof vested with the general power to manage the business and affairs of such Related Entity) to the effect that the employment or other relevant contracts of a Grantee has or has not been terminated on one or more of the grounds specified in this paragraph 8.1.3 shall be conclusive and binding on all persons who may be affected thereby;
- 8.1.4 the expiry of any period determined by the Board in relation to paragraph 7.4.2;
- 8.1.5 the date of breach of paragraph 7.1 by the Grantee;
- 8.1.6 in respect of the Grantee other than an Employee Participant or Related Entity Participant (whether individual or corporation), the date on which the Board at their sole and absolute discretion determines that such Grantee has breached or otherwise failed to comply with any provisions of the relevant contract entered into between the Grantee on the one part and any member of the Group on the other part, or that the Grantee has breached its fiduciary duty owed to any member of the Group under the common law, or that the Grantee could no longer make any contribution to the growth and development of any member of the Group by reason of cessation of its relations with the Group or for any other reasons whatsoever;
- 8.1.7 the non-fulfilment of or failure to comply with any conditions specified by the Board as referred to in paragraph 5.1 above;

- 8.1.8 the non-acceptance of the Offer on or before such latest time for acceptance as specified in the Offer or otherwise specified by the Board; or
- 8.1.9 the date when the Board resolves to exercise the right to Clawback pursuant to the Company's policy on Clawback, as amended from time to time.
- 8.2 Neither the Company nor any of its officers or members of the Board shall be liable to any Grantee, any Personal Representative of the Grantee and any participant Vehicle for any lapse of Options as specified in paragraph 8.1.
- 8.3 For the avoidance of doubt, in relation to paragraphs 7.3 and 8.1,
 - 8.3.1 the transfer of employment of a Grantee who is an Employee Participant from one member of the Group to another member of the Group or secondment to a Related Entity, and the transfer of employment of a Grantee who is a Related Entity Participant from one Related Entity to another Related Entity or secondment to any member of the Group shall not be deemed to be termination of employment; and
 - 8.3.2 no leave taken by a Grantee who is an Employee Participant or a Related Entity Participant with the prior approval of the directors of the relevant member of the Group or Related Entity shall be deemed to be termination of employment of the Grantee.

Chapter 9 Maximum Number of Shares Available for Subscription

- 9.1 Subject to refreshment as specified in paragraph 9.4 and adjustment as specified in paragraph 9.6, the maximum number of Shares which may be allotted and issued in respect of all Options to be granted under the Scheme (excluding Options that have lapsed pursuant to the rules of this Scheme), and all share options and all share awards to be granted under any Other Schemes (the "**Scheme Mandate Limit**") must not in aggregate exceed 10% of the total number of Shares in issue as at the Adoption Date, unless the Company has already obtained separate Shareholders' approval pursuant to paragraph 9.5. Options cancelled in accordance with the rules of the Scheme and any other Share schemes of the Company shall be deemed to have been utilised for the purpose of calculating the Scheme Mandate Limit.
- 9.2 [Repealed]

- 9.3 For the purpose of calculating the Scheme Mandate Limit as specified in paragraph 9.1, Shares which are the subject matter of any Options, any share options and share awards that have already lapsed in accordance with the respective terms of the Scheme and any Other Schemes shall not be regarded as utilised and hence shall not be counted.
- 9.4 The Scheme Mandate Limit may be refreshed by ordinary resolution of the Shareholders in general meeting after three years from the Adoption Date or the date of Shareholders' approval for the last refreshment, provided that:
- 9.4.1 the total number of Shares which may be issued in respect of all Options to be granted under the Scheme, all share options and all share awards to be granted under any Other Schemes under the Scheme Mandate Limit as refreshed (the "**New Scheme Mandate Limit**") must not exceed 10% of the Shares in issue at the date of the Shareholders' approval of such New Scheme Mandate Limit. Shares which are subject matter of any Options, any share options and share awards previously granted under the Scheme and any Other Schemes (including those exercised, outstanding, cancelled or lapsed in accordance with the terms of this Scheme or any Other Schemes) will not be counted for the purpose of calculating the total number of Shares subject to the New Scheme Mandate Limit. Where required by the Listing Rules, the Company must send a circular to its Shareholders within such time as may be specified in the Listing Rules, disclosing the number of Options, share options and share awards that are already granted under the existing Scheme Mandate Limit, and the reason for the refreshment.
- 9.4.2 any refreshment to the Scheme Mandate Limit within any three-year period must be approved by the Shareholders, subject to the following:
- (A) any controlling Shareholders and their associates (or if there is no controlling Shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting; and
- (B) the Company must comply with the requirements under Rules 13.39(6), 13.39(7), 13.40, 13.41 and 13.42 and/or such other applicable provisions of the Listing Rules.

- 9.4.3 the requirements under paragraphs 9.4.2(A) and 9.4.2(B) do not apply if the refreshment is made immediately after an issue of securities by the Company to the Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit (or the New Scheme Mandate Limit, as the case may be) (as a percentage of the total number of Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit (or the New Scheme Mandate Limit, as the case may be) immediately before the issue of securities, rounded to the nearest integral whole Share.
- 9.5 Without prejudice to paragraph 9.4, the Company may separately seek Shareholders' approval at a general meeting to grant Options under the Scheme in excess of the Scheme Mandate Limit or, if applicable, the refreshed limit as described in paragraph 9.4, provided that:
- 9.5.1 the Options in excess of the Scheme Mandate Limit are granted only to participants specifically identified by the Company before such approval is sought;
- 9.5.2 the Company must send a circular to its Shareholders containing the name of each specified participant who may be granted such Options, the number and terms of the Options to be granted to each participant, and the purpose of granting Options to the specified participants with an explanation as to how the terms of the Options serve such purpose; and
- 9.5.3 the number and terms of Options to be granted to such participant must be fixed before the general meeting on the grant is sought, and for this purpose, the date the Board resolved to propose such grant shall be taken as the Offer Date for the purpose of calculating the Exercise Price.
- 9.6 If the Company conducts a Share consolidation or subdivision after the Scheme Mandate Limit (or New Scheme Mandate Limit, as the case may be) has been approved by Shareholders in general meeting, the maximum number of Shares that may be issued in respect of all Options to be granted under the Scheme and all share options and share awards to be granted under any Other Schemes under the Scheme Mandate Limit (or New Scheme Mandate Limit, as the case may be) as a percentage of the total number of the issued Share at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest integral whole Share.

Chapter 10 Reorganisation of Capital Structure

10.1 In the event of a capitalisation issue, bonus issue with price-dilutive element (as referred to in the Supplementary Guidance), rights issue, open offer with price-dilutive element (as referred to in the Supplementary Guidance), consolidation, subdivision or reduction of the share capital of the Company or such other event(s) as may be specified in the Listing Rules or the Supplementary Guidance from time to time under which an adjustment to the Exercise Price or purchase price and/or the number of Shares subject to options or awards granted under a share scheme of a listed issuer is allowed whilst any Option has been granted and remains exercisable, corresponding adjustments (if any) may be made to the following:

10.1.1 the number or nominal amount of Shares subject to any Option so far as such Option remains unexercised; and/or

10.1.2 Exercise Price; and/or

in the manner as the Board may deem appropriate provided that:

- (A) no such adjustments shall be made in respect of an issue of securities by the Company as consideration in a transaction;
- (B) any such adjustments must be made so that each Grantee is given the same proportion of the equity capital of the Company, rounded to the nearest integral whole Share, as that to which he was entitled immediately prior to the occurrence of such event of alteration in the capital structure of the Company as referred to in paragraph 10.1;
- (C) no such adjustments shall be made which would result in the Exercise Price for a Share being less than its nominal value;
- (D) any such adjustments must be fair and reasonable having regard to the Supplementary Guidance and satisfy the requirements of the Listing Rules and such applicable rules, codes, guidance notes and/or interpretation of the Listing Rules from time to time promulgated by the Stock Exchange including the Supplementary Guidance;

- (E) any such adjustments, save as those made on a capitalisation issue, shall be confirmed by the Auditors or the independent financial adviser in writing to the Board as satisfying the requirements of sub-paragraphs (B) and (C) above and the requirements of the relevant provisions of the Listing Rules; and
- (F) any such adjustments made pursuant to a subdivision or consolidation of share capital shall be made on the basis that the aggregate Exercise Price payable by a Grantee on the full exercise of any Option shall remain as nearly as possible the same (but shall not be greater than) as it was immediately prior to the occurrence of such event of alteration in the capital structure of the Company.

10.2 If there has been any alteration in the capital structure of the Company as referred to in paragraph 10.1 and the Board has resolved to make adjustments pursuant to paragraph 10.1, the Company shall, upon receipt of the notice sent by the Grantee pursuant to paragraph 7.2, inform the Grantee of such alteration and shall either inform the Grantee of the adjustments to be made pursuant to the certificate obtained by the Company from the Auditors or independent financial adviser (as the case may be) for such purpose, or if no such certificate has yet been obtained, inform the Grantee of such fact and instruct the Auditors or independent financial adviser (as the case may be) to issue the relevant certificate as soon as practicable pursuant to paragraph 10.1.

10.3 For the purpose of this paragraph 10,

10.3.1 “Supplementary Guidance” means the “Frequently asked questions on adjustments of the Exercise Price of share options” (FAQ No. 072-2020) published by the Stock Exchange and its attachment “Supplementary Guidance on Main Board Listing Rule 17.03(13)/GEM Listing Rule 23.03(13) and the Note Immediately After the Rule” (as may be amended and updated from time to time); and

10.3.2 the Auditors or the independent financial adviser shall act as experts and not as arbitrators and their certification shall in the absence of manifest error be final and binding on the Company, the Grantees and any persons who may be affected thereby, and their costs shall be borne by the Company.

Chapter 11 Share Capital

The exercise of any Options shall be subject to the Shareholders approving the necessary increase in the Company's authorised share capital at a general meeting. Subject to such approval, the Board shall make available sufficient authorised but unissued share capital of the Company to comply with the existing requirements for the exercise of Options.

Chapter 12 Dispute

Any dispute arising in connection with the Scheme (whether in relation to the number of Shares which are the subject matter of any Options, the amount of the Exercise Price or otherwise) shall be referred to the decision of the Auditors or independent financial advisers, who shall act as experts and not as arbitrators, and whose decision shall, in the absence of manifest error, be final and binding.

Chapter 13 Alteration of the Scheme and to the Options

13.1 The Scheme may be altered in any respect by the Board except that:

- 13.1.1 any alterations to the terms and conditions of the Scheme which are of a material nature including the provisions of the paragraph 1.1 in the Scheme relating to the definitions of "participant", "Employee Participant", "Related Entity", "Related Entity Participant" and "Grantee" must be approved by the Shareholders in general meeting;
- 13.1.2 any alterations to the provisions of the Scheme relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of Grantees or prospective Grantees must be approved by the Shareholders in general meeting;
- 13.1.3 any change to the authority of the Board or the administrators of the Scheme to alter the terms of the Scheme must be approved by the Shareholders in general meeting; and
- 13.1.4 no such alterations shall operate to materially and adversely affect any subsisting rights of any Grantee under any Option granted or agreed to be granted prior to such alterations except with the consent or sanction of such majority of the Grantees (calculated on the basis of one vote per Share underlying the Option(s) held by such Grantees for the time being), as would be required of the Shareholders under the Articles of Association for the time being of the Company for a variation of the rights attached to the Shares as if the Options constituted a separate class of share capital and as if the provisions under the Articles of Association for the time being of the Company applied *mutatis mutandis* thereto.

- 13.2 Notwithstanding any provisions of the rules of this Scheme or any terms or conditions stated in the Offer but subject always to the applicable laws, rules and regulations including the Listing Rules, the Company may at any time and at its sole and absolute discretion alter the terms and conditions of the Options granted to a participant, provided that any such alteration to the terms of Options granted to a participant must be approved by the Board, the Remuneration and Appraisal Committee, the independent non-executive Directors and/or the Shareholders in the manner set out in the Listing Rules (as the case may be) if the initial grant of the Options requires such approval (except where the change takes effect automatically under the existing terms of the Scheme).
- 13.3 No participant shall make any claim or recourse against the Company, members of the Board, members of the Remuneration and Appraisal Committee, independent non-executive directors and/or Shareholders (or any of the foregoing) in respect of any amendment made to the Options granted to such participant under the Scheme, and the participant shall be deemed to have irrevocably waived any such rights (if any).
- 13.4 The amended terms of the Scheme or the Options must comply with the relevant requirements of Chapter 17 of the Listing Rules.

Chapter 14 Cancellation of Granted Options

- 14.1 The Board in its absolute discretion may cancel an Option granted but not exercised with the approval of the Grantee of such Option.
- 14.2 Options may be granted by the Company to a participant in place of his cancelled Options, provided that there are available Scheme Mandate Limit approved by the Shareholders from time to time. The Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit.

Chapter 15 Duration and Termination of the Scheme

- 15.1 The Scheme shall be valid and effective for the Scheme Period commencing from the Adoption Date unless sooner terminated. The Scheme may be terminated at any time by the Board at its absolute discretion without Shareholders' approval, provided that the Board will only exercise such discretion under specific circumstances where the Board determines appropriate, such as, but not limited to where the Board is of the view that the Scheme can no longer serve its designated purposes or when a new share award scheme is proposed to be adopted to replace the Scheme.
- 15.2 After the expiry or termination of the Scheme, no further Options shall be offered or granted under the Scheme, but in all other respects the provisions of the Scheme shall remain in full force and effect to the extent necessary to give effect to the vesting and exercise of any Options granted under the Scheme prior thereto or otherwise as may be required in accordance with the provisions of the Scheme, and Options granted prior to such expiry or termination shall continue to be valid and exercisable in accordance with the Scheme and their terms of grant.

Chapter 16 Miscellaneous

- 16.1 Notwithstanding any provisions in any other paragraph of the Scheme:
- 16.1.1 the Scheme shall not form part of any contract of employment between the Company or any of its subsidiaries or any Related Entity (as one party) and any participant (as the other party) and the rights and obligations of any participant under the terms of his office or employment shall not be affected by his participation in the Scheme or any right which he may have to participate in it and the Scheme shall afford such participant no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.
 - 16.1.2 the Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company directly or indirectly or give rise to any cause of action at law or in equity against the Company.
- 16.2 In no circumstances shall a person ceasing to be a participant for any reason be entitled to any compensation for or in respect of any consequent diminution or extinction of his rights or benefits (actual or prospective) under any Options then held by him or otherwise in connection with the Scheme and by accepting an Option under the Scheme, such person shall be deemed to have irrevocably waived any such entitlement (to the extent there is any).
- 16.3 The Company shall bear the costs of establishing and administering the Scheme.
- 16.4 The Board shall have the power from time to time to make or vary regulations for the administration and operation of the Scheme, provided that such regulations are not inconsistent with the provisions of the Scheme and all applicable laws, rules and regulations (including the Listing Rules).
- 16.5 Generally, a Grantee shall be entitled to receive copies of all notices and other documents sent by the Company to its Shareholders.
- 16.6 Any notice or other communication between the Company and a Grantee shall be addressed to the addressee and may be given by personal delivery, prepaid post or fax to, in the case of the Company, its principal place of business, or such other address as may be notified to the Grantee from time to time; and in the case of the Grantee, his residential address (in the case of an individual) or business address (in the case of a company) as notified to the Company from time to time.

Address of the Company: Room 1003, Building 2, Chongwen Park, Nanshan Smart Park, No. 3370 Liuxian Avenue Fuguang Community, Taoyuan Sub-district, Nanshan District, Shenzhen, PRC

- 16.7 Any notice or other communication between the Company and a Grantee shall be deemed to have been received in the following circumstances:
- 16.7.1 If served in person, at the time of service.
 - 16.7.2 If delivered by duly prepaid and addressed mail, on the second Business Day after the date of post.
 - 16.7.3 If sent by facsimile, on the day of transmission, provided that the sender holds a transmission report indicating that the facsimile has been properly sent and received.
- 16.8 If the Company sends a notice by post, it shall be sufficient proof of service to show that the envelope containing such notice was properly addressed, prepaid, and posted to a mailbox or post office.
- 16.9 The Grantee shall be responsible for obtaining any governmental or other official consent which may be required in any country or jurisdiction (including the country in which the Company is incorporated) to permit the grant or exercise of the Option. The Company shall not be liable for any failure by the Grantee to obtain any such consent or for any taxes or other liabilities which may arise from the Grantee's participation in the Scheme.
- 16.10 Each Grantee (or his/her estate representative) shall obtain all necessary consents as may be required to accept an offer or exercise any Options granted, so that the Company may allot and issue the Shares upon such exercise in accordance with the terms of the Scheme. Upon accepting an offer or exercising any granted Option, the Grantee shall be deemed to have represented and undertaken to the Company that he/she has obtained all necessary consents. Compliance with this clause shall be a condition precedent to the Grantee's acceptance of the offer and exercise of the granted Option. The Grantee shall fully indemnify the Company from and against all claims, demands, liabilities, actions, legal proceedings, fees, costs, and expenses (whether incurred solely or jointly with another party or parties) that the Company may suffer or incur as a result of the Grantee's failure to obtain any necessary consents or pay any taxes or other liabilities.
- 16.11 The Grantee shall be responsible for the payment of all taxes and the settlement of any other liabilities which may arise as a result of his/her participation in the Scheme, acceptance or exercise of any Option, or the allotment and issue of Shares upon the exercise of any granted Option.