
SHENZHEN LDROBOT CO., LTD.

H Share Option Scheme

I. DEFINITIONS

- 1.1** The following terms, unless otherwise specified herein, shall have the following meanings in this Scheme:

Term	Definition
Adoption Date	the date on which the Scheme is approved at the shareholders' meeting
Articles of Association	the articles of association of our Company adopted on May 16, 2025 with effect from the Listing Date, as amended, modified or otherwise supplemented from time to time
Associate(s)	has the meaning ascribed to it under the Listing Rules (as amended from time to time)
Board	the Board of Directors of the Company
Business Day	a day on which the Stock Exchange is open for business for dealing in securities
Close Associate(s)	has the meaning ascribed to it under the Listing Rules (as amended from time to time)
Company, our Company	Shenzhen LDROBOT Co., Ltd., a limited liability company incorporated under PRC laws on November 1, 2017 under the name of Shenzhen LDROBOT Co., Ltd., and converted to a joint stock limited company under PRC laws on June 16, 2022, whose H Shares are listed on the Main Board of the Stock Exchange (Stock Code: 1236)
connected person(s)	has the meaning ascribed to it under the Listing Rules (as amended from time to time)
core connected person(s)	a director, chief executive or substantial shareholder of the Company or any of its subsidiaries, or a close associate of any of them
Delegatee(s)	the Board committee(s) and/or person(s) delegated by the Board
Eligible Participant(s)	an employee participant, service provider or related entity participant determined by the Board or the Delegatee from time to time

Term	Definition
Employee Participant(s)	director(s) (excluding independent non-executive director(s)), senior management 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 or Options under the H Share Option Scheme and H Share Award Scheme as an inducement to enter into employment contracts with these companies)
Exercise Price	the price per Share at which the Option may be subscribed upon exercise of the Option as determined by the Board, subject to Chapters VI and XI, or (where applicable) as adjusted from time to time in accordance with the rules of the Scheme
Employee(s)	employee(s) who have entered into formal employment contracts with the relevant members of the Group and remain in continuous employment with the Group
Grantee(s)	any Participant(s) who accepts a grant of Option in accordance with the terms of the H Share Option Scheme, holder of any outstanding Option or Award, or (where the context so permits) a Personal Representative of such Grantee
Group, our Group	the Company and its subsidiaries
H Share(s)	the overseas listed foreign shares in the share capital of the Company with a nominal value of RMB0.10 each, which are listed on the Stock Exchange and traded in Hong Kong dollars
Individual Limit	has the meaning ascribed to it under Article 5.5
inside information	has the meaning ascribed to it under the Securities and Futures Ordinance
Listing Rules	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (as amended from time to time)
Option	a right granted to a Grantee to subscribe for H Shares pursuant to the Scheme

Term	Definition
Option Period	in respect of any Option, the period to be determined and notified by the Board to the Grantee during which the Option may be exercised, which period shall in any event expire not later than the last day of the 10-year period after the grant date; for the avoidance of doubt, if the Board determines different lengths of Option Period for different Grantees, the Board may also set conditions and/or restrictions on the exercise of such Option during the period in which the Option may be exercised
Other Schemes	all schemes or arrangements other than the Scheme involving the grant by the Company or any member of the Group of options over Shares or other securities of the Company to, or for the benefit of, specified participants of such schemes or arrangements, which in the opinion of the Stock Exchange are analogous to share schemes described in Chapter 17 of the Listing Rules
Personal Representative	in the event of the death, physical or mental disability or incapacity of a Grantee, or other circumstances which in the opinion of the Board deprive the Grantee of his/her capacity to act (other than the insolvency, bankruptcy or liquidation of the Grantee), the person(s) recognized by the Company as the representative(s) to be assigned the Options granted to such Grantee (if exercisable but not yet exercised), or to obtain other rights as a result of such events and by operation of law to exercise such Options on behalf of the Grantee (if exercisable but not yet exercised), subject to the provision of such evidence of his/her entitlement as may from time to time be required by and to the satisfaction of the Board
Related Entity(ies)	the holding company(ies), fellow subsidiary(ies) or associated company(ies) of the Company
Related Entity Participant(s)	director(s) and employee(s) (whether full-time or part-time employees) of the Related Entities
Remuneration Committee	the Remuneration Committee of the Board
Scheme Mandate Limit	has the meaning ascribed to it under Article 9.1
Scheme Period	the period commencing on the Adoption Date and expiring on the day immediately preceding the tenth anniversary of the Adoption Date (both days inclusive), which may be terminated earlier in accordance with the provisions of the Scheme

Term	Definition
Service Provider(s)	any individual (natural person or corporate entity) who provide services to the Group on a continuing and recurring basis in the ordinary course of business of the Group which are in the interests of the long-term growth of the Group, taking into account (including but not limited to) the length and nature of the services provided or which are expected to be provided, the terms of engagements and focuses of the Group from time to time
Share(s)	the ordinary shares in the share capital of the Company and any other shares arising from any subdivision, consolidation or reclassification of such shares
Shareholder(s)	holder of Shares
Stock Exchange	the Stock Exchange of Hong Kong Limited
Subsidiary	has the meaning ascribed to it under the Listing Rules
Substantial Shareholder	has the meaning ascribed to it under the Listing Rules
Takeovers Code	the Code on Takeovers and Mergers of Hong Kong issued by the Securities and Futures Commission of Hong Kong (as amended, supplemented or otherwise modified from time to time)
This Scheme/the Scheme	the H Share Option Scheme of Shenzhen LDROBOT Co., Ltd.
Vesting Date	in relation to any Option, the earliest date specified in the grant letter on which the Grantee may exercise the Option (or portion thereof) granted to him/her, whereby Shares (or different portions thereof) may be subscribed for in accordance with the terms of that Option
Vesting Period	in relation to any Option, the period commencing on the date on which the Option is granted to the Grantee and ending on the Vesting Date (both days inclusive)

1.2 In the Scheme, unless the context otherwise requires:

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

II. PURPOSES AND OBJECTIVES OF THE SCHEME

- 2.1** The Company has formulated the Scheme in accordance with the Company Law of the People’s Republic of China, the relevant regulatory rules of the places where the Company is incorporated and listed and other relevant laws, regulations, rules and normative documents, and the Articles of Association.

- 2.2** The purposes of the Scheme are to: (i) promote the achievement of long-term sustainable development and performance goals of the Company; (ii) closely align the interests of the Grantees with those of the Shareholders, investors and the Company, thereby enhancing the cohesion of the Company and facilitating the maximisation of the value of the Company; (iii) improve the Company's incentive mechanism to attract, motivate and retain Directors, senior management, employees, Service Providers and Related Entity Participants who have made outstanding contributions to the sustainable operation, development and long-term growth of the Company, while at the same time enhancing the overall interests of the Company and its shareholders; and (iv) recognize and acknowledge the contributions that Eligible Participants have made or may make to the Company.

III. CONDITIONS PRECEDENT

- 3.1** The Scheme shall not enter into force until the following conditions have been fulfilled:
- (1) The Shareholders have passed the necessary resolutions at the shareholders' meeting of the Company to adopt the Scheme and authorize the Board to (i) grant Options under the Scheme in accordance with the rules of the Scheme and (ii) allot, issue and deal in the relevant number of Shares to be issued upon the exercise of any Options granted under the Scheme; and
 - (2) The Listing Committee approves the listing of, and permission to deal in, the H Shares of the Company which may be allotted and issued upon the exercise of any Options that may be granted in accordance with the terms and conditions of the Scheme.
- 3.2** The granting by the Listing Committee of the listing and permission referred to in Article 3.1(1) shall include any listing and permission granted subject to the fulfilment of any condition precedent or condition subsequent.

IV. ADMINISTRATION OF THE SCHEME

- 4.1** The shareholders' meeting of the Company is the highest authority of the Company and is responsible for considering and approving the adoption of the Scheme, while the Board of the Company is the executive management body of the Scheme. The decisions of the Board and/or the Delegatee on all matters relating to the Scheme and the rules of the Scheme or the interpretation or effect thereof (except as otherwise provided in the Scheme) (subject to all applicable laws, rules and regulations (including the Listing Rules) and the requirements of any competent authority, except for matters which are subject to the approval of the Remuneration Committee, the independent non-executive Directors and/or the Shareholders, as the case may be, as required by the Scheme or the Listing Rules) shall be final and binding on all persons who may be affected thereby, provided that, where applicable, a prior written statement has been received from the Auditors or an independent financial adviser (if provided in Article 10).

- 4.2** Without prejudice to the general management power of the Board, the Board may delegate the power to manage the Scheme (including the power to grant awards under the Scheme) to the Delegatee designated by it. The term of office, authority and remuneration (if any) of the Delegatee shall be determined by the Board from time to time at its sole discretion.
- 4.3** Subject to the rules of the Scheme, the Articles of Association, all applicable laws, rules and regulations (including the Listing Rules and the relevant guidelines), the Board or the Delegatee shall from time to time have general powers to deal with the following matters, without limiting the generality of any other powers and authorizations that the Board or such committee or such person may have under the rules of the Scheme:
- (1) To interpret and construe the rules of the Scheme and the terms of grants made under the Scheme;
 - (2) To make or vary such arrangements, guidelines, procedures and/or regulations for the administration, interpretation, implementation and operation of the Scheme, provided that such arrangements, guidelines, procedures and/or regulations are not inconsistent with the rules of the Scheme, the Articles of Association, all applicable laws, rules and regulations (including the Listing Rules and the relevant guidelines);
 - (3) To make grants to Eligible Participants selected by it from time to time;
 - (4) To approve and issue grant letters;
 - (5) To determine the terms and conditions of grants and impose any restrictions and/or limits thereon;
 - (6) To determine and impose performance targets (if any) to be properly fulfilled by the Grantee before the Options can be exercised, and to determine whether such performance targets have been properly fulfilled (provided that in the case of any Grantee who is a Director or senior manager (as defined under Rule 17.01A of the Listing Rules) of the Company, the decision of the Board is subject to the opinion of the Remuneration Committee as to whether and why the performance targets and/or clawback mechanism are necessary and how the Options are consistent with the purpose of the Scheme in such circumstances);
 - (7) To develop and implement a clawback policy, and determine whether the Options and underlying Shares are subject to clawback (as defined in Article 5.17) (provided that in the case of any Grantee who is a Director or senior manager (as defined under Rule 17.01A of the Listing Rules) of the Company, the decision of the Board is subject to the opinion of the Remuneration Committee as to whether and why the performance targets and/or clawback mechanism are necessary and how the Options are consistent with the purpose of the Scheme in such circumstances);

- (8) To adjust, evaluate and review any change of vesting conditions or adjust the Vesting Date of any Option in accordance with the rules of the Scheme and the relevant terms;
 - (9) To review and approve the handling of special circumstances not specified in the Scheme;
 - (10) To sign, execute, amend and terminate all documents related to the Scheme, conduct all procedures, filings and approvals related to the Scheme, and take other steps or actions to give effect to the terms and intent of the rules of the Scheme and its implementation;
 - (11) To amend the Scheme within the scope of authorization granted by the shareholders' meeting; and
 - (12) To manage and conduct other matters necessary for the implementation of the Scheme, except those matters to be decided by the shareholders' meeting.
- 4.4** In respect of the Scheme, no Director, member of any committee of the Board or person authorized by the Board to administer the Scheme shall be personally liable for any contract or other instrument signed by or on his/her behalf, or for any error of judgement made in good faith, and the Company shall indemnify and hold harmless the Board, any member of any committee of the Board or any person authorized by the Board to administer or interpret the Scheme from any costs or expenses (including legal fees) or liabilities (including any sums paid in settlement of claims with the approval of the Board) arising from any acts or omissions related to the Scheme, unless such costs, expenses or liabilities result from the person's own wilful neglect of duty, fraud or dishonesty.
- 4.5** For the management of the Scheme, the Company shall comply with all applicable laws, regulations and rules, including but not limited to the Listing Rules, relevant guidelines and the Articles of Association from time to time.

V. GRANT OF OPTIONS

- 5.1** Pursuant to and subject to the terms of the Scheme and all applicable laws, rules and regulations (including the Listing Rules and related guidelines), the Board shall have the right, at any time within 10 years after the Adoption Date, to make a grant to any Eligible Participant selected by it in its absolute discretion to subscribe for such number of Shares at the Exercise Price as the Board may determine (subject to Articles 5.5 to 5.8 and 5.10). In making a grant to a Participant, the Board may, in its absolute discretion, impose such terms, conditions and/or restrictions as it deems appropriate (including but not limited to any performance targets to be achieved and the minimum period for which the Option must be held before it can be exercised in individual cases in accordance with Article 5.14), provided that such terms, conditions and/or restrictions shall not be inconsistent with any other terms and conditions of the Scheme and applicable laws, rules and regulations (including the Listing Rules and related guidelines).

5.2 Eligible Participants

- (1) The Eligible Participants determined by the Board from time to time shall be eligible to participate in the Scheme (“**Eligible Participants**”), including the following three categories, and shall comply with the requirements of Chapter 17 of the Listing Rules:
 - (A) Employee Participants: including any Director (including executive Directors or non-executive Directors, but excluding independent non-executive Directors), member of management, senior management and existing employees (including any person who is granted H Share Options under the Scheme as an inducement to enter into employment contracts with such companies) of the Company or any of its subsidiaries, in each case provided that the Board in its absolute discretion considers that he/she has made or will make contributions to the Group;
 - (B) Service Providers: any service provider engaged by the Group which provides services to the Group on a continuing and regular basis in the ordinary course of business of the Group that are beneficial to the long-term growth of the Group (such as market development, technology research and development, professional consultancy or other services supporting the long-term business development of the Group). For the avoidance of doubt, Service Providers do not include placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions, such as auditors or valuers who provide assurance services or are required to perform their services impartially and objectively; and
 - (C) Related Entity Participants: including any person who is an employee (whether full-time or part-time), director or officer of a Related Entity.
- (2) In assessing the eligibility of Employee Participants, the Board will consider all relevant factors (as applicable), including but not limited to:
 - (A) The employee’s skills, knowledge, experience, expertise and other relevant personal qualities;
 - (B) The employee’s performance, time commitment, responsibilities or employment conditions and prevailing market practices and industry standards;
 - (C) The employee’s contribution expected to be made to the growth of the Group with reference to their historical contribution;
 - (D) The employee’s length of engagement or employment with the Group; and
 - (E) The employee’s academic and professional qualifications and knowledge in the industry.

- (3) In assessing the eligibility of Service Providers, the Board will consider all relevant factors (as applicable), including but not limited to:
- (A) The individual performance of the service provider, assessed and measured by reference to quantitative and qualitative criteria tailored to the nature of the goods and/or services provided, such as: (i) annual transaction amount; (ii) achievement of pre-agreed milestones, deliverables or key performance indicators as set out in the relevant engagement agreement; (iii) expertise or insight demonstrated in materially advancing the Group's operational efficiency or competitive position; (iv) quality, timeliness and commercial impact of the services provided, including contribution to research and development progress, production improvements or market access; (v) frequency of cooperation and duration of the business relationship;
 - (B) The importance and nature of the business relationship with the Group (for example, whether it is related to the Group's core business and whether such business transactions can be readily replaced by third parties);
 - (C) The track record of providing services and/or cooperating with the Group, and the ability to maintain service quality;
 - (D) The scale of business dealings and/or cooperation with the Group, including factors such as actual or expected changes in the Group's revenue or profits attributable to or likely to be attributable to the service provider;
 - (E) The actual or potential contribution to the long-term development and success of the Group; and
 - (F) The remuneration of comparable service providers in the same industry among listed peers, based on information available in the industry.

The Board considers that the grant of Options to Service Providers aligns with the long-term development of the Group and the purposes of the Scheme because:

- (i) it incentivizes Service Providers to continue providing high-quality, reliable and cost-effective services to the Group on a long-term basis;
- (ii) it encourages Service Providers to invest in technology, capacity, process improvements and innovation that support the Group's product roadmap and long-term competitiveness;
- (iii) it aligns the interests of Service Providers with those of the Company and the Shareholders, so that they share in the long-term value creation of the Group;
- (iv) it helps the Group secure preferential access to scarce resources, specialized expertise and strategic business opportunities;

- (v) it enhances the stability and resilience of the Group's supply chain and business ecosystem; and
- (vi) it is consistent with market practice among listed companies in the robotics and smart hardware industry.

Accordingly, the Board considers that such grants are in the interests of the Company and the Shareholders as a whole and consistent with the purposes of the Scheme.

- (4) In assessing the eligibility of Related Entity Participants, the Board will consider all relevant factors (as applicable), including but not limited to:
 - (A) The positive impacts (including support, assistance, guidance, advice, efforts and/or contributions) expected to be brought by the Related Entity Participant on the Group's business development in terms of an increase in revenue or profits, an addition of expertise to the Group and/or other aspects in support of the development and/or growth of the Group's business;
 - (B) The actual degree of involvement in and/or cooperation with the Group and the length of the collaborative relationship the Related Entity Participant has established with the Group through its role and position held with the Related Entity;
 - (C) The number, scale and nature of the projects which promote the business, development and growth of the Group in which the Related Entity Participant is involved;
 - (D) Whether the Related Entity Participant has referred or introduced opportunities to the Group which have materialised into further business relationships;
 - (E) Whether the Related Entity Participant has assisted the Group in tapping into new markets and/or increasing its market share; and
 - (F) The materiality and nature of the business relationship between the Related Entity of which the Related Entity Participant holds office or position on the one hand and the Group on the other hand, and the Related Entity Participant's contribution in such Related Entity through the collaborative relationship which may benefit the core business of the Group.

5.3 The grant shall be presented in writing to each Participant separately and shall:

- (1) State the date of issuance of the grant;
- (2) State the Participant's name and identification particulars (e.g., identity document type and number, address and position (if applicable));

- (3) Specify the deadline by which the Participant must accept the grant, which shall not be later than 30 Business Days (or such other period as the Board may determine) after the later of (i) the date of issuance of the grant or (ii) the date on which the conditions of the grant (if any) are satisfied, failing which the grant shall be deemed to have been abandoned;
- (4) Specify the method of accepting the grant;
- (5) Specify the maximum number of Shares to which the grant relates;
- (6) Specify the Exercise Price and payment method;
- (7) Specify the earliest Vesting Date (and any subsequent Vesting Dates, if any) on which the Participant may exercise the Options granted to subscribe for Shares (or portions of Shares, as the case may be) and the Option Period during which the Options may be exercised (or the corresponding Option Period for different portions of Shares, as the case may be);
- (8) Specify the performance targets (if any) that the Participant must achieve before being entitled to exercise any Options;
- (9) Specify the clawback mechanism (as defined in Article 5.17) (if any), pursuant to which the Company may claw back or withhold any Options granted to any Participant in the event of serious misconduct, material misstatement in the Company's financial statements or other special circumstances determined by the Board;
- (10) Specify any other grant terms and conditions that the Board, the Remuneration Committee and/or the independent non-executive Directors (as the case may be) may impose, provided that such terms are not inconsistent with the provisions of the Scheme and applicable laws and regulations (including the Listing Rules);
- (11) Require the Participant to undertake to hold the Options in accordance with the terms of the grant and to be bound by the provisions of the Scheme; and
- (12) Be made in such form as the Board may prescribe from time to time, subject to the foregoing provisions.

5.4 Restrictions on Grant or Grant of Options

The Company shall not offer or grant any Options when any of the following circumstances occurs:

- (1) At any time when the Company has inside information and until the date of publication of such inside information;
- (2) During the 60-day period immediately preceding the publication of the annual results and ending on the date of publication (both days inclusive);

- (3) During the 30-day period immediately preceding the publication of the interim results and quarterly results (if applicable) and ending on the date of publication (both days inclusive); or
- (4) Other restrictive circumstances stipulated by the relevant laws and regulations of the place of incorporation and listing of the Company and the provisions of the China Securities Regulatory Commission, the Securities and Futures Commission of Hong Kong and the stock exchange on which the Company's securities are listed.

5.5 Grant of Options Limit – Individual Limit

Subject to Articles 5.6 and 5.8, the total number of Shares issued and to be issued in respect of all Options granted under the Scheme and all share options and all share awards under any Other Schemes (including exercised or unexercised Options and share options and vested or unvested Shares, but excluding any Options, share options and Shares that have lapsed pursuant to the terms of the Scheme or the relevant Other Schemes) to each Participant during any 12-month period up to and including the relevant grant date shall not exceed 1% of the total number of issued Shares (excluding any treasury Shares) (the “**Individual Limit**”). If any proposed grant to a Participant would result in the total number of Shares issued and to be issued in respect of all Options, share options and share awards already granted and proposed to be granted to each Participant during any 12-month period up to and including the relevant proposed grant date (including exercised or unexercised Options and share options and vested or unvested Shares, but excluding any Options, share options and Shares that have lapsed pursuant to the terms of the Scheme or the relevant Other Schemes) exceeding the Individual Limit, then any further grant of Options shall be subject to and only take effect upon the fulfilment of the following conditions:

- (1) The proposed grant of Options shall have been separately approved by the Shareholders at a shareholders' meeting of the Company, with both the Participant concerned and his/her close associates (or, where the Participant is a Connected Person, his/her associates) having abstained from voting;
- (2) Where the Listing Rules so require, the Company shall have first sent a circular to the Shareholders within the period prescribed by the Listing Rules disclosing all information required thereby (including, where applicable, the identity of the Participant, the number and terms of the Options to be granted (as well as any Options, share options or share awards previously granted to the Participant during the aforesaid 12-month period), the purpose of granting the Options to the Participant and an explanation of how the Option terms achieve such purpose); and
- (3) The number and terms of the Options to be granted to the relevant Participant shall have been determined prior to the date of seeking Shareholder approval for such grant. For this purpose, the date of the Board resolution recommending such grant shall be deemed the grant date for the purpose of calculating the Exercise Price.

5.6 Without prejudice to Article 5.8, each grant of any Option to a Director, chief executive of the Company, a Substantial Shareholder, or any of their respective Associates shall require the approval of the independent non-executive Directors (excluding any independent non-executive Director who is a proposed Grantee of such Options).

5.7 [Repealed]

5.8 If any grant of any Option to a Substantial Shareholder of the Company, or any of his/her/its Associates, would result in the total number of Shares issued and to be issued in respect of all Options granted under the Scheme and all share options and all share awards granted under any Other Schemes (including exercised or unexercised Options and share options and vested or unvested share awards, but excluding any Options, share options and share awards that have lapsed pursuant to the terms of the Scheme or the relevant Other Schemes) to such person during the 12-month period up to and including the relevant grant date exceeding 0.1% of the total issued Shares, then any further grant of Options shall be subject to and only take effect upon the fulfilment of the following conditions:

- (1) Where the Listing Rules so require, the Company shall have sent to the Shareholders within the period prescribed by the Listing Rules a circular containing the information set out in Article 5.9; and
- (2) Where the Listing Rules so require, the grant of Options shall have obtained Shareholder approval at a shareholders' meeting of the Company, with the Grantee, his/her associates and all core connected persons having abstained from voting in favor at such shareholders' meeting, and the Company shall have complied with Rules 13.40, 13.41 and 13.42 of the Listing Rules and other applicable provisions.

5.9 The circular to be sent to the Shareholders pursuant to Article 5.8 shall contain the following information:

- (1) Detailed particulars of the number of Options to be granted to each Participant and the terms of such Options (including the information specified in Rules 17.03(5) to 17.03(10) and Rule 17.03(19) of the Listing Rules), which shall be determined prior to the shareholders' meeting at which Shareholder approval for the grant is sought. For this purpose, the date of the Board resolution recommending such grant shall be deemed the grant date for the purpose of calculating the Exercise Price;
- (2) The opinions of the independent non-executive Directors regarding whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and its Shareholders as a whole, along with their recommendations concerning the vote of the independent Shareholders; and
- (3) Other information required under the Listing Rules (including Rules 17.02(2)(c) and 2.17 of the Listing Rules, where applicable).

5.10 Grant of Options Limit – Service Provider Sub-limit

Subject to the Scheme Mandate Limit, the total number of H Shares involved in the grant of Options to Service Providers shall not exceed 1% of the total number of issued Shares of the Company (excluding any treasury Shares) as at the Adoption Date (the “**Service Provider Sub-limit**”), which sub-limit corresponds to the maximum permitted proportion for service providers under Chapter 17 of the Listing Rules.

Having considered the following factors, the Board (including the independent non-executive Directors) considers that the Service Provider Sub-limit is appropriate and reasonable: (i) the potential dilutive impact of granting Options to service providers; (ii) the importance of balancing the efficient achievement of the purposes of the H Share Option Scheme with the protection of Shareholders from the dilutive impact arising from the grant of a substantial number of Shares to service providers; (iii) the rationale and eligibility criteria for including service providers as Eligible Participants in the Scheme, particularly considering the importance of the participation and contribution of service providers to the long-term and sustainable development of the Group; (iv) the ability and flexibility to provide equity incentives (rather than using cash or other financial resources) to incentivise the participation and contribution of persons who are not employees or officers of the Group; and (v) the extent to which the Company may, at its discretion, utilize the Service Provider Sub-limit, and the flexibility to allocate the shares under such limit to other Eligible Participants based on the future business and needs of the Group.

- 5.11** Any modification to the terms of any grant of Options to a Director, chief executive of the Company, a Substantial Shareholder, or any of their respective Associates (where approval was required for the initial grant of the Options) shall require approval by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders in the manner set out in Rule 17.04(4) of the Listing Rules (as the case may be), unless such modification automatically becomes effective under the existing terms of the Scheme.
- 5.12** The requirements set out in Articles 5.6 to 5.9 of these rules regarding the grant of Options to a Director or chief executive of the Company shall not apply where the Participant is merely a proposed Director or chief executive (i.e. a candidate).
- 5.13** Any grant may be accepted during the period and in the manner specified in the grant letter for the whole or less than the number of Shares covered thereby, provided that any reduced number of Shares must be clearly stated at the time of acceptance, and the Board may, if it deems appropriate, impose conditions in the grant letter requiring that acceptances be made only in board lots or integral multiples thereof as traded on the Stock Exchange. If the grant of Options is not accepted for the intended purpose within the period specified in the grant letter (whether in respect of all or less than the number of Shares covered thereby), the grant shall be deemed to have been irrevocably rejected and shall accordingly lapse (in whole or to the extent not accepted, as the case may be).

5.14 The Grantee shall ensure and shall be deemed upon acceptance of the grant to have represented and warranted to the Company that the acceptance of the grant, the vesting, holding and exercise of any Options granted, and the holding of the Shares following such exercise, are and will remain valid and effective, and that the Grantee will comply with all applicable laws, rules and regulations governing such matters. The Board may require the Participant to provide such evidence as it may reasonably require as a precondition to the issuance of the grant and the allotment of Shares upon exercise of the Options.

5.15 The Board or its Delegatee may, within the scope permitted by all applicable laws, rules and regulations, determine the Vesting Period for the vesting of Options in its absolute discretion. The Vesting Period for any Option shall not be less than 12 months (or such other period as the Listing Rules may prescribe or permit from time to time). Under any of the following circumstances, the Vesting Period for Options granted to Employee Participants may be the shorter of: (i) the Vesting Period determined by the Remuneration Committee if such Employee Participant is a Director or senior manager (as defined under Rule 17.01A of the Listing Rules) of the Company; or (ii) the Vesting Period determined by the Board if such Employee Participant is not a Director or senior manager (as defined under Rule 17.01A of the Listing Rules) of the Company:

- (1) The grant of “compensatory” Options to new Employee Participants as replacement for share awards or share options forfeited when leaving their former employer;
- (2) The grant of Options to Employee Participants whose employment is terminated by reason of death, disability or any force majeure event;
- (3) The grant of Options subject to performance-based vesting conditions as determined by the Board, in lieu of the standard time-based vesting schedule;
- (4) The grant of Options in multiple tranches within a year for administrative and compliance-related reasons;
- (5) The grant of Options with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of 12 months; and
- (6) Where there is a change of control, merger (where the Company ceases to exist as a separate entity), demerger, voluntary liquidation or creditors' compromise or arrangement.

In compliance with Rule 17.03(18) for the adjustments to the Vesting Period of Options, the Company will:

- (a) ensure that the adjustment is fair and reasonable;
- (b) obtain the approval of the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders in the same manner as the initial grant, if the initial grant was approved in such manner;

- (c) where required by the Listing Rules, disclose the adjustment in an announcement or circular; and
 - (d) maintain proper records of the reasons for and basis of the adjustment.
- 5.16** Unless otherwise determined by the Board and/or stipulated in the grant letter, the Grantee shall be required to satisfy performance targets (if any) prior to exercising the granted Options, provided that:
- (1) In respect of any Participant who is a Director or senior manager (as defined under Rule 17.01A of the Listing Rules) of the Company, the Remuneration Committee may (or for any other Participant, the Board or the relevant Board committee duly authorized in this regard may) establish performance targets for granting the Options to such Participant upon achievement thereof. Following the grant of any performance-linked Options, if circumstances change, the Board (or, as the case may be, the Remuneration Committee or the relevant Board committee duly authorized in this regard) shall have the authority to make fair and reasonable adjustments to the established performance targets during the Vesting Period. In making any such adjustment, the Company will ensure the adjusted targets are fair and reasonable and no more favorable to the Grantees than the original targets unless justified by the change in circumstances, obtaining the approval of the Board (or, as the case may be, the Remuneration Committee or the relevant Board committee duly authorized in this regard).
 - (2) The proposed performance targets include the Group's business, financial condition, operations and creation of capital value for its business segments (such as growth in revenue and profit), as well as individual performance indicators of the Participants tied to their respective roles and responsibilities. The Board (or, as the case may be, the Remuneration Committee, the relevant Board committee duly authorized in this regard or other relevant persons) will conduct an evaluation at the end of the performance period by comparing actual performance with the pre-agreed targets to determine whether the performance targets have been achieved and the extent of such achievement.
- 5.17** Where the Board in its absolute discretion determines that the vesting of any Option and/or (where such Option has been exercised) the holding of the relevant Shares issued and allotted upon such exercise by any Participant may be considered inequitable, including without limitation in circumstances involving material misstatements or omissions in the Group's financial reports, or any fraudulent acts or serious misconduct by the relevant Participant, such Option (if any) and the relevant Shares issued and allotted upon such exercise (where applicable) shall be subject to clawback. For the avoidance of doubt, notwithstanding any other provision of the rules of the Scheme, any Option and any Shares to be issued upon the exercise thereof shall be subject to clawback in accordance with the Company's clawback policy, as amended from time to time. For the purposes of the Scheme, "clawback" means the Company's priority right, authorization and power to claw back or withhold the Options (and the relevant Shares) granted to any Participant under the circumstances set out in this Article, including but not limited to (i) requiring the return or repayment of all or any specified portion of the Options, or any Shares to be issued and allotted upon the exercise thereof by any Participant; and/or (ii) terminating or modifying the Participant's right to receive or vest in all or any specified portion of any unvested Options, or the right to be issued and allotted any Shares that would otherwise be issued and allotted upon exercise of any such unexercised Options.

VI. EXERCISE PRICE

6.1 Subject to Article 6.2, the Exercise Price (to be adjusted in accordance with Chapter X) shall be determined by the Board and notified to the Participants, and shall not be less than the highest of the following:

- (1) The closing price of the H Shares as shown in the daily quotation sheets of the Stock Exchange on the grant date;
- (2) The average of the closing prices of the H Shares as shown in the daily quotation sheets of the Stock Exchange for the five Business Days immediately preceding the grant date; and
- (3) The nominal value of the H Shares.

6.2 In the case of the grant of any Options pursuant to Articles 5.5, 5.8 or 9.5, for the purposes of Article 6.1, the date of the Board meeting at which the grant of the Options is proposed shall be deemed to be the grant date of the relevant Options.

VII. EXERCISE OF OPTIONS

- 7.1 (1) The Options are personal to the Grantee and shall not be transferable. The Grantee shall not, in any manner whatsoever, whether for the benefit of or in favor of any third party, sell, transfer, mortgage, charge, encumber or otherwise dispose of any Options, or create any interest in any Options, or enter into any agreement to effect any of the foregoing, save that: (i) the Grantee's Personal Representative may exercise the Options in accordance with the provisions of the Scheme; and (ii) as otherwise provided in sub-paragraph (2) below. The Personal Representative shall comply with all provisions of the rules of the Scheme, which shall apply mutatis mutandis to such Personal Representative. For the avoidance of doubt, where the Grantee is a body corporate, any change of its controlling shareholder or any material change in its management (as determined by the Board in its absolute discretion) shall be deemed a sale or transfer of the relevant interests hereunder, unless otherwise determined by the Board in its sole and absolute discretion.
- (2) Provided that (i) the Board has given its prior written consent (such consent to be granted or withheld in the Board's absolute discretion), and (ii) the Stock Exchange has granted its express waiver, the Grantee may be permitted to transfer the Options granted to and held by the Grantee to a vehicle designated by the Grantee for the benefit of the Grantee and/or any of his/her family members (including for estate planning, tax planning or such other purposes as the Board and the Stock Exchange may consider reasonable) (the "**Participant Vehicle**") (such as a trust or private company), so long as such transfer remains consistent with the purposes of the Scheme and complies with all other provisions of Chapter 17 of the Listing Rules. When applying to the Board for the aforesaid consent and to the Stock Exchange for the aforesaid waiver, the Grantee shall provide to the Company the information regarding

the beneficiaries or objects of discretion of such trust or the ultimate beneficial owners of such Participant Vehicle, the documentary evidence of the trust arrangements between the Grantee and the proposed Participant Vehicle, and such other information as the Board or the Stock Exchange may reasonably require, and shall further consent to the disclosure of all such information in any public disclosures by the Company (including any announcements, circulars and/or reports to be issued by the Company). The Participant Vehicle shall comply with all provisions of the Scheme (including this Article 7.1), which shall apply *mutatis mutandis* to the Participant Vehicle.

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

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

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

- (1) Subject to Articles 7.3(4) and (9) and Article 8.1(3), if a Grantee (being an Employee Participant at the time of the grant) of an outstanding Option ceases to be an Employee Participant for any reason, then, unless otherwise determined by the Board in its sole and absolute discretion, such Grantee may exercise the Option up to his or her entitlement at the date of cessation (to the extent exercisable but not already exercised) within six (6) months (or such other period as the Board may determine) after the date of such cessation, which date of cessation shall be his last actual working day with the Company or any of its subsidiaries (regardless of whether salary is paid in lieu of notice); provided that if any of the circumstances specified in Articles 7.3(5), (6), (7) or (8) occurs, such unexercised Options may be exercised only in the respective manners and within the corresponding period specified in those Articles;
- (2) Subject to Articles 7.3(3), (4) and (9) and Article 8.1(3), if a Grantee (being a Related Entity Participant at the time of the grant) of an outstanding Option ceases to be a Related Entity Participant for any reason, then, unless otherwise determined by the Board in its sole and absolute discretion, such Grantee may exercise the Option up to his or her entitlement at the date of cessation (to the extent exercisable but not already exercised) within six (6) months (or such other period as the Board may determine) after the date of such cessation, which date of cessation shall be his last actual working day with the Related Entity where he/she was previously employed, served as a director, or held other positions (regardless of whether salary is paid in lieu of notice); provided that if any of the circumstances specified in Articles 7.3(5), (6), (7) or (8) occurs, such unexercised Options may be exercised only in the respective manners and within the corresponding period specified in those Articles;
- (3) If a Grantee (being a Related Entity Participant at the time of the grant) of an outstanding Option ceases to be a Related Entity Participant due to the Related Entity where the Grantee was employed, served as a director, or held other positions ceasing to be a Related Entity, then, unless otherwise determined by the Board in its sole and absolute discretion, such Grantee may exercise the Option up to his or her entitlement at the date of cessation (to the extent exercisable but not already exercised) within the relevant period as the Board may determine, and any unexercised Options shall lapse upon expiration of such period; provided that if any of the circumstances specified in Articles 7.3(5), (6), (7) or (8) occurs during the relevant period, such unexercised Options may be exercised only in the respective manners and within the corresponding period specified in those Articles;

- (4) In the event of the death of a Grantee of an outstanding Option, or a Grantee (being an Employee Participant or a Related Entity Participant at the time of the grant) ceasing to be such Participant due to physical or mental disability or incapacity, or any other event deemed by the Board to impair capacity (excluding insolvency, bankruptcy or winding-up) prior to exercising all or any of the Options, and provided that no event constituting grounds for termination of employment or appointment under Article 8.1(3) has occurred, then, unless otherwise determined by the Board in its sole and absolute discretion, the Grantee or his/her Personal Representative may exercise the Options (to the extent exercisable but not already exercised) up to the entitlement of such Grantee at the date of his/her death, physical or mental disability or incapacity or such other event by the Grantee or his/her Personal Representative(s) within twelve (12) months (or such other period as the Board may determine) after the date of death or the date of physical or mental disability, incapacity or other relevant event (which date shall be determined by the Board upon receiving written evidence from the Personal Representative satisfactory to the Board), provided that (i) for any Options that may have reached the earliest Vesting Date specified in the grant but remain unvested due to failure to meet the performance targets set forth therein, the Board may (but shall not be obliged to), by reference to the level of achievement of the prescribed performance targets and other equitable factors, determine that the Grantee or his/her Personal Representative may exercise such Options in respect of the relevant number of Shares within such period as the Board deems appropriate, subject to any conditions or restrictions the Board may impose; and (ii) if any of the circumstances specified in Articles 7.3(5), (6), (7) or (8) occurs during the relevant period, such unexercised Options may be exercised only in the respective manners and within the corresponding period specified in those Articles;
- (5) In the event of a change of control of the Company resulting in a general offer (whether by way of takeover offer, share repurchase offer, scheme of arrangement or similar means, excluding a privatisation offer in Article 7.3(6)) being made to all Shareholders (or all relevant Shareholders except the offeror and/or its controlled persons and/or persons connected/acting in concert with the offeror), where (i) for a scheme of arrangement, such arrangement is formally proposed to Shareholders prior to the Option expiry date, or (ii) for other cases, the offer becomes or is declared unconditional prior to the Option expiry date, then, unless otherwise determined by the Board in its sole and absolute discretion, the Grantee (or his/her Personal Representative, as the case may be) may, by written notice to the Company, exercise the Options in whole or in part as specified in such notice within 14 days (or such other period as the Board may in its sole and absolute discretion determine, provided that such period shall not extend beyond the expiry of the original Option Period) after (i) in the case of a scheme of arrangement, the effective date thereof, or (ii) in other cases, the date the offer (or revised offer) becomes or is declared unconditional, notwithstanding that the Option Period for such Options may not have commenced. For the purposes of this Article 7.3(5), “control” shall have the meaning ascribed to it in the Takeovers Code as amended from time to time;

- (6) If an offer is made to all Shareholders (or all relevant Shareholders except the offeror and/or its controlled persons and/or persons connected/acting in concert with the offeror) to acquire and/or cancel Shares in connection with the Company's privatisation proposal (whether by way of takeover offer, share repurchase offer, scheme of arrangement or similar means, regardless of whether it involves a change of control of the Company), and (i) for a scheme of arrangement, such scheme is formally proposed to Shareholders prior to the Option expiry date, or (ii) for other cases, the offer becomes or is declared unconditional prior to the Option expiry date, then, unless otherwise determined by the Board in its absolute discretion, the Grantee (or his/her Personal Representative) may, by written notice to the Company, exercise the Options in whole or in part as specified in such notice thereafter (provided such exercise occurs before the time notified in writing by the Company but no later than the expiry of the original Option Period) and in any event (i) in the case of a scheme of arrangement, by the deadline for lodging Share transfers to qualify for entitlements under such scheme, or (ii) in any other case, prior to the closing of the offer (or any revised offer), notwithstanding that the Option Period may not have commenced at such time. For the purposes of this Article 7.3(6), "control" shall have the meaning ascribed to it in the Takeovers Code as amended from time to time;
- (7) If a compromise or arrangement is proposed between the Company (as one party) and its Shareholders and/or creditors (as the other party) for or in connection with a scheme of reorganization of the Company or its amalgamation with any other company, the Company shall give notice thereof to all Grantees on the same day it sends the meeting notice to Shareholders to consider such compromise or arrangement or as soon as practicable thereafter. Thereupon, unless otherwise determined by the Board in its absolute discretion, each Grantee (or his/her Personal Representative) may at any time exercise all or any of the Options (insofar as they are unexercised) by written notice to the Company no later than four (4) Business Days before the proposed meeting date. Accordingly, the Company shall allot the relevant Shares (credited as fully paid) to the Grantees as soon as practicable and in any event no later than the Business Day immediately preceding the proposed meeting date referenced above. The Company may require any Grantee (or his/her Personal Representative) to transfer or dispose of Shares issued upon such Option exercise, to align the shareholding of such Grantee (or his/her Personal Representative) as closely as possible with what it would have been had the Shares been subject to the relevant compromise or arrangement;
- (8) If the Company issues a notice to its Shareholders convening a shareholders' meeting to consider and, if thought fit, approve a resolution for the Company's voluntary winding-up, the Company shall give notice thereof to all Grantees on the same day it sends the meeting notice to the Shareholders or as soon as practicable thereafter. Thereupon, unless otherwise determined by the Board in its absolute discretion, each Grantee (or his/her Personal Representative) shall have the right to exercise all or any of the Options (insofar as they are unexercised) at any time by written notice to the Company no later than four (4) Business Days prior to the proposed shareholders' meeting date. Accordingly, the Company shall

allot the relevant Shares (credited as fully paid) to the Grantees as soon as practicable and in any event no later than the Business Day immediately preceding the proposed shareholders' meeting date referenced above;

- (9) If a Grantee (being an Employee Participant or a Related Entity Participant at the time of the grant) of an outstanding Option ceases to be such Participant due to retirement under his/her employment or appointment contract terms or statutory requirements, and provided that no event constituting grounds for termination of employment or appointment under Article 8.1(3) has occurred, then, unless otherwise determined by the Board in its absolute discretion, the Grantee shall have the right to exercise up to his or her entitlement (to the extent exercisable but not already exercised) within twelve (12) months from the retirement date (or such other period as the Board may determine); provided that if any of the circumstances specified in Articles 7.3(5), (6), (7) or (8) occurs during such period, such unexercised Options may be exercised only in the respective manners and within the corresponding period specified in those Articles;
- (10) If a Grantee of an outstanding Option was a Service Provider or Related Entity Participant at the time of the grant, and subsequently ceases to qualify as a Participant in the sole determination of the Board due to termination of the business relationship with the Company or its relevant Subsidiary (or otherwise), then, unless otherwise determined by the Board in its absolute discretion, all unexercised Options held by such Grantee shall lapse immediately upon the Company's issuance of the termination notice to the Grantee; and
- (11) Regarding the Participant Vehicle:
 - (A) The provisions of Articles 7.3 and 8.1 shall apply mutatis mutandis to such Participant Vehicle and all Options held thereby, as if such Options were still held by the respective individual Grantee who transferred them to the Participant Vehicle pursuant to Article 7.1(2). Upon the occurrence of any event specified in Article 7.3 concerning such Grantee, the Options shall accordingly lapse or become exercisable after the expiry of the relevant period stipulated in Article 7.3; and
 - (B) All Options held by a Participant Vehicle shall lapse and terminate on the date the Participant Vehicle ceases to be wholly owned by the relevant individual Grantee or any of his/her family members (or if the Participant Vehicle is a trust and the individual Grantee or any of his/her family members is its beneficiary or discretionary object, the date when such individual Grantee or any family member ceases to be a beneficiary or discretionary object of the trust) (unless the Board in its absolute discretion determines otherwise).

7.4 For the purposes of Article 7:

- (1) Unless the context otherwise requires or requires otherwise, any reference to the exercise of the Options shall mean the exercise of such Options to the extent exercisable but not already exercised;
- (2) Upon the occurrence of any event specified in Article 7.3, and subject to applicable laws, rules and regulations (including the Listing Rules), the Board or its Delegatee may in its absolute discretion make any determination concerning the exercise of the Options, irrespective of the relevant grant terms of the Option, including without limitation:
 - (A) The period during which the Options may be exercised, provided that such period shall not extend beyond the expiry of the original Option Period;
 - (B) Whether any applicable performance targets (if any) must be fully achieved as a condition precedent to the Grantee's entitlement to exercise such Options;
 - (C) The extent to which the Options may be exercised, regardless of whether in whole or in part and whether only to the extent vested or unvested, provided that such scope shall not be less than the exercisable scope stipulated in the Option's terms;
 - (D) The manner of exercising the Options;
 - (E) Whether any performance targets or other performance conditions set by the Board must be fulfilled as prerequisites for exercising the Options;
 - (F) Any conditions or restrictions applicable to the exercise of the Options;
 - (G) If the Options are only partially exercisable (regardless of whether pursuant to these Rules or as determined by the Board), whether the balance of the Option shall lapse or remain exercisable in accordance with the grant terms or such other terms as the Board may deem appropriate; and
 - (H) The documentary evidence that the Grantee and/or Personal Representative must provide to prove the physical or mental disability or incapacity of the Grantee, or the occurrence of other events depriving him/her of capacity and/or the authority and capacity of the Personal Representative to act on behalf of the Grantee.
- (3) Upon the occurrence of any event referred to in Article 7.3, the exercise of any Option shall be in the manner described in Article 7.2, to the extent applicable and not superseded by such arrangements as provided under Articles 7.3(1) to (11) or otherwise as determined by the Board.

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

VIII. LAPSE OF OPTIONS

- 8.1** The right to exercise an Option (to the extent not already exercised) shall terminate immediately upon the earliest of:
- (1) The expiry of the Option Period (subject to compliance with applicable laws, rules and regulations including the Listing Rules and the relevant guidelines), subject to any alteration pursuant to the provisions of the rules of the Scheme;
 - (2) The expiry of any of the periods referred to in Article 7.3 (unless the Board otherwise determines pursuant to Article 7.4(2));
 - (3) The date on which (i) the Grantee (being an Employee Participant as at the grant date) ceases to be an Employee Participant or (ii) the Grantee (being a Related Entity Participant as at the grant date) ceases to be a Related Entity Participant, in each case by reason of the termination of his/her employment or other contract on any one or more of the grounds that he/she has been guilty of misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his/her creditors generally, or has been convicted of any criminal offence involving his/her integrity or honesty, or on any other ground on which an employer would be entitled to terminate his/her employment at common law or pursuant to any applicable laws, rules and regulations or under the Grantee's service contract with the Company or the relevant subsidiary of the Company or the relevant Related Entity (as the case may be), and for the purpose of this Article, a resolution of the Board or the board of directors of such Related Entity (or equivalent organ thereof vested with the general power to manage the business and affairs of such Related Entity) to the effect that the employment or other relevant contract of a Grantee has or has not been terminated on one or more of the grounds specified in this Article 8.1(3) shall be conclusive and binding on all persons who may be affected thereby;

- (4) In respect of a Service Provider, where the Board in its sole and absolute discretion determines that such Grantee:
- (A) has materially breached any agreement signed between the Group and such Grantee (including but not limited to any applicable intellectual property ownership agreement, labour contract, non-competition agreement, confidentiality agreement or other similar agreements);
 - (B) has divulged the business secrets of the Group, or taken advantage of his/her position to seek improper benefits for himself/herself or others;
 - (C) has engaged in any act that has or is likely to have a material adverse effect on the name, reputation or interests of the Group;
 - (D) has violated laws and regulations and been punished (including administrative detention) by a government authority or prosecuted for criminal liability;
 - (E) if such Service Provider has committed fraud or dishonesty or continuous or serious misconduct;
 - (F) if such Service Provider joins a company that the Board reasonably determines to be a competitor of the Group; or
 - (G) has transferred, pledged or otherwise disposed of the Options held by it without authorization;
- (5) The expiry of any period determined by the Board pursuant to Article 7.4(2);
- (6) The date of breach of Article 7.1 by the Grantee;
- (7) In respect of the Grantee other than an Employee Participant or Related Entity Participant (whether individual or corporation), the date on which the Board at its sole and absolute discretion determines that such Grantee has breached or otherwise failed to comply with any provisions of the relevant contract entered into between the Grantee on the one part and any member of the Group on the other part, or that the Grantee has breached its fiduciary duty owed to any member of the Group under the common law, or that the Grantee could no longer make any contribution to the growth and development of any member of the Group by reason of cessation of its relations with the Group or for any other reasons whatsoever;
- (8) The non-fulfilment of or failure to comply with any conditions specified by the Board as referred to in Article 5.1 above;
- (9) The non-acceptance of the grant on or before the acceptance deadline specified in the grant or otherwise specified by the Board; or

- (10) The date when the Board resolves to exercise the right to clawback pursuant to the Company's clawback policy, as amended from time to time.
- 8.2** Neither the Company nor any of its officers or members of the Board shall be liable to any Grantee, any Personal Representative of the Grantee or any Participant Vehicle for any lapse of Options as specified in Article 8.1.
- 8.3** For the avoidance of doubt, in relation to Articles 7.3 and 8.1,
- (1) The transfer of employment of a Grantee who is an Employee Participant from one member of the Group to another member of the Group or secondment to a Related Entity, and the transfer of employment of a Grantee who is a Related Entity Participant from one Related Entity to another Related Entity or secondment to any member of the Group shall not be deemed to be termination of employment; and
- (2) No leave taken by a Grantee who is an Employee Participant or a Related Entity Participant with the prior approval of the directors of the relevant member of the Group or Related Entity shall be deemed to be termination of employment of the Grantee.

IX. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- 9.1** Subject to refreshment as specified in Article 9.3 and adjustment as specified in Article 9.5, the maximum number of Shares which may be allotted and issued in respect of all Options to be granted under the Scheme (excluding Options that have lapsed pursuant to the rules of the Scheme), and all share options and all share awards to be granted under any Other Schemes (the "**Scheme Mandate Limit**") must not in aggregate exceed 10% of the total number of Shares in issue as at the Adoption Date (excluding any treasury Shares), unless the Company has obtained separate Shareholders' approval pursuant to Article 9.4. Options cancelled in accordance with the rules of the Scheme and any other share schemes of the Company shall be deemed to have been utilized for the purpose of calculating the Scheme Mandate Limit.
- 9.2** For the purpose of calculating the Scheme Mandate Limit as specified in Article 9.1, Shares which are the subject matter of any Options, any share options and share awards that have already lapsed in accordance with the respective terms of the Scheme and any Other Schemes shall not be regarded as utilized and hence shall not be counted.
- 9.3** The Scheme Mandate Limit may be refreshed by ordinary resolution of the Shareholders in shareholders' meeting after three years from the Adoption Date or the date of Shareholders' approval for the last refreshment, provided that:
- (1) The total number of Shares which may be issued in respect of all Options to be granted under the Scheme, all share options and all share awards to be granted under any Other Schemes under the Scheme Mandate Limit as refreshed (the "**New Scheme Mandate Limit**") must not exceed 10% of the Shares in issue at the date of the Shareholders' approval of such New Scheme Mandate Limit. Shares which are the subject matter of any Options, any share options

and share awards previously granted under the Scheme and any Other Schemes (including those exercised, outstanding, cancelled or lapsed in accordance with the terms of the Scheme or any Other Schemes) will not be counted for the purpose of calculating the total number of Shares subject to the New Scheme Mandate Limit. Where required by the Listing Rules, the Company must send a circular to its Shareholders within such time as may be specified in the Listing Rules, disclosing the number of Options, share options and share awards that are already granted under the existing Scheme Mandate Limit and the reason for the refreshment.

- (2) Any refreshment to the Scheme Mandate Limit within any three-year period must be approved by the Shareholders, subject to the following:
 - (A) Any controlling Shareholders and their associates (or if there is no controlling Shareholder, Directors (excluding independent non-executive Directors) and chief executive of the Company and their respective associates) must abstain from voting in favor of the relevant resolution at the shareholders' meeting; and
 - (B) The Company must comply with the requirements under Rules 13.39(6), 13.39(7), 13.40, 13.41 and 13.42 and/or such other applicable provisions of the Listing Rules.
- (3) The requirements under Articles 9.3(2)(A) and (B) do not apply if the refreshment is made immediately after an issue of securities by the Company to the Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit (or the New Scheme Mandate Limit, as the case may be) (as a percentage of the total number of Shares in issue) upon refreshment is the same as the unused part of the Scheme Mandate Limit (or the New Scheme Mandate Limit, as the case may be) immediately before the issue of securities, rounded to the nearest integral whole Share.

9.4 Without prejudice to Article 9.3, the Company may separately seek Shareholders' approval at a shareholders' meeting to grant Options under the Scheme in excess of the Scheme Mandate Limit or, if applicable, the refreshed limit as described in Article 9.3, provided that:

- (1) The Options in excess of the Scheme Mandate Limit are granted only to Participants specifically identified by the Company before such approval is sought;
- (2) The Company must send a circular to its Shareholders containing the name of each specified Participant who may be granted such Options, the number and terms of the Options to be granted to each Participant, and the purpose of granting Options to the specified Participants with an explanation as to how the terms of the Options serve such purpose; and
- (3) The number and terms of Options to be granted to such Participant must be fixed before the shareholders' meeting on the grant is sought, and for this purpose, the date the Board resolved to propose such grant shall be taken as the grant date for the purpose of calculating the Exercise Price.

- 9.5** If the Company conducts a Share consolidation or subdivision after the Scheme Mandate Limit (or New Scheme Mandate Limit, as the case may be) has been approved by Shareholders in shareholders' meeting, the maximum number of Shares that may be issued in respect of all Options to be granted under the Scheme and all share options and share awards to be granted under any Other Schemes under the Scheme Mandate Limit (or New Scheme Mandate Limit, as the case may be) as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest integral whole Share.

X. REORGANIZATION OF CAPITAL STRUCTURE

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

- (1) The number or nominal amount of Shares subject to any Option so far as such Option remains unexercised; and/or
- (2) The Exercise Price; and/or

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

- (A) No such adjustments shall be made in respect of an issue of securities by the Company as consideration in a transaction;
- (B) Any such adjustments must be made so that each Grantee is given the same proportion of the equity capital of the Company, rounded to the nearest integral whole Share, as that to which he was entitled immediately prior to the occurrence of such event of alteration in the capital structure of the Company as referred to in Article 10.1;
- (C) No such adjustments shall be made which would result in the Exercise Price for a Share being less than its nominal value;
- (D) Any such adjustments must be fair and reasonable having regard to the Supplementary Guidance and satisfy the requirements of the Listing Rules and such applicable rules, codes, guidance notes and/or interpretation of the Listing Rules from time to time promulgated by the Stock Exchange including the Supplementary Guidance;
- (E) Any such adjustments, save as those made on a capitalization issue, shall be confirmed by the Auditors or the independent financial adviser in writing to the Board as satisfying the requirements of sub-paragraphs (B) and (C) above and the requirements of the relevant provisions of the Listing Rules; and

- (F) Any such adjustments made pursuant to a subdivision or consolidation of share capital shall be made on the basis that the aggregate Exercise Price payable by a Grantee on the full exercise of any Option shall remain as nearly as possible the same (but shall not be greater than) as it was immediately prior to the occurrence of such event of alteration in the capital structure of the Company.

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

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

XI. SHARE CAPITAL

11.1 The exercise of any Option shall be subject to the Shareholders approving at a shareholders' meeting (i) the necessary increase in the Company's authorized share capital; and (ii) the Company's power to allot, issue and/or otherwise deal with additional Shares (including the sale or transfer of any treasury Shares (as defined in the Listing Rules) from treasury) as may be required to satisfy the exercise of any Option under the Scheme. Upon obtaining such approvals, the Board shall make available sufficient authorized but unissued share capital of the Company to comply with the existing requirements for the exercise of Options, and to procure the Company to repurchase any Shares as treasury Shares or transfer any treasury Shares out of treasury as the Board considers necessary or appropriate.

11.2 The Board is authorized, in its sole and absolute discretion, to determine whether the Shares subject to any Option shall be satisfied by acquiring Shares on the terms permitted by the Stock Exchange, or by purchasing them in the market, or by the Company otherwise transferring treasury Shares out of treasury or reallocating any Shares then held in connection with any lapsed or unvestable Options, or any combination of the foregoing.

XII. DISPUTES

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

XIII. ALTERATION OF THE SCHEME AND THE OPTIONS

13.1 The Board may alter the Scheme in any respect, save that:

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

13.2 Notwithstanding any provisions of the rules of the Scheme or any terms or conditions stated in the grant, but subject always to the applicable laws, rules and regulations including the Listing Rules, the Company may at any time and at its sole and absolute discretion alter the terms and conditions of the Options granted to a Participant, provided that any such alteration to the terms of Options granted to a Participant must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders in the manner set out in the Listing Rules (as the case may be) if the initial grant of the Options required such approval (except where the change takes effect automatically under the existing terms of the Scheme).

13.3 No Participant shall make any claim or recourse against the Company, members of the Board, members of the Remuneration Committee, independent non-executive Directors and/or Shareholders (or any of the foregoing) in respect of any amendment made to the Options granted to such Participant under the Scheme, and the Participant shall be deemed to have irrevocably waived any such rights (if any).

13.4 The amended terms of the Scheme or the Options must comply with the relevant requirements of Chapter 17 of the Listing Rules.

XIV. CANCELLATION OF GRANTED OPTIONS

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

XV. DURATION AND TERMINATION OF THE SCHEME

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

XVI. MISCELLANEOUS

16.1 Miscellaneous Provisions

- (1) The Scheme does not form part of any contract of employment between the Company or any of its subsidiaries or any Related Entity (as one party) and any Participant (as the other party), and the rights and obligations of any Participant under the terms of his office or employment shall not be affected by his participation in the Scheme or any right which he may have to participate in it, and the Scheme shall afford such Participant no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason.
- (2) The Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company directly or indirectly or give rise to any cause of action at law or in equity against the Company. In no event shall any person require the Board, the Delegatee and/or the Company to be liable for any cost, loss, expense and/or damage arising out of or in connection with the Scheme or its management.

- (3) In no circumstances shall a person ceasing to be a Participant for any reason be entitled to any compensation for or in respect of any consequent diminution or extinction of his rights or benefits (actual or prospective) under any Options then held by him or otherwise in connection with the Scheme, and by accepting an Option under the Scheme, such person shall be deemed to have irrevocably waived any such entitlement (to the extent there is any).
- (4) Any notice or other communication between the Company and any Eligible Participant may, if given by the Company to the Eligible Participant, be sent by email, prepaid mail or personal delivery to the Company's principal place of business at its headquarters in the PRC or such other address as the Eligible Participant may from time to time notify the Company; and if given by the Eligible Participant to the Company, may be sent by email or personal delivery at the address or email address as notified by the Company from time to time.
- (5) Any notice or other communication sent by mail shall be deemed to have been served 72 hours after posting. Any notice or other communication sent electronically shall be deemed to have been received on the date following its sending.
- (6) The Company shall bear the costs of establishing and administering the Scheme.
- (7) The Grantee shall be responsible for obtaining any governmental or other official consent which may be required in any country or jurisdiction (including the country in which the Company is incorporated) to permit the grant or exercise of the Option. The Company shall not be liable for any failure by the Grantee to obtain any such consent or for any taxes or other liabilities which may arise from the Grantee's participation in the Scheme.
- (8) Each Grantee (or his/her Personal Representative) shall obtain all necessary consents as may be required to accept a grant or exercise any Options granted, so that the Company may allot and issue the Shares upon such exercise in accordance with the terms of the Scheme. Upon accepting a grant or exercising any granted Option, the Grantee shall be deemed to have represented and undertaken to the Company that he/she has obtained all necessary consents. Compliance with this Article shall be a condition precedent to the Grantee's acceptance of the grant and exercise of the granted Option. The Grantee shall fully indemnify the Company from and against all claims, demands, liabilities, actions, legal proceedings, fees, costs and expenses (whether incurred solely or jointly with another party or parties) that the Company may suffer or incur as a result of the Grantee's failure to obtain any necessary consents or pay any taxes or other liabilities.
- (9) The Grantee shall be responsible for the payment of all taxes and the settlement of any other liabilities which may arise as a result of his/her participation in the Scheme, acceptance or exercise of any Option, or the allotment and issue of Shares upon the exercise of any granted Option.

16.2 Disclosure Rights

By participating in the Scheme, each Grantee agrees that the Company may properly hold, process, store and use his/her personal information and data in the PRC, Hong Kong or elsewhere for the purpose of executing, managing or implementing the Scheme, and such consent includes but is not limited to:

- (1) Managing and keeping a record of the selected Grantees;
- (2) Providing the personal data or information to the Group, the Trustee or third-party managers or administrators of the Scheme in Hong Kong or elsewhere;
- (3) If applicable, disclosing the personal information or data to any future acquirer or merger partner of the Company; and
- (4) If it is necessary to issue an announcement or circular for the grant of the Options in accordance with the Listing Rules or other applicable laws, rules or regulations, or to disclose the identity of the Grantee, the Options, the grant, the vesting terms and all other information required by the Listing Rules or other applicable laws, rules or regulations in the Company's annual report, the Grantee may obtain a copy of his/her personal data upon request to the Company, and shall have the right to require the Company to correct if his/her personal data is inaccurate.

16.3 Governing Law

The Scheme shall be governed by and construed in accordance with the PRC laws.