
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of this circular or as to the action you should take, 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 **GigaDevice Semiconductor Inc.**, you should at once hand this circular and the accompanying form of proxy to the purchaser or to the 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 the transferee.

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



GigaDevice

GigaDevice Semiconductor Inc.

兆易創新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: 3986)

**PROPOSED ADOPTION OF THE 2026 H SHARE AWARD SCHEME
PROPOSED AUTHORIZATION TO THE BOARD OF DIRECTORS AND/OR
AUTHORIZED PERSON(S) TO HANDLE MATTERS RELATED TO
THE 2026 H SHARE AWARD SCHEME
AND
NOTICE OF THE 2026 THIRD EXTRAORDINARY GENERAL MEETING**

A notice convening the 2026 third extraordinary general meeting (the “**EGM**”) of GigaDevice Semiconductor Inc. (the “**Company**”) to be held at the Meeting Room, 6th Floor, Cheng’ao Building, No. 5 Anding Road, Chaoyang District, Beijing, the PRC at 2:30 p.m. on Wednesday, September 9, 2026 is set out on pages EGM-1 to EGM-2 of this circular.

The proxy form for use in connection with the EGM is enclosed herewith. The proxy form is also published on the website of Hong Kong Exchanges and Clearing Limited (www.hkexnews.hk) and the Company’s website (www.gigadevice.com).

Any shareholder(s) of the Company (the “**Shareholders**”) entitled to attend and vote at the EGM is (are) entitled to appoint one or more proxies to attend and vote on his/her (their) behalf. A proxy need not be a Shareholder. If you intend to appoint a proxy to attend the EGM and vote on your behalf, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return it, by hand, by post or by facsimile, to the Company’s H share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for H Shareholders only) as soon as possible and in any event not later than 24 hours before the time appointed for the holding of the EGM (i.e. before 2:30 p.m. on Tuesday, September 8, 2026) or any adjournment thereof (as the case may be). Completion and return of the proxy form will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

August 18, 2026

CONTENTS

	<i>Page</i>
DEFINITIONS	1
LETTER FROM THE BOARD	5
Introduction	5
Proposed Adoption of the 2026 H Share Award Scheme	6
Proposed Scheme Limit	6
Proposed Service Provider Sublimit	6
Proposed Authorization to the Board of Directors and/or Authorized Person(s) to Handle Matters Related to the 2026 H Share Award Scheme	7
The EGM	9
Voting by Poll.	9
Document Available on Display	9
Recommendation.	10
Responsibility Statement.	10
APPENDIX I – SUMMARY OF PRINCIPAL TERMS OF 2026 H SHARE AWARD SCHEME	11
NOTICE OF THE 2026 THIRD EXTRAORDINARY GENERAL MEETING	EGM-1

DEFINITIONS

In this circular, the following expressions have the meanings set out below unless the context requires otherwise:

“2026 H Share Award Scheme” or the “Scheme”	the H share award scheme proposed to be adopted by the Company which is subject to the resolution being passed and approved by the Shareholders at the EGM
“A Share(s)”	ordinary shares issued by the Company, with a nominal value of RMB1.00 each, which are listed on the Shanghai Stock Exchange and traded in Renminbi
“Adoption Date”	the date on which the 2026 H Share Award Scheme is approved by the Shareholders at the EGM
“Articles of Association”	the articles of association of the Company (as amended from time to time)
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“authorized person”	the committees under the Board, Directors, members of the management and/or employees of the Company, as authorized by the Board
“Award(s)”	award(s) granted by the Board and/or its authorized person to a Grantee under the 2026 H Share Award Scheme, which may vest in the form of Award Shares or the actual selling price of the Award Shares in cash in accordance with the terms of the 2026 H Share Award Scheme
“Award Shares”	the H Shares granted in an Award pursuant to the 2026 H Share Award Scheme
“Board” or “Board of Directors”	the Board of Directors of the Company
“Company”	GigaDevice Semiconductor Inc. (兆易創新科技集團股份有限公司), a joint stock company incorporated in the PRC with limited liability, whose H shares and A shares are listed on the Main Board of the Stock Exchange (Stock Code: 3986) and the Main Board of the Shanghai Stock Exchange (Stock Code: 603986) respectively
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company

DEFINITIONS

“EGM”	the third extraordinary general meeting of 2026 of the Company to be held at the Meeting Room, 6th Floor, Cheng’ao Building, No. 5 Anding Road, Chaoyang District, Beijing, the PRC at 2:30 p.m. on Wednesday, September 9, 2026
“Eligible Participant(s)”	with respect to the 2026 H Share Award Scheme, any individual, or a corporate entity (as the case may be), being any of (i) an Employee Participant, (ii) a Related Entity Participant, and (iii) a Service Provider Participant
“Employee Participant(s)”	director(s) (other than an independent non-executive Director), senior management(s), supervisor(s) (if any) and employee(s) (whether full time or part time employees) of the Company and/or of any of its subsidiaries (including persons who are granted Awards under the 2026 H Share Award Scheme as an inducement to enter into employment contracts with these companies)
“Grant Date”	the date on which the Award Shares are granted to the Grantee (business day only), being the date of issuance and signing of the Grant Letter
“Grant Letter”	a letter issued by the Company to each Grantee in such electronic or paper form as the Board and/or the authorized person(s) may from time to time determine, specifying the details of the Award Shares granted and the conditions for the vesting of such Award Shares upon the decision made by the Board and/or the authorized person(s) to grant Award Shares to any Grantee
“Grantee”	any Eligible Participant who accepts the Share Award offer of the grant of any Award in accordance with the terms of the 2026 H Share Award Scheme
“Group”	the Company and its subsidiaries
“H Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are subscribed for and traded in Hong Kong dollars and listed on the Stock Exchange
“H Share Award Scheme Rules”	the rules of the 2026 H Share Award Scheme (in its present or any amended form)
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

DEFINITIONS

“Latest Practicable Date”	August 18, 2026, being the latest practicable date prior to the publication of this circular for ascertaining certain information in this circular
“Listing”	the listing of the H Shares on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended from time to time
“PRC” or “China”	the People’s Republic of China, unless the context requires otherwise, excluding, for the purposes of this circular only, the regions of Hong Kong, Macau and Taiwan of the People’s Republic of China
“Purchase Price”	the purchase price of each H Share in relation to Award Shares to be determined by the Board and/or the authorized person when granting Award Shares
“Related Entity Participant(s)”	director(s), supervisor(s) and employee(s) (whether full time or part time employees) of the Related Entities
“Related Entity(ies)”	the holding company(ies), fellow subsidiary(ies) or associated company(ies) of the Company
“Remuneration and Appraisal Committee”	the remuneration and appraisal committee of the Board
“RMB”	Renminbi, the lawful currency of the PRC
“Scheme Limit”	has the meaning ascribed to it under the section headed “3. Scheme Limit” in Appendix I of this circular
“Service Provider Participant(s)”	any of the following two categories of business partners which provide services to the Group on a continuing or recurring basis in the ordinary and usual course of the Group’s business: (i) business partners which provide wafer fabrication, packaging and testing services for the Group’s various products, as well as business-related design, system architecture and software services to the Group; and (ii) specialized human resources (dispatched personnel) provided to the Group by overseas labor dispatch agencies, including market development staff, sales personnel, field application engineers (FAEs), hardware engineers and software engineers, who are deployed on-site in the Group’s overseas operations to perform relevant functions complementary to those of the Group’s own employees

DEFINITIONS

“Share(s)”	the share(s) of the Company with a nominal value of RMB1.00 each, including A Shares and H Shares
“Shareholder(s)”	holders of the shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Treasury Shares”	has the meaning ascribed to it under the Listing Rules
“Trust(s)”	the trust(s) constituted under the Trust Deed(s)
“Trust Deed(s)”	the trust deed(s) (if any) to be entered into between the Company and the Trustee(s) pursuant to the 2026 H Share Award Scheme
“Trustee(s)”	the trustee(s) to be appointed by the Company for the purpose of the Trust(s)
“%”	per cent

LETTER FROM THE BOARD



GigaDevice

GigaDevice Semiconductor Inc.

兆易創新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: 3986)

Executive Directors:

Mr. Zhu Yiming (朱一明)

Mr. He Wei (何衛)

Mr. Hu Hong (胡洪)

Non-executive Director:

Ms. Wen Tian (文恬)

Independent non-executive Directors:

Mr. Zhou Haitao (周海濤)

Dr. Qian He (錢鶴)

Ms. Yeung Siuman Shirley (楊小雯)

Dr. Chen Jie (陳潔)

Mr. Zheng Xiaodong (鄭曉東)

*Registered office and headquarters
in the PRC:*

Room 101, 1/F to 5/F,
Building 8,
No. 9 Fenghao East Road,
Haidian District,
Beijing,
PRC

*Principal Place of Business
in Hong Kong:*

Room 1915, 19/F,
Lee Garden One,
33 Hysan Avenue,
Causeway Bay,
Hong Kong

August 18, 2026

To the Shareholders

Dear Sir or Madam,

**PROPOSED ADOPTION OF THE 2026 H SHARE AWARD SCHEME
PROPOSED AUTHORIZATION TO THE BOARD OF DIRECTORS AND/OR
AUTHORIZED PERSON(S) TO HANDLE MATTERS RELATED TO
THE 2026 H SHARE AWARD SCHEME
AND
NOTICE OF THE 2026 THIRD EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with (i) the notice of the EGM and (ii) all the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the proposed resolutions at the EGM.

LETTER FROM THE BOARD

PROPOSED ADOPTION OF THE 2026 H SHARE AWARD SCHEME

The Board has resolved to propose the adoption of the 2026 H Share Award Scheme (the “Scheme”) for the approval by the Shareholders at the EGM. In approving the adoption of the 2026 H Share Award Scheme, the Board has considered the factors including the demands for the Group to attract, motivate and retain talents, promote the long-term sustainable development of the Company, and align the interests of Eligible Participants with those of the Shareholders and the Company.

The Company will use (i) new H Shares to be allotted and issued by the Company, (ii) Treasury Shares to be transferred by the Company, and/or (iii) existing H Shares to be acquired by the Trustee(s) on-market for the purpose of the 2026 H Share Award Scheme. The 2026 H Share Award Scheme will be valid for ten (10) years from the Adoption Date. As at the Latest Practicable Date, the Company did not have any plan to grant any Awards under the 2026 H Share Award Scheme.

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

The Company has sought legal advice from its legal advisers in respect of the 2026 H Share Award Scheme and understands that whilst the 2026 H Share Award Scheme is not restricted to Directors, supervisors (if any), executives and employees of the Group, the adoption of the 2026 H Share Award Scheme would not constitute an offer to the public and the prospectus requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) is not applicable.

PROPOSED SCHEME LIMIT

As at the Latest Practicable Date, the Company has 701,745,034 Shares in issue (excluding Treasury Shares). Assuming there is no change in the number of issued Shares during the period from the Latest Practicable Date to the Adoption Date, the Scheme Limit under the H Share Award Scheme will be 70,174,503 Shares, representing 10% of the relevant class of Shares in issue (excluding Treasury Shares).

PROPOSED SERVICE PROVIDER SUBLIMIT

As at the Latest Practicable Date, the Company has 701,745,034 Shares in issue (excluding Treasury Shares). Assuming there is no change in the number of issued Shares during the period from the Latest Practicable Date to the Adoption Date, the Service Provider Sublimit under the H Share Award Scheme will be 7,017,450 Shares, representing 1% of the relevant class of Shares in issue (excluding Treasury Shares).

LETTER FROM THE BOARD

PROPOSED AUTHORIZATION TO THE BOARD OF DIRECTORS AND/OR AUTHORIZED PERSON(S) TO HANDLE MATTERS RELATED TO THE 2026 H SHARE AWARD SCHEME

In order to ensure the successful implementation of the 2026 H Share Award Scheme, the Board proposes that, subject to the Shareholders' approval of the adoption of the 2026 H Share Award Scheme at the EGM, the Shareholders also grant an authorization to the Board and/or the authorized person(s) to handle all matters in relation to the 2026 H Share Award Scheme. Subject to the H Share Award Scheme Rules, the Listing Rules and any applicable laws and regulations, the Board and/or the authorized person(s) shall have the power from time to time to:

- (a) administer and operate the 2026 H Share Award Scheme, formulate specific implementation rules therefor, and take all necessary measures to implement the 2026 H Share Award Scheme;
- (b) interpret the 2026 H Share Award Scheme and, subject to the H Share Award Scheme Rules (especially those disclosed in the section headed "21. ALTERATION AND AMENDMENT" below) and the requirements of Chapter 17 of the Listing Rules, amend and/or revise the H Share Award Scheme Rules from time to time, provided that any such amendment and/or revision shall be made in accordance with the provisions of the 2026 H Share Award Scheme relating to amendments and/or revisions, and shall comply with the requirements of Chapter 17 of the Listing Rules;
- (c) assess Eligible Participants and grant Award Shares, determine the Purchase Price (if any), vesting periods and vesting conditions (including performance assessment criteria), and issue notifications (such as Grant Letters) to Grantees in electronic or paper form as determined from time to time on behalf of the Company;
- (d) based on market changes and to better achieve the purposes of the 2026 H Share Award Scheme, amend from time to time the Purchase Price (if any), vesting periods (subject to the minimum vesting period requirement of no less than 12 months as set out in section headed "15. VESTING OF AWARD SHARES" and the specific exceptions set out therein) and vesting conditions (including performance assessment criteria) set out in any Grant Letter; and in such event, issue to the relevant Grantees a modified notification setting out the adjusted terms;
- (e) determine the manner of vesting of Award Shares;
- (f) in accordance with the terms and conditions of the 2026 H Share Award Scheme and the Listing Rules, allot and issue new H Shares or transfer Treasury Shares from time to time in the number of H Shares required to be delivered pursuant to the Award Shares granted; and apply to the Stock Exchange for the listing of and permission to deal in the relevant H Shares at the appropriate time or times;

LETTER FROM THE BOARD

- (g) upon the occurrence of a capitalisation or bonus issue, rights issue or open offer, sub-division or consolidation of shares or reduction of capital as provided in the 2026 H Share Award Scheme, make such necessary adjustments to the Scheme Limit, the incentive award price or the number of Award Shares, or accelerate the vesting of Award Shares;
- (h) handle any required approvals, registrations, filings, qualifications, consents and other procedures with the relevant governments and institutions in connection with the 2026 H Share Award Scheme (if any); sign, execute, amend and complete all documents submitted to the relevant governments, institutions, organizations and individuals; and take all actions which the Board and/or the authorized person(s) consider necessary, appropriate or desirable in connection with the 2026 H Share Award Scheme;
- (i) sign, execute, amend and terminate all documents in connection with the 2026 H Share Award Scheme, handle all procedures in connection with the 2026 H Share Award Scheme, and take all related actions which the Board and/or the authorized person(s) consider necessary, expedient or appropriate to give effect to the 2026 H Share Award Scheme;
- (j) appoint Trustees, banks, accountants, solicitors, advisers and other professional institutions in connection with the 2026 H Share Award Scheme;
- (k) determine all matters related to the Trust Deed and sign the Trust Deed on behalf of the Company; and
- (l) administer and execute other matters necessary for the implementation of the 2026 H Share Award Scheme.

The aforementioned authorization to the Board and/or the authorized person(s) shall be valid for the scheme period.

LETTER FROM THE BOARD

THE EGM

A notice convening the EGM of the Company to be held at 2:30 p.m. on Wednesday, September 9, 2026 is set out on pages EGM-1 to EGM-2 of this circular.

The Company's register of members will be closed from Friday, September 4, 2026 to Wednesday, September 9, 2026 (both days inclusive), during which period no transfer of H Shares of the Company will be registered. Holders of H Shares and A Shares of the Company whose names appear on the register of members of the Company at the close of business on Thursday, September 3, 2026 are entitled to attend and vote at the EGM. In order to attend and vote at the EGM, holders of H Shares of the Company shall lodge all transfer documents together with the relevant share certificates with the Company's H share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, not later than 4:30 p.m. on Thursday, September 3, 2026.

Form of proxy for the EGM is enclosed with this circular and is also published on the website of the Stock Exchange (www.hkexnews.hk). Shareholders who intend to appoint a proxy to attend the EGM shall complete and return the enclosed form(s) of proxy in accordance with the instructions printed thereon not less than 24 hours before the time fixed for the holding of the EGM or any adjournment thereof (if any). Completion and return of the form(s) of proxy will not preclude you from attending the EGM or any adjournment thereof (if any) and voting in person if you so wish.

VOTING BY POLL

According to Rule 13.39(4) of the Listing Rules, any vote made by shareholders at a shareholders' meeting must be by poll, except for decisions made by the chairman in good faith and allowing resolutions purely related to procedures or administrative matters to be voted on by a show of hands. Accordingly, the resolutions proposed at the EGM will be voted on by poll. On a poll, each Shareholder who attends the EGM in person or by proxy (or where the Shareholder is a corporation, by its duly authorized representative) shall have one vote in respect of each Share registered in his/her/its name in the register of members. A Shareholder entitled to more than one vote is not required to use all his/her/its votes or cast the votes he/she/it used in the same manner.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, no Shareholders are considered to have a material interest in any of the resolutions proposed at the EGM that would require them to abstain from voting on the approval of such resolutions at the EGM.

DOCUMENT AVAILABLE ON DISPLAY

A copy of the scheme document of the 2026 H Share Award Scheme will be published on the websites of Stock Exchange and the Company for display for a period of not less than 14 days before the date of the EGM and the scheme document of the 2026 H Share Award Scheme will be made available for inspection at the EGM.

LETTER FROM THE BOARD

RECOMMENDATION

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

RESPONSIBILITY STATEMENT

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

By order of the Board
GigaDevice Semiconductor Inc.
Mr. Zhu Yiming
Chairman of the Board and Executive Director

The following is a summary of the principal terms of the 2026 H Share Award Scheme to be adopted at the EGM. It does not form part of, nor is it intended to be part of the terms of the 2026 H Share Award Scheme. The Directors reserve the right at any time prior to the EGM to make such amendments to the 2026 H Share Award Scheme as they may consider necessary or appropriate provided that such amendments do not conflict with any material aspects with the summary in this Appendix. To the extent that there is any discrepancy between the Chinese and English translation of the terms, the Chinese version shall prevail.

1. PURPOSES OF THE 2026 H SHARE AWARD SCHEME

The purposes of the 2026 H Share Award Scheme are to: (a) attract and retain Eligible Participants who have made significant contributions to the long-term growth and success of the Group, and to recognize and reward Eligible Participants for their contributions to the Group; (b) encourage Eligible Participants to further contribute to the Group, and to work for the best interests of the Company and its Shareholders to enhance the value of the Company and its Shares; (c) strengthen the Group's long-term compensation and incentive strategies; and (d) align the interests of Eligible Participants with those of the Company and its Shareholders to drive the long-term performance of the Group (whether in terms of financial, business and operational performance).

2. PARTICIPANTS AND THE BASIS OF DETERMINING THE ELIGIBILITY OF PARTICIPANTS

The Board and/or the authorized person(s) may from time to time in their absolute discretion select any Eligible Participant as a Grantee to participate in the 2026 H Share Award Scheme. Eligible Participants of the 2026 H Share Award Scheme comprise the following categories:

- (a) **"Employee Participants"** – directors (excluding independent non-executive directors), senior management members, supervisors (if any) and employees (whether full-time or part-time) of any member of the Group;
- (b) **"Related Entity Participants"** – directors and employees of any holding company, fellow subsidiary or associated company of the Company; and
- (c) **"Service Provider Participants"** – service provider who provides services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long term growth of the Group, including the following two categories of business partners: (i) business partners which provide wafer fabrication, packaging and testing services for the Group's various products, as well as business-related design, system architecture and software services to the Group; and (ii) specialized human resources (dispatched personnel) provided to the Group by overseas labor dispatch agencies, including market development staff, sales personnel, FAEs, hardware engineers and software engineers, who are deployed on-site in the Group's overseas operations to perform relevant functions complementary to those of the Group's own employees.

When selecting Grantees, the Board and/or the authorized person(s) shall consider various matters, including but not limited to: (a) the relevant Eligible Participant's past, current and/or anticipated contribution to the profitability of the Group; (b) the overall financial condition of the Group; (c) the overall business objectives and future development plans of the Group; and (d) any other matters that the Board and/or the authorized person(s) considers relevant.

A person shall not be considered as an Eligible Participant of the 2026 H Share Award Scheme if, as at the Grant Date:

- (i) he/she has been publicly censured or declared an inappropriate person for equity incentive schemes of listed companies in the past 12 months by any securities regulatory authority;
- (ii) he/she has been administratively penalised by any securities regulatory authority for any serious violation of laws or regulations, or has been prohibited from trading in securities, in the past 12 months;
- (iii) he/she is prohibited from serving as a director or senior management of the Company under the Company Law or the Listing Rules;
- (iv) he/she is prohibited from participating in the 2026 H Share Award Scheme as stipulated by applicable laws and regulations;
- (v) he/she has seriously violated the relevant provisions of the Group or has been determined by the Board and/or the authorized person(s) to have caused significant damage to the interests of the Group; or
- (vi) he/she has any other circumstance as determined by the Board and/or the authorized person(s) for safeguarding the interests of the Group and ensuring compliance with applicable laws and regulations relating to the operation of the 2026 H Share Award Scheme.

(i) Employee Participants and the Basis of Eligibility

The Employee Participants are directors (excluding independent non-executive directors), senior management members, supervisors (if any) and employees (whether full-time or part-time) of any member of the Group. In assessing the eligibility of Employee Participants, the Board and/or the authorized person(s) will consider all relevant factors as appropriate, including, among others: (i) their skills, knowledge, experience, expertise and other relevant personal qualities; (ii) their performance, time commitment, responsibilities or employment conditions and the prevailing market practice and industry standard; (iii) their past, present and anticipated future contributions to the growth of the Group; and (iv) their educational and professional qualifications, and knowledge in the industry.

(ii) Related Entity Participants and the Basis of Eligibility

The Related Entity Participants are directors and employees of any holding company, fellow subsidiary or associated company of the Company. In assessing the eligibility of Related Entity Participants, the Board and/or the authorized person(s) will consider all relevant factors as appropriate, including, among others: (i) the importance and nature of the business relationship between the Related Entity and the Group, and the contribution of the Related Entity Participant to the Related Entity, which may benefit the Group's core business through the collaborative relationship; (ii) the duration and stability of the collaborative relationship established between the Related Entity and the Group; (iii) the extent of support, assistance, guidance, advice, efforts, and contributions that the Related Entity Participant has provided or may provide to the Group's business achievements, including measurable indicators such as revenue generation, cost reduction, technology transfer, market expansion and/or operational efficiency improvements; (iv) the extent of the Related Entity Participant's involvement in and contribution to the Group's development, and/or the degree of benefits and synergies brought to the Group; and (v) the extent to which the Related Entity Participant's expertise, skills and knowledge are critical to the Group's long-term growth and competitiveness.

With reference to the scope of the Related Entity Participants and the corresponding eligibility criteria, and considering the Group's organisational structures, the Directors (including the independent non-executive Directors) are of the view that it would be in the Group's interest to permit the Company such flexibility in granting Awards to the Related Entity Participants in recognition of their contribution to the Group's long-term growth and development, given that the participants to be selected are those who maintain a close collaborative business relationship with the Group and whose contributions to the Related Entity may benefit the Group's core business through the collaborative relationship. It also enables the Group to preserve its cash resources and use share-based incentives to encourage persons who maintain a close collaborative business relationship with the Group to contribute to the Group's long-term growth and development. A sustainable and stable relationship with the Related Entity Participants is vital for the Group and the inclusion of non-employee participants under the 2026 H Share Award Scheme would align their interest with the interest of the Group and incentivise them to provide better services to create more opportunities for and/or contribute to the success of the Group in the long run, and thus promoting the growth and development of the Group, and enabling the purpose of the 2026 H Share Award Scheme to be achieved. Having taken into account the above, the Board (including the independent non-executive Directors) considers that the proposed inclusion of the Related Entity Participants is in line with the purpose of the 2026 H Share Award Scheme and the Group's business needs, desirable and necessary from a commercial perspective and helps maintain and/or enhance the competitiveness of the Group by preserving cash resources and aligning the interests of external collaborators with those of the Group, the eligibility criteria and assessment benchmarks for Related Entity Participants are sufficiently specific and objective to ensure that only those who have made or are expected to make genuine contributions to the Group will be granted Awards, and therefore the proposed inclusion of Related Entity Participants is in the long-term interests of the Company and its Shareholders as a whole.

(iii) Service Provider Participants and the Basis of Eligibility

The Service Provider Participants are the following two categories of business partners which provide services to the Group on a continuing or recurring basis in the ordinary and usual course of the Group's business: (i) business partners which provide wafer fabrication, packaging and testing services for the Group's various products, as well as business-related design, system architecture and software services to the Group; and (ii) specialized human resources (dispatched personnel) provided to the Group by overseas labor dispatch agencies, including market development staff, sales personnel, FAEs, hardware engineers and software engineers, who are deployed on-site in the Group's overseas operations to perform relevant functions complementary to those of the Group's own employees. The Group has not historically granted any share awards to Service Provider Participants. For the avoidance of doubt, service providers should not include those who act as placement agents, collecting agents, or who provide merger, acquisition or financing advisory services; service providers also do not include professionals who are required by their duties to perform their services objectively and independently, such as auditors or valuers.

For the first category, such business partners provide wafer fabrication, packaging and testing for the Group's various products, business-related design, system architecture construction and software services. Such services are closely related to the Group's product development, production, testing and commercialisation processes. The inseparable cooperation between the Group and such service providers is dictated by the Company's business model as a fabless chip design company, which it has adopted since its establishment. As an integrated circuit design company, the Company focuses on integrated circuit design, sales and customer services, while outsourcing wafer fabrication, packaging and testing to specialized wafer foundries, packaging and testing service providers. Under this business model, the semiconductor product development and manufacturing value chain is characterized by a high degree of specialization and concentrated division of labor. The relevant service providers are generally required to possess advanced technological capabilities and proprietary process technologies and make significant capital investments. The production capabilities, process technologies and capacity arrangements of wafer fabrication service providers are important to the Group's product manufacturing and delivery; packaging and testing service providers provide packaging and testing services and, together with wafer fabrication services, form important links in the Group's manufacturing supply chain. Therefore, maintaining stable and continuous cooperation with such service providers is important for the Group to bring its products to market.

The Group considers that the services provided by such business partners are provided on a continuing or recurring basis because they are integrated into the Group's product development and production cycles. Wafer fabrication, packaging and testing services are provided on a continuing basis for different products, product lines and production batches; design, system architecture and software services are provided on a continuing basis with product development projects, customer applications, product iterations and technical upgrade cycles. Such services are provided according to the Group's production schedules, research and development milestones and operational needs, and are material to the Group's technological capability, product reliability and business development. The continuity and frequency of such services are comparable and akin to those of employees performing research and development, engineering, production support and technical operation functions. Therefore, these business partners essentially provide support to the Group in terms of technology, research and development, and production. The grant of Award Shares would help further strengthen the Group's long-term cooperation with the relevant service providers, align their interests with the long-term interests of the Company and its Shareholders, and encourage the relevant service providers to continue to cooperate with the Group in respect of capacity arrangements and technical support, thereby supporting the continuity of product supply, the stability of production capacity and continued technical collaboration.

For the second category, such dispatched personnel are provided to the Group by overseas labor dispatch agencies and provide services to the Group, generally for a term exceeding one year, including market development staff, sales personnel, FAEs, hardware engineers and software engineers, who are deployed on-site in the Group's overseas operations to perform relevant functions complementary to those of the Group's own employees. The cooperation with such Service Providers is in line with market practice and industry norms.

The Group considers that the services provided by such dispatched personnel to the Group are provided on a continuing or recurring basis because such dispatched personnel provide services to the Group to support the Group's ongoing business operations and project needs. The dispatched personnel, including personnel supporting market development, sales, FAEs and technical support, work with the Group on a continuing or recurring basis and support areas essential to the Group's overseas operations, such as customer development and maintenance, business liaison, market expansion, product and technical communication and on-site support, and project coordination and implementation. Such services enable the Group to flexibly supplement its internal resources, improve on-site execution efficiency in locations where the Group conducts its overseas operations and respond to business needs in different markets, which is important to the Group's global business expansion. Given the scarcity of qualified personnel with relevant semiconductor industry experience and customer-facing technical capabilities, the Group's maintenance of stable and long-term cooperation with the relevant dispatched personnel through overseas labor dispatch agencies is strategically important to the Group. The grant of Award Shares is expected to incentivize such personnel, thereby helping to ensure continuity and stability of services and providing the Group with access to critical talent required for its business development.

Accordingly, the Group considers that the services provided or to be provided by each category of Service Provider Participants are not one-off or ad hoc in nature, but are provided on a continuing or recurring basis in the Group's ordinary and usual course of business and are directly related to the Group's principal business activities and long-term development.

In assessing the eligibility of a Service Provider, the Board and/or the authorized person(s) will consider all relevant factors as aforementioned and as appropriate, including, among others: (i) the expertise, professional qualifications, and relevant experience of the Service Provider; (ii) the performance and track record of the Service Provider, including its history of delivering high-quality services and its ability to maintain service standards; (iii) the scope of collaboration between the Service Provider and the Group, as well as the duration of the business relationship; (iv) the scale of business transactions between the Service Provider and the Group, and the contribution to the Group's performance as assessed by the Board and/or the authorized person(s); (v) the actual contributions of the Service Provider to the Group in terms of cost reduction, or revenue and/or profit growth; (vi) the benefits and strategic value brought to the Group's development concerning the profits and/or revenue attributable to the Service Provider's collaboration with the Group; and (vii) the business opportunities and external resources that have been or are likely to be introduced to the Group by the Service Provider.

With reference to the scope of the Service Provider Participants and the corresponding eligibility criteria, and considering that maintaining a close cooperative relationship with Service Provider Participants can enable the Group to expand business connections and seize new business opportunities, the Board (including the independent non-executive Directors) considers that expanding the scope of Eligible Participants is fair and reasonable, aligns with the purpose of the 2026 H Share Award Scheme, provides the Group with greater flexibility as a means to incentivize or reward individuals outside the Group for their contributions to its long-term growth and success, the use of Award Shares as a form of incentive enables the Group to preserve its cash resources for operational and strategic needs, which is particularly important given the capital-intensive nature of the semiconductor industry, and share-based incentives are a common and effective tool for retaining and motivating key service providers who maintain long-term relationships with the Group. Having taken into account the above, the independent non-executive Directors are of the view that the inclusion of Service Provider Participants is in line with the purpose of the 2026 H Share Award Scheme, which is to attract, retain and incentivise persons who have made or may make significant contributions to the long-term growth and success of the Group; the scope of Service Provider Participants is appropriately limited to those who provide services on a continuing or recurring basis, and excludes persons whose services require absolute impartiality and objectivity; the proposed inclusion of Service Provider Participants is desirable and necessary from a commercial perspective, as it helps maintain and/or enhance the competitiveness of the Group; and therefore the proposed inclusion of Service Provider Participants is in the long-term interests of the Company and its Shareholders as a whole.

As at the Latest Practicable Date, the Group has not identified any specific Service Provider Participant to whom it intends to grant Award Shares, nor does it have any concrete plan to grant Award Shares to any specific Service Provider Participant immediately upon the adoption of the 2026 H Share Award Scheme. If any Award Shares are to be granted to Service Provider Participants in the future, the Group will assess the eligibility of the relevant Service Provider Participants strictly in accordance with the scope of Service Provider Participants, the eligibility criteria and the requirements under Chapter 17 of the Listing Rules.

3. SCHEME LIMIT

The total number of H Shares which may be issued or allotted (including Treasury Shares which may be transferred) in respect of all awards and options to be granted under the 2026 H Share Award Scheme and any other share schemes of the Company, together with any Award Shares the underlying Shares of which are existing Shares acquired by the Trustee(s), shall not exceed 10% of the relevant class of Shares in issue (excluding Treasury Shares) of the Company as at the Adoption Date (the “**Scheme Limit**”). Unless refreshment of the Scheme Limit has been approved by the Shareholders in general meeting by way of poll, the Board and/or its authorized person(s) shall not grant any further Award Shares that would result in the Scheme Limit being exceeded.

Within the Scheme Limit, the total number of H Shares that may be issued or allotted (including Treasury Shares that may be transferred) in respect of all awards and options to be granted to Service Provider Participants under the 2026 H Share Award Scheme and any other share schemes of the Company, together with any Award Shares the underlying Shares of which are existing Shares acquired by the Trustee(s), shall not exceed 1% of the relevant class of Shares in issue (excluding Treasury Shares) of the Company as at the Adoption Date (the “**Service Provider Sublimit**”). The Service Provider Sublimit shall be separately approved by Shareholders in general meeting. The circular to Shareholders shall contain an explanation of the basis for determining the Service Provider Sublimit and why such sublimit is appropriate. The Service Provider Sublimit was determined with reference to (i) the purposes of the Scheme: the Service Provider Sublimit is intended to provide adequate flexibility for the Group to incentivise and retain key service providers who contribute to the Group’s long-term growth and success, while ensuring that the majority of Awards are granted to Employee Participants who are core to the Group’s operations; (ii) the potential dilution effect of the utilization of the Service Provider Sublimit: the Service Provider Sublimit of 1% represents a relatively small proportion of the relevant class of Shares in issue, which the Board considers would not result in any material dilution effect on the interests of existing Shareholders, the Board has assessed the potential dilution effect by reference to the proportion of H Shares that may be issued or transferred to Service Provider Participants relative to the relevant class of Shares in issue, and is satisfied that such dilution is within acceptable limits; and (iii) the Group’s business needs and plans with respect to the use of Service Providers: the Group operates in the semiconductor industry, which is highly competitive and technology-intensive, the Group relies on Service Provider Participants to support its global operations and market expansion. The Service Provider Sublimit of 1% is considered sufficient to provide meaningful incentives to such service providers without disproportionately diluting existing Shareholders’ interests.

The Board is of the view that the Service Provider Sublimit is appropriate and reasonable given the Group’s business needs, and such sublimit enables flexibility to provide equity incentives (instead of expending cash resources in the form of monetary consideration) to reward the Group’s partners and/or persons who are not employees or officers of the Group, but who may have excellent professional experience in their field and are able to provide valuable contribution to the Group, which is in line with the purpose of the Scheme. The Service Provider Sublimit of 1% can provide adequate safeguard against excessive dilution of existing Shareholders’ holdings.

For the purpose of calculating the Scheme Limit and the Service Provider Sublimit, any awards or options that have lapsed pursuant to the terms of the H Share Award Scheme Rules and any other share schemes of the Company shall not be counted as utilized.

As at the Latest Practicable Date, the total number of issued Shares (excluding Treasury Shares) of the Company is 701,745,034, comprising 33,253,100 H Shares and 668,491,934 A Shares. As at the Latest Practicable Date, the Company does not have any Treasury Shares. Subject to Shareholders' approval and assuming that there is no change in the issued Shares during the period from the Latest Practicable Date to the Adoption Date, the Scheme Limit will be 70,174,503 Shares, representing approximately 10% of the relevant class of Shares in issue of the Company as at the Latest Practicable Date; and the Service Provider Sublimit will be 7,017,450 Shares, representing approximately 1% of the relevant class of Shares in issue of the Company as at the Latest Practicable Date. The Company intends to retain the flexibility to use Treasury Shares, if any, to satisfy Awards under the 2026 H Share Award Scheme should it acquire any Treasury Shares in the future, but it has no concrete plan or timetable to use Treasury Shares for the Scheme as at the Latest Practicable Date.

4. REFRESHMENT OF SCHEME LIMIT AND SERVICE PROVIDER SUBLIMIT

The Scheme Limit and the Service Provider Sublimit may be refreshed by Shareholders in a general meeting after three years from the date of Shareholders' approval for adoption of the Scheme Limit and the Service Provider Sublimit or the last refreshment.

Refreshment within three-year period must be approved by Shareholders subject to the following provisions:

- (i) Controlling Shareholders and their associates (or if there is no controlling Shareholder, Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the Shareholders' meeting; and
- (ii) the Company must comply with relevant requirements under the Listing Rules.

The requirements under sub-paragraphs (i) and (ii) above do not apply if the refreshment is made immediately after an issue of securities by the Company to the Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the scheme mandate (as a percentage of the total number of Shares in issue) upon refreshment is the same as the unused part of the scheme mandate immediately before the issue of securities, rounded to the nearest whole Share.

The total number of Shares which may be issued (including Treasury Shares which may be transferred) in respect of all awards and options to be granted under the 2026 H Share Award Scheme and any other share schemes of the Company, together with any Award Shares the underlying Shares of which are existing Shares acquired by the Trustee(s), under the Scheme Limit as "refreshed" shall not exceed 10% of the relevant class of Shares in issue (excluding Treasury Shares) as at the date of approval of the refreshed Scheme Limit. The Company will send a circular to Shareholders containing the number of options and awards already granted under the existing Scheme Limit and Service Provider Sublimit and the reason for the refreshment.

5. 1% INDIVIDUAL LIMIT

Where any Award Shares to be granted would cause the total number of Shares issued and to be issued (including Treasury Shares transferred and to be transferred) in respect of all awards and options granted and to be granted to any Eligible Participant (excluding any awards or options that have lapsed pursuant to the terms of the relevant scheme) under all applicable share schemes of the Company during any 12-month period up to and including the relevant Grant Date to exceed 1% of the relevant class of Shares in issue (excluding Treasury Shares) at the relevant time (the “**1% Individual Limit**”), such grant shall not be effective unless separately approved by Shareholders at a general meeting in the manner prescribed under Chapter 17 of the Listing Rules, where the relevant Eligible Participant, his/her associates and all core connected persons of the Company must abstain from voting in favor of the relevant resolution.

6. 0.1% LIMIT

Where any grant of awards (excluding grant of options) to a Director or chief executive (as defined in the Listing Rules), or any of their respective associates, would cause the total Shares issued and to be issued (including Treasury Shares transferred and to be transferred) in respect of all awards granted to such person(s) under all applicable share schemes of the Company (excluding awards lapsed pursuant to the terms of the relevant scheme) during any 12-month period up to and including the relevant Grant Date to exceed 0.1% (or such other higher percentage as may be prescribed by the Stock Exchange from time to time) of the relevant class of Shares in issue (excluding Treasury Shares) at the relevant time, such further grant shall not be effective unless separately approved by Shareholders at a general meeting in the manner required under Chapter 17 of the Listing Rules, where the relevant Grantee, his/her associates and all core connected persons of the Company must abstain from voting in favor of the relevant resolution.

Where any grant of options or awards to a substantial Shareholder (or any of their respective associates) would cause the total Shares issued and to be issued (including Treasury Shares transferred and to be transferred) in respect of all awards and options granted to such person(s) under all applicable share schemes of the Company (excluding awards or options lapsed pursuant to the terms of the relevant scheme) during any 12-month period up to and including the relevant Grant Date to exceed 0.1% (or such other higher percentage as may be prescribed by the Stock Exchange from time to time) of the relevant class of Shares in issue (excluding Treasury Shares) at the relevant time, such further grant shall not be effective unless separately approved by Shareholders at a general meeting in the manner required under Chapter 17 of the Listing Rules, where the relevant Grantee, his/her associates and all core connected persons of the Company must abstain from voting in favor of the relevant resolution.

7. SOURCE OF SHARES

The source of the Shares under the 2026 H Share Award Scheme shall be: (i) new H Shares to be allotted and issued by the Company; (ii) Treasury Shares to be transferred by the Company (if any); and/or (iii) H Shares to be acquired by the Trustee(s) through on-market purchases pursuant to the instructions of the Company and the relevant provisions of the H Share Award Scheme Rules.

8. PURCHASE PRICE

The Board and/or the authorized person(s) may in their absolute discretion and in line with the purpose of the 2026 H Share Award Scheme determine the Purchase Price (if any) payable for the Award Shares. If payment is required, such determination shall take into account (i) regular practices of comparable companies; (ii) other terms and conditions in relation to any grants or vesting of any Award(s); and (iii) the efficacy of the Company's share schemes in attracting talents and incentivising Eligible Participants to contribute to the long-term development of the Group. For the avoidance of doubt, the Purchase Price may be nil.

No consideration is payable by a Grantee on acceptance of any grant of Award Shares.

9. ADMINISTRATION OF THE 2026 H SHARE AWARD SCHEME

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

- (i) the Shareholders' meeting of the Company is the highest authority and is responsible for approving the adoption of the 2026 H Share Award Scheme and may authorize the Board and/or the authorized person(s) to handle all matters relating to the 2026 H Share Award Scheme within the scope of such authorization;
- (ii) the Board is the executive management body of the 2026 H Share Award Scheme and is responsible for day-to-day management and implementation. The Board shall handle matters relating to the 2026 H Share Award Scheme within the scope authorized by the Shareholders' meeting. The Board may by resolution delegate its powers to one or more authorized person(s), provided that the Board may revoke such authorization at any time. Any decision made by the Board on any matter arising under the 2026 H Share Award Scheme (including any question of interpretation) shall be final and binding on all parties;
- (iii) the Remuneration and Appraisal Committee shall review matters relating to the 2026 H Share Award Scheme (including but not limited to performance assessment criteria and procedures) and make recommendations to the Board for consideration;
- (iv) the independent non-executive Directors act as the supervisors of the 2026 H Share Award Scheme and shall have regard to the interests of Shareholders when assessing whether the 2026 H Share Award Scheme is conducive to the sustainable development of the Group, whether it damages the overall interests of the Company and all Shareholders, and whether its implementation complies with applicable laws, regulations, normative documents and the Listing Rules; and

- (v) the Company (through the Board and/or its authorized person(s)) may appoint one or more eligible Trustee(s) in accordance with the 2026 H Share Award Scheme Rules to administer the Scheme and the grant and vesting of Award Shares. Provided that sufficient funding is made available, the Board and/or its authorized person(s) shall instruct the Trustee(s) to acquire existing H Shares as Award Shares by way of on-market purchases, and/or subscribe for newly issued H Shares, and/or acquire Treasury Shares transferred by the Company, in accordance with the Scheme. The Trustee(s) shall be independent third parties. No Director shall act as a Trustee or hold any direct or indirect interest in any Trustee(s).

10. GRANT OF AWARD SHARES

Subject to the terms and conditions of the 2026 H Share Award Scheme and the Listing Rules, the Board and/or the authorized person(s) may at their sole discretion, and on such terms and conditions as they may think fit, grant Award Shares to any Eligible Participant at the Purchase Price (if any) as determined by the Board and/or the authorized person(s) and set forth in the Grant Letter.

Any grant of Award Shares to any Director, chief executive (as defined in the Listing Rules) or substantial Shareholder of the Company (or any of their respective associates) shall be subject to the prior approval of the independent non-executive Directors.

For the avoidance of doubt, no Award Shares shall be granted if a prospectus is required to be published under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) or any applicable law, or if the grant would cause the Company or any Director to be in breach of any applicable securities laws and regulations of any jurisdiction.

After the Board and/or the authorized person(s) has decided to make a grant of Award Shares to any Grantee, the Company shall issue a Grant Letter to such Grantee by electronic or paper means as determined from time to time, setting out the details of the grant, including but not limited to the Grantee's name, address and position, the Grant Date, the number of Award Shares granted, the vesting criteria and conditions (if applicable, including but not limited to performance targets, vesting duration and other relevant standards), the Purchase Price (if any), and any other terms and conditions as the Board and/or its authorized person(s) may determine in their absolute discretion. The Grantee shall confirm acceptance of the grant in the manner set out in the Grant Letter, and such acceptance shall be deemed to be the Grantee's agreement to, and undertaking and guarantee to comply with, the H Share Award Scheme Rules. A Grant Letter shall be deemed to be subject to the H Share Award Scheme Rules, regardless of whether all terms are set out therein.

Award Shares that lapse pursuant to the H Share Award Scheme Rules or for any other reason may be re-granted by the Board and/or the authorized person(s) at their sole discretion.

11. RESTRICTIONS ON TIME OF GRANT

The Board and/or the authorized person(s) shall not grant any Award Shares after inside information has come to its knowledge until (and including) the trading day after such information has been announced, or during the period commencing 30 days immediately before the earlier of:

- (i) the date of the Board meeting (as first notified to the Stock Exchange under the Listing Rules) for approving the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
- (ii) the publication deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcement.

In addition, no Award Shares shall be granted, and the Trustee shall not be instructed to acquire any H Shares, during any period when trading of H Shares is prohibited by the Listing Rules, the Securities and Futures Ordinance, or any other applicable laws or regulations.

Notwithstanding the paragraph above, no grant shall be made to any Director (a) during the period of 60 days immediately preceding the publication date of the annual results for any financial period of the Company or, if shorter, the period from the end of the relevant financial period up to the publication date of the results; and (b) during the period of 30 days immediately preceding the publication date of the interim results for any financial period of the Company or, if shorter, the period from the end of the relevant half-year period of the financial period up to the publication date of the results as required under the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules.

12. LAPSE OF AWARDS

If, before or on the vesting date of any Award, the relevant Grantee ceases to be an Eligible Participant under the 2026 H Share Award Scheme Rules for reasons including resignation, termination of the employment or service relationship with any member of the Group, ceasing to provide services to the Group, disability, death, being declared missing or dead, or retirement upon reaching the statutory retirement age (such that such Grantee is no longer an Eligible Participant), or if any of the circumstances set out in the section headed "14. CLAWBACK MECHANISM" below occurs in respect of such Grantee, the unvested Award Shares granted to such Grantee shall immediately and automatically lapse and the relevant vesting dates shall no longer apply, and any Award Shares that have already vested shall be retained by the Grantee, unless the Board and/or the authorized person(s) otherwise decides in its/their absolute discretion.

13. CANCELLATION OF AWARDS

In the absence of circumstances leading to the lapse of Award Shares as described in the H Share Award Scheme Rules or the Grant Letter, the Board and/or the authorized person(s) may, with the consent of the relevant Grantee, cancel any granted but unvested Award Shares in accordance with the relevant terms and conditions. The Awards cancelled shall be regarded as utilized for the purpose of calculating the Scheme Limit.

14. CLAWBACK MECHANISM

In any of the following circumstances, the relevant Grantee shall be deemed to no longer be an Eligible Participant, and the unvested Award Shares granted to such Grantee shall immediately and automatically lapse. In addition, the clawback and recoupment mechanism shall be triggered, and the Board and/or the authorized person(s) shall have the right (but not the obligation) to buy back any Award Shares and their corresponding interests at a consideration to be determined from time to time:

- (a) the relevant Grantee engages in any misconduct (regardless of whether the Grantee's continuous service has ceased);
- (b) at any time (regardless of whether the Grantee's continuous service has ceased), the Grantee provides any type of service to, or invests in any manner in, any competitive entity (except for purchasing an aggregate of not more than 1% of such competitive entity's equity in the open market), or otherwise violates any non-competition undertaking given to the Group;
- (c) the Grantee causes serious damage to the Group's interests, discloses the Group's commercial or technical secrets, violates the Group's confidentiality agreement, breaches his/her employment contract or the Group's internal rules and regulations, or engages in serious violations of laws and disciplines;
- (d) the Grantee fails to perform or properly perform his/her duties, causing significant asset losses and other material adverse effects to the Group;
- (e) the Grantee receives or solicits bribes, engages in corruption or theft that damages the interests and reputation of the Group, or engages in other illegal acts with material adverse effects on the Group's image, and has been penalized therefor;
- (f) the Grantee maliciously destroys the Group's materials and resources;
- (g) the Grantee is convicted of, or held legally liable for, a violation of the Securities and Futures Ordinance, other securities laws or regulations of Hong Kong, or any other applicable laws or regulations in force from time to time; or
- (h) any other act which the Board and/or the authorized person(s) in good faith determines to justify termination of the relevant Grantee's contract.

Under such circumstances, unless the Board and/or the authorized person(s) in their absolute discretion decides otherwise, the Company shall have the right to: (i) require the Grantee to repay to the Group all proceeds (including any dividends received) generated from the sale or transfer of vested Award Shares; (ii) deduct from any amounts owed by any member of the Group to the Grantee an equivalent amount or value of Award Shares; and/or (iii) require the Grantee to return the vested but unsold Award Shares.

The Board and/or the authorized person(s) may require a Grantee to sell all vested Award Shares within six (6) months after such Grantee ceases to be an Eligible Participant, in order to comply with applicable foreign exchange control regulations.

Upon clawback of any Award Shares pursuant to the above, the relevant Grantee shall have no further right or claim of any kind against any member of the Group, the Board and/or the authorized person(s), the Trust, or the Trustee in respect of such Award Shares or any rights or interests therein.

For the avoidance of doubt, any disqualification of a Grantee's eligibility and the resulting lapse of unvested Award Shares pursuant to the clawback provisions above shall not be counted as utilized under the Scheme Limit (including the Service Provider Sublimit); any Award Shares that lapse and cannot be vested as a result shall be treated as returned shares to be held by the Trustee (if any) in the Trust. Award Shares already vested shall be regarded as having utilized the Scheme Limit (including the Service Provider Sublimit).

15. VESTING OF AWARD SHARES

The vesting of Award Shares is subject to the following conditions being satisfied:

- (a) the 2026 H Share Award Scheme remains in effect and has not been terminated, except as otherwise provided in the H Share Award Scheme Rules;
- (b) the vesting schedule set out in the Grant Letter has been satisfied;
- (c) the Grantee remains an Eligible Participant as at the relevant vesting date;
- (d) no circumstance exists that would prevent the Grantee from receiving the relevant Award Shares under the 2026 H Share Award Scheme;
- (e) the performance targets, assessment conditions and other conditions (if any) set out in the Grant Letter have been satisfied; and
- (f) no applicable laws or regulations prohibit the Grantee from participating in the 2026 H Share Award Scheme.

If a Grantee fails to meet any applicable vesting condition, unless such condition is waived by the Board and/or the authorized person(s) (provided that no performance-based vesting condition determined by the Board and/or the authorized person(s) in lieu of time-based vesting criteria may be so waived where the relevant Award Shares were granted with a shorter vesting period on the basis of such performance-based vesting conditions), the Award Shares that would otherwise vest shall not vest in respect of such Grantee, and Award Shares the underlying Shares of which are existing Shares acquired by the Trustee(s) shall be returned to the Trustee(s) to satisfy other Awards under the 2026 H Share Award Scheme. For the avoidance of doubt, any Award Shares so returned to the Trustee(s) shall be treated as having lapsed rather than cancelled. The Board and/or the authorized person(s) shall have the authority to instruct the Trustee to sell such unvested Award Shares on the open market at market price or to grant them to other Grantees within a reasonable period after receipt of such notice.

The vesting conditions which may be waived by the Board and/or the authorized person(s) are the performance-based vesting conditions and/or other specific conditions (if any) set out in the Grant Letter, other than the fundamental conditions that (i) the Grantee remains an Eligible Participant as at the relevant vesting date, and (ii) the 2026 H Share Award Scheme remains in effect. The Board and/or the authorized person(s) may waive such vesting conditions where they consider that the Grantee has made exceptional contributions to the Group or where there are other justifiable circumstances, taking into account the Group's overall interests. The waiver of vesting conditions by the Board and/or the authorized person(s) is considered fair and reasonable and in the interests of the Company and its Shareholders as a whole because: (i) any such waiver will be made on a case-by-case basis after careful assessment of the Grantee's contributions and the specific circumstances; (ii) the Board and/or the authorized person(s) will act in good faith and in the best interests of the Company when considering any waiver; (iii) any waiver will be subject to the applicable limits under the 2026 H Share Award Scheme and the requirements of the Listing Rules; and (iv) the independent non-executive Directors will supervise the implementation of the 2026 H Share Award Scheme to ensure that any waiver is fair and reasonable.

Subject to all applicable laws and regulations, the Board and/or the authorized person(s) may determine the vesting criteria and conditions and the vesting periods for each grant of Award Shares. For Awards where new H Shares or Treasury Shares are used as the source of the Award Shares, the vesting period in respect of any Award Shares granted shall be no less than 12 months from (and including) the Grant Date, save and except that the Awards to be granted to Employee Participants may be subject to a vesting period of less than 12 months in the following circumstances (in which case the Remuneration and Appraisal Committee, if the Grantee is a Director or senior manager of the Company, or the Board and/or the authorized person(s), if the Grantee is not a Director or senior manager, may determine a shorter vesting period):

- (a) grants of Award Shares to a new Employee Participant to replace awards or options forfeited when such Eligible Participant left his or her previous employer;
- (b) grants to an Employee Participant whose employment is terminated due to death, disability or the occurrence of any uncontrollable event (in which case the Awards may vest on an accelerated basis);

- (c) grants of Award Shares subject to performance-based vesting conditions determined by the Board and/or the authorized person(s), in lieu of time-based vesting criteria, or where the Board and/or the authorized person(s) considers that the relevant performance conditions have been met at the time of grant;
- (d) grants made in batches during a year for administrative and compliance reasons, which may include Award Shares that would otherwise have been granted earlier but could not be granted until the next grant cycle, in which case the vesting period may be shortened to reflect the time from which the Award Shares should originally have been granted;
- (e) grants with a mixed or accelerated vesting schedule (for example, where the Award Shares may vest evenly over a period of 12 months); and
- (f) grants with a total vesting and holding period of more than 12 months.

To ensure practicability in fully attaining the purpose of the 2026 H Share Award Scheme, the Board and the Remuneration and Appraisal Committee are of the view that: (a) the grant of Award Shares to Employee Participants subject to performance-based vesting conditions as described in paragraph (c) above, where the Board and/or the authorized person(s) considers that the relevant performance conditions have been met at the time of grant, enables the Group to provide competitive and flexible compensation packages to attract and retain key talents in the highly competitive semiconductor industry, and to provide timely and meaningful recognition and reward to Employee Participants who have demonstrated exceptional expertise or delivered exceptional performance or contributions prior to the grant; (b) in such cases, a strict time-based vesting requirement would not be workable or fair to the Grantees, as the Grantees have already demonstrated their ability to meet the performance targets set by the Group, and requiring them to wait for a further 12-month vesting period would not serve the purpose of incentivising and rewarding these outstanding contributors; (c) such arrangement links the remuneration of the relevant Grantees to their actual and demonstrable performance or contributions, reinforces the Group's performance-oriented remuneration culture, and provides immediate recognition which may enhance employee morale and engagement. It is in line with the purpose of the 2026 H Share Award Scheme, the Group's remuneration policy and the general market practice; and (d) the Remuneration and Appraisal Committee, if the Grantee is a Director or senior manager of the Company, or the Board and/or the authorized person(s), if the Grantee is not a Director or senior manager, will carefully assess on a case-by-case basis whether the relevant performance conditions have been met at the time of grant based on objective and documented evidence, having regard to factors including the nature, scope, difficulty, significance and impact of the relevant performance or contributions, the extent to which the applicable performance targets have been achieved and the results of the Group's applicable performance appraisal process. A shorter vesting period, including immediate vesting where justified, will only be determined after such assessment and must be commensurate with the particular circumstances of the relevant grant.

For the purposes of vesting, the Board and/or the authorized person(s) may: (i) procure the Company to transfer directly to the Grantee the relevant number of Treasury Shares recorded as fully paid; (ii) procure the Company to allot and issue new H Shares to the Grantee recorded as fully paid; (iii) pay or procure the payment to the Grantee of a cash amount equal to the market value of the Award Shares; (iv) instruct and procure the Trustee to release Award Shares to the Grantee by way of transfer in a manner determined by the Board and/or the authorized person(s) and/or the Trustee from time to time; or (v) in the event that the Grantee is unable to accept the Award in the form of H Shares due solely to legal or regulatory restrictions, or due to any restriction or circumstance causing the Trustee to be unable to make such transfer, instruct and procure the Trustee to sell the Grantee's vested Award Shares in the specified manner and pay the Grantee the actual net sale proceeds thereof.

Any stamp duty arising from the transfer of Award Shares to a Grantee upon vesting shall be borne by the Company. Any taxes (including but not limited to individual income tax, value-added tax, professional tax and social insurance contributions), duties, fees or other direct expenses relating to a Grantee's participation in the 2026 H Share Award Scheme or to the Award Shares shall be borne by the relevant Grantee. To give effect to this, the Company and/or the Trustee may, to the extent permitted by applicable law: (a) reduce or withhold a portion of the Award Shares otherwise deliverable to the Grantee; (b) sell on behalf of the Grantee such number of H Shares as is sufficient to cover the relevant tax liability and retain the proceeds; (c) deduct or withhold from any amounts payable by any member of the Group to the Grantee (including salary) the amount of any such liability without notifying the Grantee; or (d) require the Grantee to remit to the Trustee or any member of the Group, by cash or certified check or cashier's order, an amount sufficient to satisfy any tax withholding obligations required by any government authority to be withheld by the Trustee or any member of the Group, or to make such other arrangements satisfactory to the Company to settle such amounts. The Company and/or the Trustee shall not be obliged to transfer any Award Shares to a Grantee (or to pay the actual net sale proceeds of such Award Shares in cash) unless the Grantee has satisfied the Company and/or the Trustee that it has fulfilled its obligations under the H Share Award Scheme Rules.

Award Shares issued or transferred to a Grantee upon vesting shall rank *pari passu* in all respects with the existing H Shares of the Company in issue on and from the date of such issuance or transfer, and shall carry entitlement to receive all dividends and other distributions declared, made or paid on or after the relevant vesting date.

16. TRANSFERABILITY AND OTHER RIGHTS OF AWARD SHARES

During the scheme period, unless and until the Award Shares are vested and actually transferred to the Grantees in accordance with the H Share Award Scheme Rules, the Grantees shall not deal with the Award Shares in any way, including but not limited to any sale, transfer, pledge, mortgage, encumbrance, or creation of any interest therein for the benefit of any other person, or entering into any agreement to do any of the foregoing. As stated in the note to Listing Rule 17.03(17), the Stock Exchange may consider granting a waiver to allow a transfer to a vehicle (such as a trust or a private company) for the benefit of the Grantee and family members of such Grantee, provided that such transfer continues to meet the purpose of the Scheme and comply with other requirements of Chapter 17. In such case, the relevant Grantees may transfer the Award Shares prior to vesting only after having obtained a written exemption from the Stock Exchange. Any material or intended breach of the foregoing shall entitle the Company to cancel any or all granted but unvested Award Shares of the relevant Grantee, without any compensation. The decision of the Board and/or the authorized person(s) as to whether a Grantee has breached any of the foregoing provisions shall be final.

Unless and until the Award Shares are vested and actually transferred to the Grantees in accordance with the H Share Award Scheme Rules, the Grantees shall not have any rights attached to the underlying Shares (such as voting rights, rights issues or bonus issues), nor shall they be entitled to any dividends or distributions (including those arising on a liquidation of the Company). Any dividends generated on H Shares held by the Trustee prior to vesting shall be treated as cash income of the Trust, which shall be used for the purposes of the 2026 H Share Award Scheme, including but not limited to covering trustee fees, costs and expenses and/or acquiring additional H Shares for the purpose of satisfying Awards under the 2026 H Share Award Scheme. The Company is of the view that such arrangement is in line with market practice and is fair and reasonable to the Company and its Shareholders as a whole.

With regard to any matters requiring Shareholders' approval under the Listing Rules, the Trustee shall abstain from voting or exercising any voting rights attached to any unvested Shares held by it directly or indirectly (whether as trustee or as nominee) under the 2026 H Share Award Scheme, unless required by applicable law to vote in accordance with the beneficial owner's direction and such direction has been given.

In the event that the Company formally notifies its Shareholders of a meeting to consider a resolution for the voluntary winding up of the Company (other than for the purposes of a merger or reconstruction where substantially all of the business, assets and liabilities of the Company are transferred to a successor company), or the Company is ordered to be wound up compulsorily, the Board and/or the authorized person(s) shall have the absolute discretion to determine whether any Award Shares shall vest and the timing of any such vesting. If the Board and/or the authorized person(s) determines that any Award Shares shall vest, the relevant Grantees shall be notified accordingly (with a copy to the Trustee), and the Board and/or the authorized person(s) shall use all reasonable endeavours to procure the Trustee to take all necessary action to transfer the legal and beneficial ownership of the Award Shares to the relevant Grantees and/or entities controlled by such Grantees (such as trusts or private companies), for the benefit of such Grantees and any of their family members. If the Board and/or the authorized person(s) determines that the unvested Awards shall not vest, such Awards shall lapse immediately in all circumstances. For the avoidance of doubt, unless any of the shorter vesting period exceptions described herein applies, the Board and/or the authorized person(s) shall not shorten the vesting period of any Award Shares to less than 12 months as a result of the foregoing.

17. PERFORMANCE TARGETS

Vesting of Award Shares shall be subject to the performance targets (if any) to be satisfied by the Grantees as determined by the Board and/or the authorized person(s) from time to time. Such performance targets may include business, finance, operation performance of the Group (such as increase in revenue, profit margins, market share, equity-to-debt ratio, return on equity, market capitalization, etc.), or such performance targets as the Board and/or its authorized person(s) may consider reasonable and applicable to the Grantee in their absolute discretion. For the avoidance of doubt, if the Grant Letter does not specify any performance-related requirements, the vesting of the relevant Award Shares shall not be subject to any performance target, standard or condition.

The Board and/or the authorized person(s) shall have the authority, after the grant of any performance-linked Award, to make fair and reasonable adjustments to the prescribed performance targets during the vesting period if there is a change in circumstances. The Board will conduct assessments from time to time by comparing actual performance against the pre-set targets to determine whether and to what extent such targets have been met. If, after such assessment, the Board determines that any prescribed performance targets have not been met, the unvested Award Shares shall lapse automatically.

The Group will utilize its internal assessment system to appraise and evaluate whether Eligible Participants had/have/will contribute to the long-term growth of the Group on a case-by-case basis. Specific weightings will be assigned to various factors in order to provide a fair and objective assessment of Eligible Participants before Awards are granted, to ensure that grants are on a fair and reasonable basis and in the interests of the Company and its Shareholders as a whole.

18. REORGANISATION OF CAPITAL STRUCTURE

In the event of an alteration in the share capital structure of the Company while any Award Shares remain outstanding, by way of a capitalisation or bonus issue, rights issue or open offer, sub-division or consolidation of shares or reduction of capital of the Company in accordance with applicable legal requirements and the requirements of the Stock Exchange (other than any alteration as a result of an issue of Shares as consideration in a transaction to which the Company is a party), corresponding adjustments (if any) shall be made to the number of Shares comprised in each outstanding Award and the Purchase Price (if applicable), subject to the following:

- (a) no adjustment shall be made using Shares issued as transaction consideration;
- (b) any adjustment shall result in each Grantee retaining the same proportion of the equity capital of the Company (rounded to the nearest whole Share) as that to which such Grantee was entitled prior to the adjustment;
- (c) no adjustment that would benefit Grantees shall be made without the prior special approval of the Shareholders;

- (d) from the Grantees' perspective, any adjustment shall produce a neutral or less favorable effect;
- (e) other than in the case of a capitalisation issue, any such adjustment shall require a written confirmation from an independent financial adviser or the auditors engaged by the Company that the adjustment is fair and reasonable, complies with the H Share Award Scheme Rules, the relevant provisions of the Listing Rules and the Supplemental Guidance under Rule 17.03(13) of the Listing Rules and any further guidance issued by the Stock Exchange from time to time. Such adviser or auditor shall act as an expert and not as an arbitrator, and their confirmation shall, in the absence of manifest error, be final and binding on the Company and the Grantees. The fees of such adviser or auditor shall be borne by the Company; and
- (f) any adjustments made shall comply with the Listing Rules, Supplemental Guidance, and any further guidance/interpretation of the Listing Rules issued by Stock Exchange from time to time.

The Company shall notify each Grantee (with a copy to the Trustee in the circumstance that the underlying Shares of Award Shares are existing Shares acquired by the Trustee(s)) of any adjustment to be made as a result of the foregoing changes to the Company's share capital structure.

In the event of any change of control of the Company (including by way of a takeover offer, merger, scheme of arrangement or other means), the Board and/or the authorized person(s) shall have the absolute discretion to determine whether any Award Shares shall vest and the timing of any such vesting. If the Board and/or the authorized person(s) determines that any Award Shares shall vest, the Trustee shall distribute the Award Shares the underlying Shares of which are existing Shares acquired by the Trustee(s) to the relevant Grantees and/or entities controlled by such Grantees (such as trusts or private companies), for the benefit of such Grantees and any of their family members, in accordance with the provisions of the 2026 H Share Award Scheme. For the avoidance of doubt, unless any of the shorter vesting period exceptions described herein applies, the Board and/or the authorized person(s) shall not shorten the vesting period of any Award Shares to less than 12 months as a result of any change of control event.

In connection with corporate events affecting the Shares held by the Trustee, unless the Board and/or the authorized person(s) otherwise determines: (i) in the case of a rights issue, the Trustee shall sell or procure the sale of the appropriate number of nil-paid rights allotted to it (or its nominee), and the net proceeds shall be retained as part of the Trust assets; (ii) in the case of bonus warrants issued by the Company, the Trustee shall not exercise any subscription rights attached thereto, but shall sell or procure the sale of such bonus warrants on the market, and the net proceeds shall be retained as part of the Trust assets; (iii) in the case of bonus Shares, any bonus Shares allotted in respect of Shares held by the Trustee shall be retained as part of the Trust assets; (iv) in the case of a scrip dividend scheme, the Trustee shall elect to receive scrip dividend Shares, and such scrip dividend Shares shall be retained as part of the Trust assets; and (v) in the case of any other non-cash and non-scrip distribution, the Trustee shall sell or procure the sale of such distribution, and the net proceeds shall be treated as cash income forming part of the Trust assets.

19. CONDITIONS PRECEDENT OF THE 2026 H SHARE AWARD SCHEME

The adoption of the 2026 H Share Award Scheme is conditional upon:

- (i) the passing of special resolution(s) by the Shareholders at a general meeting of the Company to approve and adopt the 2026 H Share Award Scheme, and to authorize the Board and/or the authorized person(s) to implement the 2026 H Share Award Scheme within the scope of such authorization, to grant Awards and to procure the transfer and other arrangements of the Award Shares thereunder; and
- (ii) the approval by the Listing Committee of the Stock Exchange of the listing of, and permission to deal in, any new H Shares to be allotted and issued pursuant to Awards granted under the 2026 H Share Award Scheme.

20. DURATION AND TERMINATION

Subject to any early termination as may be determined by the Board and/or the authorized person(s) pursuant to the 2026 H Share Award Scheme Rules, the 2026 H Share Award Scheme shall be valid and effective for a period of ten (10) years commencing on the Adoption Date, after which no further Award Shares shall be granted. Any Award Shares that are granted but remain unvested at the end of the scheme period shall remain valid and shall continue to be governed by the H Share Award Scheme Rules until they are vested or lapse.

Upon termination of the 2026 H Share Award Scheme:

- (a) no further Award Shares shall be granted under the 2026 H Share Award Scheme;
- (b) all Award Shares the underlying Shares of which are existing Shares acquired by the Trustee(s) granted prior to termination shall continue to be held by the Trustee and shall vest in the relevant Grantees in accordance with the applicable Award conditions;
- (c) unless the Board and/or the authorized person(s) otherwise determines, within 28 Business Days after the Trustee receives the required documentation (or such longer period as agreed between the Trustee and the Board and/or the authorized person(s)), the Trustee shall sell all remaining H Shares held in the Trust that are not subject to outstanding Award obligations (when H Shares are not suspended or halted from trading); and
- (d) all net proceeds from such sale and all other remaining cash and assets held in the Trust (after appropriate deductions for all disposal costs, expenses and other existing and future liabilities) shall be promptly remitted to the Company. For the avoidance of doubt, the Trustee shall not transfer any H Shares to the Company, nor shall the Company hold any H Shares so transferred (other than its interest in the proceeds from the sale of such H Shares).

21. ALTERATION AND AMENDMENT

Subject to the Listing Rules and applicable laws and regulations, the Board and/or the authorized person(s) may from time to time amend any of the provisions of the 2026 H Share Award Scheme. Any alteration to the terms and conditions of the 2026 H Share Award Scheme that is of a material nature, or any alteration to the provisions relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of Grantees or proposed Grantees, must be approved by Shareholders in a general meeting (where the relevant Grantees, proposed Grantees and their associates must abstain from voting in favor of such resolution).

Any change to the authority of the Board and/or the authorized person(s) to alter the terms of the 2026 H Share Award Scheme must be approved by Shareholders in a general meeting. The altered or amended terms of the 2026 H Share Award Scheme and the Awards thereunder must comply with Chapter 17 of the Listing Rules.

When the Board and/or the authorized person(s) alters the H Share Award Scheme Rules, the independent non-executive Directors shall supervise whether such alteration is conducive to the sustainable development of the Group and whether it damages the interests of the Company and its Shareholders as a whole.

Any change to the terms of Awards granted must be approved by the Board and/or the authorized person(s), the Remuneration and Appraisal Committee, the independent non-executive Directors and/or the Shareholders (as the case may be), if the initial grant of such Awards was so approved. Any amendment which takes effect automatically pursuant to the existing terms of the 2026 H Share Award Scheme shall not require such approval. Any modified or amended terms of the 2026 H Share Award Scheme and the Awards must comply with Chapter 17 of the Listing Rules.

The Board and/or the authorized person(s) may amend the provisions of the H Share Award Scheme Rules to reflect any modifications to the relevant provisions of the Listing Rules made after the Adoption Date, to the extent that the H Share Award Scheme Rules have been drafted to reflect the Listing Rules as in force as at the Adoption Date.

22. TRUSTEE

The Company may appoint the Trustee(s) and establish the Trust pursuant to the Trust Deed to facilitate the administration of the 2026 H Share Award Scheme. The Trustee will be a third party independent of the Company and its connected persons. No Director is, nor shall ever be, a Trustee, nor shall any Director possess any direct or indirect interest in the Trustee.

The Trustee of the 2026 H Share Award Scheme shall abstain from voting or exercising any voting rights in respect of any unvested Shares held directly or indirectly under the Trust or as nominee in respect of any matter that requires Shareholders' approval under the Listing Rules, unless otherwise required by applicable laws to vote in accordance with the beneficial owner's direction and such direction has been given.

NOTICE OF THE 2026 THIRD EXTRAORDINARY GENERAL MEETING



GigaDevice

GigaDevice Semiconductor Inc.

兆易創新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: 3986)

NOTICE OF THE 2026 THIRD EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 2026 third extraordinary general meeting (the “**EGM**”) of GigaDevice Semiconductor Inc. (the “**Company**”) will be held at Meeting Room, 6th Floor, Cheng’ao Building, No. 5 Anding Road, Chaoyang District, Beijing, the PRC at 2:30 p.m. on Wednesday, September 9, 2026 for the purpose of considering and, if thought fit, passing the following resolutions.

SPECIAL RESOLUTIONS

1. To consider and approve the proposed adoption of the 2026 H Share Award Scheme.
2. To consider and approve the proposed Scheme Limit.
3. To consider and approve the proposed Service Provider Sublimit.
4. To consider and approve the proposed authorization to the Board of Directors and/or the authorized person(s) to handle matters pertaining to the 2026 H Share Award Scheme.

By order of the Board

GigaDevice Semiconductor Inc.

Mr. Zhu Yiming

Chairman of the Board and Executive Director

Beijing, the PRC, August 18, 2026

As at the date of this notice, the Board comprises: (i) Mr. Zhu Yiming, Mr. He Wei and Mr. Hu Hong as executive directors; (ii) Ms. Wen Tian as a non-executive director; and (iii) Mr. Zhou Haitao, Dr. Qian He, Ms. Yeung Siuman Shirley, Dr. Chen Jie and Mr. Zheng Xiaodong as independent non-executive directors.

NOTICE OF THE 2026 THIRD EXTRAORDINARY GENERAL MEETING

Notes:

1. H Shareholders of the Company should note that the H Shares register of members of the Company will be closed from Friday, September 4, 2026 to Wednesday, September 9, 2026 (both days inclusive). All transfer documents accompanied by the relevant share certificates must be lodged with the Company's H Share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 4:30 p.m. on Thursday, September 3, 2026. H Shareholders whose names appear on the H Shares register of members of the Company at the close of business on Thursday, September 3, 2026 are entitled to attend and vote at the EGM. The record date and arrangements in respect of the holders of A Shares of the Company who are entitled to attend the EGM will be determined and announced separately in the PRC.
2. Any Shareholder entitled to attend and vote at the EGM is entitled to appoint one or more proxies (who need not be a Shareholder of the Company) to attend the EGM and vote thereat in his/her stead. For any Shareholder who appoints more than one proxy, the voting right can only be exercised by his/her proxies on a poll.
3. Any Shareholder who intends to appoint a proxy to attend the EGM shall put it in writing, with the proxy form to be signed by the appointor or his/her attorney duly authorized in writing. If the appointor is a corporation, the proxy form must be affixed with its common seal, or signed by any of its directors or attorney duly authorized in writing. If the proxy form is signed by an attorney authorized by the appointor, the power of attorney or other authorization documents must be notarially certified. The notarially certified power of attorney or other authorization documents together with the proxy form must be delivered to the Company's H share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (for H Shareholders only) not later than 24 hours before the time appointed for the holding of the EGM (i.e. before 2:30 p.m. on Tuesday, September 8, 2026) or any adjournment thereof (as the case may be). Completion and return of the proxy form will not affect the rights of the Shareholders to attend and vote at the EGM in person.
4. Shareholders shall produce their identity documents and supporting documents in respect of the Shares held when attending the EGM. If a corporate Shareholder appoints an authorized representative to attend the EGM, the authorized representative shall produce his/her identity documents and a notarially certified copy of the relevant authorization instrument signed by the board of directors, director, legal representative or other authorized parties of the corporate Shareholders or other notarially certified documents allowed by the Company. Proxies of Shareholders shall produce their identity documents and the proxy form signed by the Shareholders or their attorney when attending the EGM.
5. The EGM is expected to be held for less than half a day. Shareholders who intend to attend the EGM shall arrange and bear their own transportation and accommodation expenses.
6. Please refer to the Company's circular of the EGM dated August 18, 2026 for the details of the above resolutions to be proposed at the EGM for consideration and approval.