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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Shanghai Conant Optical Co., Ltd., you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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Shanghai Conant Optical Co., Ltd.
上海康耐特光學科技集團股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2276)

**(1) PROPOSED ADOPTION OF
THE RESTRICTED SHARE UNIT SCHEME;
(2) PROPOSED AUTHORISATION TO THE REMUNERATION
COMMITTEE AS DELEGATEE TO HANDLE MATTERS PERTAINING
TO THE RESTRICTED SHARE UNIT SCHEME;
AND
(3) NOTICE OF THE EGM**

A letter from the Board is set out on pages 6 to 15 of this circular.

The notice of the EGM is set out on page EGM-1 in this circular. The EGM will be held at Conference Room, 1/F, No. 555 Chuanda Road, Pudong New Area, Shanghai, the PRC, at 10 a.m. on Monday, 18 December 2023.

A form of proxy for the EGM is enclosed with this circular. If you wish to appoint a proxy to attend the EGM, you must complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to us not less than 24 hours before the time appointed for the EGM or any adjournment thereof (i.e. before 10 a.m. on Sunday, 17 December 2023). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting should you so wish.

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DEFINITIONS

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

“Actual Selling Price”	the actual price at which the H Shares underlying the RSUs are sold (net of brokerage, Stock Exchange trading fee, SFC transaction levy, Accounting and Financial Reporting Council transaction levy and any other applicable costs) on exercise of an Award pursuant to the Scheme or in the case of an exercise when there is an event of change in control or privatization of the Company pursuant to the Scheme Rules, the consideration receivable under the related scheme or offer;
“Articles of Association”	the articles of association of the Company, as amended from time to time;
“Award(s)”	award(s) granted by the Board or the Delegatee to a Selected Participant, which may vest in the form of H Shares underlying the RSUs or the Actual Selling Price of the H Shares underlying the RSUs in cash, as the Board or the Delegatee may determine in accordance with the terms of the Scheme Rules;
“Award Letter”	letter or notice (including but not limited to, by mail, by e-mail or by notification via any other electronic means) to each Selected Participant in such form as the Board or the Delegatee may from time to time determine, specifying the Grant Date, the manner of acceptance of the Award, the exercise price of each RSU and/or the number of RSU underlying the Award, the vesting criteria and conditions, and the Vesting Date and such other details, terms and conditions as the Board may consider necessary and in compliance with the Scheme;
“Award Period”	the period commencing on the date on which the Shareholders approved the Scheme, and ending on the business day immediately prior to the fifth (5th) anniversary of the date on which the Shareholders approved the Scheme;
“Board”	the board of the Directors;

DEFINITIONS

“Company”	Shanghai Conant Optical Co., Ltd. (上海康耐特光學科技集團股份有限公司), a joint stock company incorporated in the PRC with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2276);
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules;
“Delegatee”	the Remuneration Committee, or any other person(s) or board committee(s) to which the Board has delegated its authority;
“Director(s)”	the director(s) of the Company;
“EGM”	the extraordinary general meeting of the Company to be held at 10 a.m. on 18 December 2023 or any adjournment thereof to approve, among other things, (i) the proposed adoption of the Scheme; and (ii) the proposed authorisation to the Remuneration Committee to handle matters pertaining to the Scheme;
“Eligible Person”	any individual, being an Employee, director (including executive, non-executive and independent non-executive director), supervisor, senior management, key operating team member of any member of the Group who the Board or its Delegatee considers, in their sole discretion, to have significantly contributed or will significantly contribute to the development of the Group. However, no individual who is resident in a place where the grant, acceptance or vesting of an Award pursuant to the Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or the Delegatee, in compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the Scheme and such individual shall therefore be excluded from the term Eligible Person;

DEFINITIONS

“Employee”	any employee or contractual staff of any members of the Group provided that the Selected Participant shall not cease to be an Employee in the case of (a) any leave of absence approved by the Company; or (b) transfer amongst the Company and any members of the Group or any successor, and provided further that an Employee shall, for the avoidance of doubt, cease to be an Employee with effect from (and including) the date of termination of his employment/appointment;
“Grant Date”	the date on which the grant of an Award is made to a Selected Participant, being the date of an Award Letter;
“Group”	the Company and its Subsidiaries from time to time, and the expression “member(s) of the Group” shall be construed accordingly;
“H Share(s)”	overseas listed foreign share(s) in the share capital of the Company, with a nominal value of RMB1.00 each, which are listed and traded on the Stock Exchange;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of PRC;
“independent third party”	person or company who/which, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, is not a connected person of the Company;
“Latest Practicable Date”	27 November 2023, being the latest practicable date for ascertaining certain information contained in this circular;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“PRC”	the People’s Republic of China;
“Remuneration Committee”	the Remuneration Committee of the Board;

DEFINITIONS

“RMB”	Renminbi, the lawful currency of PRC;
“RSU(s)”	restricted share unit(s), each unit represent one underlying H Share granted to a Selected Participant in an Award;
“Scheme”	the restricted share unit scheme adopted by the Company in accordance with the Scheme Rules;
“Scheme Limit”	the maximum number of H Shares that could be granted under the Scheme. The Company shall not make further grant which will result in the aggregate number of H Shares granted in relation to RSUs to exceed 3.0% of the total number of issued H Shares as at the relevant Grant Date;
“Scheme Rules”	the rules relating to the Scheme as amended from time to time;
“Selected Participant(s)”	any Eligible Person approved for participation in the Scheme, in accordance with the Scheme Rules, and who has been granted any Award or any person who is entitled to any Award in accordance with the Scheme Rules;
“SFC”	the Securities and Futures Commission of Hong Kong;
“Share(s)”	ordinary share(s) in the capital of the Company with a nominal value of RMB1.00 each;
“Shareholder(s)”	the shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary(ies)”	any subsidiary(ies) (as the term is defined in the Listing Rules) of the Company;
“Trust”	the trust constituted by the Trust Deed to serve the Scheme;

DEFINITIONS

“Trust Deed”	the trust deed to be entered into between the Company and the Trustee (as may be restated, supplemented and amended from time to time);
“Trustee”	the professional trustee to be appointed by the Company for the purpose of the Trust (which shall be an independent third party);
“Vesting Notice”	the vesting notice sent by the Company to the relevant Selected Participant within a reasonable time period after the vesting criteria, conditions and time schedule have been reached, fulfilled, satisfied or waived;
“%”	per cent.

In case of any inconsistency between the Chinese version and the English version of this circular, the English version shall prevail.

LETTER FROM THE BOARD



Shanghai Conant Optical Co., Ltd.
上海康耐特光學科技集團股份有限公司

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

(Stock Code: 2276)

Executive Directors

Mr. Fei Zhengxiang (*Chairperson*)
Mr. Zheng Yuhong
Mr. Xia Guoping
Mr. Chen Junhua

Registered Office and Headquarters:

4th Floor, Building 35
No. 1-42 Lane 83 Hongxiang North Road
Lin-gang Special Area
China (Shanghai) Pilot Free Trade Zone
China

Non-executive Directors:

Dr. Takamatsu Ken
Ms. Zhao Xiaoyun

Principal Place of Business in Hong Kong:

19/F, Prosperity Tower
39 Queen's Road Central
Hong Kong

Independent non-executive Directors:

Dr. Xiao Fei
Mr. Chen Yi
Mr. Jin Yiting

1 December 2023

To the Shareholders

Dear Sir or Madam,

**(1) PROPOSED ADOPTION OF
THE RESTRICTED SHARE UNIT SCHEME;
(2) PROPOSED AUTHORISATION TO THE REMUNERATION
COMMITTEE AS DELEGATEE TO HANDLE MATTERS PERTAINING
TO THE RESTRICTED SHARE UNIT SCHEME;
AND
(3) NOTICE OF THE EGM**

I. INTRODUCTION

References are made to the announcement of the Company dated November 27, 2023 in relation to, among other things, the proposed adoption of the Scheme and the proposed authorisation of the remuneration committee as delegate to handle matters pertaining to the Scheme.

LETTER FROM THE BOARD

The purpose of this circular is to provide the Shareholders with the relevant information for making informed decisions in respect of the resolutions to be proposed at the EGM in respect of the proposed adoption of the Scheme. For details of the proposed resolutions at the EGM, please refer to the notice of the EGM.

II. PROPOSED ADOPTION OF THE RESTRICTED SHARE UNIT SCHEME

The Board has resolved at a meeting of the Board held on 27 November 2023 to propose the adoption of the Scheme by the Company for the purpose of retaining and attracting talents by rewarding the Eligible Persons for their past, present or expected contribution and loyalty to the Group and aligning their interests with those of the Shareholders through the grant of Award. The Scheme is subject to the consideration and approval of the Shareholders which will be sought at the EGM. The Scheme constitutes a share scheme funded by existing Shares for the purposes of Chapter 17 of the Listing Rules.

Any grant of Award to any connected person of the Company will be subject to compliance with Chapter 14A of the Listing Rules.

The full text of the Scheme Rules is set out in the Appendix to this circular. The Scheme Rules were written in Chinese, without formal English version. As such, the English translation shall be for reference only. In case of any discrepancies, the Chinese version shall prevail.

The principal terms of the Scheme are set out below.

Purposes

- (a) to recognize the contributions made by the Eligible Persons and provide incentives to them in order to retain them for the continuous operation and development of the Group;
- (b) to attract talents for further development of the Group and enhance competitiveness of such talents; and
- (c) to align the interests of Eligible Persons to the Group's values, enabling employees to work towards the Group's long-term development goals.

Conditions

The Scheme is conditional upon the passing of resolutions by the Shareholders to approve the adoption of the Scheme and to authorise the Remuneration Committee or any other Delegatee to grant Awards under the Scheme and/or to procure the transfer of H Shares underlying the RSUs and otherwise deal with the RSUs in connection with the Scheme.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the condition precedent has not yet been fulfilled.

Eligible Persons and scope

Pursuant to the Scheme, the Board and/or the Delegatee may, from time to time, in its absolute discretion, select the Selected Participants after taking into consideration various factors as they deem appropriate and determine the terms and conditions of the Award to be granted to each of the Selected Participants.

Eligible Persons who may participate in the Scheme include any individual, being those who the Board or its Delegatee consider, in their sole discretion, to have significantly contributed or will significantly contribute to the development of the Group, are as below:

- (a) employees;
- (b) directors (including executive, non-executive and independent non-executive directors);
- (c) supervisors;
- (d) senior management; and
- (e) key operating team members of any member of the Group.

In determining the Selected Participants, the Board or the Delegatee shall take into consideration matters including the present and expected contribution of the relevant Selected Participant to the Group, the Group's general financial condition and the Group's overall business objectives and future development plan.

Duration

Subject to the Board's decision to early terminate the Scheme, the Scheme shall be valid and effective for a term of five (5) years commencing on the Adoption Date.

Maximum number of Shares to be granted

The Company shall not make any further grant which will result in the aggregate number of H Shares granted in relation to RSUs under the Scheme to exceed 3.0% of the total number of issued H Shares as at the relevant Grant Date.

LETTER FROM THE BOARD

Administration of the Scheme

The Scheme shall be subject to the administration of the Board or the Delegatee in accordance with the Scheme Rules and the Trust Deed. The Trustee shall hold the trust fund in accordance with the Scheme Rules and the terms of the Trust Deed.

The Scheme shall be subject to the administration of the following administrative bodies, in accordance with the Scheme Rules and, where applicable, the Trust Deed:

- (a) the general meeting of the Shareholders, as the organ of authority of the Company, is responsible for the deliberation and approval of the adoption of the Scheme. The general meeting of the Shareholders may authorise the Board and/or the Delegatee to deal with all matters related to the Scheme to the extent of its authority; and
- (b) the Board is the institution in charge of the administration of the Scheme in accordance with the Scheme Rules and where applicable, the Trust Deed. A decision of the Board and/or the Delegatee shall be final and binding on all persons affected. Upon deliberation and approval of the Scheme by the Board, the Board will submit the Scheme to the general meeting of the Shareholders for consideration. The Board and/or the Delegatee may handle all matters related to the Scheme within the authorisation by the general meeting of the Shareholders.

Pursuant to the Scheme Rules, the authority to administer the Scheme may be delegated by the Board to the Delegatee as deemed appropriate at the sole and absolute discretion of the Board.

Source of funds

The source of funds for funding the Scheme is the internal funds of the Group.

Source of Awards

The Group may from time to time, subject to the terms and conditions in the Scheme Rules and the compliance of all relevant laws, rules and regulations, cause to transfer funds to the Trust as for the acquisition of H Shares and other purposes set out in the Scheme Rules and the Trust Deed.

The Board and/or the Delegatee may from time to time instruct the Trustee (which shall be an independent third party) in writing to acquire H Shares. Once acquired, the Shares are to be held under the Trust for the benefit of the Selected Participants on and subject to the terms and conditions of the Scheme Rules and the Trust Deed.

For the avoidance of doubt, the Company will not issue any new H Shares under the Scheme.

LETTER FROM THE BOARD

Restrictions

Each grant of an Award to any connected person of the Group shall be approved by all independent non-executive Directors and subject to the Listing Rules and any applicable laws and regulations. Any member of the Board who himself has interest in a proposed Award shall abstain from voting on any resolution by which the Award is proposed.

No grant of any RSU to any Selected Participant may be made and no directions or recommendations shall be given to the Trustee with respect to a grant of an Award under, among others, the circumstances below:

- (a) in any circumstances where the requisite approval from any applicable regulatory authorities or Shareholders has not been granted;
- (b) in any circumstances that any member of the Group will be required under applicable securities laws, rules or regulations to issue a prospectus or other offer documents in respect of such Award or the Scheme, unless the Board determines otherwise;
- (c) where such Award would result in a breach by any member of the Group or its directors of any applicable securities laws, rules or regulations in any jurisdiction;
- (d) where such grant of Award would result in a breach of the Scheme Limit;
- (e) after the expiry of the Award Period or after the early termination of the Scheme in accordance with the Scheme Rules;
- (f) where any Director is in possession of unpublished inside information in relation to the Company; or where any Director knows or believes there is inside information which must be disclosed pursuant to the Listing Rules or any applicable laws, rules or regulations; or where dealings by directors of members of the Group are prohibited under any code, internal written guidelines for securities transactions by employees, or requirement of the Listing Rules or any applicable laws, rules or regulations;
- (g) during the period of 60 days immediately preceding the publication date of the annual results for any financial period of the Company or, if shorter, the period from the end of the relevant financial year up to the publication date of such results; and
- (h) during the period of 30 days immediately preceding the publication date of the quarter or half-year results for any financial period of the Company or, if shorter, the period from the end of the relevant quarter or half-year period of the financial period up to the publication date of such results.

LETTER FROM THE BOARD

Vesting and exercise of the Awards

The Board or the Delegatee may determine the vesting criteria and conditions or periods for the Awards to be vested.

The vesting of the Award granted under the Scheme is subject to the certain vesting conditions and any other applicable conditions as set out in the Award Letter.

Within a reasonable time period after the vesting criteria, conditions and time schedule having been reached, fulfilled, satisfied or waived, the Board and/or the Delegatee may exercise all or part of the vested RSUs and may then decide at its absolute discretion either to:

- (a) direct and procure the Trustee to, within a reasonable time, transfer the H Shares underlying the RSUs exercised (and, if applicable, the related income or dividend declared in relation to the RSUs in respect of those Shares as provided in the Scheme Rules) to the Selected Participant, subject to the Selected Participant paying the exercise price (where applicable); or
- (b) pay, or direct and procure the Trustee to, within a reasonable time, pay, to the Selected Participant in cash the Actual Selling Price on or about the date of exercise (and, if applicable, the related income or dividend declared in relation to the RSUs in respect of those Shares as provided in the Scheme Rules) less any exercise price (where applicable) and after deduction or withholding of any tax, levies and other charges applicable to the entitlement of the Selected Participant and the sale of any H Shares to fund such payment and in relation thereto.

If the Selected Participant fails to fulfil the vesting conditions applicable to the relevant Awards, all the RSUs underlying the relevant Awards which may otherwise be vesting during the respective vesting period shall not be vested and become immediately forfeited with respect to such Selected Participant. The decisions of the Board or the Delegatee on whether the vesting conditions are fulfilled and satisfied shall be conclusive and final.

Any Award granted hereunder but not yet exercised shall be personal to the Selected Participant to whom it is made and shall not be assignable or transferable and no Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to any Award or enter into any agreement to do so, unless the Award or any interest thereof is transferred as a result of the Selected Participant's death in accordance with the terms of the Scheme.

LETTER FROM THE BOARD

Voting rights

Pursuant to the Scheme, the Trustee holding unvested H Shares underlying the RSUs shall abstain from voting on matters that requires shareholders' approval of the Company under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given.

Alteration or termination of the Scheme

The Scheme may be altered by a resolution of the Board or the Delegatee provided that no such amendment shall operate to affect materially and adversely any subsisting rights of any Selected Participants.

The Scheme shall terminate on the earlier of:

- (a) the fifth (5th) anniversary of the Adoption Date; or
- (b) such date of early termination as determined by the Board.

Reasons for and benefits of the adoption of the Scheme

The Directors are of the view that the adoption of the Scheme will realise the purposes set out in the section headed "PROPOSED ADOPTION OF THE SCHEME — Purposes" of this letter from the Board, which in turn will be beneficial to the development and business performance of the Group and hence also benefit the Shareholders, and that the terms of the Scheme are on normal commercial terms, fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

None of the Directors has any material interest in the adoption of the Scheme. The aforesaid resolution has been reviewed and approved by the Board on 27 November 2023, and is now proposed at the EGM for review and approval as a special resolution.

III. PROPOSED AUTHORISATION TO THE REMUNERATION COMMITTEE AS DELEGATEE TO HANDLE MATTERS PERTAINING TO THE RESTRICTED SHARE UNIT SCHEME

In order to ensure the successful implementation of the Scheme, the Board proposed that, subject to the approval of the Scheme by the Shareholders at the EGM, the Shareholders also grant an authorisation to the Remuneration Committee as the Delegatee to deal with matters in relation to the Scheme with full authority, including but not limited to:

- (a) to construe and interpret the Scheme Rules and the terms of the Award granted under the Scheme;

LETTER FROM THE BOARD

- (b) to supervise the daily management of the Scheme;
- (c) to make or vary such arrangements, guidelines, procedures and/or regulations for the administration, interpretation, implementation and operation of the Scheme, provided that they are not inconsistent with the Scheme Rules;
- (d) to decide how the vesting and exercise of the RSUs will be settled pursuant to the Scheme Rules;
- (e) to determine the basis of eligibility of any Eligible Person for the grant of Awards from time to time on the basis of their contribution to the development and growth of the Group or such other factors deemed appropriate;
- (f) to grant Awards to those Eligible Person whom it shall select from time to time;
- (g) to determine the terms and conditions of the Awards and determine whether the vesting conditions are met;
- (h) to determine adjustment (downward adjustment only) to the exercise price as set out in the Award Letter and, in such a case, a notice (including but not limited to, by mail, by e-mail or by notification via any other electronic means) stating the adjusted exercise price shall be issued to the Selected Participants concerned;
- (i) to establish and administer performance targets in respect of the Scheme;
- (j) to approve from time to time the form of an Award Letter and Vesting Notice;
- (k) to exercise any authority as may be granted by the Shareholders from time to time;
- (l) for the purposes of the operations of the Scheme and dealing with the RSUs in accordance with the Trust Deed, to sign all relevant documentations for securities account opening;
- (m) to determine the execution, amendment and termination of the Scheme;
- (n) to engage bank(s), accountant(s), lawyer(s), consultant(s) and other professional parties for the purpose of the Scheme; and

LETTER FROM THE BOARD

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

The aforementioned authorisation to the Remuneration Committee as the Delegatee shall be valid so long as the Scheme remains valid.

The aforesaid resolution has been reviewed and approved by the Board on 27 November 2023, and is now proposed at the EGM for review and approval as a special resolution.

IV. LISTING RULES IMPLICATIONS

The Scheme will constitute a share scheme under Chapter 17 of the Listing Rules and shall be subject to the applicable disclosure requirements under Rule 17.12 of the Listing Rules. However, it does not constitute a scheme involving the issue of new Shares as referred to in Chapter 17 of the Listing Rules. Therefore, the adoption of the Scheme will not be subject to the Shareholders' approval requirement under Chapter 17 of the Listing Rules. On the other hand, pursuant to the laws of the PRC and article 46 of the Articles of Association, the adoption of the Scheme and the authorisation to the Remuneration Committee as the Delegatee to handle matters pertaining to the Scheme are subject to the approval of the Shareholders at the EGM by way of special resolutions.

V. EGM

A notice convening the EGM to be held at Conference Room, 1/F, No. 555 Chuanda Road, Pudong New Area, Shanghai, the PRC at 10 a.m. on Monday, 18 December 2023 is set out on page EGM-1 of this circular.

A form of proxy for the EGM is enclosed with this circular and is available on the HKEXnews website of the Hong Kong Stock Exchange (www.hkexnews.hk) and the website of the Company (www.conantoptical.com/). Shareholders who wish to appoint proxies to attend the EGM are requested to complete and return the form of proxy to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 10 a.m. on Sunday, 17 December 2023. Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the EGM or any adjournment thereof should they so wish at that time.

The proposed resolutions regarding the proposed adoption of the Scheme and the proposed authorisation to the Remuneration Committee as Delegatee to handle matters pertaining to the Scheme are subject to the approval by way of special resolutions at the EGM pursuant to the laws of the PRC and Article 84 of the Articles of Association.

LETTER FROM THE BOARD

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholders will be required to abstain from voting on the resolutions to be proposed at the EGM.

VI. RECOMMENDATION

The Board considers that the proposed resolutions set out in the notice of the EGM for consideration and approval by the Shareholders are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends Shareholders to vote in favor of all the resolutions to be proposed at the EGM.

VII. RESPONSIBILITY STATEMENT

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

By Order of the Board
Shanghai Conant Optical Co., Ltd.
上海康耐特光學科技集團股份有限公司
Fei Zhengxiang
Executive Director and Chairman of the Board

Shanghai Conant Optical Co., Ltd.
上海康耐特光學科技集團股份有限公司

THE RESTRICTED SHARE UNIT SCHEME RULES

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1. DEFINITIONS AND INTERPRETATION

1.1 In this Scheme Rules, the following terms and expressions shall have their respective meanings, except otherwise stated:

“Actual Selling Price”	the actual price at which the H Shares underlying the RSUs are sold (net of brokerage, Stock Exchange trading fee, SFC transaction levy, Accounting and Financial Reporting Council transaction levy and any other applicable costs) on exercise of an Award pursuant to the Scheme or in the case of an exercise when there is an event of change in control or privatization of the Company pursuant to Rule 14.1, the consideration receivable under the related scheme or offer;
“Adoption Date”	18 December 2023, being the date on which the Shareholders approve the Scheme;
“Articles”	the articles of association of the Company (as amended from time to time);
“Award”	an award granted by the Board or the Delegatee to a Selected Participant, which may vest in the form of H Shares underlying the RSUs or the Actual Selling Price of the H Shares underlying the RSUs in cash, as the Board or the Delegatee may determine in accordance with the terms of the Scheme Rules;
“Award Letter”	shall have the meaning as set out in Rule 8.1;
“Award Period”	the period commencing on the date on which the Shareholders approve the Scheme, and ending on the business day immediately prior to the fifth (5th) anniversary of the date on which the Shareholders approved the Scheme;
“Board”	the board of directors of the Company (please also refer to Rule 1.2(f) from time to time);
“Business Day”	a day (other than a Saturday or Sunday) on which the Stock Exchange is open for the business of dealing in securities, provided that where, as a result of a typhoon signal number 8, black rainstorm warning or other similar event, the period during which the Stock Exchange is open for business on any day is reduced, such day shall not be a Business Day;

APPENDIX I	RULES OF THE RESTRICTED SHARE UNIT SCHEME
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“Company”	Shanghai Conant Optical Co., Ltd. (上海康耐特光學科技集團股份有限公司), a joint stock company incorporated in the PRC with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 2276);
“connected person(s)”	has the meaning ascribed thereto in the Listing Rules;
“Delegatee”	the Remuneration Committee, or any other person or board committee to which the Board has delegated its authority;
“Directors”	directors of the Company;
“Eligible Person”	any individual, being an Employee, director (including executive, non-executive and independent non-executive director), supervisor, senior management, key operating team member of any member of the Group who the Board or its Delegatee considers, in their sole discretion, to have significantly contributed or will significantly contribute to the development of the Group. However, no individual who is resident in a place where the grant, acceptance or vesting of an Award pursuant to the Scheme is not permitted under the laws and regulations in such place or where, in the view of the Board or the Delegatee, in compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, shall be entitled to participate in the Scheme and such individual shall therefore be excluded from the term Eligible Person;
“Employee”	any employee or contractual staff of any members of the Group provided that the Selected Participant shall not cease to be an Employee in the case of (a) any leave of absence approved by the Company; or (b) transfer amongst the Company and any members of the Group or any of their respective successors, and provided further that an Employee shall, for the avoidance of doubt, cease to be an Employee with effect from (and including) the date of termination of his employment/appointment;
“Grant Date”	the date on which the grant of an Award is made to a Selected Participant, being the date of an Award Letter;

APPENDIX I	RULES OF THE RESTRICTED SHARE UNIT SCHEME
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“Grant Instrument”	shall have the meaning as set out in Rule 8.2;
“Group”	the Company and its Subsidiaries from time to time, and the expression <i>member(s) of the Group</i> shall be construed accordingly;
“H Share(s)”	overseas listed ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed and traded in Hong Kong dollars and listed on the Stock Exchange (stock code: 2276), or, if there has been a sub-division, consolidation, re- classification or reconstruction of the share capital of the Company, overseas listed ordinary share(s) forming part of the ordinary share capital of the Company of such other nominal amount as shall result from any such sub-division, consolidation, re-classification or reconstruction;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“independent third party(ies)”	person or company who/which, to the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, is not a connected person of the Company;
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited;
“PRC”	the People’s Republic of China;
“Remuneration Committee”	the Remuneration Committee of the Board to which the Board has delegated its authority to supervise and administer the Scheme;
“Returned Shares”	such RSUs that cannot be vested and/or are lapsed, cancelled or forfeited in accordance with the terms of the Scheme, or such H Shares being deemed to be Returned Shares under the Scheme Rules;
“RMB”	Renminbi, the lawful currency of the PRC;
“RSU(s)”	restricted share unit(s), each unit represents one underlying H Share granted to a Selected Participant in an Award;

APPENDIX I	RULES OF THE RESTRICTED SHARE UNIT SCHEME
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“Scheme”	the H Share restricted share unit scheme adopted by the Company in accordance with the Scheme Rules on the Adoption Date;
“Scheme Limit”	shall have the meaning set out in Rule 15.1;
“Scheme Rules”	the rules set out herein relating to the Scheme (as amended from time to time);
“Selected Participant(s)”	any Eligible Person approved for participation in the Scheme, in accordance with Rule 6.1, and who has been granted any Award or any person who is entitled to any Award in accordance with Rule 6.1;
“SFC”	Securities and Futures Commission of Hong Kong;
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time;
“Shareholder(s)”	the shareholder(s) of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subsidiary(ies)”	any subsidiary (as the term is defined in the Listing Rules) of the Company;
“Taxes”	shall have the meaning as set out in Rule 10.9;
“Trust”	the trust constituted by the Trust Deed to service the Scheme;
“Trust Deed”	the trust deed to be entered into between the Company and the Trustee (as may be restated, supplemented and amended from time to time);
“Trustee”	the trustee to be appointed by the Company (which shall be an independent third party) for the purpose of the Trust;
“Vesting Date”	the date or dates, as determined and amended (if necessary), on which the Award (or part thereof) is to vest in the relevant Selected Participant as set out in Rule 8.1, unless a different Vesting Date is deemed to occur in accordance with Rule 14.1;
“Vesting Notice”	shall have the meaning as set out in Rule 10.5.

- 1.2 In the Scheme Rules, except where the context otherwise requires:
- (a) references to Rules are to rules of the Scheme Rules;
 - (b) references to times of the day are to Hong Kong time;
 - (c) if a period of time is specified as from a given day, or from the day of an act or event, it shall be calculated exclusive of that day;
 - (d) a reference to “**dollars**” or to “**\$**” shall be construed as a reference to the lawful currency for the time being of Hong Kong;
 - (e) a reference, express or implied, to statutes, statutory provisions or the Listing Rules shall be construed as references to those statutes, provisions or rules as respectively amended or re-enacted or as their application is modified from time to time by other provisions (whether before or after the Adoption Date) and shall include any statutes, provisions or rules of which are re-enacted (whether with or without modification) and shall include any orders, regulations, instruments, subsidiary legislation, other subordinate legislation or practice notes under the relevant statute, provision or rule;
 - (f) unless otherwise indicated, the Board can make determinations in its absolute discretion and if the Board delegates its authority to administer the Scheme to the Delegatee, such Delegatee shall enjoy the same absolute discretion;
 - (g) a reference to “**include**”, “**includes**” and “**including**” shall be deemed to be followed by the words “**without limitation**”;
 - (h) words importing the singular include the plural and vice versa, and words importing a gender include every gender;
 - (i) headings are included in the Scheme Rules for convenience only and do not affect its interpretation; and
 - (j) references to any statutory body shall include the successor thereof and any body established to replace or assume the functions of the same.

2. PURPOSE OF THE SCHEME

The purposes of the Scheme are:

- (a) to recognize the contributions made by Eligible Persons and provide incentives to them in order to retain them for the continuous operations and development of the Group;
- (b) to attract talents for the further development of the Group and enhance the competitiveness of such talents; and
- (c) to align the interests of Eligible Persons to the Group's values, enabling employees to work towards the Group's long-term development goals.

3. CONDITIONS

The Scheme is conditional upon the passing of resolutions by the Shareholders to approve the adoption of the Scheme and to authorise the Remuneration Committee or any other Delegatee to grant Awards under the Scheme and/or to procure the transfer of H Shares underlying the RSUs and otherwise deal with the RSUs in connection with the Scheme.

4. DURATION

Subject to Rule 19, the Scheme shall be valid and effective for the Award Period (after which no further Awards will be granted, accepted or vested).

5. ADMINISTRATION

5.1 The Scheme shall be subject to the administration of the following administrative bodies, in accordance with the Scheme Rules and, where applicable, the Trust Deed:

- (a) the general meeting of the Shareholders, as the organ of authority of the Company, is responsible for the deliberation and approval of the adoption of the Scheme. The general meeting of the Shareholders may authorise the Board and/or the Delegatee to deal with all matters related to the Scheme to the extent of its authority; and
- (b) the Board is the institution in charge of the administration of the Scheme in accordance with the Scheme Rules and where applicable, the Trust Deed. A decision of the Board and/or the Delegatee shall be final and binding on all persons affected. Upon deliberation and approval of the Scheme by the Board, the Board will submit the Scheme to the general meeting of the Shareholders for consideration. The Board and/or the Delegatee may handle all matters related to the Scheme within the authorisation by the general meeting of the Shareholders.

- 5.2 The authority to administer the Scheme may be delegated by the Board to the Delegatee as deemed appropriate at the sole and absolute discretion of the Board, provided that nothing in this Rule 5.2 shall prejudice the Board's power to revoke such delegation at any time or derogate from the discretion rested with the Board as contemplated in Rule 5.1(b).
- 5.3 Subject to any restrictions in the Scheme Rules, it is noted that as at the Adoption Date, the Board has delegated to the Remuneration Committee the authority to supervise and administer the Scheme.
- 5.4 Without prejudice to the Board's general power of administration, the Board or the Delegatee may from time to time appoint one or more administrators, who may be independent third party contractors, to assist in the administration of the Scheme, to whom they, at their sole and absolute discretion, may delegate such functions relating to the administration of the Scheme as they may think fit. The duration of office, terms of reference and remuneration (if any) of such administrator(s) shall be determined by the Board or the Delegatee at their sole and absolute discretion from time to time.
- 5.5 Without prejudice to the Board's general power of administration, to the extent not prohibited by applicable laws and regulations, the Board or the Delegatee may also from time to time appoint one or more Trustees (each of which shall be an independent third party) in respect of granting, administration or vesting of any RSU.
- 5.6 Subject to the Scheme Rules, the Listing Rules and any applicable law and regulations, the Board and/or the Delegatee shall have the power from time to time to:
- (a) construe and interpret the Scheme Rules and the terms of the Awards granted under the Scheme;
 - (b) supervise the daily management of the Scheme;
 - (c) make or vary such arrangements, guidelines, procedures and/or regulations for the administration, interpretation, implementation and operation of the Scheme, provided that they are not inconsistent with the Scheme Rules;
 - (d) decide how the vesting and exercise of the RSUs will be settled pursuant to Rule 10;

- (e) determine the basis of eligibility of any Eligible Person for the grant of Awards from time to time on the basis of their contribution to the development and growth of the Group or such other factors deemed appropriate;
- (f) grant Awards to those Eligible Persons whom it shall select from time to time;
- (g) determine the terms and conditions of the Awards and determine whether the vesting conditions are met;
- (h) determine adjustment (downward adjustment only) to the exercise price as set out in the Award Letter and, in such a case, a notice (including but not limited to, by mail, by e-mail or by notification via any other electronic means) stating the adjusted exercise price shall be issued to the Selected Participants concerned;
- (i) establish and administer performance targets in respect of the Scheme;
- (j) approve from time to time the form of an Award Letter and Vesting Notice;
- (k) exercise any authority as may be granted by the Shareholders from time to time;
- (l) for the purposes of the operations of the Scheme and dealing with the RSUs in accordance with the Trust Deed, to sign all relevant documentations for securities account opening;
- (m) to determine the execution, amendment and termination of the Scheme;
- (n) engage bank(s), broker(s), accountant(s), legal adviser(s), consultant(s) and other professional parties for the purpose of the Scheme; and
- (o) sign, execute, affix the Company seal, amend and terminate documents relating to the Scheme and take such other steps or actions to give effect to the terms and intent of the Scheme Rules.

5.7 None of the Directors or the Delegatee shall be personally liable by reason of any contract or other instrument executed by him/her, or on his/her behalf or for any mistake of judgment made in good faith, for the purposes of the Scheme, and the Company shall indemnify and hold harmless each member of the Board and any Delegatee in relation to the administration or interpretation of the Scheme, against any cost or expense (including legal fees) or liability (including any sum paid in settlement of a claim with the approval of the Board) arising out of any act or omission to act in connection with the Scheme unless arising out of such person's own wilful default, fraud or bad faith.

6. OPERATION OF THE SCHEME

6.1 The Board or the Delegatee may, from time to time, select any Eligible Person to be a Selected Participant and, subject to Rules 6.2 to 6.5, grant an Award to such Selected Participant during the Award Period conditional upon fulfilment of terms and conditions of the Awards. The selection of Selected Participants shall be conducted in accordance with the Company Law of the PRC, the Securities Law of the PRC and other applicable laws, regulations, normative documents and the Articles, integrated with the actual situation of the Company (including but not limited to the current and future contributions of the relevant Selected Participants to the Company).

6.2 In determining the Selected Participants, the Board or the Delegatee shall take into consideration matters including the length of service of the Selected Participant, the present and expected contribution of the relevant Selected Participant to the Group, the Group's general financial condition, and the Group's overall business objectives and future development plan.

The Board and the Delegatee shall, on the basis of the above conditions and taking into account the purpose of the Scheme and other factors that the Board and the Delegatee consider appropriate, still have the sole and absolute discretion in determining the relevant Selected Participant to implement and/or waive the conditions.

6.3 Each grant of an Award to any director participating in the Scheme or connected person of the Group shall be approved by all of the independent non-executive Directors and subject to the Listing Rules and any applicable laws and regulations.

6.4 Notwithstanding the provision in Rules 6.1, 6.2 and 6.3, no grant of any RSU to any Selected Participant may be made and no directions or recommendations shall be given to the Trustee with respect to a grant of an Award under the circumstances below:

- (a) in any circumstances where the requisite approval from any applicable regulatory authorities or Shareholders has not been granted;
- (b) in any circumstances that any member of the Group will be required under applicable securities laws, rules or regulations to issue a prospectus or other offer documents in respect of such Award or the Scheme, unless the Board determines otherwise;

- (c) where such Award would result in a breach by any member of the Group or its directors of any applicable securities laws, rules or regulations in any jurisdiction;
- (d) where such grant of Award would result in a breach of the Scheme Limit; or
- (e) after the expiry of the Award Period or after the early termination of this Scheme in accordance with Rule 19,

and any such grant so made shall be null and void to the extent (and only to the extent) that it falls within the circumstances above.

6.5 No one should be considered as a Selected Participant if he/she:

- (a) has been identified as an inappropriate candidate of any share incentive schemes or schemes of a similar nature of listed companies by any competent authorities in the past 12 months;
- (b) has been penalised or prohibited from trading of securities by any securities regulatory bodies in the past 12 months due to material violation of laws and regulations;
- (c) has been prohibited from acting as a director or a member of senior management by the Company Law of the PRC;
- (d) is in breach of relevant national laws and regulations or the Rule; or
- (e) or has caused losses to the Company during his/her term of service due to soliciting bribes, corruption and theft, disclosure of the operation and technology secrets of the Company, infringement of company interest through connected transactions and any acts which cause damage to the reputation and image of the Company, which can be proven with sufficient evidence by the Company.

The Selected Participant shall undertake that if any of the above events occur during implementation of the Scheme which would prevent him/her from being considered as a Selected Participant, he/she shall give up his/her rights to participate in the Scheme and shall not be given any compensation.

7. TIMING OF AWARDS

7.1 No grant of any Award shall be made to Selected Participants pursuant to Rule 6 and no directions or recommendation shall be given to the Trustee with respect to a grant of an Award under the Scheme:

- (a) where any Director is in possession of unpublished inside information in relation to the Company (within the meaning under the SFO) or, in the reasonable opinion of the Directors, subject to rule 13.09(2)(a) of the Listing Rules and the inside information provisions of Part XIVA of the SFO (within the meaning under the Listing Rules); or where any Director knows or believes there is inside information which must be disclosed pursuant to the Listing Rules or any applicable laws, rules or regulations; or where dealings by directors of members of the Group are prohibited under any code, internal written guidelines for securities transactions by employees, or requirement of the Listing Rules or any applicable laws, rules or regulations;
- (b) during the period of 60 days immediately preceding the publication date of the annual results for any financial period of the Company or, if shorter, the period from the end of the relevant financial year up to the publication date of such results; and
- (c) during the period of 30 days immediately preceding the publication date of the half-year results for any financial period of the Company or, if shorter, the period from the end of the relevant half-year period of the financial period up to the publication date of such results.

7.2 In respect of the administration and operation of the Scheme, the Company shall comply with all applicable disclosure regulations including those imposed by the Listing Rules and all applicable laws, rules and regulations from time to time.

8. AWARD LETTER AND NOTIFICATION OF GRANT OF AWARDS

8.1 The Company or the Delegatee shall issue a letter or notice (including but not limited to, by mail, e-mail or by notification via any electronic means) to each Selected Participant in such form as the Board or the Delegatee may from time to time determine, specifying the Grant Date, the manner of acceptance of the Award, the exercise price of each RSU and/or the number of RSU underlying the Award, the vesting criteria and conditions (which may include, but not limited to, the fulfilment of the key quantitative and qualitative requirements of the relevant business unit(s) and personal performance targets by the

relevant Selected Participant prescribed by the Group), and the Vesting Date and such other details, terms and conditions as the Board may consider necessary and in compliance with this Scheme (an “**Award Letter**”). The Selected Participant shall indicate his/her acceptance in the manner specifically required by the Company (including but not limited to, by mail, e-mail or at designated electronic platform) within the acceptance period stated in the Award Letter, otherwise, the grant of the RSU shall be deemed not accepted and cancelled.

8.2 As soon as practicable after the grant of any Award to a Selected Participant which has been duly accepted, the Company or the Delegatee shall notify the Trustee in the form of a written instrument (“**Grant Instrument**”) of:

- (a) the name of each such Selected Participant to whom such an Award has been made;
- (b) the number of RSU to which each such Award relates and the number of H Shares that can be acquired by each such Selected Participant upon exercise of the RSU granted to each such Selected Participant; and
- (c) the date or dates on which each such Award will vest and the relevant conditions (if any).

9. ACQUISITION OF H SHARES BY THE TRUSTEE

9.1 The Group may from time to time, subject to the terms and conditions in this Scheme and the compliance of all relevant laws, rules and regulations, cause to be transferred to the Trust the necessary funds for any acquisition of H Shares or other purposes set out in the Scheme Rules and the Trust Deed.

9.2 Subject to Rules 7.1, 9.7 and 15, and the terms of the Trust Deed, the Company or the Delegatee may from time to time instruct the Trustee in writing to acquire H Shares on the market. Once acquired, the H Shares are to be held by the Trustee for the benefit of Selected Participant under the Trust on and subject to the terms and conditions of these Scheme Rules and the Trust Deed.

9.3 On each occasion when the Board or the Delegatee instructs the Trustee to acquire H Shares, it may specify the price or range of prices for the acquisition, the maximum amount of funds to be used and/or the number of H Shares are to be acquired. The Trustee may not incur more than the maximum amount of funds or acquire any excess number of H Shares unless with the prior written consent of the Board or the Delegatee.

Where the Trustee has received instructions from the Company or the Delegatee to acquire H Shares, the Trustee shall apply such number of H Shares in such manner as specified by the Board or the Delegatee in accordance with this Rule 9.3 to acquire such maximum number of H Shares at the prevailing market price as soon as reasonably practicable after receiving the necessary funds from the Group.

- 9.4 The Trustee shall keep the Board or the Delegatee informed from time to time of the number of H Shares acquired and the price at which those H Shares have been acquired. If, for any reason, the Trustee is unable to acquire any or all of the H Shares with such number of H Shares in the manner as instructed by the Board or the Delegatee within the time period as agreed between the Board or the Delegatee and the Trustee after being instructed by the Board or the Delegatee to do so, the Trustee shall notify the Board or the Delegatee in writing. The Board or the Delegatee shall then decide on whether to instruct the Trustee to continue with such acquisition and under the conditions thereof. In the event that the Board or the Delegatee decides to instruct the Trustee to continue with such acquisition, the Board or the Delegatee shall provide new instructions to the Trustee, including the time for such acquisition, and the maximum amount of funds to be used and/or the number of H Shares are to be acquired, and/or any conditions thereof.
- 9.5 Subject to Rule 14, the Company or the Delegatee shall instruct the Trustee whether or not to apply any Returned Shares to satisfy any grant of Awards made, and if the Returned Shares, as specified by the Company, are not sufficient to satisfy the Awards granted, the Group shall, subject to this Rule 9.5, as soon as reasonably practicable, for purposes of satisfying the Awards granted, transfer to the Trust the necessary funds and instruct the Trustee to acquire further H Shares in accordance with Rule 9.2.
- 9.6 Subject to Rule 10.6(b), the Trustee shall only be obliged to transfer the H Shares underlying the RSUs to Selected Participants upon their exercising of the RSUs to the extent that the H Shares underlying the RSUs are comprised in the Trust.
- 9.7 The Company or the Delegatee shall not instruct the Trustee to acquire H Shares at the prevailing market price where: (i) such action (as applicable) is prohibited under the Listing Rules, the SFO, the applicable PRC laws, rules and regulations or other applicable laws from time to time, or (ii) during such periods as stated in Rule 7.1. Where such a prohibition causes the prescribed timing imposed by the Scheme Rules or the Trust Deed to be missed, such prescribed timing shall be treated as extended until as soon as reasonably practicable after the first (1st) Business Day on which the prohibition no longer prevents the relevant action.

- 9.8 If any portion of the funds transferred by the Group to the Trustee for the purchase of H Shares was not fully used for the purchase, the Board or the Delegatee may instruct the Trustee in writing within 90 days from the acquisition or purchase to remit unused funds in the Trust that were previously transferred to the Trustee by the Group for the purchase of H Shares back to the Group in a manner as instructed by the Board or the Delegatee. If the Trustee has not received such written instructions within 90 days as required, the Trustee shall hold the amount as funds of the Trust.
- 9.9 For the avoidance of doubt, the Company shall not issue any new H Shares under the Scheme.

10. VESTING AND EXERCISE OF AWARD

- 10.1 The Board or the Delegatee may from time to time while the Scheme is in force and subject to all applicable laws, rules and regulations, determine such vesting criteria and conditions or periods for the Award to be vested hereunder.
- 10.2 The vesting of the Award granted under the Scheme is subject to the vesting conditions as set out in the Award Letter.
- 10.3 If the Selected Participant fails to fulfil the vesting conditions applicable to the relevant Awards, all the RSUs underlying the relevant Awards which may otherwise be vesting during the respective vesting period shall not be vested and become immediately forfeited with respect to such Selected Participant. The Trustee shall be notified of such forfeiture and such forfeited shares shall be held by the Trustee as Returned Shares. The Board's or the Delegatee's decision on whether the vesting conditions are fulfilled and satisfied shall be conclusive and final.
- 10.4 Any dividend underlying the vested but not exercised RSU shall be retained by the Trustee as part of the funds in the Trust. At the sole and absolute discretion of the Board and/or the Delegatee, the Selected Participant may be entitled to any related income or dividend declared in relation to the RSUs during the period from the Grant Date to the date of exercise of RSU, subject to the terms and conditions specified in the Award Letter. In the event that the RSUs are to be forfeited, lapsed or cancelled, such underlying dividend shall be retained by the Trustee as part of the funds in the Trust for the benefit of the Scheme.

- 10.5 Except in the circumstances as set out in Rule 10.9, barring any unforeseen circumstances, within a reasonable time period after the vesting criteria, conditions and time schedule have been reached, fulfilled, satisfied or waived, the Company shall send to the relevant Selected Participant a vesting notice in a manner as determined by the Board or the Delegatee (the “**Vesting Notice**”) confirming the extent to which the vesting criteria, conditions and time schedule have been reached, fulfilled, satisfied or waived, and the number of Shares (and, if applicable, the related income or dividend declared in relation to the RSUs in respect of those Shares as provided in Rule 10.4) involved.
- 10.6 Any exercise of RSUs shall be in board lots of 500 H Shares or integral multiples thereof (unless the number of RSUs which remains unexercised is less than one board lot). Within a reasonable time period after the vesting criteria, conditions and time schedule have been reached, fulfilled, satisfied or waived, the Board and/or the Delegatee may exercise all or part of the RSUs that have been vested and then may decide at its absolute discretion either to:
- (a) direct and procure the Trustee to, within a reasonable time, transfer the H Shares underlying the RSUs exercised (and, if applicable, the related income or dividend declared in relation to the RSUs in respect of those Shares as provided in Rule 10.4) to the Selected Participant, subject to the Selected Participant paying the exercise price (where applicable); or
 - (b) pay, or direct and procure the Trustee to, within a reasonable time, pay, to the Selected Participant in cash the Actual Selling Price on or about the date of exercise (and, if applicable, the related income or dividend declared in relation to the RSUs in respect of those Shares as provided in Rule 10.4) less any exercise price (where applicable) and after deduction or withholding of any tax, levies and other charges applicable to the entitlement of the Selected Participant and the sale of any H Shares to fund such payment and in relation thereto.
- 10.7 Any stamp duty or other direct costs and expenses arising on vesting of the RSUs and transfer or sale of H Shares underlying the RSUs for the benefit of the Selected Participants shall be borne by the funds in the Trust, and if the funds in the Trust are insufficient to cover, it shall be borne by the Group (and the Trustee is entitled to deduct from the Trust such duty(ies), costs and expenses or request the Company to pay to the Trustee (in which case the Group is obliged and undertakes to the Trustee to do so)).
- 10.8 All taxes, costs and expenses in relation to all dealings with the H Shares underlying the RSUs after transfer shall be borne by the Selected Participant and neither the Group nor the Trustee shall be liable for any such costs and expenses thereafter.

10.9 Other than the stamp duty to be borne by the Group in accordance with Rule 10.7, all other taxes (including personal income taxes, professional taxes, salary taxes and similar taxes, as applicable), duties, social security contributions, impositions, charges and other levies arising out of or in connection with the Selected Participant's participation in the Scheme or in relation to the RSUs or cash amount of equivalent value of the H Shares underlying the RSUs (the "Taxes") shall be borne by the Selected Participant and neither the Group nor the Trustee shall be liable for any Taxes. The Selected Participant shall indemnify the Trustee and all members of the Group against any liability each of them may have to pay or account for such Taxes, including any withholding liability in connection with any Taxes. To give effect to this, the Trustee or any member of the Group may, notwithstanding anything else in these Scheme Rules (but subject to applicable law):

- (a) reduce or withhold the number of the Selected Participant's RSUs underlying the Award (the number of RSUs underlying the Award that may be reduced or withheld shall be limited to the number of RSUs that have a fair market value on the date of withholding that, in the reasonable opinion of the Company is sufficient to cover any such liability);
- (b) sell on the Selected Participant's behalf such number of H Shares to which the Selected Participant becomes entitled under the Scheme and retain the proceeds and/or pay them to the relevant authorities or government agency;
- (c) deduct or withhold, without notice to the Selected Participant, the amount of any such liability from any payment to the Selected Participant made under the Scheme or from any payment due from a member of the Group to the Selected Participant, including from the salary payable to the Selected Participant by any member of the Group; and/or
- (d) require the Selected Participant to remit to the Trustee or any member of the Group, in the form of cash or a certified or bank cashier's check, an amount sufficient to satisfy any Taxes or other amounts required by any governmental authority to be withheld and paid over to such authority by the Trustee or any member of the Group on account of the Selected Participant or to otherwise make alternative arrangements satisfactory to the Company for the payment of such amounts.

The Trustee shall not be obliged to transfer any H Shares underlying RSUs according to Rule 10.6(a) or pay the Actual Selling Price of such RSUs in cash according to Rule 10.6(b) to a Selected Participant unless and until the Selected Participant satisfies the Trustee and the Board or the Delegatee that such Selected Participant's obligations under this Rule have been met.

11. CESSATION OF EMPLOYMENT AND OTHER EVENTS

Changes in job position

- 11.1 If a Selected Participant has changes in his job position by reason of change of his position within members of the Group to the extent that he/she will continue to be an Eligible Person, and all of the conditions set out in the Award Letter have been fulfilled, any outstanding RSUs not yet vested shall continue to vest on the Vesting Date as set out in the Award Letter, unless the Board or the Delegatee determines otherwise at their sole and absolute discretion.
- 11.2 In the event of a change of job position of the Selected Participant within members of the Group due to physical and/or mental disability, any RSUs that have not yet vested shall continue to vest on the Vesting Date specified in the Award Letter, with a downward adjustment to the number of RSUs to be vested in the following manner: (a) 80% of the number of RSUs to be vested for the Selected Participant with not less than 5 years of service; and (b) 50% of the number of RSUs to be vested for the Selected Participant with a service period of not less than 3 years and not more than 5 years, with the service period calculated from the date of such change in his/her position.
- 11.3 If a Selected Participant ceases to be an Eligible Person by reason of the following circumstances:
- (a) having committed any act of fraud or dishonesty or serious misconduct or any violation (e.g. bribery, disclosure of the Company's secrets, damage to the Group's assets, causing major accidents) as determined by the Board at its sole and absolute discretion;
 - (b) having been convicted of any criminal offence involving his or her integrity or honesty, or is being held liable for any offence under or any breach of the SFO or other securities laws or regulations in Hong Kong, the PRC or any other applicable laws, rules or regulations in force from time to time;
 - (c) violation of professional ethics or non-compete obligations (if applicable) the leakage of confidential information of the Company;
 - (d) caused damage to the interests or reputation of the Company, as determined by the Board at their sole and absolute discretion, due to failure to discharge his/her duties or a wilful misconduct; or
 - (e) unable to meet the performance indicators or performance expectation at regular assessment,

all vested (but not yet exercised) RSUs and any outstanding RSUs not yet vested shall be immediately forfeited, unless the Board or the Delegatee determines otherwise at their absolute discretion. The participant shall have no right to claim against the Trust, the Trustee, or the Company with respect to the Award and the related RSUs and Shares that are forfeited in the occurrence of the foregoing event.

Retirement, Death and Permanent Disablement

11.4 If a Selected Participant ceases to be an Eligible Person by reason of (i) retirement of the Selected Participant by agreement with a member of the Group; (ii) death of the Selected Participant; or (iii) termination of the Selected Participant's employment or contractual engagement with the Group by reason of his/her permanent physical or mental disablement resulting from work injury as a result of his/her employment with the Group, any outstanding RSUs not yet vested shall be vested on the next available Vesting Date set out in the Award Letter or on such other date as may be determined by the Board or the Delegatee at their sole and absolute discretion, provided that such Selected Participant achieved the relevant business units' and personal performance targets as set out in the Award Letter in the relevant year prior to the occurrence of the events listed in (a), (b), (c) or (d) in Rule 11.3 (as applicable) and accepted the non-compete undertakings (applicable for the retiring Eligible Person).

Resignation or cessation of employment

11.5 If the employment of a Selected Participant is terminated by the Group by reason of (i) resignation; (ii) termination of the Selected Participant's employment or contractual engagement with the Group by reason of redundancy; or (iii) the employer terminating the contract of employment for reasons other than the reasons set out in Rule 11.3 or the Selected Participant having committed any act of fraud or dishonesty or serious misconduct or any violation (e.g. bribery, disclosure of the Group's secrets, damage to the Group's assets, causing major accidents, violation of non-compete obligations or falsification of data) as determined by the Board at its sole and absolute discretion, or having been convicted of any criminal offence involving his or her integrity or honesty, or is being held liable for any offence under or any breach of the SFO or other securities laws or regulations in Hong Kong, the PRC or any other applicable laws, rules or regulations in force from time to time, all vested (but not yet exercised) RSUs and outstanding RSUs not yet vested shall be immediately forfeited, unless the Board or the Delegatee determines otherwise at their sole and absolute discretion. The participant shall have no right to claim against the Trust, the Trustee, or the Company with respect to the Award and the related RSUs and Shares that are forfeited in the occurrence of the foregoing event.

- 11.6 If a Selected Participant is declared or adjudged to be bankrupt by a competent court or governmental body, or becomes insolvent, or fails to pay his/her debts as they fall due (after the expiry of any applicable grace period), or makes any arrangements or composition with his or her creditors generally or an administrator takes possession of any of his/her assets, all vested (but not yet exercised) RSUs and outstanding RSUs not yet vested shall be immediately forfeited, unless the Board or the Delegatee determines otherwise at their sole and absolute discretion.
- 11.7 If a Selected Participant ceases to be an Eligible Person for reasons other than those set out in Rules 11.1 to 11.6, all vested (but not yet exercised) RSUs and outstanding RSUs not yet vested shall be immediately forfeited, unless the Board or the Delegatee determines otherwise at their sole and absolute discretion.
- 11.8 Any Selected Participant ceasing to be an Eligible Person for reasons set out in Rules 11.1 to 11.7, such Selected Participant shall have no right or claim against the Company, any other member of the Group, the Board, the Delegatee, the Trust or the Trustee or with respect to those or any other RSU or any right thereto or interest therein in any way.
- 11.9 A Selected Participant shall be taken to have retired on the date that he or she retires upon or after reaching the age of retirement specified in his/her service agreement or pursuant to any retirement policy of the Company applicable to him/her from time to time or stipulated by law, in case there is no such terms of retirement applicable to the Selected Participant, with the approval or the Board or the board of the applicable members of the Group.
- 11.10 In the event that an Award or any part thereof to a Selected Participant vests by reason of the death of such Selected Participant as contemplated in Rule 11.4, the Trustee shall hold such number of H Shares as are equal to the vested RSUs or the Actual Selling Price on trust and to transfer the same to the legal personal representatives of the Selected Participant within one year of the death of the Selected Participant (or such longer period as the Trustee and the Company or the Delegatee shall agree from time to time) subject to the paying or withholding of the exercise price (where applicable) (hereinafter referred to as “**Benefits**”), or if the Benefits would otherwise become bona vacantia, the Benefits shall be forfeited and cease to be transferable and such Benefits shall be held by the Trustee as Returned Shares or funds of the Trust for the purposes of the Scheme. Notwithstanding the foregoing, the Benefits held upon the trusts hereof shall until transfer is made in accordance herewith be retained and may be invested and otherwise dealt with by the Trustee in every way as if they had remained part of the Trust.

11.11 The Company or the Delegatee shall, from time to time, inform the Trustee in writing, the date on which such Selected Participant ceased to be an Eligible Person, forfeiture of vested (but not yet exercised) RSUs and any outstanding RSUs not yet vested and any amendments to the terms and conditions of the Award in respect to such Selected Participant (including the number of RSUs entitled).

12. TRANSFERABILITY AND OTHER RIGHTS ATTACHED TO RSU

12.1 Any Award granted hereunder but not yet exercised shall be personal to the Selected Participant to whom it is made and shall not be assignable or transferable and no Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to any Award, or enter into any agreement to do so, unless the Award or any interest thereof is transferred as a result of the Selected Participant's death in accordance with the terms of this Scheme.

12.2 Any actual or purported breach of Rule 12.1 shall entitle the Board or the Delegatee to cancel any outstanding Award or part thereof granted to such Selected Participant. For this purpose, a determination from the Board or the Delegatee, to the effect that the Selected Participant has or has not breached any of the foregoing shall be final and conclusive as to such Selected Participant.

13. INTEREST IN THE ASSETS OF THE TRUST

For the avoidance of doubt:

- (a) a Selected Participant shall have only a contingent interest in the Award subject to the exercise of such Award in accordance with Rules 10 and 14;
- (b) no instructions may be given by a Selected Participant to the Trustee in respect of the Award or any other property of the Trust and the Trustee shall not follow instructions given by a Selected Participant in respect of the Award or any other property of the Trust;
- (c) neither the Selected Participant nor the Trustee may exercise any voting rights in respect of any H Shares held by the Trustee under the Trust (including the RSUs that have not yet vested);

- (d) the Trustee holding unvested H Shares in respect of RSUs shall abstain from voting on matters requiring the consent of the Shareholders in accordance with the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given;
- (e) a Selected Participant shall have no rights to any dividend to any of the RSUs prior to his/her exercise, any of the Returned Shares, any dividend of the Returned Shares, funds or other properties of the Trust, all of which shall be retained by the Trustee for the benefit of the Scheme, unless the Board or the Delegatee determines otherwise at its sole and absolute discretion;
- (f) a Selected Participant shall have no rights in the balance of the fractional shares arising out of the division and consolidation of H Shares (if any) and such H Shares shall be deemed Returned Shares for the purposes of the Scheme;
- (g) in the case of the death of a Selected Participant, the interests shall be forfeited if no transfer of the interests to the legal personal representatives of the Selected Participant is made within the period prescribed in Rule 11.10 and the legal personal representatives of the Selected Participant shall have no claims against the Company, any other member of the Group, the Board, the Delegatee, the Trust or the Trustee;
- (h) unless otherwise waived by the Board, in the event that the vesting conditions (if any) specified in an Award Letter are not fully satisfied prior to or on the relevant Vesting Date, the award of the RSU shall lapse, such RSU shall not vest on the relevant Vesting Date and the Selected Participant shall have no claims against the Company, any other member of the Group, the Board, the Delegatee, the Trust or the Trustee; and
- (i) in the event that the Selected Participant ceases to be an Eligible Person on or prior to the relevant Vesting Date in accordance with Rule 11 and the Award in respect of the relevant Vesting Date shall lapse or be forfeited pursuant to the Scheme, such Award shall not vest on the relevant Vesting Date and the Selected Participant shall have no claims against the Company, any other member of the Group, the Board, the Delegatee, the Trust or the Trustee, unless the Board or the Delegatee determines otherwise at its sole and absolute discretion.

14. TAKEOVER, RIGHTS ISSUE, OPEN OFFER, SCRIP DIVIDEND SCHEME, ETC.

Change in Control

14.1 If there is an event of change in control of the Company by way of a merger, a privatization of the Company by way of a scheme or by way of an offer, the change of actual control of the Company, the Company no longer exists after merger with another company or the H Shares are no longer listed on the Stock Exchange, the Board or the Delegatee shall at their sole and absolute discretion determine whether the Vesting Dates of any Awards will be accelerated. If the Vesting Dates of any Awards are accelerated, the procedures as set out in Rules 10.5 and 10.6 shall apply except that the Vesting Notice will be sent to such Selected Participant affected by this Rule 14.1 based on the proposed Vesting Date as soon as practicable once the proposed Vesting Date is known.

For the purpose of this Rule 14.1, “control” shall have the meaning as specified in The Codes on Takeovers and Mergers and Share Buy-backs issued and updated by the SFC from time to time.

Open Offer and Rights Issue

14.2 In the event the Company undertakes an open offer of new securities, the Trustee shall not subscribe for any new H Shares. In the event of a rights issue, the Trustee shall seek instructions from the Company on the steps or actions to be taken in relation to the nil-paid rights allotted to it and the net proceeds of sale of such rights shall be held as part of the funds in the Trust.

Bonus Warrants

14.3 In the event that the Company issues bonus warrants in respect of any H Shares which are held by the Trustee, the Trustee shall not, unless otherwise instructed by the Company, subscribe for any new H Shares by exercising any of the subscription rights attached to the bonus warrants, and shall sell the bonus warrants created and granted to it, and the net proceeds of sale of such bonus warrants shall be held as funds of the Trust.

Scrip Dividend

14.4 In the event that the Company undertakes a scrip dividend scheme, the Trustee shall elect to receive the scrip H Shares and such H Shares will be held as part of the funds in the Trust. In the event that the Company undertakes a cash or scrip dividend, the Trustee shall elect to receive cash at any time and it shall be deemed as the cash income of an H Share held upon the Trust.

Consolidation, Sub-division, Bonus Issue and other distributions

- 14.5 In the event that the Company undertakes a sub-division or consolidation of the H Shares, corresponding changes will be made to the number of outstanding RSUs that have been granted provided that the adjustments shall be made in such manner as the Board determines to be fair and reasonable in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Scheme for the Selected Participants. The Board or the Delegatee shall as soon as practicable after such sub-division or consolidated has been effected, notify each such Selected Participant of the number of RSUs that he/she has become entitled to on vesting after such subdivision or consolidation (as the case may be).
- 14.6 In the event of an issue of H Shares by the Company credited as fully paid to the holders of the H Shares by way of capitalisation of profits or reserves (including share premium account), the H Shares attributable to any RSUs held by the Trustee shall be deemed to be an accretion to such RSUs and shall be held by the Trustee as if they were RSUs purchased by the Trustee hereunder and retained as part of the funds in the Trust.
- 14.7 In the event of any non-cash distribution or other events not referred to above by reason of which the Board considers an adjustment to an outstanding Award to be fair and reasonable, an adjustment shall be made to the number of outstanding RSUs of each Selected Participant as the Board shall consider to be fair and reasonable in order to prevent dilution or enlargement of the benefits or potential benefits intended to be made available under the Scheme for the Selected Participant. The Company shall provide such funds, or such directions on application of the Returned Shares or other funds in the Trust, as may be required to enable the Trustee to purchase H Shares at the prevailing market price to satisfy the additional Award.
- 14.8 In the event of other non-cash and non-scrip distributions made by the Company not otherwise referred to in the Scheme Rules in respect of the H Shares held upon Trust, the Trustee shall sell such distribution and the net sale proceeds thereof shall be deemed as the cash income of the H Shares held upon the Trust.

Voluntary winding-up

14.9 If notice is duly given by the Company to its Shareholders to convene a Shareholders' meeting for the purpose of considering a resolution for the voluntary winding-up of the Company (other than for the purposes of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company are passed to a successor company) or an order of winding up of the Company is made, the Board or the Delegatee shall determine at its discretion whether such RSU shall vest in the Selected Participants and the time at which such RSU shall vest. If the Board determines that any RSU shall vest, it shall promptly notify the Selected Participant and shall use its reasonable endeavours to procure the Trustee to take such action as may be necessary to transfer the legal and beneficial ownership of the H Shares underlying the RSUs which are to become vested in such Selected Participant or pay the sum they would have received in respect of the Awards upon exercise to such Selected Participant according to the procedures provided in Rules 10.6(a) or 10.6(b) as applicable.

15. SCHEME LIMIT

15.1 The Scheme Limit shall be the maximum number of H Shares that could be granted under the Scheme. The Company shall not make further grant which will result in the aggregate number of H Shares granted in relation to RSUs to exceed three per cent (3%) of the total number of issued H Shares as at the relevant Grant Date (the "**Scheme Limit**").

15.2 The Company shall not make any further grant of Award which will result in the aggregate number of H Shares underlying all grants made pursuant to the Scheme (excluding RSUs that have been forfeited, cancelled or lapsed in accordance with the Scheme) to exceed the Scheme Limit.

16. RETURNED SHARES

The Trustee shall hold Returned Shares to be applied towards future Awards in accordance with the provisions hereof for the purpose of the Scheme. When H Shares have been deemed to be Returned Shares under the Scheme Rules, the Trustee shall notify the Company or the Delegatee accordingly.

17. ALTERATION OF THE SCHEME

17.1 The Scheme may not be altered in any respect in the occurrence of the event set out in Rule 14.1.

- 17.2 The Scheme may be altered by a resolution of the Board or the Delegatee provided that no such amendment shall operate to affect materially and adversely any subsisting rights of any Selected Participant hereunder.
- 17.3 A notice of any amendment to the Scheme shall be given to the Trustee in writing or by mail.

18. CANCELLATION OF AWARDS

The Board or the Delegatee may in its sole and absolute discretion cancel any Award that has not been vested or forfeited provided that the cancellation shall not affect the subsisting rights of any Selected Participant.

19. TERMINATION

- 19.1 Subject to Rule 4, the Scheme shall terminate on the earlier of:
- (a) the end of the Award Period except in respect of any non-vested RSUs granted and accepted hereunder prior to the expiration of the Scheme, for the purpose of giving effect to the vesting of such RSUs or otherwise as may be required in accordance with the provisions of the Scheme; or
 - (b) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any Selected Participant hereunder; provided further that for the avoidance of doubt, the change in the subsisting rights of a Selected Participant in this Rule 19.1(b) refers solely to any change in the rights in respect of the RSUs already granted to a Selected Participant.
- 19.2 On the Business Day following the settlement, lapse, forfeiture or cancellation (as the case may be) of the last outstanding Award made under the Scheme, the Trustee shall (i) sell all the H Shares remaining in the Trust within a reasonable time period as agreed between the Trustee and the Company upon receiving notice of the settlement, lapse, forfeiture or cancellation (as the case may be) of such last outstanding Award (or such longer period as the Company may otherwise determine), and remit all cash and net proceeds of such sale referred to in this Rule 19.2 and other funds remaining in the Trust (after making appropriate deductions in respect of all disposal costs in accordance with the Trust Deed) to the Group; or (ii) return the outstanding balance of the H Shares remaining in the Trust to the Group in the manner as instructed by the Board or the Delegatee, subject to the compliance with the Listing Rules or any applicable rules and regulations.

20. MISCELLANEOUS

- 20.1 The Scheme shall not form part of any contract of employment between the Company or any Subsidiary and any Eligible Person, and the rights and obligations of any Eligible Person under the terms of his/her office or employment shall not be affected by his/her participation in the Scheme or any right which he/she may have to participate in it and the Scheme shall afford such Eligible Person no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.
- 20.2 The Company shall bear the costs of establishing and administering the Scheme, including, for the avoidance of doubt, costs arising from communication as referred to in Rule 20.3, expenses incurred in the purchase of H Shares by the Trustee and stamp duty and normal registration fee (i.e. not being fee chargeable by the share registrar of any express service of registration) in respect of the transfer of H Shares to Selected Participants upon exercise. For the avoidance of doubt, the Company shall not be liable for any Tax or expenses of such other nature payable on the part of any Eligible Person in respect of any sale, purchase or transfer of H Shares (or cash amount of equivalent value being paid) subsequent to exercise of the RSUs, other than for any withholding tax liability of the Company or any member of the Group under applicable laws.
- 20.3 Any notice or other communication between the Company and any Eligible Person may be given by sending the same by email or by prepaid post or by personal delivery to, in the case of the Company, its principal place of business or registered office in Hong Kong or the PRC or such other address as notified to the Eligible Person from time to time and in the case of an Eligible Person, his/her address as notified to the Company from time to time or by hand delivery. In addition, any notice (including the Vesting Notice) or other communication from the Company to any Eligible Person or Selected Participant may be given by any electronic means as the Board considers appropriate.
- 20.4 Any notice or other communication served by post shall be deemed to have been served 24 hours after the same was put in the post. Any notice or other communication served by electronic means shall be deemed to have been received on the day following that on which it was sent.

- 20.5 The Company, any other members of the Group, the Board, the Delegatee, the Trust and the Trustee shall not be responsible for any failure by any Eligible Person to obtain any consent or approval required for such Eligible Person to participate in the Scheme as a Selected Participant or for any Taxes, expenses, fees or any other liabilities to which an Eligible Person may become subject as a result of participation in the Scheme.
- 20.6 Each and every provision hereof shall be treated as a separate provision and shall be severally enforceable as such in the event of any provision or provisions being or becoming unenforceable in whole or in part. To the extent that any provision or provisions are unenforceable they shall be deemed to be deleted from these Scheme Rules, and any such deletion shall not affect the enforceability of the Scheme Rules as remain not so deleted.
- 20.7 Save as specifically provided herein, the Scheme shall not confer on any person any legal or equitable rights (other than those constituting and attaching to the RSUs themselves) against the Group, the Board, the Delegatee, the Trust and the Trustee directly or indirectly or give rise to any cause of action at law or in equity against the Group, the Board, the Delegatee, the Trust and the Trustee. No person shall, under any circumstances, hold the Board, its delegate and/or the Company liable for any costs, losses, expenses and/or damages whatsoever arising from or in connection with the Scheme or the administration thereof.
- 20.8 In the event that an Award lapses in accordance with the Scheme Rules, no Selected Participants shall be entitled to any compensation for any loss or any right or benefit or prospective right or benefit under the Scheme which he or she might otherwise have enjoyed.
- 20.9 The Scheme shall operate subject to the Articles and to any restrictions under any applicable laws, rules and regulations.
- 20.10 By participating in the Scheme, the Selected Participant consents to the holding, processing, storage and use of personal data or information concerning him or her by any member of the Group, the Trustee or other third party service provider, in Hong Kong, the PRC or elsewhere, for the purpose of the administration, management or operation of the Scheme. Such consent permits, but is not limited to, the following:
- (a) the administration and maintenance of records of the Selected Participant;

- (b) the provision of data or information to members of the Group, the Trustee, registrars, brokers or third party administrators or managers of the Scheme, in Hong Kong, the PRC or elsewhere;
- (c) the provision of data or information to future purchasers or merger partners of the Company, the Selected Participant's employing company, or the business in which the Selected Participant works;
- (d) the transfer of data or information about the Selected Participant to a country or territory outside the Selected Participant's home country which may not provide the same statutory protection for the information as his home country; and
- (e) in the case where an announcement is required to be made or a circular is required to be despatched pursuant to the Listing Rules for the purposes of granting an Award, the disclosure of the identity of such Selected Participant, the number of RSUs and the terms of the Award granted and/or to be granted and all other information as required under the Listing Rules, or other applicable laws, rules and regulations.

The Selected Participant is entitled, on payment of a reasonable fee, to a copy of the personal data held about him or her, and if such personal data is inaccurate, the Selected Participant has the right to have it corrected.

21. INTERPRETATION AND DISPUTE RESOLUTION

21.1 Any decision to be made under the Scheme, including matters of interpretation with respect to the Scheme Rules, shall be made by the Board.

21.2 The Board shall determine any question of interpretation and settle any dispute arising under or in connection with this Scheme. In such matters, the Board's decision shall be final.

22. GOVERNING LAW

The Scheme shall be governed by and construed in accordance with the laws of Hong Kong.

NOTICE OF THE EGM



Shanghai Conant Optical Co., Ltd. 上海康耐特光學科技集團股份有限公司

(A joint stock company incorporated in the People's Republic of China with limited liability)
(Stock Code: 2276)

NOTICE OF THE EGM

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “EGM”) of Shanghai Conant Optical Co., Ltd. (the “Company”) will be held at Conference Room, 1/F, No. 555 Chuanda Road, Pudong New Area, Shanghai, the PRC at 10 a.m. on Monday, 18 December 2023 for considering and, if thought fit, adopting the following resolutions:

SPECIAL RESOLUTIONS

1. To consider and approve the proposed adoption of the Restricted Share Unit Scheme of the Company (the “Scheme”); and
2. To consider and approve the proposed authorisation to the Remuneration Committee as Delegatee to handle matters pertaining to the Scheme.

By Order of the Board
Shanghai Conant Optical Co., Ltd.
上海康耐特光學科技集團股份有限公司
Fei Zhengxiang
Executive Director and Chairman of the Board

Hong Kong, 1 December 2023

Notes:

- (A) Details of the above resolutions are set out in the circular of the Company dated 1 December 2023 (the “Circular”). Unless otherwise defined in this notice, capitalized terms used in this notice shall have the same meanings as those defined in the Circular.
- (B) As disclosed in the announcement of the Company dated 27 November 2023, the register of members of the Company will be closed from Wednesday, 13 December 2023 to Monday, 18 December 2023 (both days inclusive) for determining the entitlement of Shareholders to attend and vote at the EGM, during which period no transfers of Shares will be registered. To be eligible to attend and vote at the EGM, all completed transfer documents together with the relevant Share certificates must be lodged with the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Tuesday, 12 December 2023. All Shareholders whose names appear on the register of members of the Company on Monday, 18 December 2023 are entitled to attend and vote at the EGM.

NOTICE OF THE EGM

- (C) A Shareholder entitled to attend and vote at the EGM may appoint one or more proxies to attend and vote in his/her/its stead. The proxy need not be a member of the Company but must attend the EGM in person to represent the relevant Shareholder. The instrument appointing a proxy must be in writing under the hand of the Shareholder or his attorney duly authorised in writing. If the Shareholder is a corporation, that instrument must be executed either under its common seal or under the hand of its director(s) or duly authorised attorney. If that instrument is signed by an attorney of the Shareholder, the power of attorney authorising that attorney to sign or other authorisation documents must be notarized. In order to be valid, the form of proxy together with the notarized power of attorney or other authorisation documents (if any) must be deposited at the H share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 10 a.m. on Sunday, 17 December 2023 or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude Shareholders from attending and voting in person at the EGM or any adjournment thereof should they so wish at that time.
- (D) A shareholder or his/her proxy should produce proof of identity when attending the EGM. For corporate holder, the person authorised by its board of directors or other governing body shall produce a copy of the authorisation documents of the board of directors or other governing body of such shareholder appointing such person to attend the meeting.
- (E) Pursuant to Rule 13.39(4) of the Listing Rules, subject to certain exceptions, all votes of the Shareholders at the general meetings must be taken by poll. Therefore, voting on the resolutions contained in this notice of the EGM will be conducted by poll.
- (F) The EGM is expected to last for half a day. Shareholders or their proxies attending the EGM shall be responsible for their own traveling and accommodation expenses.

As at the date of this notice, the Board comprises Mr. Fei Zhengxiang, Mr. Zheng Yuhong, Mr. Xia Guoping and Mr. Chen Junhua as executive Directors; Dr. Takamatsu Ken and Ms. Zhao Xiaoyun as non-executive Directors; and Dr. Xiao Fei, Mr. Chen Yi and Mr. Jin Yiting as independent non-executive Directors.