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

**If you have sold or transferred** all your shares in **FIH Mobile Limited**, you should at once hand this circular and the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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**FIH<sup>®</sup> 富智康<sup>®</sup>**  
**FIH Mobile Limited**  
**富智康集團有限公司**

*(incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 2038)**

**GENERAL MANDATES**  
**TO ISSUE NEW SHARES AND TO BUY BACK SHARES,**  
**RE-ELECTION OF DIRECTOR,**  
**PROPOSED APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR,**  
**PROPOSALS FOR ADOPTION OF NEW SHARE OPTION SCHEME**  
**AND NEW SHARE SCHEME AND TERMINATION OF**  
**EXISTING SHARE OPTION SCHEME AND EXISTING SHARE SCHEME**  
**AND**  
**NOTICE OF ANNUAL GENERAL MEETING**

The notice convening the Annual General Meeting of the Company to be held at Kowloon Room I, Mezzanine Level, Kowloon Shangri-La Hotel, 64 Mody Road, Tsimshatsui East, Hong Kong on Friday, 19 May 2023 at 10:00 a.m. is set out on pages 45 to 51 of this circular.

Whether or not you are able to attend the Annual General Meeting, please complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the Annual General Meeting. Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting in person should you so wish.

Hong Kong, 14 April 2023

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Remark:

Subject to the development of the novel coronavirus (COVID-19) pandemic and the requirements or guidelines of the Government of Hong Kong and/or regulatory authorities, the Company may announce any update on the AGM arrangement on the Company's website (<https://www.fihmobile.com>) and the website of the Stock Exchange (<https://www.hkexnews.hk>) as and when appropriate.

## DEFINITIONS

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

“Adoption Date”	the date on which the New Share Option Scheme and the New Share Scheme are conditionally adopted by resolutions of the Shareholders at the AGM
“Annual General Meeting” or “AGM”	the annual general meeting of the Company to be held at Kowloon Room I, Mezzanine Level, Kowloon Shangri-La Hotel, 64 Mody Road, Tsimshatsui East, Hong Kong on Friday, 19 May 2023 at 10:00 a.m. or, where the context so admits, any adjournment thereof
“Articles”	the articles of association of the Company in force for the time being
“Board”	the board of Directors
“Buy-back Mandate”	the buy-back mandate proposed to be granted to the Directors to buy back Shares up to 10% of the total number of issued Shares as at the date of passing of the resolution approving this buy-back mandate
“Companies Act”	the Companies Act of the Cayman Islands as amended from time to time
“Company”	FIH Mobile Limited, a limited liability company incorporated in the Cayman Islands, the shares of which are listed on the Stock Exchange
“Director(s)”	the director(s) of the Company
“Eligible Participants”	the directors and other members of senior management and other employees of the Group (including without limitation any person who is a proposed grantee as an inducement to enter into an employment contract (or the equivalent) with the Company or any of its subsidiaries) who may be eligible to participate in the New Share Option Scheme or the New Share Scheme (as the case may be) in accordance with its terms
“Existing Share Option Scheme”	the share option scheme of the Company adopted by the then Shareholders on 26 November 2013
“Existing Share Scheme”	the share scheme of the Company adopted by the then Shareholders on 26 November 2013
“Foxconn Far East”	Foxconn (Far East) Limited, a limited liability company incorporated in the Cayman Islands and a controlling shareholder (as defined in the Listing Rules) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

## DEFINITIONS

“Hon Hai”	鴻海精密工業股份有限公司 (Hon Hai Precision Industry Co. Ltd. for identification purposes only), a limited liability company incorporated in Taiwan, the shares of which are listed on the Taiwan Stock Exchange Corporation and the ultimate controlling shareholder (as defined in the Listing Rules) of the Company
“Hon Hai Technology Group”	Hon Hai, its subsidiaries and/or associates (as the case may be)
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	the issue mandate proposed to be granted to the Directors to allot, issue and deal with Shares not exceeding 20% of the total number of issued Shares as at the date of passing of the resolution approving this issue mandate
“Latest Practicable Date”	Tuesday, 4 April 2023, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“Member(s)” or “Shareholder(s)”	holder(s) of the Share(s)
“New Share Option Scheme”	the new share option scheme of the Company proposed to be adopted by the Shareholders at the AGM, a summary of the principal terms of which is set out in Appendix IV to this circular
“New Share Scheme”	the new share scheme of the Company proposed to be adopted by the Shareholders at the AGM, a summary of the principal terms of which is set out in Appendix V to this circular
“PRC”	the People’s Republic of China
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) as amended from time to time
“Share(s)”	ordinary share(s) with a nominal value of US\$0.04 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Taiwan”	the Republic of China
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs as amended from time to time
“US\$”	United States dollars, the lawful currency of the United States of America
“%”	per cent

LETTER FROM THE BOARD

**FIH<sup>®</sup> 富智康<sup>®</sup>**  
**FIH Mobile Limited**  
**富智康集團有限公司**

*(incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 2038)**

*Executive Directors:*

CHIH Yu Yang (*Acting Chairman and  
Chief Executive Officer*)  
KUO Wen-Yi  
LIN Chia-Yi (also known as Charles LIN)

*Independent Non-executive Directors:*

LAU Siu Ki  
Daniel Joseph MEHAN  
TAO Yun Chih

*Registered Office:*

P. O. Box 31119 Grand Pavilion  
Hibiscus Way  
802 West Bay Road  
Grand Cayman, KY1-1205  
Cayman Islands

*Head Office:*

No. 4, Minsheng Street  
Tucheng District  
New Taipei City 236  
Taiwan

*Principal Place of Business in Hong Kong:*

8th Floor, Peninsula Tower  
538 Castle Peak Road  
Cheung Sha Wan  
Kowloon  
Hong Kong

14 April 2023

*To the Shareholders*

Dear Sir or Madam,

**GENERAL MANDATES  
TO ISSUE NEW SHARES AND TO BUY BACK SHARES,  
RE-ELECTION OF DIRECTOR,  
PROPOSED APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR,  
PROPOSALS FOR ADOPTION OF NEW SHARE OPTION SCHEME  
AND NEW SHARE SCHEME AND TERMINATION OF  
EXISTING SHARE OPTION SCHEME AND EXISTING SHARE SCHEME  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose

## LETTER FROM THE BOARD

of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

### INTRODUCTION

The purpose of this circular is to provide the Shareholders with information regarding, among other things, the Issue Mandate, the Buy-back Mandate, the re-election of the relevant Director, the proposed appointment of an independent non-executive Director and the proposals for the adoption of the New Share Option Scheme and the New Share Scheme and the termination of the Existing Share Option Scheme and the Existing Share Scheme.

By resolutions approved by the Shareholders entitled to vote at the annual general meeting of the Company, which were passed on 20 May 2022, general mandates were given to the Directors to allot, issue and deal with the Shares and to exercise the powers of the Company to buy back its own Shares in accordance with the relevant rules set out in the Listing Rules and the Takeovers Code. These general mandates will lapse at the conclusion of the forthcoming Annual General Meeting unless renewed at that meeting. Ordinary resolutions will therefore be proposed at the Annual General Meeting to renew the general mandates to allot, issue and deal with Shares and to buy back Shares.

As the Existing Share Option Scheme and the Existing Share Scheme will be valid and effective only until (inclusive of) 25 November 2023 and will be required to comply with the new requirements of Chapter 17 of the Listing Rules which have become effective since 1 January 2023, ordinary resolutions will be proposed at the AGM to approve the adoption of the New Share Option Scheme and the New Share Scheme which will comply with such new requirements as well as the consequential termination of the Existing Share Option Scheme and the Existing Share Scheme.

### ISSUE MANDATE

At the Annual General Meeting, an ordinary resolution will be proposed for the Shareholders to consider and, if thought fit, approve and grant the Issue Mandate. The Shares which may be allotted and issued pursuant to the Issue Mandate are up to 20% of the total number of issued Shares on the date of passing of the resolution approving the Issue Mandate. In addition, an ordinary resolution will also be proposed for the Shareholders to consider and, if thought fit, approve the extension of the Issue Mandate by adding to the aggregate number of Shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to the Issue Mandate the number of Shares bought back under the Buy-back Mandate, if granted. As at the Latest Practicable Date, the total issued share capital of the Company comprised 7,921,000,000 Shares of US\$0.04 each. Subject to passing of the ordinary resolutions approving both the Issue Mandate and the Buy-back Mandate and on the basis that no further Shares will be issued, purchased or bought back prior to the Annual General Meeting, exercise in full of the Issue Mandate (as so extended by adding

## **LETTER FROM THE BOARD**

thereto the aggregate number of Shares bought back under the Buy-back Mandate when exercised in full) will result in up to 30% of the total number of issued Shares as at the Latest Practicable Date or 2,376,300,000 Shares being allotted and issued.

Details of the Issue Mandate and the extension of the Issue Mandate are respectively set out in resolution numbers (6) and (7) in the notice of the Annual General Meeting set out on pages 46 and 47 of this circular. The Issue Mandate will expire upon whichever is the earliest of: (a) the conclusion of the next annual general meeting of the Company; (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable law to be held; and (c) the revocation or variation of the authority given to the Board under the ordinary resolution approving the Issue Mandate by passing of an ordinary resolution of the Shareholders in general meeting.

### **BUY-BACK MANDATE**

At the Annual General Meeting, an ordinary resolution will be proposed for the Shareholders to consider and, if thought fit, approve and grant the Buy-back Mandate. The Shares which may be bought back pursuant to the Buy-back Mandate are up to 10% of the total number of issued Shares on the date of passing of the resolution approving the Buy-back Mandate.

The Buy-back Mandate will expire upon whichever is the earliest of: (a) the conclusion of the next annual general meeting of the Company; (b) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable law to be held; and (c) the revocation or variation of the authority given to the Board under the ordinary resolution approving the Buy-back Mandate by passing of an ordinary resolution of the Shareholders in general meeting.

An explanatory statement as required under the Listing Rules, giving certain information regarding the Buy-back Mandate, is set out in Appendix I to this circular.

### **RE-ELECTION OF DIRECTOR**

Pursuant to article 95 of the Articles, Mr. LIN Chia-Yi (also known as Charles LIN) (“Mr. Lin”) who was appointed to fill a casual vacancy as an executive Director with immediate effect from 10 March 2023 and, being eligible, will offer himself for re-election at the Annual General Meeting. Pursuant to article 112 of the Articles, one-third of the Directors for the time being (or, if their number is not three or a multiple of three, then the number nearest to, but not exceeding one-third) shall retire from office by rotation at each annual general meeting of the Company provided that every Director shall be subject to retirement by rotation at least once every three years. In accordance with article 112 of the Articles and as disclosed in the Company’s announcement on change of directors dated 10 March 2023, Mr. TAO Yun Chih (“Mr. Tao”) will retire from office by rotation at the Annual General Meeting and he, although being eligible, will not offer himself for re-election and will retire as an independent non-executive Director after the conclusion of the Annual General Meeting in order to devote more time and attention to his existing and potential roles and positions with other business commitments and further developments. Mr. Tao has confirmed that he has no disagreement with the Board and there is no other matter relating to his retirement that needs

## **LETTER FROM THE BOARD**

to be brought to the attention of the Shareholders. Following Mr. Tao's retirement, he will cease to be a member of each of the audit committee, remuneration committee and nomination committee of the Company.

In this respect, the Company's nomination committee has performed work in respect of the proposed appointment of Mr. Lin as executive Director at the Board meeting held on 10 March 2023 as well as the proposed re-election of Mr. Lin at the Annual General Meeting respectively, and then recommended his proposed appointment and his proposed re-election respectively to the Board for the latter's consideration. For details of the policies and procedures adopted by the nomination committee in connection with such proposed appointment and re-election as well as a summary of the nomination committee's work so performed, please refer to pages 267 to 269 of the Company's 2022 corporate governance report (forming part of the Company's 2022 annual report) as issued and published simultaneously upon the issuance and publication of this circular.

Moreover, after a comprehensive review of all the skill sets, experience, age and qualifications of Mr. Lin, the Board has believed that Mr. Lin possesses the required character, competence, integrity, experience and diversity of perspectives to be appointed and to be re-elected as executive Director, and his continued tenure will continue to bring valuable insights, advices, expertise and better diversity of perspectives to the Board.

In view of the foregoing, the Board has recommended Mr. Lin to be re-elected as executive Director at the Annual General Meeting.

Details of Mr. Lin who is prepared to be re-elected at the Annual General Meeting are set out in Appendix II to this circular.

### **PROPOSED APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR**

Reference is made to the announcement of the Company dated 10 March 2023 in relation to, among others, the retirement of Mr. Tao as an independent non-executive Director and the proposed appointment of Ms. CHEN Shu Chuan (also known as Nadia CHEN) ("Ms. Chen") as an independent non-executive Director at the Annual General Meeting to fill up the vacancy arising from the retirement of Mr. Tao.

In this respect, the nomination committee has performed work in respect of the proposed appointment of Ms. Chen as independent non-executive Director at the Annual General Meeting, and then recommended her proposed appointment to the Board for the latter's consideration. For details of the policies and procedures adopted by the nomination committee in connection with such proposed appointment as well as a summary of the nomination committee's work so performed, please refer to pages 267 to 269 of the Company's 2022 corporate governance report (forming part of the Company's 2022 annual report) as issued and published simultaneously upon the issuance and publication of this circular.

## LETTER FROM THE BOARD

As disclosed in the aforesaid 10 March 2023 announcement, as to Ms. Chen's independence, Ms. Chen has confirmed that she meets the guidelines on independence set out in Rule 3.13 of the Listing Rules. In this respect, both the nomination committee and the Board have assessed Ms. Chen's independence for the purposes of the Listing Rules and have confirmed the same.

Moreover, after a comprehensive review of all the skill sets, experience, gender, age, qualifications and independent elements of Ms. Chen, the Board has believed that Ms. Chen possesses the required character, competence, integrity, experience and diversity of perspectives to be appointed as independent non-executive Director, and her appointment will bring valuable insights, advices, expertise, better diversity of perspectives as well as independent judgments and objective views to the Board.

In view of the foregoing, the Board has recommended Ms. Chen to be appointed as independent non-executive Director at the Annual General Meeting.

Details of Ms. Chen who is proposed to be appointed at the Annual General Meeting are set out in Appendix III to this circular.

### **PROPOSALS FOR ADOPTION OF NEW SHARE OPTION SCHEME AND NEW SHARE SCHEME AND TERMINATION OF EXISTING SHARE OPTION SCHEME AND EXISTING SHARE SCHEME**

On 26 November 2013, the then Shareholders conditionally approved the Existing Share Option Scheme and the Existing Share Scheme. The purpose of each of the Existing Share Option Scheme and the Existing Share Scheme is to attract skilled and experienced personnel, to incentivize them to remain with the Group and to give effect to the Group's customer-focused corporate culture, and to motivate them to strive for the future development and expansion of the Group, by providing them with the opportunity to acquire equity interests in the Company. The Existing Share Option Scheme complied with the applicable requirements of the pre-existing Chapter 17 of the Listing Rules relating to share option schemes adopted by a listed issuer or its subsidiaries which were effective until 31 December 2022 (the "Pre-existing Chapter 17"), whereas the Existing Share Scheme was not subject to the provisions of the Pre-existing Chapter 17.

In July 2022, the Stock Exchange announced amendments to the Pre-existing Chapter 17 which have become effective since 1 January 2023 (the "Existing Chapter 17"). The Existing Chapter 17 applies to both the Existing Share Option Scheme and the Existing Share Scheme, subject to certain transitional arrangements.

In order to ensure the continuity of a share option scheme and a share scheme for the Group to attract, reward, motivate and retain the Eligible Participants which will comply with the new requirements of the Existing Chapter 17, the Board proposes to adopt the New Share Option Scheme and the New Share Scheme and consequentially terminate the Existing Share Option Scheme and the Existing Share Scheme. Each of the New Share Option Scheme and the New Share Scheme constitutes a "Share Scheme" governed by the Existing Chapter 17. According to the Existing Chapter 17, the proposed adoption of the New Share Option Scheme and the New Share Scheme is subject to the approval of the Shareholders at the AGM.

## LETTER FROM THE BOARD

The Board believes that attracting, rewarding, motivating and retaining high-calibre personnel with appropriate qualifications, skills, knowledge and experience (particularly those who have made contributions to the Group) is a key to the continuous growth and long-term success of the Group, and the New Share Option Scheme and the New Share Scheme will provide the Eligible Participants with the opportunity to participate in the continuous growth and future development, expansion and long-term success of the Group by acquiring Shares representing ownership interest in the Company.

The coverage of the Eligible Participants is the same under both the New Share Option Scheme and the New Share Scheme. The Board (or its duly authorised officer(s) or delegate(s)) may (a) in accordance with the terms and procedures of the New Share Option Scheme and the New Share Scheme, determine or propose to the remuneration committee of the Company which Eligible Participants should be entitled to receive grants of Shares or options over Shares (as the case may be); (b) when choosing between making a grant and/or award under the New Share Option Scheme and the New Share Scheme for the designated Eligible Participants, consider and assess a number of factors which may include (among other things) the past services and contributions of the designated Eligible Participants, existing remuneration arrangement, incentives and motivations for future contributions of the designated Eligible Participants, the performance of the Group and the then prevailing Share price; and (c) impose condition(s) upon any grant or award under the New Share Option Scheme and the New Share Scheme, which may include (among other things) lock-up period(s)/vesting period(s), clawback mechanism (as more particularly described in Appendix IV to this circular) and satisfactory performance target(s) achievement rating (as more particularly described in Appendix IV to this circular). In particular, for alignment with the purpose of each of the New Share Option Scheme and the New Share Scheme, (a) the Eligible Participants (who are limited to the employees of the Group constituting the Group's human capital and most important assets) will be the target individuals for the Group to attract, reward, motivate and retain for the purposes of the Group's future development, expansion and long-term success; (b) if applicable, the vesting or lock-up period attached to an option or award is aimed at retaining the relevant Eligible Participants for a reasonable period after the grant of such option or award; (c) if applicable, the basis of determination of the exercise price of options or the purchase price of awards (which will make reference to the then prevailing market price of the Shares) will form a fair and reasonable basis on which the relevant Eligible Participants could acquire Shares to become Shareholders having equity interests in the Company; (d) if applicable, the imposition of the clawback mechanism as a condition attached to the option or award granted to the relevant Eligible Participant is aimed at clawing back all or part of such option or award granted to such Eligible Participant who was engaged in serious negligence, fraud, misconduct, etc. and hence did not conform with the standards of ethical behaviours expected of the Group's employees; and (e) if applicable, the imposition of satisfactory performance target(s) achievement rating as a condition attached to the option or award granted to the relevant Eligible Participant is aimed at motivating such Eligible Participant to enhance his performance to meet the Group's expectations.

One of the main differences of these two schemes is that under the share option scheme (either the existing one or the new one), the grantees will need to pay the exercise price upon the exercise of the options, whereas the shares granted under the share scheme (either the existing one or the new one) will be awarded to the grantees free of consideration.

## LETTER FROM THE BOARD

Since the adoption of the Existing Share Option Scheme by the then Shareholders on 26 November 2013 up to the Latest Practicable Date, the Company has not granted any option under the Existing Share Option Scheme. In addition, as at the Latest Practicable Date, there were no Shares which have been granted but remained to be subject to the corresponding lock-up periods under the Existing Share Scheme.

The Board has no intention of granting any options under the Existing Share Option Scheme, nor any further Shares under the Existing Share Scheme, during the period from the Latest Practicable Date up to the date of the AGM.

The Board proposes that subject to the adoption of the New Share Option Scheme and the New Share Scheme, the Existing Share Option Scheme and the Existing Share Scheme will be terminated with effect from the Adoption Date, subject to the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, on the Stock Exchange, any Shares to be issued pursuant to the exercise of options granted from time to time under the New Share Option Scheme as well as any Shares to be granted and issued from time to time under the New Share Scheme, in both cases subject to the aggregate maximum number of Shares as more particularly described in Appendix IV to this circular. For the avoidance of doubt, no further options will be granted under the Existing Share Option Scheme after its termination, and no further Shares will be granted under the Existing Share Scheme after its termination. As mentioned above, since there are no options granted prior to the termination of the Existing Share Option Scheme and not then exercised and no Shares granted prior to the termination of the Existing Share Scheme but remained to be subject to the corresponding lock-up periods (for the avoidance of doubt, the last Share grants under the Existing Share Scheme (as more particularly described in the Company's announcement dated 13 March 2023) were no longer subject to the corresponding lock-up periods prior to the Latest Practicable Date), each of the Existing Share Option Scheme and the Existing Share Scheme shall remain valid and shall continue to be subject to the Existing Chapter 17, only to the extent necessary for the purposes of their termination and ancillary matters (if any) or otherwise as may be required in accordance with the provisions of the Existing Share Option Scheme or the Existing Share Scheme (as the case may be).

Apart from the Existing Share Option Scheme and the Existing Share Scheme, there was no other subsisting share option scheme, share scheme or similar scheme of the Company as at the Latest Practicable Date.

As at the Latest Practicable Date, the issued share capital of the Company comprised 7,921,000,000 Shares. On the basis that there is no change in the issued share capital of the Company during the period from the Latest Practicable Date to the Adoption Date and subject to passing of the ordinary resolutions approving the adoption of the New Share Option Scheme and the New Share Scheme at the AGM and the Listing Committee of the Stock Exchange granting approval of the listing of, and permission to deal in, on the Stock Exchange, any Shares to be issued pursuant to the exercise of options granted from time to time under the New Share Option Scheme as well as any Shares to be granted and issued from time to time under the New Share Scheme, the total number of Shares issuable upon exercise of all options which may be granted pursuant to the New Share Option Scheme and upon being granted pursuant to the New Share Scheme as at the Adoption Date will be 792,100,000 Shares, representing 10% of the total number of Shares in issue as at the Adoption Date.

## LETTER FROM THE BOARD

The Board considers that it is not appropriate to state the value of all the options that can be granted under the New Share Option Scheme as if they had been granted as at the Latest Practicable Date, given that the variables which are crucial for the calculation of the value of such options cannot be reasonably determined. Such variables include (among other things) the subscription price for the Shares to be allotted and issued upon the exercise of such options, the timing of the grant of such options, their respective exercise/vesting periods, whether or not such options (if granted) will be exercised by the corresponding option grantees, and other relevant variables. It follows that the calculation of the value of such options depends on a number of variables which are either difficult to be ascertained for the time being or can only be ascertained subject to a number of theoretical bases and speculative assumptions. Accordingly, the Board takes the view that any calculation of the value of such options as at the Latest Practicable Date would not be meaningful and may be misleading to the Shareholders in the circumstances. Nevertheless, for compliance with the Listing Rules, estimated fair valuations at the end of the relevant financial period for any interim or final results of the Group would be disclosed to the Shareholders in the corresponding interim or annual report of the Company.

As at the Latest Practicable Date, the Board (or its duly authorised officer(s) or delegate(s)) has/have not proposed any beneficiary nor grantee under either the New Share Option Scheme or the New Share Scheme, and accordingly, the Company is not aware that any Shareholder is required to abstain from voting at the AGM on the resolutions as set out in the notice of the AGM proposed for approving the adoption of the New Share Option Scheme and the New Share Scheme and the consequential termination of the Existing Share Option Scheme and the Existing Share Scheme.

None of the Directors is a trustee of the New Share Scheme (the “Trustee”) or has any direct or indirect interest in the Trustee. The Trustee, namely Core Pacific - Yamaichi International (H.K.) Nominees Limited, is a professional institution and a direct wholly-owned subsidiary of Core Pacific - Yamaichi International (H.K.) Limited which in turn is a licensed corporation under the SFO to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities (Core Pacific-Yamaichi International (H.K.) Nominees Limited and Core Pacific - Yamaichi International (H.K.) Limited are collectively referred to as the “CPY Entities”). The Trustee has been appointed by the Company as such to operate and administer the New Share Scheme in accordance with the terms of the New Share Scheme. Having made such enquiry with respect to the Trustee as is reasonable in the circumstances, the Company is not aware that the Trustee has any relationship with the Company (other than the services provided from time to time by the CPY Entities to the Company in connection with the operation and administration of the Existing Share Option Scheme and the Existing Share Scheme respectively and share buy-backs pursuant to the relevant buy-back mandates approved by the then Shareholders as well as other services provided from time to time by the CPY Entities to the Group in the ordinary and usual course of business) nor its connected persons and their respective associates as defined in the Listing Rules (other than the services provided from time to time by the CPY Entities to any such connected persons and associates in connection with the Shares held by the Trustee on their behalf as well as other services provided from time to time by the CPY Entities to any one or more of them in the ordinary and usual course of business). The Existing Share Scheme is, and the New Share Scheme (when approved by the Shareholders at the AGM) will be, an

## **LETTER FROM THE BOARD**

employees' share scheme established for a wide scope of participants and the aggregate interests held by the Company's connected persons (as defined in the Listing Rules) in the Existing Share Scheme as at the Latest Practicable Date or the New Share Scheme (as the case may be) are and will be less than 30%. In this respect, the Company has implemented and maintained an internal control measure for the Company's human resources department to monitor and ensure that the aggregate interests held from time to time by the Company's connected persons (arising from the grants of Shares to them and the Shares, whether being subject to applicable lock-up periods, then held by them pursuant to the New Share Scheme) should be less than 30% of the total Shares (whether being subject to applicable lock-up periods) to be granted from time to time under the New Share Scheme, and will be regularly verifying the foregoing with the Trustee, when necessary. On this basis, the Trustee is not and will not be a connected person of the Company for the purposes of Rule 14A.12 of the Listing Rules, to the effect that the transactions between the Trustee and the Group as contemplated by the Existing Share Scheme or the New Share Scheme (as the case may be) may not constitute a connected transaction nor a continuing connected transaction under Chapter 14A of the Listing Rules.

Application will be made to the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares to be allotted and issued pursuant to the exercise of the options granted from time to time under the New Share Option Scheme as well as the Shares to be granted and issued from time to time under the New Share Scheme.

A summary of the principal terms of the New Share Option Scheme is set out in Appendix IV to this circular, and a summary of the principal terms of the New Share Scheme is set out in Appendix V to this circular.

Electronic copies of the New Share Option Scheme and the New Share Scheme respectively are published on the website of the Stock Exchange (<https://www.hkexnews.hk>) and the website of the Company (<https://www.fihmobile.com>) for a period of 14 days from the date of this circular up to and including 27 April 2023 (both days inclusive).

### **ANNUAL GENERAL MEETING**

The notice convening the Annual General Meeting is set out on pages 45 to 51 of this circular. At the Annual General Meeting, ordinary resolutions will be proposed to approve, among other things, the granting of the Issue Mandate, the Buy-back Mandate, the re-election of the relevant Director, the proposed appointment of an independent non-executive Director, and the proposals for adoption of the New Share Option Scheme and the New Share Scheme and termination of the Existing Share Option Scheme and the Existing Share Scheme.

A form of proxy for use at the Annual General Meeting is enclosed with this circular. Whether or not the Shareholders are able to attend the Annual General Meeting, the Shareholders are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any

## LETTER FROM THE BOARD

event not less than 48 hours before the time appointed for holding of the Annual General Meeting. Completion and return of the form of proxy will not preclude the Shareholders from attending and voting at the Annual General Meeting in person if they so wish.

### RECOMMENDATIONS

The Board considers that: (a) the granting of the Issue Mandate; (b) the granting of the Buy-back Mandate; (c) the re-election of the relevant Director; (d) the appointment of an independent non-executive Director; and (e) the adoption of the New Share Option Scheme and the New Share Scheme as well as the consequential termination of the Existing Share Option Scheme and the Existing Share Scheme, respectively, to be proposed at the Annual General Meeting are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting.

Yours faithfully  
For and on behalf of the Board  
**CHIH Yu Yang**  
*Acting Chairman*

The following is the explanatory statement required to be sent to the Shareholders under the Listing Rules in connection with the Buy-back Mandate:

### **LISTING RULES**

The Listing Rules permit companies with a primary listing on the Stock Exchange to buy back their fully-paid up shares on the Stock Exchange subject to certain restrictions.

### **SHAREHOLDERS' APPROVAL**

The Listing Rules provide that all on-market share buy-backs by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by specific approval of a particular transaction or by a general mandate to the directors of the company to make such buy-backs.

### **SHARE CAPITAL**

As at the Latest Practicable Date, the total issued share capital of the Company comprised 7,921,000,000 Shares of US\$0.04 each. Subject to passing of the ordinary resolution approving the Buy-back Mandate and on the basis that no further Shares will be issued, purchased or bought back prior to the Annual General Meeting, exercise in full of the Buy-back Mandate can result in up to 792,100,000 Shares being bought back by the Company during the period from 19 May 2023, being the date of the Annual General Meeting, up to the earliest of: (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable law to be held; and (iii) the revocation or variation of the authority given to the Board under the ordinary resolution approving the Buy-back Mandate by passing of an ordinary resolution of the Shareholders in general meeting.

### **REASONS FOR BUY-BACK**

The Board believes that the value of the Shares traded on-market was undervalued. Accordingly, the Board is of the view that Share buy-backs are in the interests of the Company and its Shareholders as a whole.

### **FUNDING OF BUY-BACK**

Buy-back must be made out of funds which are legally available for such purpose in accordance with all applicable laws of the Cayman Islands and the Articles.

Any buy-back by the Company may be made out of the profits of the Company or out of a fresh issue of Shares made for the purpose of the buy-back or, if authorised by the Articles and subject to the Companies Act, out of capital and, in the case of any premium payable on the buy-back, out of the profits of the Company or from sums standing to the credit of the share premium account of the Company or, if authorised by the Articles and subject to the Companies Act, out of capital.

The Directors consider that the exercise in full of the Buy-back Mandate to buy back Shares might have a material adverse impact on the working capital or the gearing position of the Company as compared with its financial position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 December 2022.

However, no buy-back will be made in circumstances that may have a material adverse impact on the working capital or gearing position of the Company unless the Directors consider that such buy-backs are in the best interests of the Company notwithstanding such material adverse impact.

### SHARE PRICES

The monthly highest and lowest prices at which the Shares were traded on the Stock Exchange in each of the previous twelve months prior to the Latest Practicable Date were as follows:

Month	Share Prices (per Share)	
	Highest HK\$	Lowest HK\$
2022		
April	1.09	0.92
May	1.04	0.90
June	1.14	0.98
July	1.12	1.00
August	1.05	0.99
September	1.02	0.73
October	0.81	0.63
November	0.86	0.64
December	0.92	0.80
2023		
January	0.89	0.81
February	1.09	0.84
March	0.90	0.80
April (up to the Latest Practicable Date)	0.85	0.82

### THE TAKEOVERS CODE

If as a result of a buy-back of Shares by the Company, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or group of Shareholders acting in concert, depending on the level of increase of shareholding interest, could obtain or consolidate control of the Company and may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

Based on information that is publicly available to the Company and within the knowledge of the Directors as at the Latest Practicable Date, Hon Hai (through Foxconn Far East) was interested in a total of 5,081,034,525 Shares, representing approximately 64.15% of the total number of issued Shares as at such date. In the event that the Directors exercise the Buy-back Mandate in full, and assuming that there is no alteration to the existing shareholding of Hon Hai and Foxconn Far East, the indirect shareholding of Hon Hai in the Company will increase to approximately 71.27%. Taking into account that each of Hon Hai and Foxconn Far East is already holding more than 50% of the issued Shares as at the Latest Practicable Date, it is not expected that any buy-back of Shares pursuant to the Buy-back Mandate would give rise to a mandatory offer obligation on the part of Hon Hai and/or Foxconn Far East under Rule 26 of

the Takeovers Code. Save as aforesaid and based on information that is publicly available to the Company and within the knowledge of the Directors as at the Latest Practicable Date, the Directors are not aware of any other consequence that would arise under Rule 26 of the Takeovers Code as a result of exercising the power to buy back Shares under the Buy-back Mandate. The Directors do not have any present intention to exercise the Buy-back Mandate to such extent as will trigger the application of Rule 26 of the Takeovers Code.

Also, based on information that is publicly available to the Company and within the knowledge of the Directors as at the Latest Practicable Date: (i) approximately 34.97% of the total number of issued Shares (exclusive of approximately 64.15% of the total number of issued Shares held by Hon Hai through Foxconn Far East as mentioned above, a total of approximately 0.48% of the total number of issued Shares in which the relevant Directors namely Mr. CHIH Yu Yang, Dr. KUO Wen-Yi and Mr. LIN Chia-Yi (also known as Charles LIN) were interested, as well as approximately 0.40% of the total number of issued Shares held by the Trustee) are in the hands of the public for the purposes of the Listing Rules; and (ii) in the event that the Directors exercise the Buy-back Mandate in full, and assuming that there is no alteration to the existing shareholding of Hon Hai, Foxconn Far East, such Directors and the Trustee and that no other Shareholders will cease to be regarded as part of the public for the purposes of the Listing Rules, the percentage of issued Shares held by the public for the purposes of the Listing Rules will decrease to approximately 27.75%, which is over the prescribed minimum percentage of shareholding required to be held by the public under the Listing Rules.

#### **DIRECTORS AND THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS**

None of the Directors nor, to the best of their knowledge and having made all reasonable enquiries, any of their close associates (as the term is defined in the Listing Rules), has any present intention to sell Shares to the Company or its subsidiaries if the Buy-back Mandate is approved by the Shareholders.

No core connected person (as the term is defined in the Listing Rules) has notified the Company that he/she has a present intention to sell Shares to the Company and no such person has undertaken not to do so in the event that the Buy-back Mandate is approved by the Shareholders.

#### **UNDERTAKING OF THE DIRECTORS**

The Directors have undertaken to the Stock Exchange, so far as the same may be applicable, to exercise the power of the Company conferred to it under the Buy-back Mandate in accordance with the Listing Rules and all applicable laws of the Cayman Islands.

#### **BUY-BACKS MADE BY THE COMPANY**

In the eleven months immediately preceding the Latest Practicable Date, the Company bought back in multiple batches a total of 56,000,000 Shares on the Stock Exchange in cash for an aggregate consideration (before expenses) of HK\$54,549,760.00, details of which are as follows:

Date of buy-back	No. of Shares bought back	Price per Share		Aggregate consideration paid (before expenses) HK\$
		Highest HK\$	Lowest HK\$	
8 June 2022	163,000	1.03	1.03	167,890.00
9 June 2022	156,000	1.03	1.02	160,030.00
10 June 2022	503,000	1.05	1.01	528,030.00
13 June 2022	284,000	1.03	1.02	291,880.00
14 June 2022	1,062,000	1.05	1.01	1,084,650.00
16 June 2022	835,000	1.05	1.03	871,050.00
20 June 2022	497,000	1.05	1.04	521,350.00
21 June 2022	1,000,000	1.06	1.04	1,053,000.00
22 June 2022	500,000	1.05	1.05	525,000.00
23 June 2022	1,001,000	1.08	1.04	1,058,070.00
24 June 2022	1,400,000	1.11	1.09	1,534,000.00
28 June 2022	2,258,000	1.12	1.09	2,507,740.00
29 June 2022	707,000	1.13	1.13	798,910.00
30 June 2022	634,000	1.12	1.12	710,080.00
4 July 2022	1,300,000	1.12	1.11	1,451,000.00
5 July 2022	2,149,000	1.11	1.08	2,355,920.00
6 July 2022	1,451,000	1.08	1.07	1,557,080.00
7 July 2022	3,600,000	1.06	1.05	3,791,000.00
8 July 2022	5,500,000	1.06	1.04	5,775,000.00
11 August 2022	1,451,000	1.03	1.02	1,493,020.00
12 August 2022	1,668,000	1.04	1.02	1,725,080.00
15 August 2022	600,000	1.04	1.04	624,000.00
16 August 2022	878,000	1.03	1.02	898,690.00
17 August 2022	2,200,000	1.03	1.03	2,266,000.00
18 August 2022	500,000	1.03	1.03	515,000.00
19 August 2022	500,000	1.04	1.04	520,000.00
22 August 2022	500,000	1.02	1.02	510,000.00
23 August 2022	464,000	1.01	1.01	468,640.00
24 August 2022	500,000	1.02	1.02	510,000.00
15 November 2022	1,000,000	0.82	0.82	820,000.00
16 November 2022	500,000	0.81	0.81	405,000.00
18 November 2022	1,000,000	0.82	0.82	820,000.00
22 November 2022	97,000	0.80	0.80	77,600.00
23 November 2022	1,003,000	0.83	0.80	807,710.00
24 November 2022	390,000	0.82	0.81	317,660.00
28 November 2022	410,000	0.82	0.82	336,200.00
29 November 2022	1,100,000	0.84	0.82	910,000.00
1 December 2022	300,000	0.86	0.86	258,000.00
6 December 2022	40,000	0.88	0.88	35,200.00
9 December 2022	499,000	0.90	0.89	447,500.00
12 December 2022	561,000	0.86	0.86	482,460.00
13 December 2022	300,000	0.87	0.87	261,000.00
15 December 2022	600,000	0.84	0.83	500,300.00
16 December 2022	517,000	0.82	0.81	420,770.00
19 December 2022	216,000	0.82	0.81	176,790.00
20 December 2022	67,000	0.82	0.82	54,940.00
23 December 2022	300,000	0.83	0.83	249,000.00
28 December 2022	300,000	0.84	0.84	252,000.00
29 December 2022	300,000	0.83	0.83	249,000.00
30 December 2022	1,500,000	0.84	0.83	1,258,000.00
3 January 2023	2,161,000	0.86	0.85	1,851,200.00
4 January 2023	1,078,000	0.87	0.86	932,080.00
5 January 2023	1,000,000	0.86	0.86	860,000.00
6 January 2023	2,500,000	0.85	0.84	2,121,070.00
30 March 2023	232,000	0.84	0.84	194,880.00
31 March 2023	3,768,000	0.85	0.83	3,179,290.00
	<u>56,000,000</u>			<u>54,549,760.00</u>

For more details about the above buy-backs, please refer to pages 139 and 140 of the Company's 2022 annual report as issued and published simultaneously upon the issuance and publication of this circular.

Save as disclosed above, the Company has not purchased, sold or redeemed any of the Shares in the preceding six months (whether on the Stock Exchange or otherwise) ending on the Latest Practicable Date.

The following are the particulars of the Director proposed to be re-elected at the Annual General Meeting:

**LIN Chia-Yi (also known as Charles LIN)** (Mr.), Chinese (Taiwan) and aged 52, has been appointed as an executive director of the Company with immediate effect from 10 March 2023. Mr. Lin has over 26 years of experience in communication and computer industries. He is the vice president of the Group, who is mainly responsible for the profit and loss of IDM1 (Innovation, Design, Manufacture) business unit, implementing management by objectives and maintaining customer satisfaction, improving gross profit margin and operating margin and developing core technologies as the primary objectives. Mr. Lin is a director of Chiun Mai Communication Systems, Inc. (“CMCS”) and Execustar International Limited, both being subsidiaries of the Company. Mr. Lin is expertized in the field of premium Smartphone (SP) and interrelated mobile devices and leads the business development, research and development (R&D) engineering, new product introduction (NPI) and manufacturing teams, to provide solid NPI services as well as manufacturing and delivery services to customers. Through performing his roles and functions within the Group, Mr. Lin has accumulated years of experience and competitive advantages in SP design, antenna, mechanical engineering, software development and testing tool development, and is dedicated to realize successful products to customers. In addition, Mr. Lin is currently leading the team in building artificial intelligent core technology based on current core technologies, and has been actively participating in the Group “3+3” (three key industries “electric vehicles, digital health, and robotics industries” and three key technologies “artificial intelligence, semiconductors and next-generation communication technologies”) strategy’s new business development in robotics segment as an upfront investment for its long-term development. He joined the Group in 2005 and was in charge of the original design manufacturing (ODM) business operation when the Group acquired CMCS. Mr. Lin has led the team to transform feature phone ODM business to SP ODM business successfully in 2012. Furthermore, he has performed multi-functional roles across business operation, R&D engineering, NPI engineering, and manufacturing and built highly trusted partnerships with customers in launching a series of premium SP products since 2017. Before joining the Company, Mr. Lin was the product manager of BenQ (formerly known as Acer Communications and Multimedia, Inc. (“Acer”)) and Quanta Computer Inc. from 1996 to 2001. He also worked with Acer as a strategic sourcing officer in which he had been delegated to Netherlands for 2 years and leading of the procurement management team. Mr. Lin joined CMCS in 2001, mainly responsible for product management. Mr. Lin obtained a master’s degree in business (MBA) from National Taiwan University in 1994 and a bachelor’s degree in marine environmental engineering from National Sun Yat-sen University in 1992.

Save as disclosed in this Appendix: (a) Mr. Lin did not hold other positions with the Company or other members of the Group, nor did he have any relationships with any directors, senior management or substantial or controlling shareholders of the Company; and (b) Mr. Lin did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years up to the Latest Practicable Date.

As at the Latest Practicable Date, Mr. Lin was interested in 1,173,012 shares in the Company. Save as disclosed above, as at the Latest Practicable Date, Mr. Lin did not have any interest in the shares and/or underlying shares of the Company or its associated corporations within the meaning of Part XV of the SFO.

Pursuant to the letter of appointment entered into between Mr. Lin and the Company, Mr. Lin's appointment is for a term of not more than 3 years commencing from 10 March 2023 and ending upon the conclusion of the relevant general meeting of the Company at which (among other things) his next re-election is considered in accordance with the Articles. Mr. Lin is entitled to annual emoluments consisting of basic salary of US\$137,118 and discretionary bonus to be determined by the Board from time to time with reference to the Company's performance, his duties and responsibilities with the Company, his contribution to the Company and the prevailing market practice.

In relation to the re-election of Mr. Lin as Director, save as disclosed above, there is no information which is discloseable nor is he involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

The following are the particulars of the Director proposed to be appointed at the Annual General Meeting:

**CHEN Shu Chuan** (also known as Nadia CHEN) (Ms.), Chinese (Taiwan) and aged 55, will, subject to the approval of the Company's shareholders, be appointed as an independent non-executive director of the Company and also a member of each of the audit committee, remuneration committee and nomination committee of the Company, in each case with effect from the conclusion of the 2023 AGM. She has over 34 years of experience in the financial sector. Ms. Chen has been a board member and speaker of the ACAMS Taiwan Chapter (focusing on providing education and training on AML (Anti-Money Laundering)/CFT (Combating Financing of Terrorism) in Taiwan) since 2018. Since November 2019, she has also been the chairlady of the Female Leadership Committee of the Taiwan Listed Companies Association which is one of Taiwan's most important economic and trade associations aiming to combine outstanding entrepreneurs and professionals to build a platform for mutual exchange and brainstorming and share learning to expand participants' broader and far-reaching horizons and more substantial competitiveness. The total market value of all association members accounts for 20% of the total market value of the Taiwan stock market. Ms. Chen serves as an independent director of IBF Financial Holdings Co., Ltd. (which is a financial holding company engaged mainly in bills finance, securities, and venture capital services, whose shares are listed on the Taiwan Stock Exchange Corporation) and Shieh Yih Machinery Industry Co., Ltd. (which is the world's top five servo punch manufacturer and the world's top 20 machine tools equipment leader with a global presence, whose shares are listed on Taipei Exchange) with effect from 12 June 2020 and 27 May 2022 respectively. She is also an independent director of International Bills Finance Corporation (a wholly owned subsidiary of IBF Financial Holdings Co., Ltd., which mainly provides bill finance services in Taiwan) with effect from 28 August 2020. Ms. Chen was a board director of Aegis Custody Co., Ltd. (a company providing one-stop blockchain-based custodial solutions) during the period from November 2020 to December 2021. Prior to the foregoing, Ms. Chen held certain leadership and senior managerial positions in the banking and financial industry, including a country executive and managing director (Taiwan) in The Bank of New York Mellon Taipei Branch from August 2007 to October 2019, and a chief representative and country manager for Commerzbank AG Taipei Representative Office from November 2002 to August 2007. Ms. Chen received an Executive Master of Business Administration degree with an emphasis in International Finance Management and an International Executive Master of Business Administration degree in International Finance and Investment from National Taipei University in 2000 and 2006 respectively.

Save as disclosed in this Appendix: (a) Ms. Chen did not hold other positions with the Company or other members of the Group, nor did he have any relationships with any director, senior management or substantial or controlling shareholder of the Company; and (b) Ms. Chen did not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years up to the Latest Practicable Date.

As at the Latest Practicable Date, Ms. Chen did not have any interest in the shares and/or underlying shares of the Company or its associated corporations within the meaning of Part XV of the SFO.

Immediately following the approval by the Shareholders of the aforesaid appointment, Ms. Chen will enter into a letter of appointment with the Company, setting out the terms and conditions governing her appointment and ancillary matters, to be amended and supplemented from time to time. Pursuant to the letter of appointment, (a) Ms. Chen will be appointed for a term of not more than 3 years commencing from the date of the 2023 AGM and ending upon the conclusion of the relevant general meeting of the Company at which (among other things) her next re-election is considered in accordance with the articles of association of the Company in force for the time being; and (b) Ms. Chen will be entitled to a fee for her services as independent non-executive director of HK\$26,000 per month (less any necessary statutory deductions).

As to Ms. Chen's independence, Ms. Chen has confirmed that she meets the guidelines on independence set out in Rule 3.13 of the Listing Rules. In this respect, both the nomination committee of the Company and the Board have assessed Ms. Chen's independence for the purposes of the Listing Rules and have confirmed the same.

Save as disclosed above, there is no information which is discloseable nor is Ms. Chen involved in any of the matters required to be disclosed pursuant to any of the requirements of the provisions under Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules, and there is no other matter which needs to be brought to the attention of the Shareholders.

The following is a summary of the principal terms of the New Share Option Scheme, which does not form part of the New Share Option Scheme and thus not affect its interpretation. The terms of the New Share Option Scheme are in accordance with the provisions of the Existing Chapter 17.

For the purposes of this Appendix IV and Appendix V to this circular, the following expressions shall have the following meanings:

- “Clawback Mechanism” in relation to any remuneration of any grantee payable by the Company or any of its subsidiaries (including but not limited to any Option granted to such grantee under the New Share Option Scheme), the mechanism under which (a) any of the incentive payments to such grantee, whether in the form of cash or share-based awards (including but not limited to any Option granted to such grantee from time to time under the New Share Option Scheme), are subject to clawback (by way of recovery, withholding or otherwise) under any one or more of the special circumstances specified by the Board from time to time as clawback triggering event(s) (including but not limited to where there has been a material misstatement or omission in the financial statements of the Company or any of its subsidiaries involving such grantee, or if such grantee has engaged in serious negligence, fraud or misconduct); and (b) in relation to any of such special circumstance(s)/clawback triggering event(s), the Board may consider the report(s) from the Company’s human resources department on the background and details underlying such special circumstance(s)/clawback triggering event(s) and related findings of investigations, and may then determine any clawback action to be taken in respect of any incentive monies made and to be made and/or any Options granted and to be granted to any grantee within a period of three years immediately preceding the date on which the Board determines such action
- “Performance Target(s)” in relation to grant of an Option to a grantee, any one or more of the following performance target(s) set by the supervisor(s)/manager(s) to whom such grantee directly/indirectly reports in respect of the relevant 12-month period applicable to such grant: (a) such grantee’s individual performance in terms of his pre-determined key performance indicators (KPIs); (b) if applicable, specific functional target(s) assigned to such grantee; (c) if applicable, financial and/or other objectives set for such grantee; and/or (d) if applicable, the KPIs set for the business unit(s) and/or functional department(s) to which such grantee belongs; and/or (e) in relation to any Director, additional performance target(s) as set forth in the Directors’ Remuneration Policy of the Company as amended from time to time

“Performance Target(s) Achievement Rating”	in relation to the relevant 12-month period applicable to grant of an Option to a grantee, the performance rating assigned to such grantee by the supervisor(s)/manager(s) to whom such grantee directly/indirectly reports following a thorough annual performance appraisal process in which the achievement of his Performance Target(s) is individually and collectively measured and assessed
“Relevant Conditions”	if applicable, condition(s) as to (a) the Clawback Mechanism; (b) satisfactory Performance Target(s) Achievement Rating; (c) any performance criteria to be satisfied by the Company and/or the Group before an Option can be exercised; (d) the vesting period or lock-up period (as the case may be); and/or (e) in respect of any particular Option, the period (which must not be more than 10 years from the date of grant of the Option) during which the Option may be exercised after vesting as determined by the Board and notified to a grantee, subject to the provisions for early termination thereof contained in the New Share Option Scheme
“Relevant Shares”	collectively, (a) Shares granted and to be granted by the Company by way of the allotment and issue of new Shares under the New Share Scheme; (b) Shares which may be allotted and issued upon exercise of all Options that may be granted and to be granted by the Company under the New Share Option Scheme; and (c) Shares which may be granted by way of the allotment and issue of new Shares and/or Shares which may be allotted and issued upon exercise of all options granted by the Company from time to time under other incentive scheme(s) of the Company (if any)

**(A) PURPOSE**

The purpose of the New Share Option Scheme is to attract and retain capable, skilled and experienced personnel, to incentivize them to remain with the Group and to give effect to the Group’s customer-focused and performance-driven corporate culture, and to motivate them to strive for the future development and expansion and long-term success of the Group, by providing them with the opportunity to acquire equity interests in the Company.

**(B) WHO MAY JOIN**

The Board (or its duly authorised officer(s) or delegate(s)) may, at its absolute discretion, offer to grant to any Eligible Participants options to subscribe for Shares (“Options”) upon and subject to the terms and conditions set out in the New Share Option Scheme. In this respect, the Board (or its duly authorised officer(s) or delegate(s)) may consider and assess a number of factors which may include (among other things) the past services and contributions of the proposed Eligible Participant, existing remuneration arrangement, incentives and motivations for future contributions of such Eligible Participant, the performance of the Group and the then prevailing Share price. For the avoidance of doubt, the directors and other members of senior management and other employees of the Group may be eligible to participate in the New Share

Option Scheme in accordance with its terms, whereas the Group's external service providers are not eligible to participate in the New Share Option Scheme and hence should not be granted any Option under the New Share Option Scheme.

As to Options to be granted to any Directors, chief executive, substantial shareholders (as defined in the Listing Rules) or other connected persons of the Company:

- (a) Any Options to be granted to a Director, chief executive or substantial shareholder of the Company or any of his/its associates shall be approved by the independent non-executive Directors (excluding any independent non-executive Director who is the proposed grantee of the Options), which approval may relate to the exact number of Options to be granted or the maximum number of Options to be granted over a specified period of time.
- (b) Without prejudice to the generality of Paragraph (B)(a) above, if any Options to be granted to a substantial shareholder of the Company or an independent non-executive Director, or any of his/its associates, will result in the total number of the Relevant Shares granted and to be granted to such connected person or his/its associate(s) (excluding any options and awards lapsed in accordance with the terms of the New Share Option Scheme, the New Share Scheme and/or (if any) other incentive scheme) during the 12-month period up to and including the date of such proposed grant representing in aggregate over 0.1% of the total issued shares of the Company as at the date of such proposed grant, then such proposed grant will be required to be approved by the independent Shareholders in general meeting, at which all core connected persons (as defined in the Listing Rules) of the Company, such connected person and their respective associates shall abstain from voting on the relevant resolution(s) at the general meeting. The Company will send a circular to its Shareholders containing such disclosures as required under the Listing Rules, including without limitation such information as is required under Rule 17.04 of the Existing Chapter 17, which shall in turn include: (i) details of the number and terms (including the information required under Rules 17.03(5) to 17.03(10) and Rule 17.03(19) of the Existing Chapter 17) of the Options to be granted to each participant, which must be fixed before the Shareholders' meeting. In respect of any Options to be granted, the date of the Board meeting for proposing such further grant is to be taken as the date of grant for the purpose of calculating the exercise price under Rule 17.03E of the Existing Chapter 17; (ii) the views of the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the Options) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and the Shareholders as a whole, and their recommendation to the independent Shareholders as to voting; (iii) the information required under Rule 2.17 of the Listing Rules; (iv) if applicable, the information required under Rule 17.02(2)(c) of the Listing Rules; and (v) as to any of the above parties who are required to abstain from voting in favour at the general meeting, their intention to vote against the resolutions at the general meeting as required under Rule 13.40 of the Listing Rules.

**(C) MAXIMUM NUMBER OF SHARES**

- (a) The maximum number of the Relevant Shares shall not in aggregate exceed 10% of the issued shares of the Company as of the Adoption Date (the “Maximum Number of Shares”), unless the Company obtains the approval of its Shareholders in accordance with Paragraph (C)(b) below. Options and awards lapsed in accordance with the terms of the New Share Option Scheme, the New Share Scheme and/or (if any) other incentive scheme(s) shall not be counted for the purpose of calculating the 10% limit.
- (b) The Company may seek the approval of its Shareholders in general meeting to refresh the Maximum Number of Shares such that the total number of the Relevant Shares under the limit as refreshed shall not exceed 10% of the issued shares of the Company as at the date of approval of the refreshed limit, provided that the 10% limit may be refreshed (a) every three years with the approval of the Shareholders in general meeting; or (b) within a three-year period with the approval of the Shareholders so long as the Company’s controlling shareholder (as defined in the Listing Rules) and its associates (or where there is no controlling shareholder, the executive Directors, non-executive Directors and chief executive officer of the Company and their respective associates) shall abstain from voting on the relevant resolution(s) at the general meeting. Options and awards previously granted under the New Share Option Scheme, the New Share Scheme and/or (if any) other incentive scheme(s), including but not limited to options outstanding, cancelled or lapsed and/or awards lapsed in accordance with the relevant scheme and/or exercised options, shall not be counted for the purpose of calculating the limit to be refreshed.
- (c) The Company may seek a separate approval from the Shareholders in general meeting to grant Options which will result in the number of the Relevant Shares as at the date of the proposed grant exceeding 10% of the Company’s issued shares as at such date, provided that such Options are granted only to any of the Eligible Participants who are specifically identified by the Company before the separate approval of the Shareholders is sought. The Company must send to its Shareholders a circular containing (among others) the name of each specified Eligible Participant who may be granted such Options, the number and terms of the Options to be granted to each specified Eligible Participant, and the purpose of granting such Options to each specified Eligible Participant with an explanation as to how the terms of such Options serve such purpose and such other disclosures as required under the Listing Rules. The number and terms of the Options to be granted to such specified Eligible Participant must be fixed before the Shareholders’ approval. In respect of any Options to be granted, the date of the Board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the exercise price under Rule 17.03E of the Existing Chapter 17.
- (d) If any proposed grant of an Option to any proposed grantee under the New Share Option Scheme would result in the total number of the Relevant Shares granted and to be granted to such proposed grantee (excluding any options and awards lapsed in accordance with the terms of the New Share Option Scheme, the New Share Scheme and/or (if any) other incentive scheme(s)) during the 12-month period up to and including the date of such proposed grant exceeding 1% of the total issued shares of the Company as at the date of such proposed grant, then such proposed grant must be

separately approved by the independent Shareholders in general meeting, at which such proposed grantee and his close associates (as defined in the Listing Rules) (or associates if such proposed grantee is a connected person in relation to the Company or any of its subsidiaries) shall abstain from voting on the relevant resolution(s) at the general meeting. The Company must send to its Shareholders a circular containing such disclosures as required under the Listing Rules.

#### **(D) GRANT OF OPTIONS**

- (a) The period within which the Options must be exercised will be specified by the Board (or its duly authorised officer(s) or delegate(s)) at the time of grant, which must not be more than 10 years from the date of grant of such Options.
- (b) An offer of grant of Options shall be made by letter to the proposed grantee, specifying the number of Options proposed to be granted and the applicable terms and conditions relating to the Options, including (if applicable) any one or more of the Relevant Conditions. The proposed grantee is required to accept the offer by a date not more than 30 days after the date of the offer and undertake to hold the Options upon and subject to the terms and conditions governing the grant and, upon receipt by the Company or any of its subsidiaries of such acceptance, together with the payment of HK\$1.00 by way of consideration, the Options shall be deemed to have been granted to and accepted by the proposed grantee (“Option holder”) and to have taken effect. To the extent that the offer is not accepted by the proposed grantee within the aforesaid 30-day period, the offer will be deemed to have been irrevocably declined, in which case no Option will be granted to such proposed grantee.
- (c) The Directors shall not offer to grant any Option under the New Share Option Scheme after any inside information relating to the Company or any of its subsidiaries has come to the knowledge of the Company, until such inside information has been announced by the Company. In particular, no Option shall be granted during the period commencing one month immediately preceding the earlier of the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company’s results for any year, half-year, quarterly or any other interim period and the deadline for the Company to publish an announcement of its results for any year, half-year, quarterly or any other interim period, and ending on the date of the results announcement.

#### **(E) MINIMUM HOLDING PERIOD AND VESTING**

- (a) Subject to any early vesting of Options pursuant to the provisions of the New Share Option Scheme, all Options granted under the New Share Option Scheme will be subject to a vesting period of a minimum of one year (subject to a shorter period under Paragraph (E)(b) below) and up to six years (or such other period which must not be more than 10 years from the date of grant of the relevant Options) as determined by the Board (or its duly authorised officer(s) or delegate(s)) at the time of granting the relevant Option, which will vary from Option holder to Option holder. Upon the expiry of the vesting period, the Shares will become vested and the Option holders will become entitled to exercise the Options in accordance with the terms of the New Share Option Scheme.

- (b) The vesting period referred to in Paragraph (E)(a) above applicable to grant of an Option may be less than one year, or there may be no vesting period applicable to such grant, under any one or more of the following specific circumstances: (i) a shorter or no vesting period contemplated by the Company's remuneration policies in force for the time being and/or the then prevailing market practice as advised by the Company's human resources department; (ii) grant of an Option for "make-whole" Shares to the Group's new joiner to replace his share options and/or awards that have been forfeited when leaving his previous employer; (iii) grant to a proposed grantee whose employment is terminated due to death or disability or occurrence of any "out of control" event; (iv) grant of Options subject to the Relevant Conditions which are performance-based in lieu of the Relevant Conditions which are time-based; (v) grant of Options that are made in batches during a year for administrative and compliance reasons, in which case such grant may include an Option that should have been granted earlier but had to wait for a subsequent batch and the vesting period may be shorter to reflect the time from which the Option would have been granted; (vi) grant of Options with a mixed or accelerated vesting schedule, such as where the Options may vest evenly over a period of one year; and (vii) grant of Options with a total vesting and holding period of more than one year. In this respect, the Board shall have considered (among others) any one or more of the aforesaid circumstances and then provide an explanation as to why the arrangements are appropriate and how such proposed Option grant aligns with the purposes of the New Share Option Scheme. In addition and without prejudice to the foregoing, in relation to a shorter or no vesting period applicable to grant of an Option to a proposed grantee who is a Director or other member of senior management of the Company or any of its subsidiaries, the remuneration committee of the Company shall have considered any one or more of the aforesaid circumstances and then provide an explanation as to why the arrangements are appropriate and how such proposed Option grant aligns with the purposes of the New Share Option Scheme, and then inform the Board of such explanation.

#### **(F) PERFORMANCE TARGETS**

When making an offer to grant an Option to a proposed grantee, the Board (or its duly authorised officer(s) or delegate(s)) may in its absolute discretion specify any one or more of the Relevant Conditions, including (if applicable) satisfactory Performance Target(s) Achievement Rating which shall be achieved by the proposed grantee before his exercise of such Option.

#### **(G) AMOUNT PAYABLE FOR OPTIONS**

The amount payable upon acceptance of an Option is HK\$1.00.

#### **(H) EXERCISE PRICE**

The amount payable for each Share to be subscribed for upon exercise of an Option shall be determined by the Board and notified to a proposed grantee at the time of offer of the Option and shall be the highest of (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant, which must be a business day; (b) the

average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant; and (c) the nominal value of a Share.

**(I) RIGHTS ON VOTING AND DIVIDENDS**

No voting rights shall be exercisable and no dividends shall be payable in respect of Options that have not been exercised.

**(J) RIGHTS ON DEATH**

If an Option holder dies and none of the events which would be a ground for termination of his employment under Paragraph (P)(c) below has occurred, the legal personal representative(s) of the Option holder shall be entitled within a period of 12 months from the date of death (or such other period as the Board may determine) to exercise the Option up to his entitlement (to the extent not already exercised).

**(K) RIGHTS ON CEASING TO BE AN EMPLOYEE**

- (a) If the Option holder ceases to be an employee for any reason other than his death or the termination of his employment on one or more of the grounds specified in Paragraph (K)(b) or (P)(c) below, the Option holder may exercise the Option up to his entitlement at the date of cessation of his employment (to the extent not already exercised) within the period of one month following the date of such cessation, which date shall be the last actual working day with the Company or its relevant subsidiary, whether salary is paid in lieu of notice or not.
- (b) If the Option holder ceases to be an employee by reason of ill-health, injury or disability not attributable to his own misconduct or redundancy (as defined in the Employment Ordinance (Chapter 57 of the Laws of Hong Kong) as amended from time to time), retirement, agreement with the Board or transfer of business in relation to which the Option holder was engaged to a company outside the Group and none of the events which would be a ground for termination of his employment under Paragraph (P)(c) below has occurred, the Option holder may exercise the Option up to his entitlement at the date of cessation of his employment (to the extent not already exercised) within the period of three months following the date of such cessation, which date shall be the last actual working day with the Company or its relevant subsidiary, whether salary is paid in lieu of notice or not.

**(L) RIGHTS ON GENERAL OFFER**

If a general offer (whether by way of take-over offer, share repurchase offer or scheme of arrangement or otherwise in like manner) is made to all the holders of Shares (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or in concert with the offeror), the Company shall use its best endeavours to procure that such offer is extended to all the Option holders (on the same terms mutatis mutandis, and assuming that they will become, by the exercise in full of the Options granted to them, the Shareholders). If such offer, having been approved in accordance with applicable laws and regulatory requirements, becomes or is declared unconditional, the Option holder (or, where permitted under Paragraph (J) above, his legal personal representative(s)) shall be

entitled to exercise the Option up to his entitlement (to the extent not already exercised) at any time within 14 days after the date on which such general offer becomes or is declared unconditional.

**(M) RIGHTS ON A VOLUNTARY WINDING-UP**

In the event of an effective resolution being passed for the voluntary winding-up of the Company or an order of the court being made for the winding-up of the Company, the Company shall give notice thereof to all Option holders. The Option holder (or, where permitted under Paragraph (J) above, his legal personal representative(s)) may by notice in writing to the Company within 21 days after the date of such resolution or order elect to be treated as if the Option (to the extent not already exercised) had been exercised immediately before the passing of such resolution or the making of such order either up to his entitlement or to the extent specified in the Option holder's notice, such notice to be accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given, whereupon the Option holder will be entitled to receive out of the assets available in the liquidation *pari passu* with the holders of Shares such sum as would have been received in respect of the Shares being the subject of such election.

**(N) RIGHTS ON SCHEMES OF COMPROMISE OR ARRANGEMENT**

If a compromise or arrangement between the Company and the Shareholders or its creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or the Company's amalgamation with any other company or companies, the Company shall give notice thereof to all Option holders (together with a notice of the existence of the provisions of this Paragraph (N)) on the same date as it dispatches to each Shareholder or creditor of the Company a notice summoning the meeting to consider such a compromise or arrangement, and thereupon each Option holder (or, where permitted under Paragraph (J) above, his legal personal representative(s)) shall be entitled to exercise the Option up to his entitlement at any time prior to 12:00 noon (Hong Kong time) on the day immediately preceding the date of the meeting directed to be convened by the Court for the purpose of considering such compromise or arrangement. With effect from the date of such meeting, the rights of all Option holders to exercise their respective Options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all Options shall, to the extent that they have not been exercised, lapse and terminate. The Directors shall endeavour to procure that the Shares issued as a result of the exercise of Options under this Paragraph (N) shall for the purposes of such compromise or arrangement form part of the Company's issued share capital on the effective date thereof and that such Shares shall in all respects be subject to such compromise or arrangement. If for any reason such compromise or arrangement is not approved by the Court (whether upon the terms presented to the Court or upon any other terms as may be approved by such Court), the rights of Option holders to exercise their respective Options shall with effect from the date of the making of the order by the Court be restored in full and shall thereupon become exercisable (but subject to the other terms of the New Share Option Scheme) as if such compromise or arrangement had not been proposed by the Company and no claim shall lie against the Company or any of the Directors or its officers for any loss or damage sustained by any Option holder as a result of the aforesaid suspension.

**(O) LIFE OF NEW SHARE OPTION SCHEME**

Unless otherwise terminated by the Board or the Shareholders in general meeting in accordance with the terms of the New Share Option Scheme, the New Share Option Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, subject to the Listing Committee of the Stock Exchange granting approval of the listing of and permission to deal in on the Stock Exchange (among others) any Shares to be issued pursuant to the exercise of Options to be granted under the New Share Option Scheme, after which period no further Options will be granted under the New Share Option Scheme, but the provisions of the New Share Option Scheme shall remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required in accordance with the provisions of the New Share Option Scheme.

**(P) LAPSE OF OPTION**

An Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (a) the expiry of the period for exercise of the Option;
- (b) 12 months from the date of death of the Option holder (or such other period as the Board may determine);
- (c) an Option holder ceasing to be an employee of the Company or any of its subsidiaries on the ground of (i) the Option holder's misconduct; (ii) the Option holder being convicted of any criminal offence involving his integrity, honesty or fraud; or (iii) his employer being entitled to summarily terminate his employment at common law or pursuant to any applicable laws or his contract of employment;
- (d) three months after the Option holder ceases to be an employee of the Company or any of its subsidiaries by reason of (i) retirement; (ii) redundancy; (iii) ill-health, injury or disability not attributable to his own misconduct; (iv) agreement with the Board; or (v) a transfer of business and the employee is transferred to a company outside the Group;
- (e) one month after the termination of the Option holder's employment with the Company or any of its subsidiaries for reasons other than the reasons specified in Paragraphs (P)(c) and (P)(d) above;
- (f) in the case of any general offer, scheme of compromise or arrangement or voluntary winding-up, the expiry of the periods of notice as specified in the New Share Option Scheme, provided that in the case of a scheme of compromise or arrangement, the proposed compromise or arrangement becomes effective;
- (g) save as otherwise provided in Paragraph (M) above, the date of commencement of the winding-up of the Company; or
- (h) any breach of the provision described in Paragraph (U) below.

**(Q) ADJUSTMENT**

In the event of a capitalisation issue, rights issue, subdivision or consolidation of Shares or reduction of the Company's share capital while any Option remains exercisable, but excluding, for the avoidance of doubt, any alteration in the Company's capital structure as a result of an issue of Shares as consideration in respect of a transaction to which the Company is a party, the Company's auditors for the time being shall determine what adjustment (rounded to the nearest whole Share) is required to be made to the subscription price, the number or nominal amount of Shares to be issued upon exercise of the Options or the aggregate number of Shares subject to outstanding Options (or any combination of the foregoing), provided that any such adjustment gives each Option holder the same proportion of the Company's issued share capital and no adjustment may be made to the extent that Shares would be issued at less than their nominal value.

**(R) CANCELLATION OF OPTIONS NOT EXERCISED OR LAPSED**

Any Options granted but not exercised or lapsed may be cancelled with the consent of the relevant Option holder (such consent not to be unreasonably withheld or delayed) upon approval by a resolution of the Board, and new Options may be granted to the same Option holder provided that such Options fall within the limits specified in Paragraph (C) above and are otherwise granted in accordance with the terms of the New Share Option Scheme.

**(S) RANKING OF SHARES**

The Shares to be allotted and issued to an Option holder upon the exercise of an Option shall be subject to all the provisions of the Company's articles of association for the time being in force and will rank *pari passu* with the fully paid Shares in issue on the date the name of the Option holder is registered as the holder thereof on the Company's register of members. Prior to the aforesaid registration, the Option holder shall not have any voting rights, or rights to participate in any dividends or other distributions (including those arising upon a liquidation of the Company), in respect of the Shares to be issued upon the exercise of the Option.

**(T) TERMINATION**

The Company, by resolution of the Shareholders in general meeting or the Board, may at any time terminate the operation of the New Share Option Scheme and in such event no further Options will be offered or granted, but in all other respects the New Share Option Scheme shall remain in full force and effect. Any granted but unexercised and unexpired Options shall continue to be exercisable in accordance with their terms of grant after the termination of the New Share Option Scheme.

**(U) TRANSFERABILITY**

The Options are personal to the Option holders and are not transferable, except for the transmission of an Option upon the death of an Option holder to his legal personal representative(s) in accordance with the terms of the New Share Option Scheme. Please refer to Paragraph (J) above for further information.

**(V) AMENDMENT**

- (a) Subject to the provisions set out in this Paragraph (V) below, the Board may alter any of the provisions of the New Share Option Scheme at any time, provided that no such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration, except with the consent or sanction of such majority of the Option holders as would be required of the Shareholders under the Company's articles of association in force for the time being for a variation of the rights attached to the Shares.
- (b) Those specific provisions of the New Share Option Scheme which relate to the matters set out in Rule 17.03 of the Existing Chapter 17 cannot be altered to the advantage of Option holders, and no changes to the authority of the Board or administrator of the New Share Option Scheme in relation to any alteration of the terms set out therein shall be made, without the prior approval of the Shareholders in general meeting.
- (c) Any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the New Share Option Scheme.
- (d) Subject to Paragraphs (V)(a) and (V)(b) above, any change in the terms governing an Option and its grant shall be approved by the Board and/or the Shareholders (as the case may be) if the initial grant of such Option was approved by the Board and/or the Shareholders (as the case may be), except where the change takes effect automatically under the existing terms of the New Share Option Scheme.

The following is a summary of the principal terms of the New Share Scheme, which does not form part of the New Share Scheme and thus not affect its interpretation. The terms of the New Share Scheme are in accordance with the provisions of the Existing Chapter 17.

The definitions of “Clawback Mechanism”, “Performance Target(s)”, “Performance Target(s) Achievement Rating”, “Relevant Conditions” and “Relevant Shares” respectively set forth in Appendix IV to this circular shall mutatis mutandis apply to this Appendix V.

In addition, for the purposes of this Appendix V to this circular, the following expressions shall have the following meanings:

- “lock-up period” in relation to each proposed grant of Award Shares, the period during which the legal title of the Award Shares and the Related Income thereto is vested in and will be held by the Trustee at all times, pending the vesting of such legal title in the Grantee (as defined below) in accordance with the terms of the New Share Scheme
- “Related Income” all income derived from any Award Share (including, but not limited to, dividends and other cash distributions, any bonus Shares and scrip Shares received in respect of the Award Share) held by the Trustee (as defined below); for the avoidance of doubt, excluding nil paid rights, bonus warrants, non-cash and non-scrip distributions or Residual Cash
- “Residual Cash” cash remaining in the trust fund contemplated by the Trust Deed (as defined below) in respect of any Award Share (including, but not limited to, interest income derived from deposits maintained with licensed banks in Hong Kong, cash income and sale proceeds (including, but not limited to, the cash proceeds of sale of non-cash and non-scrip distributions declared and distributed by the Company in respect of Award Shares held pursuant to the Trust Deed))
- “Returned Shares” such Award Shares and Related Income relating thereto which are forfeited in accordance with the terms of the New Share Scheme (whether as a result of a Total Lapse (as defined below) or otherwise), the related distributions of such Award Shares, or such Shares being deemed to be Returned Shares in accordance with the terms of the New Share Scheme and the cash distribution and dividends declared and distributed by the Company in respect of the Returned Shares

#### **(A) PURPOSE**

The purpose of the New Share Scheme is to attract and retain capable, skilled and experienced personnel, to incentivize them to remain with the Group and to give effect to the Group’s customer-focused and performance-driven corporate culture, and to motivate them to strive for the future development and expansion and long-term success of the Group, by providing them with the opportunity to acquire equity interests in the Company.

**(B) WHO MAY JOIN**

The Board (or its duly authorised officer(s) or delegate(s)) may propose or determine (a) which Eligible Participants shall be entitled to receive grants of Shares under the New Share Scheme; (b) the number of Shares to which each such Eligible Participant shall be entitled; (c) making the relevant grants of Shares to the grantees under the New Share Scheme subject to such conditions as the Board (or its duly authorised officer(s) or delegate(s)) may deem appropriate at its discretion (including, if applicable, any one or more of the Relevant Conditions); and (d) the lock-up period applicable to each grant of Shares to a grantee, in each case upon and subject to the terms and conditions set out in the New Share Scheme. In this respect, the Board (or its duly authorised officer(s) or delegate(s)) may consider and assess a number of factors which may include (among other things) the past services and contributions of the proposed Eligible Participant, existing remuneration arrangement, incentives and motivations for future contributions of such Eligible Participant, the performance of the Group and the then prevailing Share price. For the avoidance of doubt, the directors and other members of senior management and other employees of the Group may be eligible to participate in the New Share Scheme in accordance with its terms, whereas the Group's external service providers are not eligible to participate in the New Share Scheme and hence should not be granted any Share under the New Share Scheme.

As to Shares to be granted to any directors, other members of senior management and other connected persons of the Company or any of its subsidiaries:

- (a) with regard to any proposed grant of Shares under the New Share Scheme to any director or other member of senior management of the Company or any of its subsidiaries, a proposal from the Board (or its duly authorised officer(s) or delegate(s)) shall be sent to the remuneration committee of the Company (the "Remuneration Committee"). Upon receipt of such proposal, the Remuneration Committee shall: (i) after having considered the report(s) and (if any) other supporting documents as required by the Remuneration Committee from the Company's human resources department on (among other things) the Performance Target(s) Achievement Rating in respect of each of such director or other member of senior management of the Company or any of its subsidiaries, consider whether to accept the proposal from the Board (or its duly authorised officer(s) or delegate(s)) (with or without amendments); (ii) if the proposal is accepted (with or without amendments), select from among the proposed directors or other members of senior management of the Company or any of its subsidiaries those persons who will be entitled to receive Shares under the New Share Scheme, determine the number (or maximum number, as the case may be) of Shares that each proposed grantee will be entitled to be granted subject to the applicable Relevant Conditions and inform the Board of its recommendations; and (iii) in relation to the lock-up period applicable to the relevant grant which is less than one year or no applicable lock-up period, the Remuneration Committee shall have considered any one or more of the circumstances specified in Paragraph (E)(d) below and then provide an explanation as to why the arrangements are appropriate and how such grant aligns with the purposes of the New Share Scheme, and then inform the Board of such explanation. The aforesaid selection of proposed grantees and determination of the number (or

maximum number, as the case may be) of Shares to which each proposed grantee will be entitled subject to the applicable Relevant Conditions will be made pursuant to a resolution of the Remuneration Committee for recommendation to the Board.

- (b) in addition to the requirements set out in Paragraph (B)(a) above, any proposed grant of Shares under the New Share Scheme to any connected person in relation to the Company or any of its subsidiaries or any of his associates must be approved by the independent non-executive Directors, which approval may relate to the exact number of Shares proposed to be granted or the maximum number of Shares proposed to be granted over a specified period of time (except where such connected person is an independent non-executive Director, in which case such director shall abstain from such approval process). In addition to the foregoing and without prejudice to Paragraph (C)(d) below, if any proposed grant of Shares to any connected person in relation to the Company or any of its subsidiaries or any of his associates under the New Share Scheme would result in the total number of the Relevant Shares granted and to be granted to such connected person or his associate(s) (excluding any options and awards lapsed in accordance with the terms of the New Share Scheme, the New Share Option Scheme and/or (if any) other incentive scheme) during the 12-month period up to and including the date of such proposed grant exceeding 0.1% of the total issued shares of the Company as at the date of such proposed grant, then such proposed grant must be approved by the independent Shareholders in general meeting, at which all core connected persons (as defined in the Listing Rules) of the Company, such connected person and their respective associates shall abstain from voting on the relevant resolution(s) at the general meeting. The Company must send to its shareholders a circular containing such disclosures as required under the Listing Rules, including without limitation those set out in Paragraph (B)(b) of Appendix IV to this circular.

### **(C) MAXIMUM NUMBER OF SHARE GRANTS**

- (a) The maximum number of the Relevant Shares shall not in aggregate exceed 10% of the issued shares of the Company as of the Adoption Date (the “Maximum Number of Shares”), unless the Company obtains the approval of its Shareholders in accordance with Paragraph (C)(b) below. Options and awards lapsed in accordance with the terms of the New Share Scheme, the New Share Option Scheme and/or (if any) other incentive scheme(s) shall not be counted for the purpose of calculating the 10% limit.
- (b) The Company may seek the approval of its Shareholders in general meeting to refresh the Maximum Number of Shares such that the total number of the Relevant Shares under the limit as refreshed shall not exceed 10% of the issued shares of the Company as at the date of approval of the refreshed limit, provided that the 10% limit may be refreshed (a) every three years with the approval of the Shareholders in general meeting; or (b) within a three-year period with the approval of the Shareholders so long as the Company’s controlling shareholder (as defined in the Listing Rules) and its associates (or where there is no controlling shareholder, the executive Directors, non-executive Directors and chief executive officer of the

Company and their respective associates) shall abstain from voting on the relevant resolution(s) at the general meeting. Options and awards previously granted under the New Share Scheme, the New Share Option Scheme and/or (if any) other incentive scheme(s), including but not limited to options outstanding, cancelled or lapsed and/or awards lapsed in accordance with the relevant scheme and/or exercised options, shall not be counted for the purpose of calculating the limit to be refreshed.

- (c) The Company may seek a separate approval from the Shareholders in general meeting to grant Shares under the New Share Scheme (the “Award Shares”) which will result in the number of the Relevant Shares as at the date of the proposed grant exceeding 10% of the Company’s issued shares as at such date, provided that such Award Shares are granted only to any of the Eligible Participants who are specifically identified by the Company before the separate approval of the Shareholders is sought. The Company must send to its Shareholders a circular containing (among others) the name of each specified Eligible Participant who may be granted such Award Shares, the number and terms of the Award Shares to be granted to each specified Eligible Participant, and the purpose of granting such Award Shares to each specified Eligible Participant with an explanation as to how the terms of such Awards Shares serve such purpose and such other disclosures as required under the Listing Rules. The number and terms of the Award Shares to be granted to such specified Eligible Participant must be fixed before the Shareholders’ approval.
- (d) If any proposed grant of Shares to any proposed grantee under the New Share Scheme would result in the total number of the Relevant Shares granted and to be granted to such proposed grantee (excluding any options and awards lapsed in accordance with the terms of the New Share Scheme, the New Share Option Scheme and/or (if any) other incentive scheme(s)) during the 12-month period up to and including the date of such proposed grant exceeding 1% of the total issued shares of the Company as at the date of such proposed grant, then such proposed grant must be separately approved by the independent Shareholders in general meeting, at which such proposed grantee and his close associates (as defined in the Listing Rules) (or associates if such proposed grantee is a connected person in relation to the Company or any of its subsidiaries) shall abstain from voting on the relevant resolution(s) at the general meeting. The Company must send to its Shareholders a circular containing such disclosures as required under the Listing Rules.

#### **(D) GRANT OF SHARES**

- (a) The Company will notify each proposed grantee of his entitlement to Award Shares by way of a notice in such form as the Board may from time to time determine. Upon the receipt by the Company, by no later than 30 days after the delivery of the notice, of a duly completed acknowledgement form in such form as the Board may from time to time determine from the proposed grantee (each proposed grantee who so returns an acknowledgement form, a “Grantee”), pursuant to which the Grantee has agreed to the terms and conditions of the notice and the New Share Scheme, the Company will give appropriate instructions to the trustee of the New Share Scheme

(the “Trustee”) who will do such acts and things (including without limitation subscribe for and/or purchase the Award Shares, hold the Awards Shares as custodian on behalf of the Grantees and deal with the Award Shares) in accordance with the terms of the New Share Scheme and the trust deed entered into between the Company and the Trustee (the “Trust Deed”), respectively. Without prejudice to Paragraph (E)(c) below, the Grantees will not bear the cost of the subscription or purchase of the Award Shares.

- (b) For grants to Grantees who are not connected persons of the Company, the Trustee shall subscribe, on behalf of such Grantees, for new Award Shares at nominal value from the Company, whereas for grants to Grantees who are connected persons of the Company, the Trustee shall purchase, on behalf of such Grantees, Award Shares in the open market at the prevailing market price reasonably obtainable by it, so that such grants will not constitute connected transactions (as defined in the Listing Rules) of the Company. In this respect, the Trustee shall maintain two separate accounting records for the Award Shares, one for Award Shares subscribed for by the Trustee on behalf of Grantees who are not the Company’s connected persons, and one for Award Shares purchased on the market by the Trustee on behalf of Grantees who are the Company’s connected persons.
- (c) No grant of Shares shall be made under the New Share Scheme when any Director is in possession of any unpublished inside information in relation to the Company or any of its subsidiaries or where dealings in Shares have been suspended or dealings in Shares by any Director are prohibited under any code or requirement of the Listing Rules or any applicable legal or regulatory requirement from time to time. Without limiting the generality of the foregoing, no grant of Shares shall be made under the New Share Scheme at any time on any day on which the Company’s financial results are published and (i) during the period of 60 days immediately preceding the publication date of the Company’s annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of such results; and (ii) during the period of 30 days immediately preceding the publication date of the Company’s quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of such results.
- (d) The Trustee will not purchase Shares from the market for the purpose of making grants of Shares under the New Share Scheme at any time on any day on which the Company’s financial results are published and (i) during the period of 60 days immediately preceding the publication date of the Company’s annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of such results; and (ii) during the period of 30 days immediately preceding the publication date of the Company’s quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of such results.

**(E) MINIMUM HOLDING PERIOD AND VESTING**

- (a) On the date of subscription or purchase of Award Shares (as the case may be) by the Trustee on behalf of the relevant Grantee, the beneficial ownership of the Award Shares and the Related Income arising therefrom as held by the Trustee which are referable to the Grantee is vested in that Grantee, whereas the legal title of such Awards Shares and Related Income is vested in and will be held by the Trustee at all times during the corresponding lock-up period, in both cases upon and subject to the terms and conditions set out in the New Share Scheme.
- (b) Grantees will not be permitted to sell or otherwise dispose of or deal with some or all their Award Shares and the Related Income arising therefrom (which will be held in the custody of the Trustee as custodian on behalf of the Grantees) during a lock-up period of a minimum of one year (subject to a shorter period under Paragraph (E)(d) below and up to three years, which will vary from Grantee to Grantee as to be determined by the Board (or its duly authorised officer(s) or delegate(s)) and communicated to the Trustee, commencing from the date of grant.
- (c) Except in the circumstances as set out in Paragraph (I), Paragraph (J) or Paragraph (L) below, at any time after the expiry of the applicable lock-up period for the relevant Award Shares of any Grantee, such Grantee shall be entitled to cause (i) the transfer to him of the legal title of the relevant Award Shares and the Related Income relating thereto by giving instructions in writing to the Company (or to such other designee of the Company as may be notified to the Grantee in writing by the Company for such purpose) and, upon the receipt of such instructions by the Company (or its designee), the Company shall procure the Trustee, by giving instructions in writing to the Trustee, to transfer the legal title of such Award Shares and the Related Income relating thereto to the relevant Grantee; and (ii) the sale or other disposal of some or all of such Award Shares and/or Related Income relating thereto by giving instructions in writing to the Company (or to such other designee of the Company as may be notified to the Grantee in writing by the Company for such purpose) and, upon the receipt of such instructions by the Company (or its designee), the Company shall procure the Trustee, by giving instructions in writing to the Trustee, to sell or otherwise dispose of such Award Shares and/or Related Income in open market (if any) at the then prevailing market price reasonably obtainable by the Trustee, and account to the Grantee for any net proceeds of such sale or disposal, in accordance with the Grantee's instructions and the terms of the Trust Deed. The Trustee shall be entitled to make appropriate deductions (including without limitation any brokerage, transaction levy, investor compensation levy, Stock Exchange trading fee; any stamp duty; and any amount as may be notified to the Trustee by the Company (or its designee) to be withheld from the proceeds for the purpose of paying on behalf of the Grantee any income or other tax payable by the Grantee) from the proceeds of such sale or disposal of the Award Shares and/or Related Income relating thereto in accordance with the terms of the Trust Deed.

- (d) The lock-up period referred to in Paragraph (E)(b) above applicable to grant of Award Shares to any proposed grantee may be less than one year, or there may be no lock-up period applicable to such grant, under any one or more of the following specific circumstances: (i) a shorter or no lock-up period contemplated by the Company's remuneration policies in force for the time being and/or the then prevailing market practice as advised by the Company's human resources department; (ii) grant of "make-whole" Award Shares to the Group's new joiner to replace his share awards that have been forfeited when leaving his previous employer; (iii) grant to a proposed grantee whose employment is terminated due to death or disability or occurrence of any "out of control" event; (iv) grant of Award Shares subject to the Relevant Conditions which are performance-based in lieu of the Relevant Conditions which are time-based; (v) grant of Award Shares that is made in batches during a year for administrative and compliance reasons, in which case such grant may include Award Shares that should have been granted earlier but had to wait for a subsequent batch and the lock-up period may be shorter to reflect the time from which the Award Shares would have been granted; (vi) grant of Award Shares with a mixed or accelerated vesting schedule, such as where the Award Shares may vest evenly over a period of one year; and (vii) grant of Award Shares with a total vesting and holding period of more than one year. In addition and without prejudice to Paragraph (B) above, the Board shall have considered (among others) any one or more of the circumstances specified in this Paragraph (E)(d) and then provide an explanation as to why the arrangements are appropriate and how such grant of Shares to the proposed grantee aligns with the purposes of the New Share Scheme.

#### **(F) PERFORMANCE TARGETS**

When making an offer to grant Shares to a proposed grantee under the New Share Scheme, the Board (or its duly authorised officer(s) or delegate(s)) may in its absolute discretion specify any one or more of the Relevant Conditions, including (if applicable) satisfactory Performance Target(s) Achievement Rating which shall be achieved by the proposed grantee before vesting of the legal title of the relevant Award Shares in him.

#### **(G) NO CONSIDERATION OF SHARE GRANTS**

The Shares to be granted to the proposed grantees under the New Share Scheme will be granted for free and will, including those to be granted to the directors and other senior management of the Company or any of its subsidiaries, form part of their remuneration (being a discretionary bonus in the form of a Share grant or a discretionary cash bonus satisfied in the form of Shares).

#### **(H) RIGHTS ON VOTING AND DIVIDENDS**

- (a) Upon the beneficial ownership of the Award Shares being vested in the relevant Grantee (whether or not the applicable lock-up period relating thereto has expired) and subject to Paragraph (H)(b) below, each Grantee shall be entitled to exercise all voting rights in respect of such Award Shares and to participate in all dividends and other distributions paid or made on or after the date of vesting (other than any

dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be before the date of vesting) in respect of such Award Shares, including those arising upon a liquidation of the Company.

- (b) For so long as the Trustee holds (whether directly or indirectly) any Award Shares in its custody on behalf of a Grantee, the Trustee shall abstain from voting on matters that require the approval of the Shareholders under the Listing Rules or applicable laws in respect of such Award Shares held by the Trustee, unless otherwise required by applicable laws to vote in accordance with such Grantee's voting instructions or other directions and such voting instructions or other directions are given to it by such Grantee.

#### **(I) RIGHTS ON DEATH**

- (a) Notwithstanding the provisions of Paragraph (E) above and Paragraph (J) below, in respect of a Grantee who died at any time prior to the expiry of the relevant lock-up period, the relevant lock-up period in respect of all the Award Shares and the Related Income relating thereto of that Grantee shall be deemed to be expired on the day immediately prior to his death.
- (b) In the event of the death of a Grantee, the Trustee shall hold the Award Shares and the Related Income relating thereto (collectively, the "Benefits") on trust and will transfer the same to the legal personal representatives of the Grantee, and subject as aforesaid and without prejudice to all applicable regulations, ordinances or statutes, the Trustee shall hold the Benefits or so much thereof as shall not be transferred or applied under the foregoing powers within (i) two years of the death of the Grantee (or such longer period as the Trustee and the Board shall agree in writing from time to time); or (ii) the Trust Period as defined in the Trust Deed (whichever is the shorter) whereupon, or if the Benefits would otherwise become bona vacantia, the Benefits shall be forfeited and cease to be transferable and such Benefits shall be deemed and held as Returned Shares for the purposes of the New Share Scheme. Notwithstanding the foregoing, the Benefits held upon the trust thereof shall until transfer be retained and may be invested and otherwise dealt with by the Trustee subject to the terms of the Trust Deed.

#### **(J) RIGHTS ON CEASING TO BE AN EMPLOYEE**

- (a) Notwithstanding the provisions of Paragraph (E) above, in respect of a Grantee who retired at his normal retirement date or earlier by agreement with the Company or any of its subsidiaries at any time prior to the expiry of the relevant lock-up period, the relevant lock-up period in respect of all the Benefits of that Grantee shall be deemed to be expired on the day immediately prior to his retirement at his normal retirement date or at an earlier date by agreement with the Company or any of its subsidiaries.

- (b) In the event that a Grantee ceases to be an employee of the Company or any of its subsidiaries at any time prior to the sale or disposal of all of his Benefits, but on or after the expiry of the relevant lock-up period, the Grantee shall be deemed to have given instructions in writing to the Company to sell all such Benefits and the Company shall procure the Trustee, by giving instructions in writing to the Trustee, to sell all such Benefits in open market (if any) at the then prevailing market price reasonably obtainable by the Trustee, and account to the Grantee for the net proceeds of such sale, in accordance with Paragraph (E)(c) above. In the case where the applicable lock-up period has not expired, the Grantee shall be deemed to have waived all his rights to such Benefits and the Trustee shall within 10 business days from the day of receiving the notice in writing from the Company sell such Benefits in open market (if any) at the then prevailing market price reasonably obtainable by the Trustee and remit the net proceeds to the Company.

**(K) RIGHTS ON TAKEOVER, RIGHTS ISSUE, OPEN OFFER, ETC.**

- (a) If there occurs an event of change in control of the Company, whether by way of offer, merger, scheme of arrangement or otherwise, any lock-up period to which any Award Shares relate shall be deemed to be expired on the date when such change of control event becomes or is declared unconditional. Subject to the receipt by the Trustee of duly executed prescribed transfer documents on or before such time as the Trustee may determine, the Trustee shall transfer such Award Shares and Related Income to the relevant Grantees. For the purposes of this Paragraph (K)(a), “control” shall have the meaning as specified in the Codes on Takeovers and Mergers and Share Buy-backs (as amended from time to time).
- (b) In the event the Company undertakes an open offer of new securities in respect of any Award Shares which are held by the Trustee under the New Share Scheme, the Trustee shall not subscribe for any new securities. In the event of a rights issue, the Trustee shall use reasonable effort to sell such amount of the nil-paid rights allotted to it as is appropriate in the open market (if any) at the then prevailing market price and the proceeds of sale of such rights (net of all related transaction costs, fees, duty and expenses reasonably incurred by the Trustee) shall be deemed as Residual Cash.
- (c) In the event the Company issues bonus warrants in respect of any Award Shares which are held by the Trustee, the Trustee shall not subscribe for any new Shares by exercising any of the subscription rights attached to the bonus warrants and shall use reasonable effort to sell the bonus warrants created and granted to it in the open market (if any) at the then prevailing market price, and the proceeds of sale of such bonus warrants (net of all related transaction costs, fees, duty and expenses reasonably incurred by the Trustee) shall be deemed as Residual Cash.
- (d) In the event the Company undertakes a scrip dividend scheme, the Trustee shall elect to receive scrip Shares.

- (e) In the event of other non-cash and non-scrip distributions made by the Company in respect of any Award Shares held upon the Trust, the Trustee shall use reasonable effort to dispose of such distributions and the proceeds of sale of such distributions (net of all related transaction costs, fees, duty and expenses reasonably incurred by the Trustee) shall be deemed as Residual Cash.

#### **(L) RIGHTS ON A WINDING-UP**

Where an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company (otherwise than for the purposes of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company) (each of these, an event of “Total Lapse”), the Grantee shall cease forthwith to be entitled to the Benefits then held by the Trustee, and the same shall be deemed to be Returned Shares for the purposes of the New Share Scheme.

#### **(M) RIGHTS ON SCHEMES OF COMPROMISE OR ARRANGEMENT**

If a compromise or arrangement between the Company and the Shareholders or its creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or the Company’s amalgamation with any other company or companies, the Company shall give notice thereof to all Grantees (together with a notice of the existence of the provisions of this Paragraph (M)) on the same date as it dispatches to each Shareholder or creditor of the Company a notice summoning the meeting to consider such a compromise or arrangement, and thereupon each Grantee (or, where permitted under Paragraph (I) above, his legal personal representative(s)) shall be entitled to such Award Shares up to his entitlement at any time prior to 12:00 noon (Hong Kong time) on the day immediately preceding the date of the meeting directed to be convened by the Court for the purpose of considering such compromise or arrangement. With effect from the date of such meeting, the rights of all Grantees in respect of the Award Shares to which they are entitled under the New Share Scheme (if any, including such Grantees’ rights subsisting in any Shares remained to be subject to applicable lock-up periods under the New Share Scheme) shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all Award Shares shall, to the extent that they remain to be subject to applicable lock-up periods, lapse and terminate. The Directors shall endeavour to procure that the Shares issued under this Paragraph (M) shall for the purposes of such compromise or arrangement form part of the Company’s issued share capital on the effective date thereof and that such Shares shall in all respects be subject to such compromise or arrangement. If for any reason such compromise or arrangement is not approved by the Court (whether upon the terms presented to the Court or upon any other terms as may be approved by such Court), the rights of the Grantees in respect of the Award Shares to which they are entitled under the New Share Scheme (if any, including such Grantees’ rights subsisting in any Shares remained to be subject to applicable lock-up periods under the New Share Scheme) shall with effect from the date of the making of the order by the Court be restored in full and shall thereupon continue to be exercisable (but subject to the other terms of the New Share Scheme) as if such compromise or arrangement had not been proposed by the Company and no claim shall lie against the Company or any of the Directors or its officers for any loss or damage sustained by any Grantee as a result of the aforesaid suspension.

**(N) LIFE OF NEW SHARE SCHEME**

Unless otherwise terminated by the Board or the Shareholders in general meeting in accordance with the terms of the New Share Scheme, the New Share Scheme shall take effect from (and inclusive of) the Adoption Date subject to the Listing Committee of the Stock Exchange granting approval of the listing of and permission to deal in on the Stock Exchange (among others) any Shares to be granted and issued under the New Share Scheme, and shall be valid and effective for a period of 10 years commencing on the Adoption Date, after which period no further grants of Award Shares will be made under the New Share Scheme, but the provisions of the New Share Scheme shall remain in full force and effect to the extent necessary to give effect to any grant of Award Shares made prior thereto or otherwise as may be required in accordance with the provisions of the New Share Scheme.

**(O) LAPSE OF SHARE GRANT**

A grant of Award Shares (to the extent being subject to applicable lock-up periods) shall lapse automatically and the legal title of such Award Shares shall not be transferred to the Grantee on the earliest of:

- (a) subject to Paragraph (L) above, the date of commencement of the winding-up of the Company;
- (b) the date on which the Grantee ceases to be an employee of the Company or any of its subsidiaries on the ground of (i) the Grantee's misconduct; (ii) the Grantee being convicted of any criminal offence involving his integrity, honesty or fraud; or (iii) his employer being entitled to summarily terminate his employment at common law or pursuant to any applicable laws or his contract of employment;
- (c) in addition and without prejudice to (b) above and except in the circumstances as set out in Paragraph (I)(a) and Paragraph (J)(a) above in respect of the death of the Grantee or retirement of the Grantee at his normal retirement date or an earlier date by agreement with the Company or any of its subsidiaries, the date on which the Grantee ceases to be an employee of the Company or any of its subsidiaries where the lock-up period applicable to such Award Shares has not expired, unless the Company otherwise agrees at its absolute discretion upon and subject to such terms and conditions as the Company may think fit;
- (d) in the case of any scheme of compromise or arrangement, the expiry of the period of notice as specified in Paragraph (M) above, provided that the proposed compromise or arrangement becomes effective; or
- (e) any breach of the provision described in Paragraph (T) below.

**(P) ADJUSTMENT**

In the event of a capitalisation issue, rights issue, subdivision or consolidation of Shares or reduction of the Company's share capital while any Award Shares remain to be subject to applicable lock-up periods in accordance with the terms of the New Share Scheme, but excluding, for the avoidance of doubt, any alteration in the Company's capital structure as a result of an issue of Shares as consideration in respect of a transaction to which the Company is a party, the Company's auditors for the time being shall determine what adjustment (rounded to the nearest whole Share) is required to be made to the number or nominal amount of Award Shares (insofar as they remain to be subject to applicable lock-up periods) or the aggregate number of Award Shares (or any combination of the foregoing), provided that any such adjustment gives each Grantee the same proportion of the Company's issued share capital and no adjustment may be made to the extent that Shares would be issued at less than their nominal value.

**(Q) CANCELLATION OF SHARE GRANTS**

Award Shares granted but remained to be subject to applicable lock-up periods may be cancelled with the consent of the Grantee (such consent not to be unreasonably withheld or delayed) upon approval by a resolution of the Board, and new Award Shares may be granted to the same Grantee provided that such Award Shares fall within the limits specified in Paragraph (C) above and are otherwise granted in accordance with the terms of the New Share Scheme.

**(R) RANKING OF SHARES**

The Award Shares subscribed by the Trustee on behalf of the relevant Grantees under the New Share Scheme will be subject to all the provisions of the Company's articles of association in force for the time being, and, subject to Paragraph (H) above, will rank *pari passu* with the fully paid Shares in issue on the date of allotment of such Award Shares.

**(S) TERMINATION**

The Company, by resolution of the Shareholders in general meeting or the Board, may at any time terminate the operation of the New Share Scheme and in such event no further Shares will be offered, but in all other respects the New Share Scheme shall remain in full force and effect. All Award Shares granted prior to such termination shall continue to be valid and vested in the relevant Grantees in accordance with the terms of the New Share Scheme.

**(T) TRANSFERABILITY**

The rights of each Grantee under the New Share Scheme are personal to such Grantee and are not transferable, except for the transmission of the relevant Award Shares upon the death of such Grantee to his legal personal representative(s) in accordance with the terms of the New Share Scheme. Please refer to Paragraph (I) above for further information.

**(U) AMENDMENT**

- (a) The New Share Scheme may be altered or varied in any respect by a resolution of the Board, provided that (i) any alteration to or variation of the New Share Scheme of a material nature; (ii) any alteration to or variation of the relevant provisions of the New Share Scheme which will adversely affect any subsisting rights of any Grantee (present or future) or otherwise to the advantage of any Grantee; and (iii) any change to the authority of the Directors or scheme administrators to alter the terms of the New Share Scheme, in each case must be approved by the Shareholders in general meeting, except where the alteration, variation or change takes effect automatically under the existing terms of the New Share Scheme. If applicable, such Grantee and his associates shall abstain from voting on the relevant resolution(s) at the general meeting.
- (b) Subject to Paragraph (U)(a) above, any change in the terms governing grant of Award Shares to a Grantee must be approved by the Board and/or the Shareholders (as the case may be) if the initial grant of such Award Shares was approved by the Board and/or the Shareholders (as the case may be), except where the change takes effect automatically under the existing terms of the New Share Scheme.

**FIH<sup>®</sup> 富智康<sup>®</sup>**  
**FIH Mobile Limited**  
**富智康集團有限公司**

*(incorporated in the Cayman Islands with limited liability)*  
**(Stock Code: 2038)**

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting of the shareholders (the “AGM”) of FIH Mobile Limited (the “Company”) will be held at Kowloon Room I, Mezzanine Level, Kowloon Shangri-La Hotel, 64 Mody Road, Tsimshatsui East, Hong Kong on Friday, 19 May 2023 at 10:00 a.m. for the following purposes:

- (1) To receive and consider the audited consolidated financial statements of the Company and its subsidiaries for the year ended 31 December 2022 together with the reports of the directors and the independent auditor thereon.
- (2) To re-elect Mr. LIN Chia-Yi (also known as Charles LIN) as director and authorise the board of directors of the Company to fix his remuneration.
- (3) To appoint Ms. CHEN Shu Chuan (also known as Nadia CHEN) as independent non-executive director and authorise the board of directors of the Company to fix her remuneration.
- (4) To re-appoint Deloitte Touche Tohmatsu as auditor of the Company and authorise the board of directors of the Company to fix its remuneration.

As special business, to consider and, if thought fit, to pass with or without modifications the following ordinary resolutions:

**ORDINARY RESOLUTIONS**

- (5) “**THAT:**
  - (a) subject to resolution number (5)(b) below, the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as defined below) of all the powers of the Company to buy back shares of the Company (the “Shares”) subject to and in accordance with the applicable laws and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) be and is hereby generally and unconditionally approved;
  - (b) the aggregate number of Shares which may be bought back or agreed conditionally or unconditionally to be bought back by the Company pursuant to the approval in resolution number (5)(a) above shall not exceed 10 percent of the total number of issued Shares on the date of passing of this resolution, and the said approval shall be limited accordingly; and

## NOTICE OF ANNUAL GENERAL MEETING

(c) for the purposes of this resolution:

“**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company; and
- (ii) the revocation or variation of the authority given to the Directors under this resolution by passing of an ordinary resolution of the shareholders of the Company in general meeting; and
- (iii) the expiration of the period within which the next annual general meeting of the Company is required by its memorandum and articles of association in force for the time being or any applicable laws of the Cayman Islands to be held.”

(6) “**THAT:**

- (a) subject to resolution number (6)(c) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional Shares, to allot, issue or grant securities of the Company (including bonds and debentures or other securities exchangeable for or convertible into Shares) and rights of exchange or conversion and to make or grant offers or agreements which would or might require the exercise of such powers, subject to and in accordance with all applicable laws and requirements of the Listing Rules, be and is hereby generally and unconditionally approved;
- (b) the approval in resolution number (6)(a) above shall authorise the Directors during the Relevant Period to make or grant offers or agreements (including bonds and debentures or other securities exchangeable for or convertible into Shares) and rights of exchange or conversion which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of additional Shares or securities of the Company allotted, issued, dealt with or granted or agreed conditionally or unconditionally to be allotted, issued, dealt with or granted, by the Directors pursuant to the approval in resolution numbers (6)(a) and (b) above, otherwise than pursuant to (i) a Rights Issue (as defined below), or (ii) any option scheme or similar arrangement for the time being adopted for the granting or issuance of Shares or rights to acquire Shares, or (iii) any scrip dividend scheme or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company in force for the time being, shall not exceed 20 percent of the total number of issued Shares on the date of passing of this resolution; and

## NOTICE OF ANNUAL GENERAL MEETING

- (d) for the purposes of this resolution:
- (i) “**Relevant Period**” shall have the same meaning as assigned to it under resolution number (5)(c) set out in the notice convening this meeting; and
  - (ii) “**Rights Issue**” means an offer of Shares open for a period fixed by the Directors to the holders of Shares or any class thereof on the register on a fixed record date in proportion to their then holdings of such Shares or class thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems having regard to any restrictions or obligations under the laws of, or the requirements of, any recognised regulatory body or any stock exchange in any territory outside Hong Kong).”
- (7) “**THAT** subject to the passing of the resolution numbers (5) and (6) above, the general mandate granted to the Directors to allot, issue, deal with or grant any additional Shares or securities of the Company pursuant to resolution number (6) above be and is hereby extended by the addition thereto of the total number of Shares which may be bought back by the Company under the authority granted pursuant to resolution number (5) above, provided that such number of Shares so bought back shall not exceed 10 percent of the total number of issued Shares on the date of passing of this resolution.”
- (8) “**THAT:**
- (a) subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting approval of the listing of, and permission to deal in, on the Stock Exchange (among others) the shares of the Company which may be allotted and issued upon the exercise of the options granted from time to time under the new share option scheme of the Company (the terms of which are contained in the document produced to the meeting marked “A” for identification purposes) (the “**New Share Option Scheme**”), the New Share Option Scheme be and is hereby approved and adopted, and the board of directors of the Company (or its duly authorised committee, officer(s) or delegate(s) pursuant to the terms of the New Share Option Scheme) be and is/are hereby authorised for and on behalf of the Company to do any and all such acts and things and to enter into, execute and deliver (and affix the Company’s common seal to, if necessary) any and all such transactions, arrangements, deeds, agreements and documents as he/they may in his/their absolute discretion consider necessary or expedient in connection with or for the purposes of the New Share Option Scheme and/or any of the matters contemplated thereby, including without limitation:
    - (i) to administer and operate the New Share Option Scheme under which options will be granted to participants eligible under the New Share Option Scheme to subscribe for shares in the Company;

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- (ii) to modify and/or amend the New Share Option Scheme from time to time, provided that such modification and/or amendment is/are effected in accordance with the provisions of the New Share Option Scheme relating to modification and/or amendment;
  - (iii) to allot and issue from time to time such number of shares in the Company as may be required to be allotted and issued pursuant to the exercise of the options granted from time to time under the New Share Option Scheme and subject to the Rules Governing the Listing of Securities on the Stock Exchange;
  - (iv) to make application at the appropriate time or times to the Stock Exchange for the listing of, and permission to deal in, on the Stock Exchange (among others) any shares in the Company which may from time to time be allotted and issued pursuant to the exercise of the options granted from time to time under the New Share Option Scheme, and where any such application has been made prior to the date of passing this resolution, the same be and is hereby approved, confirmed and ratified in all respects;
  - (v) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the New Share Option Scheme; and
  - (vi) in addition and without prejudice to the foregoing, any one director of the Company, or any two directors of the Company if affixation of the Company's common seal is necessary, be and is/are hereby authorised for and on behalf of the Company to enter into, execute and deliver (and affix the Company's common seal to, if necessary) any and all such transactions, arrangements, deeds, agreements and documents as he/they may in his/their absolute discretion consider necessary or expedient involving any and all service providers engaged by or on behalf of the Company from time to time in connection with or for the purposes of the implementation, administration and operation of the New Share Option Scheme; and
- (b) subject to and conditional upon the matters set out in number (8)(a) above, the existing share option scheme adopted by the Company's then shareholders on 26 November 2013 (the "**Existing Share Option Scheme**") be and is hereby terminated upon which the Existing Share Option Scheme shall cease to have any further force with effect from the date on which the New Share Option Scheme becomes unconditional and effective, except that the Existing Share Option Scheme will remain in full force and effect to the extent necessary to give effect to the exercise of the options granted under the Existing Share Option Scheme prior to its termination, its termination and ancillary matters or otherwise to the extent as may be required in accordance with the terms of the Existing Share Option Scheme."

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(9) “**THAT:**

- (a) subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) granting approval of the listing of, and permission to deal in, on the Stock Exchange (among others) the shares of the Company which may be granted, allotted and issued from time to time under the new share option scheme of the Company (the terms of which are contained in the document produced to the meeting marked “B” for identification purposes) (the “**New Share Scheme**”), the New Share Scheme be and is hereby approved and adopted, and the board of directors of the Company (or its duly authorised committee, officer(s) or delegate(s) pursuant to the terms of the New Share Scheme) be and is/are hereby authorised for and on behalf of the Company to do any and all such acts and things and to enter into, execute and deliver (and affix the Company’s common seal to, if necessary) any and all such transactions, arrangements, deeds, agreements and documents as he/they may in his/their absolute discretion consider necessary or expedient in connection with or for the purposes of the New Share Scheme and/or any of the matters contemplated thereby, including without limitation:
- (i) to administer and operate the New Share Scheme under which shares in the Company will be granted to participants eligible under the New Share Scheme;
  - (ii) to modify and/or amend the New Share Scheme from time to time, provided that such modification and/or amendment is/are effected in accordance with the provisions of the New Share Scheme relating to modification and/or amendment;
  - (iii) to allot and issue and/or purchase from time to time such number of shares in the Company as may be required to be allotted and issued and/or purchased pursuant to the grants of shares in the Company made from time to time under the New Share Scheme;
  - (iv) to make application at the appropriate time or times to the Stock Exchange for the listing of, and permission to deal in, on the Stock Exchange (among others) any shares in the Company which may from time to time be granted under the New Share Scheme;
  - (v) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the New Share Scheme; and
  - (vi) in addition and without prejudice to the foregoing, any one director of the Company, or any two directors of the Company if affixation of the Company’s common seal is necessary, be and is/are hereby authorised for and on behalf of the Company to enter into, execute and deliver (and affix the Company’s common seal to, if necessary) any and all such transactions, arrangements, deeds, agreements and documents as he/they may in his/

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their absolute discretion consider necessary or expedient involving any and all service providers (including without limitation a trustee) engaged by or on behalf of the Company from time to time in connection with or for the purposes of the implementation, administration and operation of the New Share Scheme; and

- (b) subject to and conditional upon the matters set out in number (9)(a) above, the existing share scheme adopted by the Company's then shareholders on 26 November 2013 (the "**Existing Share Scheme**") be and is hereby terminated upon which the Existing Share Scheme shall cease to have any further force with effect from the date on which the New Share Scheme becomes unconditional and effective, except that the Existing Share Scheme will remain in full force and effect to the extent necessary to give effect to the grants of the Company's shares under the Existing Share Scheme prior to its termination, its termination and ancillary matters or otherwise to the extent as may be required in accordance with the terms of the Existing Share Scheme."

By Order of the Board  
**CHIH Yu Yang**  
*Acting Chairman*

Hong Kong, 14 April 2023

*Registered Office:*

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New Taipei City 236  
Taiwan

*Principal Place of Business in Hong Kong:*

8th Floor, Peninsula Tower  
538 Castle Peak Road  
Cheung Sha Wan  
Kowloon  
Hong Kong

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*Notes:*

- (a) The register of members of the Company will be closed from Monday, 15 May 2023 to Friday, 19 May 2023, both dates inclusive, during which period no transfer of Shares will be registered. In order to be entitled to attend and vote at the Annual General Meeting, all transfers of Shares accompanied by the relevant share certificates and properly completed and signed transfer forms must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Friday, 12 May 2023.
- (b) Any member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint one or more proxies to attend and vote in his/her stead. A proxy need not be a member of the Company. If more than one proxy is appointed, the appointment shall specify the number of Shares in respect of which each such proxy is appointed.
- (c) Form of proxy together with the power of attorney or other authority, if any, under which it is signed, or a notarially certified copy of such power or authority, must be lodged with the branch share registrar of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding of the Annual General Meeting or any adjourned meeting.
- (d) With reference to resolution number (2) above, Mr. LIN Chia-Yi (also known as Charles LIN), being eligible, will offer himself for re-election as Director at the Annual General Meeting, and details of Mr. Lin are set out in Appendix II to the circular dated 14 April 2023.
- (e) With reference to resolution number (3) above regarding the proposed appointment of Ms. CHEN Shu Chuan (also known as Nadia CHEN) as an independent non-executive Director, the biographical details of Ms. Chen are set out in Appendix III to the circular dated 14 April 2023.
- (f) With reference to resolution numbers (8) and (9) above proposing the adoption of the New Share Option Scheme and the New Share Scheme at the AGM, summaries of the principal terms of the New Share Option Scheme and the New Share Scheme are set out in Appendix IV and Appendix V respectively to the circular dated 14 April 2023.
- (g) The ordinary resolutions set out above will be determined by way of poll.
- (h) **Subject to the development of the novel coronavirus (COVID-19) pandemic and the requirements or guidelines of the Government of Hong Kong and/or regulatory authorities, the Company may announce any update on the AGM arrangement on the Company's website (<https://www.fihmobile.com>) and the website of The Stock Exchange of Hong Kong Limited (<https://www.hkexnews.hk>) as and when appropriate.**