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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 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,
MANDATE TO ISSUE NEW SHARES UNDER SHARE SCHEME,
RE-ELECTION OF DIRECTORS,
PROPOSED AMENDMENTS TO INTERNAL POLICIES,
PROPOSAL FOR ADOPTION OF
MOBILE DRIVE SHARE OPTION SCHEME,
PROPOSAL FOR ADOPTION OF
RISING STARS SHARE OPTION 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, 28 May 2021 at 10:00 a.m. is set out on pages 59 to 64 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 Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, 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.

PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

Please see page 1 of this circular for measures to be taken at the Annual General Meeting in view of the novel coronavirus disease (COVID-19), including:

- compulsory temperature checks and health declarations
- wearing of surgical face masks required for all attendees who should bring their own respective masks (the Company will not be providing any mask)
- no distribution of corporate gifts and refreshments at the AGM venue to reduce close contacts

Any person who does not comply with the precautionary measures may not be given access to the AGM venue. The Company strongly recommends the Shareholders to consider appointing the chairman of the AGM as their proxy to vote on the relevant resolutions at the AGM according to their respective voting instructions, instead of attending the AGM in person.

Hong Kong, 21 April 2021

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PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

In view of the recent developments relating to the novel coronavirus disease (COVID-19), the Company will implement the following measures at the AGM to reduce the risk of infection of attendees:

- (i) Compulsory body temperature checks and health declarations will be conducted on every Shareholder, proxy and attendee at the entrance of the AGM venue. Any person with a body temperature of over 37.4 degrees Celsius may not be given access to the AGM venue.
- (ii) All attendees are required to bring their own respective surgical face masks and wear their masks inside the AGM venue at all times (the Company will not be providing any mask), and to maintain distance between seats.
- (iii) To reduce close contacts, no refreshments will be served, and there will be no corporate gifts.

The Company reserves the right to deny entry into the AGM venue or require any person to leave the AGM venue in order to ensure the health and safety of the attendees at the AGM.

In the interest of all stakeholders' health and safety, the Company reminds all Shareholders that physical attendance in person at the AGM is not necessary for the purpose of exercising voting rights. Shareholders may appoint the chairman of the AGM as their proxy to vote on the relevant resolutions according to their respective voting instructions stated in proxy forms at the AGM, instead of attending the AGM in person.

If you are not a registered Shareholder (if your Shares are held via banks, brokers, custodians or the Hong Kong Securities Clearing Company Limited), you should consult directly with your banks or brokers or custodians (as the case may be) to assist you in the appointment of proxy to vote on your behalf in accordance with your instructions.

If Shareholders choose not to attend the AGM in person but have any questions about the relevant resolutions, or about the Company or any matters for communication with the Board, they are welcome to contact the Company through "Contact FIH" at the Company's website (www.fihmb.com) or the company secretary of the Company at the following address:

The Company Secretary of FIH Mobile Limited
c/o Shenzhen Futaihong Precision Industrial Co., Ltd.
No. 2, 2nd Donghuan Road
Longhua Street, Baoan
Shenzhen City
Guangdong Province
518109
People's Republic of China

If Shareholders have any questions relating to the AGM arrangements, please contact Computershare Hong Kong Investor Services Limited, the Company's branch share registrar in Hong Kong as follows:

Computershare Hong Kong Investor Services Limited
Shops 1712-1716, 17th Floor, Hopewell Centre
183 Queen's Road East
Wanchai, Hong Kong
E-mail: hkinfo@computershare.com.hk
Tel: 852 2862 8555
Fax: 852 2865 0990

DEFINITIONS

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

“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, 28 May 2021 at 10:00 a.m. or, where the context so admits, any adjournment thereof
“Articles”	the amended and restated articles of association of the Company
“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 Persons”	the employees, directors and other members of senior management, and third party service providers (including without limitation the employees of Hon Hai and its subsidiaries other than the Group), of the Group who or which may be eligible to participate in the Share Scheme in accordance with its terms
“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)
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“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)

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“India Companies Act”	the Companies Act, 2013 of India as amended from time to time
“INR”	Indian Rupee, the lawful currency of India
“Internal Policies”	collectively, the Procedures for Endorsement and Guarantee and the Procedures for Loaning of Funds of the Company in force for the time being
“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”	Wednesday, 14 April 2021, 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)
“Memorandum and Articles of Association”	the amended and restated memorandum and articles of association of the Company
“Mobile Drive”	Mobile Drive Technology Co., Ltd. (富智捷股份有限公司), a company incorporated in Taiwan with limited liability being an indirect subsidiary of the Company, whose principal business activities are provision of services to group companies, mainly research and development services and sales
“Mobile Drive Adoption Date”	the date on which the Mobile Drive Share Option Scheme is adopted by resolutions of the Company at the AGM
“Mobile Drive Board”	the board of directors from time to time of Mobile Drive or (in the absence of such board of directors) the sole director for the time being of Mobile Drive
“Mobile Drive Eligible Persons”	the employees (including directors and members of senior management), and the third party service providers (including the directors, members of senior management and other employees of the Group as well as employees of Hon Hai and its subsidiaries, other than the Group (including the Mobile Drive Group)), of the Mobile Drive Group who or which may be eligible to participate in the Mobile Drive Share Option Scheme in accordance with its terms

DEFINITIONS

“Mobile Drive Group”	collectively, Mobile Drive and its subsidiaries (including, for the time being, 深圳市超捷通訊有限公司)
“Mobile Drive Share Option Scheme”	the share option scheme of Mobile Drive 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
“Mobile Drive Shares”	the ordinary shares with a nominal value of NT\$10.00 each in the share capital of Mobile Drive
“NT\$”	New Taiwan dollars, the lawful currency of Taiwan
“PRC”	the People’s Republic of China
“Rising Stars”	Rising Stars Mobile India Private Limited, a company incorporated in India with limited liability being an indirect subsidiary of the Company, whose principal business activity is manufacture of handsets
“Rising Stars Adoption Date”	the date on which the Rising Stars Share Option Scheme is adopted by resolutions of the Company at the AGM
“Rising Stars Board”	the board of directors from time to time of Rising Stars or (in the absence of such board of directors) the sole director for the time being of Rising Stars
“Rising Stars Eligible Persons”	collectively, (a) the employees (including directors (other than independent directors) and members of senior management of the Rising Stars Group; and (b) the third party service providers of the Rising Stars Group, comprising the employees (including directors (other than independent directors or the foreign equivalent) and members of senior management) of a direct or indirect holding company (as defined under the India Companies Act) of Rising Stars (including, for the avoidance of doubt, the Company and Hon Hai), in either case who may be eligible to participate in the Rising Stars Share Option Scheme in accordance with its terms; but excluding in both cases: (i) an employee who is a promoter or a person belonging to the promoter group; and (ii) a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% of the outstanding/issued equity shares of Rising Stars or its relevant subsidiary or such holding company (as the case may be)

DEFINITIONS

“Rising Stars Group”	collectively, Rising Stars and its subsidiary(ies) from time to time
“Rising Stars Share Option Scheme”	the share option scheme of Rising Stars 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
“Rising Stars Shares”	the ordinary shares with a nominal value of INR10.00 each in the share capital of Rising Stars
“Scheme Mandate”	the scheme mandate proposed to be granted to the Board (or its duly authorised committee, officer(s) or delegate(s)) to allot and issue Shares not exceeding 2% of the total number of issued Shares as at the date of passing of the resolution approving this scheme mandate
“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
“Share Option Scheme”	the share option scheme of the Company adopted by the Board on 17 October 2013 and by the Shareholders on 26 November 2013, as amended from time to time in accordance with the terms contained therein. The share option scheme will be valid and effective for a period of 10 years until (inclusive of) 25 November 2023
“Share Scheme”	the share scheme of the Company adopted by the Board on 17 October 2013 and by the Shareholders on 26 November 2013, as amended from time to time in accordance with the terms contained therein. The share scheme will be valid and effective for a period of 10 years until (inclusive of) 25 November 2023
“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 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

MENG Hsiao-Yi

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

21 April 2021

To the Shareholders

Dear Sir or Madam,

**GENERAL MANDATES
TO ISSUE NEW SHARES AND TO BUY BACK SHARES,
MANDATE TO ISSUE NEW SHARES UNDER SHARE SCHEME,
RE-ELECTION OF DIRECTORS,
PROPOSED AMENDMENTS TO INTERNAL POLICIES,
PROPOSAL FOR ADOPTION OF
MOBILE DRIVE SHARE OPTION SCHEME,
PROPOSAL FOR ADOPTION OF
RISING STARS SHARE OPTION 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 of giving information with regard to the Company. The Directors, having made all reasonable

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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 Scheme Mandate, the re-election of the relevant Directors, the proposed amendments to the Internal Policies as set out in Appendix III to this circular, the proposed adoption of the Mobile Drive Share Option Scheme as well as the proposed adoption of the Rising Stars Share Option Scheme, respectively.

By resolutions approved by the Shareholders entitled to vote at the annual general meeting of the Company, which were passed on 22 May 2020, 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.

Pursuant to the terms of the Share Scheme, any mandates given to the Board (or its duly authorised committee, officer(s) or delegate(s)) to allot and issue Shares under the Share Scheme will only remain in effect until the conclusion of the forthcoming Annual General Meeting. An ordinary resolution will be proposed at the Annual General Meeting to grant to the Board (or its duly authorised committee, officer(s) or delegate(s)) a new mandate to allot and issue Shares pursuant to the 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 8,084,818,000 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 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 2,425,445,400 Shares being allotted and issued.

LETTER FROM THE BOARD

Details of the Issue Mandate and the extension of the Issue Mandate are respectively set out in resolution numbers (7) and (8) in the notice of the Annual General Meeting set out on pages 60 and 61 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.

SCHEME MANDATE

The Share Scheme was adopted by the Board on 17 October 2013 and by the Shareholders on 26 November 2013, and shall be valid and effective for a period of 10 years from 26 November 2013 until 25 November 2023, unless otherwise terminated in accordance with its terms. The Share Scheme is not subject to the provisions of Chapter 17 of the Listing Rules and provides (among other things) that: (a) for grants to the beneficiaries who are not connected persons (as defined in the Listing Rules) of the Company (the “Non-connected Beneficiaries”), the trustee for the Share Scheme (who is a professional institution, the “Trustee”) shall subscribe, on behalf of the Non-connected Beneficiaries, for new Shares at nominal value from the Company (the “Subscription”); and (b) for grants to the beneficiaries who are connected persons of the Company, the Trustee shall purchase, on behalf of the beneficiaries, Shares from the market, so that the grants under (a) or (b) above will not constitute connected transactions (as defined in the Listing Rules) of the Company. In accordance with the Share Scheme, the maximum number of Shares which may be subscribed for by the Trustee on behalf of the Non-connected Beneficiaries, during the period between one annual general meeting and the subsequent annual general meeting, must not exceed 2% of the total number of issued Shares as at the date of the earlier annual general meeting. Subject to the aforesaid, the Share Scheme does not provide for any limit on the maximum number of

LETTER FROM THE BOARD

Shares that may be granted over the life of the Share Scheme. At the Annual General Meeting, an ordinary resolution will be proposed for the Shareholders to consider and, if thought fit, to approve the Scheme Mandate.

The Trustee, namely Core Pacific – Yamaichi International (H.K.) Nominees Limited, is 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 Share Scheme (including the holding of unvested Shares on behalf of both the Non-connected Beneficiaries and the beneficiaries who are the Company’s connected persons, and the exercise of the voting rights in respect of the unvested Shares held by the Trustee pursuant to the voting instructions given by the relevant beneficiaries) in accordance with the 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 Share Scheme and the Share Option Scheme respectively and share buy-backs pursuant to the relevant buy-back mandates approved by the 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). As the Share Scheme is an employees’ share scheme established for a wide scope of participants and the aggregate interests held by the Company’s connected persons in the Share Scheme as at the Latest Practicable Date are less than 30%, the Trustee is not a connected person of the Company for the purposes of Rule 14A.12 of the Listing Rules. As at the Latest Practicable Date, the Trustee held a total of 92,456,937 Shares under the Share Scheme, representing around 1.14% of the total number of issued Shares. With reference to the relevant publications of the Stock Exchange and after consulting with the Company’s legal counsel, the Board takes the view that the Trustee is a close associate (as defined in the Listing Rules) of the executive Directors who have participated in the Share Scheme and hence a core connected person of the Company for the purposes of Rule 8.24 of the Listing Rules, and it follows that the Shares held by the Trustee under the Share Scheme would not be regarded as being held by the public for the purposes of the Listing Rules.

The purpose of the Share Scheme is to attract skilled and experienced personnel, to incentivise 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 Board (or its duly authorised committee, officer(s) or delegate(s)) may determine as to which of the Eligible Persons (on the basis of the recommendations from the Company’s remuneration committee as delegated and authorised by the Board, including any director or any other member of senior management of the Group) should be entitled to receive grants of

LETTER FROM THE BOARD

Shares under the Share Scheme, together with the number of Shares to which each proposed beneficiary should be entitled, provided that if any proposed grant of Shares to any connected person of the Company would result in the total number of Shares granted and to be granted to such connected person during the 12-month period immediately preceding the date of such proposed grant exceeding 1% of the total number of issued Shares as at the date of such proposed grant, then such proposed grant must be approved by the Shareholders in general meeting, at which such connected person and his associates shall abstain from voting. During the period from 22 May 2020 (being the date of the last annual general meeting of the Company) to the Latest Practicable Date, no Shares were granted under the Share Scheme, and the Board does not have any plan to make any grant of Shares under the Share Scheme up to the date of the AGM. In addition, as at the Latest Practicable Date, there were no Shares which have been granted but remained unvested, subject to the corresponding lock-up periods under the Share Scheme.

The Scheme Mandate will only remain in effect until 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 (or its duly authorised committee, officer(s) or delegate(s)) under the ordinary resolution approving the Scheme Mandate by passing of an ordinary resolution of the Shareholders in general meeting.

In accordance with the terms of the Share Scheme, any proposed Non-connected Beneficiaries, including such beneficiaries being management members, employees and third party service providers of the Group (but excluding, for the avoidance of doubt, the Directors or any directors of the Company's subsidiaries or any other connected persons of the Company who will not be entitled under the Share Scheme to receive grants of Shares through the Subscription under the Share Scheme) and their associates (as the term is defined in the Listing Rules), shall abstain from voting on the relevant resolution granting the Scheme Mandate at the Annual General Meeting. As at the Latest Practicable Date, no such Non-connected Beneficiaries have been proposed, and accordingly, the Company is not aware of any Shareholders who are required to abstain from voting on the resolution proposed for approving the Scheme Mandate at the AGM.

As at the Latest Practicable Date, the total issued share capital of the Company comprised 8,084,818,000 Shares of US\$0.04 each. Subject to passing of the ordinary resolution approving the Scheme Mandate and on the basis that no further Shares will be issued or bought back prior to the Annual General Meeting and that no Shares will be purchased from the market pursuant to the Share Scheme, exercise in full of the Scheme Mandate will result in up to 2% of the total number of issued Shares as at the Latest Practicable Date or 161,696,360 Shares being allotted and issued and the interest of each existing Shareholder will be reduced by approximately 1.96% based on the enlarged total number of issued Shares of 8,246,514,360 Shares (assuming the number of Shares held by the existing Shareholders remains unchanged). On the basis of the closing price of HK\$1.09 per Share as at the Latest Practicable Date and the Scheme Mandate being exercised in full, the aggregate market value of the 161,696,360 Shares to be allotted and issued pursuant thereto would be approximately HK\$176,249,032. The Company expects that the costs attributable to the grant of any Shares under the Share Scheme will be accounted for by reference to the market value of such Shares at the time of

LETTER FROM THE BOARD

grant. The Company will give due consideration to any financial impact arising from the grant of Shares under the Share Scheme before exercising the Scheme Mandate. Since the date of the last annual general meeting held on 22 May 2020 to the Latest Practicable Date, no Shares were allotted and issued to the Eligible Persons through the Subscription under the Share Scheme.

Application will be made to the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares which may be allotted and issued by the Company pursuant to any Subscription under the Share Scheme, representing up to 2% of the total number of issued Shares as at the date of passing of the resolution approving the Scheme Mandate.

RE-ELECTION OF DIRECTORS

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, Mr. LAU Siu Ki (“Mr. Lau”) and Dr. Daniel Joseph MEHAN (“Dr. Mehan”) will retire from office by rotation at the Annual General Meeting and, being eligible, will offer themselves for re-election at such meeting. Pursuant to article 95 of the Articles, Mr. MENG Hsiao-Yi (“Mr. Meng”) who was appointed as an executive Director with effect from 30 October 2020 and, being eligible, will offer himself for re-election at the Annual General Meeting.

Mr. Lau and Dr. Mehan have served the Board for more than nine years, and subject to retirement and re-election under the Articles as mentioned above, the current appointment terms of Mr. Lau and Dr. Mehan with the Company as independent non-executive Directors will end upon the conclusion of the AGM. The Board has therefore kept Mr. Lau’s and Dr. Mehan’s positions under careful review. Mr. Lau has over 35 years of experience in corporate governance, corporate finance, financial advisory and management, accounting and auditing, whereas Dr. Mehan has strong background in information systems, cyber security, business management, marketing initiatives and technology development (for further details, please refer to Appendix II to this circular). On the basis of their respective professional background, skills and experience as well as their diversity of perspectives appropriate to the requirements of the Company’s business, Mr. Lau and Dr. Mehan have accumulated in-depth understanding of the Group’s business operations and affairs, and have been contributing objectively and giving independent guidance, views and comments to the Company over the past years. For the year ended 31 December 2020, Mr. Lau and Dr. Mehan have provided their respective written annual confirmation of independence to the Company pursuant to Rule 3.13 of the Listing Rules. They have also confirmed no relationship with any directors, senior management members, or substantial or controlling shareholders of the Company. Each of Mr. Lau and Dr. Mehan has not held any executive or management role or position within the Group, and has not been involved in the daily operations and management of the Group during the years that he has been a Director, and has clearly demonstrated to the Company his willingness to exercise independent judgement and to provide objective views to the Company.

LETTER FROM THE BOARD

In this respect, the nomination committee of the Company re-assessed the independence of all the independent non-executive Directors (including Mr. Lau and Dr. Mehan) in respect of the year ended 31 December 2020, and was satisfied (among other things) that each of Mr. Lau and Dr. Mehan was and would be independent in accordance with Rule 3.13 of the Listing Rules. On the basis of the recommendation from the nomination committee and up to the date of this circular, the Board (after taking into account the above factors) is not aware of the occurrence of any event which would cause it to believe that the independence of any of the independent non-executive Directors (including Mr. Lau and Dr. Mehan) has been impaired. In relation to Mr. Lau and Dr. Mehan who have served the Board for more than nine years, the Board is not aware of any evidence that the length of tenure of Mr. Lau and Dr. Mehan has had any adverse impact on their independence, nor any circumstance that might influence Mr. Lau and Dr. Mehan in effectively exercising their judgement independently, in either case in their capacity as independent non-executive Directors despite their familiarity with the Group's affairs and management. Accordingly, the Board has concluded that Mr. Lau and Dr. Mehan have remained and would continue to remain independent in the context of the Listing Rules. In addition, during the year ended 31 December 2020, Mr. Lau and Dr. Mehan spent about 29 hours in 2020 and 15 hours in 2020 respectively in training which evidences their efforts to keep abreast of new changes for their continuous professional development with fresh perspectives. Moreover, after a comprehensive review of all the skill sets, experience and qualifications of Mr. Lau and Dr. Mehan respectively, the Board and the nomination committee have believed that Mr. Lau and Dr. Mehan possess the required character, competence, integrity and experience to continue fulfilling their role as the independent non-executive Directors, and their continued tenure will continue to bring valuable insights, advices, expertise and fresh perspectives to the Board.

As disclosed in Appendix II to this circular, as at the Latest Practicable Date, Mr. Lau holds the position of independent non-executive director in six other companies which shares are listed on the Stock Exchange. The Board and the nomination committee of the Company have considered that Mr. Lau has, throughout the period during which he has been acting as an independent non-executive Director, demonstrated that he has been, and will continue to be, able to devote sufficient time to the Board after having taken into account a variety of considerations, including without limitation the following: (i) given all the above-mentioned directorships are of an independent non-executive nature and do not require Mr. Lau to devote his full time and attention to the day-to-day operation and management of those companies; (ii) Mr. Lau is a competent professional and good at time management who has sound knowledge and skills to efficiently handle seventh or more companies' directorships, and since his appointment as a Director in December 2004, Mr. Lau has demonstrated outstanding time management, planning and organisation skills with the help of sufficient staff support despite overlapping of financial year-end and peak seasons for listed companies, and also, he spent about 29 hours in 2020 in training to effectively facilitate the performance of his appointments; (iii) Mr. Lau has a proven track record of ability and commitment to manage and allocate sufficient time for matters relating to the Group from time to time handled by the Board and/or the Board committees chaired by Mr. Lau (the "Group Matters"), as evidenced by his full attendance at a total of eight meetings of the Board (out of eight in 2020), four meetings of the audit committee (out of four in 2020), two meetings of the nomination committee (out of two in 2020) and two meetings of the remuneration committee (out of two in 2020), one meeting of

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the independent Board committee (out of one in 2020) and two meetings of the Shareholders (out of two in 2020); and (iv) at the request of the Company, Mr. Lau provides an annual confirmation that he has devoted sufficient time and attention to the Group Matters for 2020 and will continue to do so, and in particular, Mr. Lau has disclosed to the Company: (a) the number and nature of offices held by him in public companies, organisations and other significant commitments as more particularly described in his biographical details; (b) the identity of the said companies and organisations; and (c) an indication of time involved in each of such offices, and Mr. Lau will also notify the Company of any change of such information in a timely manner. Further, the Board is of the view that Mr. Lau's directorship experiences in other companies listed on the Stock Exchange would enable him to discharge his duties as an independent non-executive Director more effectively as these experiences are beneficial in equipping him with accumulative knowledge, familiarity and experience on matters such as the latest developments and trends in directors' duties, Listing Rules requirements, regulatory focus and common risks and limitations in management and compliance. The Board will continue to maintain regular communications with Mr. Lau and re-assess Mr. Lau's ability to devote sufficient time to the Group Matters and discussions and deliberations at the Board level on an on-going basis.

In view of the foregoing, the Board has recommended each of Mr. Lau and Dr. Mehan to be re-elected as independent non-executive Directors at the Annual General Meeting.

For the work performed by the Company's nomination committee in respect of the appointment of Mr. Meng as an executive Director, please refer to pages 186 and 187 of the Company's 2020 annual report as issued and published simultaneously upon the issuance and publication of this circular.

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

PROPOSED AMENDMENTS TO INTERNAL POLICIES

It is noted that following the approval by Hon Hai (the Company's ultimate controlling shareholder whose shares are listed on the Taiwan Stock Exchange Corporation) of its relevant procedures in accordance with applicable Taiwan laws and regulations, the Company has correspondingly adopted its own Internal Policies following the Shareholders' approval.

In light of the recent amendments to Hon Hai's procedures in accordance with the up-to-date relevant laws and regulations in Taiwan, it is proposed that the Company should make corresponding amendments to the Internal Policies, so that all amended procedures could be operated consistently in line with each other within the Hon Hai Technology Group as a whole. Pursuant to the Internal Policies, any amendments thereto shall be submitted to the Shareholders for approval in general meeting, and accordingly, ordinary resolutions will be proposed at the AGM to approve the amendments to the Internal Policies.

A comparison of the existing Internal Policies and the proposed new Internal Policies showing the proposed amendments is set out in Appendix III to this circular.

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PROPOSAL FOR ADOPTION OF MOBILE DRIVE SHARE OPTION SCHEME

It is proposed that the Mobile Drive Share Option Scheme should be adopted to attract and retain capable and skilled and experienced personnel, to incentivize them to remain with the Mobile Drive Group and to give effect to the Mobile Drive 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 Mobile Drive Group, by providing them with the opportunity to acquire equity interests in Mobile Drive. The Mobile Drive Share Option Scheme complies with the applicable requirements laid down by Chapter 17 of the Listing Rules. In order to implement an incentive scheme for the Mobile Drive Group to reward, motivate and retain the Mobile Drive Eligible Persons, both the Board and the Mobile Drive Board propose to adopt the Mobile Drive Share Option Scheme. As the Mobile Drive Share Option Scheme constitutes a share option scheme governed by Chapter 17 of the Listing Rules, the proposed adoption of the Mobile Drive Share Option Scheme is subject to the approval of the Shareholders in general meeting. Accordingly, the proposed adoption of the Mobile Drive Share Option Scheme will be presented for approval of the Shareholders at the AGM.

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 Mobile Drive Group) is a key to the continuous growth and success of the Mobile Drive Group, and the Mobile Drive Share Option Scheme will provide the Mobile Drive Eligible Persons with the opportunity to participate in the continuous growth and development of the Mobile Drive Group by acquiring Mobile Drive Shares representing ownership interest in Mobile Drive.

The Mobile Drive Group has not so far adopted any share option scheme, share scheme or similar scheme as at the Latest Practicable Date.

As at the Latest Practicable Date, the issued share capital of Mobile Drive comprised NT\$500,000,000 divided into 50,000,000 Mobile Drive Shares. On the basis that there is no change in the issued share capital of Mobile Drive between the period from the Latest Practicable Date and the Mobile Drive Adoption Date and subject to passing of the Shareholders' ordinary resolution approving the adoption of the Mobile Drive Share Option Scheme at the AGM, the total number of Mobile Drive Shares issuable upon exercise of all options which may be granted pursuant to the Mobile Drive Share Option Scheme as at the Mobile Drive Adoption Date will be 5,000,000 Mobile Drive Shares, representing 10% of the total number of Mobile Drive Shares in issue as at the Mobile Drive Adoption Date.

The Board considers that it is not appropriate to state the value of all the options that can be granted under the Mobile Drive 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 the subscription price for the Mobile Drive Shares to be allotted and issued upon the exercise of such options,

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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.

Although the Mobile Drive Share Option Scheme does not prescribe any minimum period for which an option must be held before it can be exercised, the Board believes that the terms and conditions governing the Mobile Drive Share Option Scheme (as summarised in Appendix IV to this circular), including without limitation the requirements for a minimum subscription price (which shall not be lower than the nominal value of a Mobile Drive Share) and the conditions (if any, such as any exercise/vesting period and/or performance criteria) that may be imposed by the Mobile Drive Board (or its duly authorised committee, officer(s) or delegate(s)) as it thinks fit when it offers to grant any option to any Mobile Drive Eligible Person under the Mobile Drive Share Option Scheme, will serve to protect the value of Mobile Drive Shares as well as to achieve the purposes of the Mobile Drive Share Option Scheme.

As at the Latest Practicable Date, no grants to any Mobile Drive Eligible Person have been proposed, and on this basis, the Company is not aware that any Shareholder is required to abstain from voting at the AGM on the resolution as set out in the notice of the AGM approving the adoption of the Mobile Drive Share Option Scheme.

A summary of the principal terms of the Mobile Drive Share Option Scheme is set out in Appendix IV to this circular. This serves as a summary of the terms of the Mobile Drive Share Option Scheme and does not constitute the full terms of the same.

A copy of the Mobile Drive Share Option Scheme is available for inspection during normal business hours at the Company's principal place of business in Hong Kong at 8th Floor, Peninsula Tower, 538 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong on any weekday (except public holidays in Hong Kong) from the date of this circular to the date of the AGM (both days inclusive) and also at the AGM.

PROPOSAL FOR ADOPTION OF RISING STARS SHARE OPTION SCHEME

It is proposed that the Rising Stars Share Option Scheme should be adopted to attract and retain capable and skilled and experienced personnel, to incentivize them to remain with the Rising Stars Group and to give effect to the Rising Stars Group's customer-focused and performance-driven corporate culture, and to motivate them to strive for the future

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development and expansion and long-term success of the Rising Stars Group, by providing them with the opportunity to acquire equity interests in Rising Stars. The Rising Stars Share Option Scheme complies with the applicable requirements laid down by Chapter 17 of the Listing Rules. In order to implement an incentive scheme for Rising Stars to reward, motivate and retain the Rising Stars Eligible Persons, both the Board and the Rising Stars Board propose to adopt the Rising Stars Share Option Scheme. As the Rising Stars Share Option Scheme constitutes a share option scheme governed by Chapter 17 of the Listing Rules, the proposed adoption of the Rising Stars Share Option Scheme is subject to the approval of the Shareholders in general meeting. Accordingly, the proposed adoption of the Rising Stars Share Option Scheme will be presented for approval of the Shareholders at the AGM.

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 Rising Stars Group) is a key to the continuous growth and success of the Rising Stars Group, and the Rising Stars Share Option Scheme will provide the Rising Stars Eligible Persons with the opportunity to participate in the continuous growth and development of the Rising Stars Group by acquiring Rising Stars Shares representing ownership interest in Rising Stars.

The Rising Stars Group has not so far adopted any share option scheme, share scheme or similar scheme as at the Latest Practicable Date.

As at the Latest Practicable Date, the issued share capital of Rising Stars comprised INR23,809,449,800 divided into 2,380,944,980 Rising Stars Shares. On the basis that there is no change in the issued share capital of Rising Stars between the period from the Latest Practicable Date and the Rising Stars Adoption Date and subject to passing of the Shareholders' ordinary resolution approving the adoption of the Rising Stars Share Option Scheme at the AGM, the total number of Rising Stars Shares issuable upon exercise of all options which may be granted pursuant to the Rising Stars Share Option Scheme as at the Rising Stars Adoption Date will be 238,094,498 Rising Stars Shares, representing 10% of the total number of Rising Stars Shares in issue as at the Rising Stars Adoption Date.

The Board considers that it is not appropriate to state the value of all the options that can be granted under the Rising Stars 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 the subscription price for the Rising Stars 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.

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The Board believes that the terms and conditions governing the Rising Stars Share Option Scheme (as summarised in Appendix V to this circular), including without limitation the minimum period of one year for which an option must be held before it can be exercised, the requirements for a minimum subscription price (which shall not be lower than the nominal value of a Rising Stars Share) and the conditions (if any, such as any exercise/vesting period and/or performance criteria) that may be imposed by the Rising Stars Board (or its duly authorised committee, officer(s) or delegate(s)) as it thinks fit when it offers to grant any option to any Rising Stars Eligible Person under the Rising Stars Share Option Scheme, will serve to protect the value of Rising Stars Shares as well as to achieve the purposes of the Rising Stars Share Option Scheme.

As at the Latest Practicable Date, no grants to any Rising Stars Eligible Person have been proposed, and on this basis, the Company is not aware that any Shareholder is required to abstain from voting at the AGM on the resolution as set out in the notice of the AGM approving the adoption of the Rising Stars Share Option Scheme.

A summary of the principal terms of the Rising Stars Share Option Scheme is set out in Appendix V to this circular. This serves as a summary of the terms of the Rising Stars Share Option Scheme and does not constitute the full terms of the same.

A copy of the Rising Stars Share Option Scheme is available for inspection during normal business hours at the Company's principal place of business in Hong Kong at 8th Floor, Peninsula Tower, 538 Castle Peak Road, Cheung Sha Wan, Kowloon, Hong Kong on any weekday (except public holidays in Hong Kong) from the date of this circular to the date of the AGM (both days inclusive) and also at the AGM.

ANNUAL GENERAL MEETING

The notice convening the Annual General Meeting is set out on pages 59 to 64 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 and the Scheme Mandate, the re-election of the relevant Directors, the proposed amendments to the Internal Policies, the proposed adoption of the Mobile Drive Share Option Scheme as well as the proposed adoption of the Rising Stars Share Option 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 Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, 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 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.

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RECOMMENDATIONS

The Board considers that: (a) the granting of the Issue Mandate; (b) the granting of the Buy-back Mandate; (c) the granting of the Scheme Mandate; (d) the re-election of the relevant Directors; (e) the amendments to the Internal Policies; (f) the adoption of the Mobile Drive Share Option Scheme; and (g) the adoption of the Rising Stars Share Option 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 8,084,818,000 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 808,481,800 Shares being bought back by the Company during the period from 28 May 2021, 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 Memorandum and Articles of Association.

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 Memorandum and Articles of Association 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 Memorandum and Articles of Association 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 2020. 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\$
2020		
April	0.98	0.83
May	0.97	0.85
June	0.97	0.81
July	0.98	0.82
August	0.92	0.85
September	1.15	0.88
October	1.24	0.84
November	0.93	0.83
December	0.99	0.77
2021		
January	1.48	0.96
February	1.30	1.07
March	1.22	1.01
April (up to the Latest Practicable Date)	1.16	1.08

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 62.85% 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 69.83%. The Directors are not aware of any consequence that would give rise to an obligation on the part of Hon Hai to make a mandatory offer under 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 35.73% of the total number of issued Shares (exclusive of approximately 62.85% of the total number of issued Shares held by Hon Hai through Foxconn Far East as mentioned above, a total of approximately 0.28% of the total number of issued Shares in which the relevant Directors namely Mr. CHIH Yu Yang, Dr. KUO Wen-Yi and Mr. MENG Hsiao-Yi were interested, as well as approximately 1.14% 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 28.59%, 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 nine months immediately preceding the Latest Practicable Date, the Company bought back in multiple batches a total of 118,182,000 Shares on the Stock Exchange in cash for an aggregate consideration (before expenses) of HK\$115,716,150.00, 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\$	
11 August 2020	1,000,000	0.89	0.89	890,000.00
12 August 2020	1,000,000	0.89	0.89	890,000.00
13 August 2020	500,000	0.90	0.90	450,000.00
14 August 2020	35,000	0.90	0.90	31,500.00
17 August 2020	500,000	0.90	0.90	450,000.00
18 August 2020	582,000	0.90	0.89	522,980.00
19 August 2020	1,557,000	0.88	0.88	1,370,160.00
20 August 2020	1,000,000	0.87	0.86	865,000.00
21 August 2020	1,587,000	0.89	0.88	1,406,560.00
24 August 2020	1,066,000	0.90	0.89	950,740.00
25 August 2020	1,000,000	0.89	0.89	890,000.00
26 August 2020	680,000	0.90	0.88	602,000.00
27 August 2020	2,200,000	0.89	0.89	1,958,000.00
28 August 2020	2,373,000	0.90	0.90	2,135,700.00
31 August 2020	2,500,000	0.89	0.89	2,225,000.00
1 September 2020	825,000	0.92	0.91	756,750.00
2 September 2020	1,461,000	0.92	0.91	1,338,510.00
3 September 2020	2,000,000	0.91	0.91	1,820,000.00
4 September 2020	3,000,000	0.91	0.90	2,724,000.00
7 September 2020	1,500,000	0.91	0.91	1,365,000.00
8 September 2020	2,000,000	0.91	0.90	1,810,000.00
9 September 2020	1,600,000	0.91	0.91	1,456,000.00
10 September 2020	1,500,000	0.91	0.90	1,353,000.00
14 September 2020	500,000	0.91	0.91	455,000.00
15 September 2020	428,000	0.96	0.96	410,880.00
16 September 2020	252,000	0.96	0.96	241,920.00
17 September 2020	1,402,000	0.99	0.98	1,381,960.00
21 September 2020	2,978,000	1.04	1.03	3,077,340.00
22 September 2020	1,534,000	1.03	1.03	1,580,020.00
24 September 2020	4,975,000	1.08	1.04	5,296,260.00
25 September 2020	6,300,000	1.07	1.02	6,573,550.00
28 September 2020	1,754,000	1.05	1.03	1,821,700.00
29 September 2020	1,204,000	1.08	1.06	1,293,600.00
30 September 2020	5,207,000	1.11	1.07	5,628,700.00

Date of buy-back	No. of Shares bought back	Price per Share		Aggregate consideration paid (before expenses) HK\$
		Highest HK\$	Lowest HK\$	
14 December 2020	1,000,000	0.80	0.80	800,000.00
16 December 2020	3,000,000	0.82	0.82	2,460,000.00
17 December 2020	3,000,000	0.84	0.84	2,520,000.00
18 December 2020	3,500,000	0.84	0.83	2,930,000.00
22 December 2020	2,500,000	0.83	0.82	2,060,000.00
23 December 2020	2,174,000	0.84	0.83	1,815,280.00
24 December 2020	826,000	0.84	0.84	693,840.00
28 December 2020	4,500,000	0.85	0.85	3,825,000.00
29 December 2020	4,864,000	0.87	0.85	4,181,760.00
6 January 2021	3,130,000	0.98	0.98	3,067,400.00
7 January 2021	3,119,000	1.00	0.98	3,076,620.00
8 January 2021	5,882,000	1.00	0.99	5,831,180.00
11 January 2021	4,455,000	1.03	1.00	4,485,000.00
12 January 2021	4,000,000	1.03	1.03	4,120,000.00
13 January 2021	1,500,000	1.03	1.03	1,545,000.00
18 January 2021	4,100,000	1.25	1.20	5,059,000.00
19 January 2021	3,000,000	1.27	1.26	3,800,000.00
20 January 2021	632,000	1.32	1.32	834,240.00
21 January 2021	2,000,000	1.32	1.31	2,630,000.00
22 January 2021	3,000,000	1.33	1.31	3,960,000.00
	<u>118,182,000</u>			<u>115,716,150.00</u>

For more details about the above buy-backs, please refer to pages 83 to 85 of the Company's 2020 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 three Directors proposed to be re-elected at the Annual General Meeting:

1. **LAU Siu Ki** (Mr.), Chinese (Hong Kong) and aged 62, joined the Company as an independent non-executive Director in December 2004. He is the chairman of the audit committee, remuneration committee and nomination committee respectively of the Company. He has over 35 years of experience in corporate governance, corporate finance, financial advisory and management, accounting and auditing. Mr. Lau is currently a financial advisory consultant running his own management consultancy firm, Hin Yan Consultants Limited. Previously, Mr. Lau worked at Ernst & Young for over 15 years. He graduated from Hong Kong Polytechnic in 1981. Mr. Lau is a fellow member of both the Association of Chartered Certified Accountants (“ACCA”) and Hong Kong Institute of Certified Public Accountants. Mr. Lau was a member of the World Council of ACCA from 2002 to 2011 and was the chairman of ACCA Hong Kong in 2000/2001. During these years, he has helped raising the profile of ACCA. Mr. Lau serves as an independent non-executive director of Binhai Investment Company Limited, Comba Telecom Systems Holdings Limited, Embry Holdings Limited, Samson Holding Ltd., TCL Electronics Holdings Limited (formerly known as TCL Multimedia Technology Holdings Limited) and IVD Medical Holding Limited, whose shares are listed on the Stock Exchange. Mr. Lau also serves as company secretary of Yeebo (International Holdings) Limited, Hung Fook Tong Group Holdings Limited and Expert Systems Holdings Limited (whose shares are listed on the Stock Exchange). In addition, he was an independent non-executive director of China Medical & HealthCare Group Limited from 3 June 2004 to 6 December 2018, the shares of which company are listed on the Stock Exchange.

Save as disclosed in this Appendix: (a) Mr. Lau 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. Lau 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. Lau 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.

A letter of appointment was entered into between Mr. Lau and the Company, setting out the terms and conditions governing his appointment and ancillary matters, as amended and supplemented from time to time. Pursuant to the re-election duly approved by the Shareholders on 18 May 2018, the current appointment term of Mr. Lau has commenced from 18 May 2018, ending upon the conclusion of the relevant annual general meeting of the Company at which (among other things) his next re-election is considered in accordance with the Articles.

Mr. Lau is entitled to a fee for his services as an independent non-executive Director of HK\$20,000 per month (less any necessary statutory deductions) as well as an allowance for his services as the chairman of the audit committee, remuneration committee and nomination committee respectively of the Company of HK\$6,000 per month (less any necessary statutory deductions). The aforesaid fee and allowance were determined by the Board mainly based on Mr. Lau's duties and responsibilities with the Company, his contribution to the Company and the prevailing market practice. For the financial year ended 31 December 2020, the total amount of Mr. Lau's fees in his capacity as an independent non-executive Director as well as his allowances in his capacities as the chairman of the audit committee, remuneration committee and nomination committee respectively of the Company was approximately US\$40,200.

As to Mr. Lau's involvement in the Market Misconduct Tribunal proceedings, please refer to page 178 of the Company's 2020 annual report as issued and published simultaneously upon the issuance and publication of this circular.

In relation to the re-election of Mr. Lau 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.

2. **Dr. Daniel Joseph MEHAN** (Mr.), American and aged 76, joined the Company as an independent non-executive Director in July 2007. He is a member of the audit committee, remuneration committee and nomination committee respectively of the Company. He was the chief information officer of the Federal Aviation Administration from 1999 to 2005. Prior to that, Dr. Mehan was senior level executive who held a variety of leadership positions at AT&T for over 20 years, including international vice president and international chief information officer. Dr. Mehan has strong background in information systems, cyber security, business management, marketing initiatives and technology development. Dr. Mehan received both his Ph.D. in Operations Research and Master of Science in Systems Engineering from University of Pennsylvania, U.S.

Save as disclosed in this Appendix: (a) Dr. Mehan 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) Dr. Mehan 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, Dr. Mehan 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.

A letter of appointment was entered into between Dr. Mehan and the Company, setting out the terms and conditions governing his appointment and ancillary matters, as amended and supplemented from time to time. Pursuant to the re-election duly approved by the Shareholders on 18 May 2018, the current appointment term of Dr. Mehan has commenced from 18 May 2018, ending upon the conclusion of the relevant annual general meeting of the Company at which (among other things) his next re-election is considered in accordance with the Articles.

Dr. Mehan was entitled to a fee for his services as an independent non-executive Director of HK\$20,000 per month (less any necessary statutory deductions). The aforesaid fee was determined by the Board mainly based on Dr. Mehan's duties and responsibilities with the Company, his contribution to the Company and the prevailing market practice. For the financial year ended 31 December 2020, the total amount of Dr. Mehan's fees in his capacity as an independent non-executive Director was approximately US\$30,930.

In relation to the re-election of Dr. Mehan 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.

3. **MENG Hsiao-Yi** (Mr.), Chinese (Taiwan) and aged 56, was appointed as an executive Director on 30 October 2020. Since 1 October 2020, he has been the chief operating officer of the Company who is principally responsible for the management of the Group's factory operations as well as resources integration and optimisation. Since Mr. Meng joined the Hon Hai Technology Group in January 1991, he has held a number of key positions in the connector and mobile phone business, including managerial roles such as (among others) senior supply chain manager, senior procurement manager, director of marketing management and business unit deputy general manager. He is also a director of certain subsidiaries of the Company, namely FIH Precision Electronics (Lang Fang) Co., Ltd., FIH (Tian Jin) Precision Industry Co., Ltd. and 富泰京精密電子(北京)有限公司 (Futaijing Precision Electronics (Beijing) Co., Ltd., for identification purposes) respectively. He has gained almost 30 years of extensive experience in factory operation management as well as resources integration and optimisation. Since 2010, Mr. Meng has been independently in-charge of business unit management operations and led and developed OEM (Original Equipment Manufacturing) business with some of the world's leading customers and overseas markets. During his tenure, he has developed and earned a high degree of trust with the Group's customers and partners, especially functioning as a pivotal strategic partner of customers in cross-region resources integration, production, efficiency enhancement, cost and inventory reduction, Industry 4.0 (the fourth industrial revolution) smart factory and other projects. Besides, the performance of the business unit led by Mr. Meng has been highly appreciated and awarded the Group's Best Business Performance for three consecutive years. In January 2019, Mr. Meng was promoted to a vice president for leading EMS (Electronics Manufacturing Services)/OEM business in the aspects of

cross-region markets development and management of manufacturing operations in Beijing, Langfang and India. Mr. Meng graduated from the Taiwan Zhonghua Senior High School in 1984.

Save as disclosed in this Appendix: (a) Mr. Meng 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. Meng 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. Meng was interested in 983,955 shares in the Company. Saved as disclosed above, as at the Latest Practicable Date, Mr. Meng 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. Meng and the Company, Mr. Meng's appointment is for a term commencing from 30 October 2020 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. Meng is entitled to annual emoluments consisting of basic salary of US\$76,000 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. For the financial year ended 31 December 2020, Mr. Meng was appointed as an executive Director with effect from 30 October 2020, and a total of approximately US\$24,740 had been paid to Mr. Meng in his capacity as an executive Director since his appointment.

In relation to the re-election of Mr. Meng 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.

APPENDIX III PROPOSED AMENDMENTS TO THE INTERNAL POLICIES

The following is a comparison between the existing Internal Policies and the proposed new Internal Policies showing the proposed amendments (for the sake of completeness, as to any provisions of the existing Internal Policies which shall remain unchanged, please refer to Appendices III and IV to the Company's circular dated 17 April 2020):

Procedures for Endorsement and Guarantee

Procedures for Endorsement and Guarantee
Comparison Table showing the Proposed Amendments

修訂前 Before Amendments	修訂後 After Amendments <i>(Note)</i>
<p>第一條 法規依據 Article 1 (Statutory Basis)</p> <p>本作業程序係依母公司鴻海精密工業股份有限公司之「背書保證作業程序」第二條規定訂定之。 This Procedure is based on Article 2 of “Procedures for Endorsement and Guarantee” of Hon Hai Precision Industry Co., Ltd., the ultimate controlling shareholder of the Company.</p>	<p>第一條 法規依據 Article 1 (Statutory Basis)</p> <p>本作業程序係依<u>母公司上市所在地之「公開發行公司資金貸與及背書保證處理準則」</u>及<u>母公司</u>[deleted]之「背書保證作業程序」第二條規定訂定之。 This Procedure is <u>enacted according to the “Regulations Governing Lending of Funds and Making of Endorsements/Guarantees by Public Companies” (“Regulation”) enforced in Parent Company’s listing location and</u> [deleted] Article 2 of “Procedures for Endorsement and Guarantee” of [deleted] the <u>Parent Company</u>.</p>
<p>第二條 本程序之適用範圍 Article 2 (Precedence)</p> <p>一、 本公司辦理為他人背書或提供保證者，應依本作業程序規定辦理。但其他法令另有規定者，從其規定。</p> <p>1. The Company shall comply with this Procedure when making endorsements or guarantees for others, unless any act or regulation provides otherwise.</p> <p>二、 本公司之子公司擬為他人背書保證者，應依據本作業程序執行。</p> <p>2. The subsidiaries of the Company shall comply with this Procedure when making endorsements or guarantees for others.</p>	<p>第二條 本程序之適用範圍 Article 2 (Precedence)</p> <p>一、 本公司辦理為他人背書或提供保證者，應依本作業程序規定辦理。但其他法令另有規定者，從其規定。</p> <p>1. The Company shall comply with this Procedure when making endorsements or guarantees for others, unless any act or regulation provides otherwise.</p> <p>二、 <u>本公司直接及間接持有表決權之股份超過百分之五十之子公司，擬為他人背書或提供保證者，應依處理準則規定及本公司作業程序，訂定該子公司之背書保證作業程序，惟若處理準則或本作業程序之規定與該子公司所在地之法令有相衝突者，得優先適用當地法令規定。</u> [deleted]</p> <p>2. <u>The subsidiaries company, that the Company directly or indirectly holds over fifty percent (50%) of the voting shares, shall follow the Regulation and the Company’s Procedure to implement its own Procedures for Endorsement and Guarantee before making endorsements or guarantees to others. If the Regulation or the Company’s Procedure is in conflict with the laws of subsidiaries company’s listing location, the local laws and regulations shall govern.</u> [deleted]</p>

Note: For better understanding and easy reference, additions/revisions are underlined, whereas deletions are shown as “[deleted]”.

APPENDIX III PROPOSED AMENDMENTS TO THE INTERNAL POLICIES

修訂前 Before Amendments	修訂後 After Amendments <i>(Note)</i>
<p>第五條 背書保證之對象 Article 5 (Beneficiaries of Endorsements/Guarantees)</p> <p>一、 本公司得對下列公司為背書保證：</p> <p>1. The Company may make endorsements/guarantees for the following companies:</p> <p style="padding-left: 40px;">(一) 有業務往來之公司。 (1) A company with which it does business.</p> <p style="padding-left: 40px;">(二) 本公司直接及間接持有表決權股份超過百分之五十之公司。 (2) A company in which the Company directly and indirectly holds more than fifty percent (50%) of the voting shares.</p> <p style="padding-left: 40px;">(三) 直接及間接對本公司持有表決權股份超過百分之五十之公司。 (3) A company that directly and indirectly holds more than fifty percent (50%) of the voting shares in the Company.</p> <p>二、 本公司直接及間接持有表決權股份達百分之九十以上之公司間，得為背書保證，且其金額不得超過本公司淨值之百分之十。但本公司直接及間接持有表決權股份百分之百之公司間背書保證，不在此限。</p> <p>2. The Company directly or indirectly holds more than ninety percent (90%) of the voting shares may make endorsements/guarantees for each other and the amount shall not exceed ten percent (10%) of the Company's net worth; provided, however, the Company directly and indirectly holds one hundred percent (100%) of the voting shares shall not be restricted by this paragraph.</p>	<p>第五條 背書保證之對象 Article 5 (Beneficiaries of Endorsements/Guarantees)</p> <p>一、 本公司得對下列公司為背書保證：</p> <p>1. The Company may make endorsements/guarantees for the following companies:</p> <p style="padding-left: 40px;">(一) 有業務往來之公司。 (1) A company with which it does business.</p> <p style="padding-left: 40px;">(二) 本公司直接及間接持有表決權股份超過百分之五十之公司。 (2) A company in which the Company directly and indirectly holds more than fifty percent (50%) of the voting shares.</p> <p style="padding-left: 40px;">(三) 直接及間接對本公司持有表決權股份超過百分之五十之公司。 (3) A company that directly and indirectly holds more than fifty percent (50%) of the voting shares in the Company.</p> <p>二、 本公司直接及間接持有表決權股份達百分之九十以上之公司間，得為背書保證，且其金額不得超過母公司淨值之百分之十。[deleted]</p> <p>2. The subsidiaries companies that the Company directly or indirectly holds more than ninety percent (90%) of the voting shares may make endorsements/guarantees for each other and the amount shall not exceed ten percent (10%) of the Parent Company's net worth. [deleted]</p>
<p>第六條 背書保證之額度 Article 6 (Limits of Endorsements/Guarantees)</p> <p>一、 本公司對他人背書或提供保證之總額，以不超過本公司淨值百分之百為限。</p> <p>1. The aggregate amount of endorsements/guarantees for others shall not exceed one hundred percent (100%) of the Company's net worth.</p> <p>二、 本公司對他人背書或提供保證個別對象之限額，以不超過本公司淨值百分之五十為限。</p> <p>2. The amount of endorsements/guarantees for a single company shall not exceed fifty percent (50%) of the Company's net worth.</p>	<p>第六條 背書保證之額度 Article 6 (Limits of Endorsements/Guarantees)</p> <p>一、 本公司對他人背書或提供保證之總額，以不超過本公司淨值百分之百為限。</p> <p>1. The aggregate amount of endorsements/guarantees for others shall not exceed one hundred percent (100%) of the Company's net worth.</p> <p>二、 本公司對他人背書或提供保證個別對象之限額，以不超過本公司淨值百分之百為限。</p> <p>2. The amount of endorsements/guarantees for a single company shall not exceed <u>one hundred</u> percent (100%) of the Company's net worth.</p>

修訂前 Before Amendments	修訂後 After Amendments <i>(Note)</i>
<p>三、 本公司直接及間接持有表決權股份百分之百之公司間，從事背書保證時，其額度得不受前二項規定之限制，惟其總額以不超過本公司淨值百分之五十為限，個別對象限額以不超過本公司淨值百分之二十為限。</p> <p>3. To make endorsements/guarantees for a company that the Company directly and indirectly holds one hundred percent (100%) of the voting shares, such endorsements/guarantees shall not be restricted by the previous two paragraphs, provided that the aggregate endorsement/guarantee amount shall not exceed fifty percent (50%) of the Company's net worth, and the endorsement/guarantee amount for a single company shall not exceed twenty percent (20%) of the Company's net worth.</p> <p>四、 本公司及其子公司整體對他人背書或提供保證之總額，以不超過本公司淨值百分之百為限。</p> <p>4. The aggregate amount of endorsements/guarantees for others by the Company and its subsidiaries shall not exceed one hundred percent (100%) of the Company's net worth.</p> <p>五、 本公司及其子公司整體對單一企業背書或保證之金額，以不超過本公司淨值百分之五十為限。</p> <p>5. The aggregate amount of endorsements/guarantees by the Company and its subsidiaries for a single company shall not exceed fifty percent (50%) of the Company's net worth.</p> <p>六、 本公司因業務往來關係從事背書保證，背書保證總額不得超過本公司淨值百分之二十，個別對象背書保證金額不得超過雙方於背書保證前十二個月期間內業務往來交易金額。業務往來交易金額係指雙方間進貨或銷貨金額孰高者。</p> <p>6. Where an endorsement/guarantee is made due to needs arising from business dealings, the amount of endorsements/guarantees may not exceed 20% of the net worth of the Company, and the amount permitted to a single borrower may not exceed the amount of the previous 12 months business transaction. The amount of business transactions means the purchase or sales amount between the two parties, whichever amount is higher.</p> <p>七、 前述淨值以最近期經會計師查核簽證或核閱之財務報表所載為準。</p> <p>7. The above net worth shall be in accordance with the contents of the latest certified financial statement.</p>	<p>三、 本公司直接及間接持有表決權股份百分之百之公司間，從事背書保證時，[deleted]其總額以不超過本公司淨值百分之五十為限，個別對象限額以不超過本公司淨值百分之二十為限。</p> <p>3. [deleted] <u>When the subsidiaries companies</u> that the Company directly or indirectly holds one hundred percent (100%) of the voting shares [deleted] <u>make endorsements/guarantees for each other.</u> [deleted] the aggregate endorsement/guarantee amount shall not exceed fifty percent (50%) of the Company's net worth, and the endorsement/guarantee amount for a single company shall not exceed twenty percent (20%) of the Company's net worth.</p> <p>[deleted]</p> <p>四、 本公司因業務往來關係從事背書保證，背書保證總額不得超過本公司淨值百分之二十，個別對象背書保證金額不得超過雙方於背書保證前十二個月期間內業務往來交易金額。業務往來交易金額係指雙方間進貨或銷貨金額孰高者。</p> <p>4. <u>The aggregate amount of endorsements/guarantees for companies that have business relationship with the Company shall not exceed twenty percent (20%) of the Company's net worth and the individual amount for such single company shall not exceed the Transaction Amounts between such company and the Company for the period of twelve (12) months immediately prior to the occurrence of endorsements/guarantees. The term "Transaction Amounts" means the purchase or sale amounts between the two companies, whichever is higher.</u> [deleted]</p> <p>五、 前述淨值以最近期經會計師查核簽證或核閱之財務報表所載為準。</p> <p>5. The above net worth shall be in accordance with the contents of the latest certified financial statement.</p>

APPENDIX III PROPOSED AMENDMENTS TO THE INTERNAL POLICIES

修訂前 Before Amendments	修訂後 After Amendments <i>(Note)</i>
<p>第七條 背書保證辦理程序 Article 7 (Procedures for Making Endorsements/Guarantees)</p> <p>一、 核決權限</p> <p>1. Approval Authorization</p> <p>(一) 本公司辦理背書保證時，應經董事會決議通過後為之。但為配合時效需要，董事會得授權董事長於一定金額內先行決行，事後再提報最近期董事會追認。適用本作業程序之子公司，辦理背書保證事項，由該子公司之董事會決議之。</p> <p>(1) The Company cannot make endorsements/guarantees unless such proposal is submitted to and approved by the Board of Directors; provided, however, in order to make endorsements/guarantees in a timely manner, the Board of Directors may authorize the chairman to make a prior approval within a specific amount and submit such endorsements/guarantees to the subsequent meeting of Board of Directors for ratification afterwards. The subsidiary, which shall comply with the Procedure, cannot make endorsements/guarantees unless such proposal is submitted to and approved by its Board of Directors.</p> <p>(二) 本公司辦理背書保證若因業務需要而有超過背書保證限額者，應先經董事會決議同意及由半數以上之董事具名聯保後始得為之。</p> <p>(2) If any endorsements/guarantees amount exceed the limit for business reasons, such endorsements/guarantees shall be approved by the Board of Directors and jointly endorsed by more than half of directors.</p> <p>(三) 本公司直接及間接持有表決權股份達百分之九十以上之子公司依第五條第二項規定為背書保證前，並應提報本公司董事會決議後始得辦理。但本公司直接及間接持有表決權股份百分之百之公司間背書保證，不在此限。</p> <p>(3) The Company directly or indirectly holds more than ninety percent (90%) of the voting shares shall not make endorsements/guarantees for each other pursuant to this Article 5.2 unless obtaining the approval by the Company's Board of Directors; provided, however, the Company directly or indirectly holds one hundred percent (100%) of the voting shares shall not be restricted by this paragraph.</p>	<p>第七條 背書保證辦理程序 Article 7 (Procedures for Making Endorsements/Guarantees)</p> <p>一、 核決權限</p> <p>1. Approval Authorization</p> <p>(一) 本公司辦理背書保證時，應經董事會決議通過後為之。但為配合時效需要，董事會得授權董事長於一定金額內先行決行，事後再提報最近期董事會追認。適用本作業程序之子公司，辦理背書保證事項，由該子公司之董事會決議之。</p> <p>(1) The Company cannot make endorsements/guarantees unless such proposal is submitted to and approved by the Board of Directors; provided, however, in order to make endorsements/guarantees in a timely manner, the Board of Directors may authorize the chairman to make a prior approval within a specific amount and submit such endorsements/guarantees to the subsequent meeting of Board of Directors for ratification afterwards. The subsidiary, which shall comply with the Procedure, cannot make endorsements/guarantees unless such proposal is submitted to and approved by its Board of Directors.</p> <p>(二) 本公司辦理背書保證若因業務需要而有超過背書保證限額者，應先經董事會決議同意及由半數以上之董事具名聯保後始得為之。</p> <p>(2) If any endorsements/guarantees amount exceed the limit for business reasons, such endorsements/guarantees shall be approved by the Board of Directors and jointly endorsed by more than half of directors.</p> <p>(三) 本公司直接及間接持有表決權股份達百分之九十以上之子公司間背書保證前，並應提報母公司董事會決議後始得辦理。但本公司直接及間接持有表決權股份百分之百之公司間背書保證，不在此限。</p> <p>(3) <u>The subsidiaries companies that</u> the Company directly or indirectly holds more than ninety percent (90%) of the voting shares shall not make endorsements/guarantees for each other unless obtaining the approval by the <u>Parent</u> Company's Board of Directors; provided, however, <u>the subsidiaries companies that</u> the Company directly or indirectly holds one hundred percent (100%) of the voting shares shall not be restricted by this paragraph.</p>

修訂前 Before Amendments	修訂後 After Amendments <i>(Note)</i>
<p>二、辦理背書保證時，財務部門應分析背書保證對象之營運、財務及信用狀況等，以評估背書保證之風險，必要時並應取得擔保品。</p> <p>2. The financial department shall analyze the operation, finance and credit status of beneficiary when the Company makes endorsements/guarantees so as to evaluate the risk of endorsements/guarantees, and shall request for collateral, if necessary.</p> <p>三、財務部門應就背書保證事項建立備查簿，將承諾擔保之相關事項，詳予登載備查，有關之票據、約定書等文件，亦應妥為保管。</p> <p>3. The financial department shall prepare a memorandum book for the endorsement/guarantee activities including all endorsements/guarantees related items and information in details. Any documents, such as checks or agreements, shall be kept carefully.</p> <p>四、因情事變更，致背書保證對象不符本準則規定或金額超限時，應訂定改善計劃，將相關改善計劃送各董事，並依計劃時程完成改善。</p> <p>4. In the event that the beneficiary does not meet the requirements of this Procedure or the amount exceeds the limitation due to change of circumstances, the Company shall submit an improvement plan to each director and complete the improvement in a timely manner as planned.</p> <p>五、背書保證對象若為淨值低於實收資本額二分之一之子公司，應明定其續後相關管控措施。</p> <p>5. The Company shall enact internal control measures in the event the beneficiary of the endorsements/guarantees is a subsidiary whose net worth is below fifty percent (50%) of its paid-in capital.</p> <p>六、子公司股票無面額或每股面額非屬新台幣十元者，依前項規定計算之實收資本額，應以股本加計資本公積-發行溢價之合計數為之。</p> <p>6. In the case of a subsidiary with shares having no par value or a par value other than NT\$10, for the paid-in capital in the calculation under preceding paragraph, the sum of the share capital plus paid-in capital in excess of par shall be substituted.</p>	<p>二、辦理背書保證時，財務部門應分析背書保證對象之營運、財務及信用狀況等，以評估背書保證之風險，必要時並應取得擔保品。</p> <p>2. The financial department shall analyze the operation, finance and credit status of beneficiary when the Company makes endorsements/guarantees so as to evaluate the risk of endorsements/guarantees, and shall request for collateral, if necessary.</p> <p>三、財務部門應就背書保證事項建立備查簿，將承諾擔保之相關事項，詳予登載備查，有關之票據、約定書等文件，亦應妥為保管。</p> <p>3. The financial department shall prepare a memorandum book for the endorsement/guarantee activities including all endorsements/guarantees related items and information in details. Any documents, such as checks or agreements, shall be kept carefully.</p> <p>四、因情事變更，致背書保證對象不符本準則規定或金額超限時，應訂定改善計劃，將相關改善計劃送各董事，並依計劃時程完成改善。</p> <p>4. In the event that the beneficiary does not meet the requirements of this Procedure or the amount exceeds the limitation due to change of circumstances, the Company shall submit an improvement plan to each director and complete the improvement in a timely manner as planned.</p> <p>五、背書保證對象若為淨值低於實收資本額二分之一之子公司，應明定其續後相關管控措施。</p> <p>5. The Company shall enact internal control measures in the event the beneficiary of the endorsements/guarantees is a subsidiary whose net worth is below fifty percent (50%) of its paid-in capital.</p> <p>六、子公司股票無面額或每股面額非屬新台幣十元者，依前項規定計算之實收資本額，應以股本加計資本公積-發行溢價之合計數為之。</p> <p>6. In the case of a subsidiary with shares having no par value or a par value other than NT\$10, for the paid-in capital in the calculation under preceding paragraph, the sum of the share capital plus paid-in capital in excess of par shall be substituted.</p>

Procedures for Loaning of Funds

Procedures for Loaning of Funds
Comparison Table showing the Proposed Amendments

修訂前 Before Amendments	修訂後 After Amendments <i>(Note)</i>
<p>第一條 法規依據 Article 1 (Statutory Basis)</p> <p>本作業程序係依母公司鴻海精密工業股份有限公司之「資金貸予他人作業程序」第二條規定訂定之。 This Procedure is based on the Article 2 of “Procedures for Loaning of Funds” of Hon Hai Precision Industry Co., Ltd., which is the ultimate controlling shareholder of the Company.</p>	<p>第一條 法規依據 Article 1 (Statutory Basis)</p> <p>本作業程序係依<u>母公司上市所在地之「公開發行公司資金貸與及背書保證處理準則」</u>及<u>母公司</u>[deleted]之「資金貸與他人作業程序」第二條規定訂定之。 This Procedure is <u>enacted according to “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” (“Regulation”) enforced in Parent Company’s listing location and</u> [deleted] Article 2 of “Procedures for Loaning of Funds” [deleted] of the <u>Parent</u> Company.</p>
<p>第二條 本程序之適用範圍 Article 2 (Precedence)</p> <p>一、 本公司辦理資金貸予他人，應依本作業程序規定辦理。但其他法令另有規定者，從其規定。</p> <p>1. The Company shall comply with this Procedure when loaning funds to others, unless any act or regulation provides otherwise.</p> <p>二、 本公司之子公司擬將資金貸予他人者，應依據本作業程序執行。</p> <p>2. The subsidiaries of the Company shall comply with this Procedure when loaning funds to others.</p>	<p>第二條 本程序之適用範圍 Article 2 (Precedence)</p> <p>一、 本公司辦理資金貸與他人，應依本作業程序規定辦理。但其他法令另有規定者，從其規定。</p> <p>1. The Company shall comply with this Procedure when loaning funds to others, unless any act or regulation provides otherwise.</p> <p>二、 <u>本公司直接及間接持有表決權之股份超過百分之五十之子公司，擬將資金貸與他人者，應依處理準則規定及本公司作業程序，訂定該子公司之資金貸與他人作業程序，惟若處理準則或本作業程序之規定與該子公司所在地之法令有相衝突者，得優先適用當地法令規定。</u>[deleted]</p> <p>2. <u>The subsidiaries company, that the Company directly or indirectly holds over fifty percent (50%) of the voting shares, shall follow the Regulation and the Company’s Procedure to implement its own Procedures for Loaning of Funds before loaning of funds to others. If the Regulation or the Company’s Procedure is in conflict with the laws of subsidiaries company’s listing location, the local laws and regulations shall govern.</u> [deleted]</p>

Note: For better understanding and easy reference, additions/revisions are underlined, whereas deletions are shown as “~~[deleted]~~”.

APPENDIX III PROPOSED AMENDMENTS TO THE INTERNAL POLICIES

修訂前 Before Amendments	修訂後 After Amendments <i>(Note)</i>
<p>第四條 資金貸予對象 Article 4 (Receivers of Loans)</p> <p>一、 本公司資金除有下列各款情形外，不得貸予股東或任何他人：</p> <p>1. Except for the situations described as below, the Company cannot loan funds to shareholders or any others.</p> <p style="padding-left: 40px;">(一) 與本公司有業務往來之公司或行號。</p> <p style="padding-left: 40px;">(1) Companies or organizations that have business relationship with the Company.</p> <p style="padding-left: 40px;">(二) 有短期融通資金必要之公司或行號。融資金額不得超過本公司淨值之百分之四十。</p> <p style="padding-left: 40px;">(2) Companies or organizations that need Short-Term financing, provided that the Financing Amount shall not exceed forty percent (40%) of the Company's net worth.</p> <p>二、 前項所稱短期，係指一年。但公司之營業週期長於一年者，以營業週期為準。</p> <p>2. The term “Short-Term” mentioned in the preceding subparagraph means a period of one year. In the event that the business cycle is longer than one year, the business cycle shall prevail.</p> <p>三、 第四條第一項第二款所稱融資金額，係指本公司短期融通資金之累計餘額。</p> <p>3. The term “Financing Amount” mentioned in this Article 4.1 (2) means the aggregated Short Term borrowing amount.</p> <p>四、 本公司直接及間接持有表決權股份百分之百之國外公司間，從事資金貸予，及本公司直接及間接持有表決權股份百分之百國外公司貸予本公司，不受第四條第一項第二款之限制。</p> <p>4. The restriction in this Article 4.1 (2) shall not apply to inter-company loans of funds between overseas companies in which the Company holds, directly or indirectly, one hundred percent (100%) of the voting shares, nor to loans of funds to the Company by any overseas company in which the Company holds, directly or indirectly, one hundred percent (100%) of the voting shares.</p>	<p>第四條 資金貸與對象 Article 4 (Receivers of Loans)</p> <p>一、 本公司資金除有下列各款情形外，不得貸與股東或任何他人：</p> <p>1. Except for the situations described as below, the Company cannot loan funds to shareholders or any others.</p> <p style="padding-left: 40px;">(一) 與本公司有業務往來之公司或行號。</p> <p style="padding-left: 40px;">(1) Companies or organizations that have business relationship with the Company.</p> <p style="padding-left: 40px;">(二) 有短期融通資金必要之公司或行號。融資金額不得超過本公司淨值之百分之四十。</p> <p style="padding-left: 40px;">(2) Companies or organizations that need Short-Term financing, provided that the Financing Amount shall not exceed forty percent (40%) of the Company's net worth.</p> <p>二、 前項所稱短期，係指一年。但公司之營業週期長於一年者，以營業週期為準。</p> <p>2. The term “Short-Term” mentioned in the preceding subparagraph means a period of one year. In the event that the business cycle is longer than one year, the business cycle shall prevail.</p> <p>三、 第四條第一項第二款所稱融資金額，係指本公司短期融通資金之累計餘額。</p> <p>3. The term “Financing Amount” mentioned in this Article 4.1 (2) means the aggregated Short Term borrowing amount.</p> <p>四、 本公司直接及間接持有表決權股份百分之百之國外公司間，從事資金貸與，及本公司直接及間接持有表決權股份百分之百國外公司貸與本公司，不受第四條第一項第二款之限制。</p> <p>4. The restriction in this Article 4.1 (2) shall not apply to inter-company loans of funds between <u>Foreign</u> Companies in which the Company holds, directly or indirectly, one hundred percent (100%) of the voting shares, nor to loans of funds to the Company by any <u>Foreign</u> Company in which the Company holds, directly or indirectly, one hundred percent (100%) of the voting shares.</p>

修訂前 Before Amendments	修訂後 After Amendments <i>(Note)</i>
<p>第八條 已貸予金額之後續控管措施、逾期債權處理程序 Article 8 (Loan Control Measures and Non-conforming Loans Operational Procedures)</p> <p>一、 貸款撥放後，應經常注意借款人及保證人之財務、業務及信用狀況等，如有提供擔保品者，並應注意其擔保價值有無變動情形。</p> <p>1. Upon the drawing of loans, the Company shall monitor the financial, sales and credit status of debtors and guarantees. If collateral is provided, the value variation of such collateral shall be carefully monitored.</p> <p>二、 因情事變更，致貸予對象不符處理準則規定或餘額超限時，應訂定改善計劃，將相關改善計劃送各董事，並依計劃時程完成改善。</p> <p>2. In the event that the debtor's status does not meet the requirements described under this Procedure or the amount exceeds the limitation because of change of circumstances, the Company shall propose an improvement plan to each director and complete the improvement in a timely manner.</p> <p>三、 在借貸期限屆滿前，應通知借款人屆期清償本息。借款人於貸款到期償還借款時，應先計算應付之利息，連同本金一併清償。</p> <p>3. Prior to the maturity of the loan period, the Company shall notify the debtor to pay off the loan and interest accrued. The debtor who is to have the loan repaid on the due date shall calculate the interests payable and repay the loan and interest accrued simultaneously.</p> <p>四、 借款人未能按期償還本息時，除事先提出請求，並經董事會同意展延者外，本公司得要求借款人立即償還所有借款或就其所提供之擔保品或保證人，依法逕行處分及追償。</p> <p>4. Debtor who is unable to have the loan repaid on the due date, except for filing a prior application for the approval of the board of directors for extension, shall immediately pay off the loan upon the Company's request or the Company may dispose its collateral or guarantee as permitted by applicable laws and demand payment.</p>	<p>第八條 已貸與金額之後續控管措施、逾期債權處理程序 Article 8 (Loan Control Measures and Non-conforming Loans Operational Procedures)</p> <p>一、 貸款撥放後，應經常注意借款人及保證人之財務、業務及信用狀況等，如有提供擔保品者，並應注意其擔保價值有無變動情形。</p> <p>1. Upon the drawing of loans, the Company shall monitor the financial, sales and credit status of <u>borrowers</u> and <u>guarantors</u>. If collateral is provided, the value variation of such collateral shall be carefully monitored.</p> <p>二、 因情事變更，致貸與對象不符處理準則規定或餘額超限時，應訂定改善計劃，將相關改善計劃送各董事，並依計劃時程完成改善。</p> <p>2. In the event that the <u>borrower's</u> status does not meet the requirements described under this Procedure or the amount exceeds the limitation because of change of circumstances, the Company shall propose an improvement plan to each director and complete the improvement in a timely manner.</p> <p>三、 在借貸期限屆滿前，應通知借款人屆期清償本息。借款人於貸款到期償還借款時，應先計算應付之利息，連同本金一併清償。</p> <p>3. Prior to the maturity of the loan period, the Company shall notify the <u>borrower</u> to pay off the loan and interest accrued. The <u>borrower</u> who is to have the loan repaid on the due date shall calculate the interests payable and repay the loan and interest accrued simultaneously.</p> <p>四、 借款人未能按期償還本息時，除事先提出請求，並經董事會同意展延者外，本公司得要求借款人立即償還所有借款或就其所提供之擔保品或保證人，依法逕行處分及追償。</p> <p>4. <u>Borrower</u> who is unable to have the loan repaid on the due date, except for filing a prior application for the approval of the board of directors for extension, shall immediately pay off the loan upon the Company's request or the Company may dispose its collateral or guarantee as permitted by applicable laws and demand payment.</p>

The following is a summary of the principal terms of the Mobile Drive Share Option Scheme, which does not form part of the Mobile Drive Share Option Scheme and thus does not affect its interpretation. The terms of the Mobile Drive Share Option Scheme are in accordance with the applicable requirements laid down by Chapter 17 of the Listing Rules.

For the present purposes, references to the Shareholders in general meeting are references to the Shareholders in general meeting (for so long as Mobile Drive remains a subsidiary of the Company).

(A) PURPOSE

The purpose of the Mobile Drive Share Option Scheme is to attract and retain capable and skilled and experienced personnel, to incentivize them to remain with the Mobile Drive Group and to give effect to the Mobile Drive 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 Mobile Drive Group, by providing them with the opportunity to acquire equity interests in Mobile Drive.

(B) WHO MAY JOIN

The Mobile Drive Board (or its duly authorised committee, officer(s) or delegate(s)) may, at its absolute discretion, offer to grant to any Mobile Drive Eligible Persons options ("**Options**") to subscribe for Mobile Drive Shares on and subject to the terms and conditions set out in the Mobile Drive Share Option Scheme.

As to the eligibility of any third party service provider of the Mobile Drive Group (who is not an employee of the Mobile Drive Group) to participate in the Mobile Drive Share Option Scheme, such third party service provider shall be any advisor or consultant to the Mobile Drive Group, including any employee of the Group (including any director or member of senior management of the Company) and any employee of Hon Hai or any of its subsidiaries (other than the Group (including the Mobile Drive Group)), provided, however, that: (a) such advisor or consultant is a natural person and provides bona fide services to the Mobile Drive Group; (b) the services provided by such advisor or consultant are not in connection with the offer or sale of securities in a capital-raising transaction of the Mobile Drive Group; and (c) such advisor or consultant, or the services so provided, does not or do not directly or indirectly make a market for Mobile Drive's securities. For the avoidance of doubt, such third party service providers are third parties vis-a-vis the Mobile Drive Group in the sense that they are not in a direct employment relationship with any member of the Mobile Drive Group, but provides advisory or consultancy services (including without limitation those relating to areas such as research and development; product development and design; repair and after-sales; manufacturing; engineering; supply chain; and quality control, technical, financial, corporate, strategy formulation, managerial, secretarial, legal advice or services, staff training and other administrative work) in a more cost-effective and efficient manner to the relevant member(s) of the Mobile Drive Group in support of the Mobile Drive Group's overall business operations and future development, expansion and success in the long run. Both the Board and the Mobile Drive Board believe that covering such third party service providers under the Mobile Drive Share Option Scheme is in furtherance of the purpose set forth in Paragraph (A) above,

particularly incentivizing such third party service providers to provide better services and more contributions to the Mobile Drive Group and in return providing them with the opportunity to participate in the continuous growth, development and long-term success of the Mobile Drive Group by acquiring Mobile Drive Shares representing ownership interest in Mobile Drive. The continuous growth, sustainable development and long-term success of the Mobile Drive Group (particularly when the Group has been focusing more on its research and development and innovation ability and competency and capability to further enhance its overall competitiveness) will in turn be beneficial and advantageous to the Company as its indirect holding company, ultimately in the interests of the Company and its shareholders as a whole.

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

- (a) Any Options to be granted to a Director, chief executive or substantial shareholder of the Company or any of their respective 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 Sub-paragraph (B)(a) above, if any Options to be granted to a substantial shareholder or independent non-executive Director of the Company, or any of their respective associates, would result in the total number of Mobile Drive Shares issued and to be issued upon exercise of all the Options granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of the grant representing in aggregate over 0.1% of the Mobile Drive Shares in issue from time to time and having an aggregate value (based on the then market price of the Mobile Drive Shares as reasonably determined by the Mobile Drive Board) in excess of HK\$5,000,000, such further grant of Options must be approved by the Shareholders in general meeting. The Company must send a circular to the Shareholders containing such information as is required under Rule 17.04 of the Listing Rules, which shall include: (i) details of the number and terms (including the exercise price) of the Options (including information required under Rules 17.03(5) to 17.03(10) of the Listing Rules) to be granted to each participant, which must be fixed before the Shareholders' meeting; (ii) a recommendation from the independent non-executive Directors (excluding independent non-executive Director who is the grantee of the Options) to the independent Shareholders as to voting; (iii) the information required under Rules 17.02(2)(c) and (d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules; and (iv) the information required under Rule 2.17 of the Listing Rules. The relevant grantee, his associates and all of the Company's core connected persons (as defined in the Listing Rules) shall abstain from voting in favour at such general meeting, and any vote taken at such meeting must be taken on a poll.
- (c) Any change in the terms governing the grant of Options to a substantial shareholder or an independent non-executive Director of the Company, or any of their respective associates, shall be approved by the Shareholders in general meeting in the manner described in Sub-paragraph (B)(b) above.

(C) MAXIMUM NUMBER OF MOBILE DRIVE SHARES

- (a) The maximum number of Mobile Drive Shares which may be issued upon exercise of all Options that may be granted under the Mobile Drive Share Option Scheme and any other scheme involving the issue or grant of options and/or awards over Mobile Drive Shares or other securities by Mobile Drive or any of its subsidiaries (the **“Maximum Number of Mobile Drive Shares”**) shall not in aggregate exceed 10% of Mobile Drive’s issued share capital as of the Mobile Drive Adoption Date. Options and/or awards lapsed in accordance with the terms of the Mobile Drive Share Option Scheme or any other scheme shall not be counted for the purpose of calculating the 10% limit.
- (b) The Maximum Number of Mobile Drive Shares may, with the approval of the Shareholders in general meeting, be “refreshed” such that the total number of Mobile Drive Shares which may be issued and allotted upon exercise of all Options that may be granted under the Mobile Drive Share Option Scheme and any other scheme involving the issue or grant of options and/or awards over Mobile Drive Shares or other securities by Mobile Drive or any of its subsidiaries under the limit as refreshed shall not exceed 10% of the issued share capital of Mobile Drive as at the date of approval of the refreshed limit. Options and/or awards previously granted under the Mobile Drive Share Option Scheme or any other scheme, including options and/or awards outstanding, cancelled or lapsed in accordance with the relevant scheme or exercised options and/or awards, shall not be counted for the purpose of calculating the limit to be refreshed.
- (c) Mobile Drive may obtain a separate approval from the Shareholders in general meeting to grant Options which will result in the number of Mobile Drive Shares in respect of all the Options granted under the Mobile Drive Share Option Scheme and all the options and/or awards over Mobile Drive Shares or other securities by Mobile Drive or any of its subsidiaries granted under any other scheme exceeding 10% of Mobile Drive’s issued share capital, provided that such Options are granted only to Mobile Drive Eligible Persons specifically identified by Mobile Drive before the separate approval of the Shareholders is sought.
- (d) The maximum number of Mobile Drive Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Mobile Drive Share Option Scheme and any other options and/or awards granted and yet to be vested or exercised under any other scheme involving the issue or grant of options and/or awards over Mobile Drive Shares or other securities by Mobile Drive or any of its subsidiaries shall not exceed 30% of Mobile Drive’s issued share capital from time to time.
- (e) No Option may be granted to any one person such that the total number of Mobile Drive Shares issued and to be issued upon exercise of Options granted and to be granted to that person in any 12-month period up to and including the date of the latest grant exceeds 1% of Mobile Drive’s issued share capital from time to time.

(D) GRANT OF OPTIONS

- (a) The period within which the Options must be exercised will be specified by the Mobile Drive Board (or its duly authorised committee, officer(s) or delegate(s)) at the time of grant.
- (b) An offer of grant of Options shall be made by letter to the Mobile Drive Eligible Person, specifying the number of Options proposed to be granted and the applicable terms and conditions relating to the Options. These terms and conditions may include provisions as to the performance criteria which must be satisfied before the Option can be exercised, the minimum period for which an Option must be held before it can be exercised, vesting conditions (if any) and such other provisions as the Mobile Drive Board (or its duly authorised committee, officer(s) or delegate(s)) may determine. The Mobile Drive Eligible Person is required to accept the offer and undertake to hold the Option on and subject to the terms and conditions governing the grant and, upon receipt by Mobile Drive or any of its subsidiaries of such acceptance, together with the payment of NT\$5.00 by way of consideration, the Option shall be deemed to have been granted to and accepted by the Mobile Drive Eligible Person (“**Option holder**”) and to have taken effect.
- (c)
 - (i) Mobile Drive shall not make any offer to any Mobile Drive Eligible Person after any inside information has come to its knowledge until such time as that inside information has been announced thereby ceasing to constitute an inside information. In particular, Mobile Drive shall not make any offer to any Mobile Drive Eligible Person during the period commencing one month immediately preceding the earlier of: (1) the date of the meeting of the Board (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 (whether or not required under the Listing Rules); and (2) the deadline for the Company to publish an announcement of its results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement.
 - (ii) Where an offer is proposed to a director of Mobile Drive or a Director or any Mobile Drive Eligible Person who (because of his office or employment in Mobile Drive or any of its subsidiaries) is likely to be in possession of unpublished inside information in relation to the Mobile Drive Shares or the Shares, no offer shall be made on any day on which the results of the Company are published and during the period of: (1) 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and (2) 30 days immediately preceding the publication date of the 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 the results.

(E) MINIMUM HOLDING PERIOD, VESTING AND DEALING RESTRICTION

- (a) The Mobile Drive Share Option Scheme does not contain any minimum period(s) for which an Option must be held before it can be exercised. However, at the time of grant of the Options, the Mobile Drive Board (or any of its duly authorised committee, officer(s) or delegate(s)) may specify any such minimum period(s).
- (b) The Options granted will be subject to vesting periods of 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 Mobile Drive Board (or its duly authorised committee, 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 Mobile Drive Shares will become vested and the Option holders will become entitled to exercise the Options in accordance with the terms of the Mobile Drive Share Option Scheme.
- (c) Notwithstanding anything contained in the Mobile Drive Share Option Scheme, if Mobile Drive or any Option grantee would or might be prohibited by the Listing Rules or by any other applicable laws, regulations or rules (including any dealing code of Mobile Drive) from dealing in the Mobile Drive Shares during the Option period or within the periods specified in the Mobile Drive Share Option Scheme: (i) the Option period may be extended by a period of time that is equal to the length of the relevant dealing restriction; and (ii) the relevant Mobile Drive Shares under such Option shall be allotted and issued to the Option grantee as soon as reasonably practicable after the date when such dealing is permitted.

(F) PERFORMANCE TARGETS

The Mobile Drive Share Option Scheme does not contain any performance target(s) which must be achieved before the Options can be exercised in whole or in part, unless otherwise determined by the Mobile Drive Board (or its duly authorised committee, officer(s) or delegate(s)). At the time of grant of the Options, the Mobile Drive Board (or its duly authorised committee, officer(s) or delegate(s)) may specify any performance target(s).

(G) AMOUNT PAYABLE FOR OPTIONS

The amount payable on acceptance of an Option is NT\$5.00.

(H) EXERCISE PRICE

The amount payable for each Mobile Drive Share to be subscribed for upon exercise of an Option shall be determined by the Mobile Drive Board in its absolute discretion and notified to a Mobile Drive Eligible Person, after having taken into account (among other things) the nominal value and then market value of a Mobile Drive Share, provided that such amount shall not be lower than the nominal value of a Mobile Drive Share.

(I) VOTING AND OTHER RIGHTS

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 or his services engagement under Sub-paragraph (Q)(d) or (Q)(e) 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 Mobile Drive 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 Sub-paragraph (K)(b) or (Q)(d) 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 his last actual working day with Mobile Drive 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, retirement, agreement with the Mobile Drive Board or transfer of business in relation to which the employee was engaged to a company outside the Mobile Drive Group and none of the events which would be a ground for termination of his employment under Sub-paragraph (Q)(d) 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 his last actual working day with Mobile Drive or its relevant subsidiary, whether salary is paid in lieu of notice or not.

(L) RIGHTS ON CEASING TO BE A THIRD PARTY SERVICE PROVIDER

- (a) If the Option holder ceases to be a third party service provider under a fixed term contract by reason of termination or expiry of the term of the relevant fixed term contract without any extension or renewal by Mobile Drive or its relevant subsidiary for reasons other than (i) on one or more of the grounds specified in Sub-paragraph (Q)(e) below; or (ii) on his death, the Option holder may exercise the Option up to his entitlement at the date of cessation (to the extent not already exercised) within the period of nine months (or such other period as the Mobile Drive Board may determine) following the date of such cessation, which date shall be the date of termination or expiry of the relevant fixed term contract.
- (b) If the Option holder ceases to be a third party service provider not under any fixed term contract by reason of such Option holder ceasing to provide any further advisory or consultancy or other kind of services, support, assistance or contribution to Mobile Drive or its relevant subsidiary as may be determined by the Mobile Drive Board and notified to such third party service provider in writing within three months after the provision of its last services, support, assistance or contribution to Mobile Drive or its relevant subsidiary for reasons other than (i) on one or more of

the grounds specified in Sub-paragraph (Q)(e) below; or (ii) on his death, the Option holder may exercise the Option up to his entitlement at the date of cessation (to the extent not already exercised) within the period of nine months (or such other period as the Mobile Drive Board may determine) following the date of such cessation, which date shall be the date of the written notification to the third party service provider.

(M) 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 Mobile Drive 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), Mobile Drive 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, shareholders of Mobile Drive). If such offer, having been approved in accordance with applicable laws and regulatory requirements, becomes or is declared unconditional, the Option holder (or 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.

(N) RIGHTS ON A VOLUNTARY WINDING-UP

In the event of an effective resolution being passed for the voluntary winding-up of Mobile Drive or an order of the court being made for the winding-up of Mobile Drive, Mobile Drive shall give notice thereof to all Option holders. The Option holder (or his legal personal representative(s)) may by notice in writing to Mobile Drive 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 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 Mobile Drive 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 Mobile Drive Shares such sum as would have been received in respect of the Mobile Drive Shares being the subject of such election.

(O) RIGHTS ON SCHEMES OF COMPROMISE OR ARRANGEMENT

If a compromise or arrangement between Mobile Drive and its shareholders or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of Mobile Drive or its amalgamation with any other company or companies, Mobile Drive shall give notice thereof to all Option holders (together with a notice of the existence of the provisions of this Paragraph (O)) on the same date as it dispatches to each shareholder or creditor of Mobile Drive a notice summoning the meeting to consider such a compromise or arrangement, and thereupon each Option holder (or his legal personal representative(s)) shall be entitled to exercise the Option up to his entitlement at any time prior to 12:00 noon (Taiwan 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. Mobile Drive shall endeavour to procure that the Mobile Drive Shares issued as a result of the exercise of Options under this Paragraph (O) shall for the purposes of such compromise or arrangement form part of Mobile Drive's issued share capital on the effective date thereof and that such Mobile Drive 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 Mobile Drive Share Option Scheme) as if such compromise or arrangement had not been proposed by Mobile Drive and no claim shall lie against Mobile Drive or any of its directors or officers for any loss or damage sustained by any Option holder as a result of the aforesaid suspension.

(P) LIFE OF THE MOBILE DRIVE SHARE OPTION SCHEME

Unless otherwise terminated by the Board or the Shareholders in general meeting in accordance with the terms of the Mobile Drive Share Option Scheme, the Mobile Drive Share Option Scheme shall be valid and effective for a period of 10 years from the Mobile Drive Adoption Date, after which period no further Options will be granted under the Mobile Drive Share Option Scheme, but the provisions of the Mobile Drive 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 Mobile Drive Share Option Scheme.

(Q) 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) the expiry of any of the periods referred to in Paragraphs J, K(a), K(b), L, M, N and O above;
- (c) save as otherwise provided in Paragraph (N) above, the date of commencement of the winding-up of Mobile Drive;
- (d) an Option holder ceasing to be an employee of Mobile Drive 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;

- (e) the date on which (i) the contract between the third party service provider and Mobile Drive or its relevant subsidiary is terminated, where such contract is terminated by reason of breach of contract on the part of the third party service provider; or (ii) the third party service provider appears either to be unable to pay or have no reasonable prospect to be able to pay its debts, or has become insolvent, or has passed a resolution for its winding-up or an order has been made for its winding-up, or has made any arrangement (including a voluntary arrangement) or composition with his creditors generally, or ceases or threatens to cease to carry on his business, or is bankrupted, or has been convicted of any criminal offence involving integrity, honesty or fraud, provided that whether any one or more of the events specified above has occurred in relation to a third party service provider shall, in its reasonable opinion, be solely and conclusively determined by the Mobile Drive Board; or
- (f) any breach of the provision described in Paragraph (W) below.

(R) DRAG-ALONG RIGHTS

Where the relevant member of the Group proposes to sell in one or more transactions 75% or more of the Mobile Drive Shares held by it to a bona fide purchaser, the Mobile Drive Board shall, if requested by the purchaser, notify each Option holder that he shall exercise all vested Options in full by a specified date and to sell all the Mobile Drive Shares held by him to the purchaser on the same terms as such member of the Group. Each Option holder shall execute all such documents as may be required by Mobile Drive and the purchaser in relation to the transfer of Mobile Drive Shares to the purchaser.

(S) ADJUSTMENT

In the event of a capitalisation issue, rights issue or an issue of securities with a price-dilutive element, subdivision or consolidation of Mobile Drive Shares or reduction of Mobile Drive's share capital while any Option remains exercisable, but excluding, for the avoidance of doubt, any alteration in Mobile Drive's capital structure as a result of an issue of Mobile Drive Shares as consideration in a transaction to which Mobile Drive is a party, Mobile Drive's auditors for the time being shall determine what adjustment is required to be made to the subscription price, the number of Mobile Drive Shares to be issued on exercise of the Options (or any combination of the foregoing), provided that any such adjustments give the Option holder the same proportion of Mobile Drive's equity capital and no adjustment may be made to the extent that Mobile Drive Shares would be issued at less than their nominal value. In respect of any such adjustments, Mobile Drive's auditors for the time being shall certify in writing to the Mobile Drive Board that the adjustments are in their opinion fair and reasonable and satisfy the requirements set out in Rule 17.03(13) of the Listing Rules and any other applicable rules, regulations or guidance issued by the Stock Exchange from time to time.

(T) CANCELLATION OF OPTIONS NOT EXERCISED OR LAPSED

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

(U) RANKING OF MOBILE DRIVE SHARES

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

(V) TERMINATION

Mobile Drive by an ordinary resolution of the shareholders and an ordinary resolution of the Shareholders (for so long as Mobile Drive remains a subsidiary of the Company) may at any time terminate the operation of the Mobile Drive Share Option Scheme and in such event no further Options will be offered or granted, but in all other respects the Mobile Drive 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 issue after the termination of the Mobile Drive Share Option Scheme.

(W) TRANSFERABILITY

The Options are personal to the Option holders and are not transferable, except for the transmission of an Option on the death of an Option holder to his legal personal representative(s) on the terms of the Mobile Drive Share Option Scheme. The terms of the Mobile Drive Share Option Scheme and the offer (when accepted) shall be binding upon the executors, administrators, legal personal representatives, heirs, successors and permitted assigns and transferees of the grantee. Please refer to the previous Paragraph (J) headed "Rights on Death" for further information.

(X) AMENDMENT

Subject to the provisions set out in this Paragraph (X) below, the Mobile Drive Board may amend any of the provisions of the Mobile Drive Share Option Scheme (including without limitation any alteration in order to comply with changes in legal or regulatory requirements and amendments in order to waive any restrictions imposed by the provisions of the Mobile Drive Share Option Scheme which are not found in Chapter 17 of the Listing Rules) at any time (but not so as to affect adversely any rights which have accrued to any Option holder at that date). Those specific provisions of the Mobile Drive Share Option Scheme which relate to

the matters set out in Rule 17.03 of the Listing Rules cannot be altered to the advantage of Option holders, and no changes to the authority of the Mobile Drive Board or administrator of the Mobile Drive Share Option Scheme in relation to any alteration of the terms therein shall be made, without the prior approval of the Shareholders in general meeting (for so long as Mobile Drive remains a subsidiary of the Company).

Any alterations to the terms and conditions of the Mobile Drive Share Option Scheme which are of a material nature, or any change to the terms of Options granted, must be approved by the Shareholders in general meeting (for so long as Mobile Drive remains a subsidiary of the Company), except where the alterations take effect automatically under the terms of the Mobile Drive Share Option Scheme. The Mobile Drive Share Option Scheme so altered must comply with Chapter 17 of the Listing Rules.

(Y) OPTION HOLDER'S RESPONSIBILITIES AND LIABILITIES

- (a) All allotments and issues under the Mobile Drive Share Option Scheme will be subject to all applicable laws, regulations, rules and requirements for the time being in force in any relevant jurisdiction. An Option holder shall be responsible for obtaining any governmental, regulatory or other official consent or approval and going through any other governmental, regulatory or other official procedures that may be required by any country or jurisdiction in respect of the grant or exercise of the Option. Mobile Drive shall not be responsible for any failure by an Option holder to obtain any such consent or for any tax or other liability to which an Option holder may become subject as a result of his participation in the Mobile Drive Share Option Scheme. An Option holder shall pay all tax and discharge all other liabilities to which he may become subject as a result of his participation in the Mobile Drive Share Option Scheme or the exercise of any Option. An Option holder shall, forthwith on demand, indemnify Mobile Drive in full against all claims and demands which may be made against Mobile Drive or any member of the Mobile Drive Group and the Group (whether alone or jointly with other party or parties) for or in respect of or in connection with any failure on the part of the Option holder to obtain any necessary consent referred to above or to pay tax or other liabilities referred to above and against all incidental costs and expenses which may be incurred by Mobile Drive or any member of the Mobile Drive Group and the Group in connection therewith.
- (b) Any liability of an Option holder to tax or social security contributions in respect of a grant or exercise of his Options shall be for the account of the Option holder and the allotment and issue of Mobile Drive Shares pursuant to the exercise of Options shall be conditional on the Option holder complying with any arrangements specified by Mobile Drive for the payment of any tax and social security contributions (including, without limitation, authorising Mobile Drive or any third party to: (a) sell or withhold on behalf of the Option holder a sufficient number of the Mobile Drive Shares issued and/or transferred to the Option holder pursuant to the exercise of his Options to satisfy any tax and social security contribution liability; or (b) withhold the amount of any tax and social security contribution liability from any remuneration or other amounts owing to the Option holder). All transaction levy, brokerage, stamp duty or other expenses of that nature payable in connection with any transfer of Mobile Drive Shares upon the exercise of an Option shall be borne by the Option holder.

The following is a summary of the principal terms of the Rising Stars Share Option Scheme, which does not form part of the Rising Stars Share Option Scheme and thus does not affect its interpretation. The terms of the Rising Stars Share Option Scheme are in accordance with the applicable requirements laid down by Chapter 17 of the Listing Rules.

For the present purposes, references to the Shareholders in general meeting are references to the Shareholders in general meeting (for so long as Rising Stars remains a subsidiary of the Company).

(A) PURPOSE

The purpose of the Rising Stars Share Option Scheme is to attract and retain capable and skilled and experienced personnel, to incentivize them to remain with the Rising Stars Group and to give effect to the Rising Stars 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 Rising Stars Group, by providing them with the opportunity to acquire equity interests in Rising Stars.

(B) WHO MAY JOIN

The Rising Stars Board (or its duly authorised committee, officer(s) or delegate(s)) may, at its absolute discretion, offer to grant to any Rising Stars Eligible Persons options (“**Options**”) to subscribe for Rising Stars Shares on and subject to the terms and conditions set out in the Rising Stars Share Option Scheme.

As to the eligibility of any third party service provider of the Rising Stars Group (who is not an employee of the Rising Stars Group) to participate in the Rising Stars Share Option Scheme, such third party service provider shall be any employee (including any director (other than an independent director or the foreign equivalent) or member of senior management) of a direct or indirect holding company of Rising Stars (including, for the avoidance of doubt, the Company and Hon Hai), but excluding: (a) an employee who is a promoter or a person belonging to the promoter group; or (b) a director who either himself or through his relative or through any body corporate, directly or indirectly, holds more than 10% of the outstanding/ issued equity shares of such holding company. For the avoidance of doubt, such third party service providers are third parties vis-a-vis the Rising Stars Group in the sense that they are not in a direct employment relationship with any member of the Rising Stars Group, but are employees of a direct or indirect holding company of Rising Stars (including, for the avoidance of doubt, the Company and Hon Hai) who provide services (including without limitation those relating to areas such as research and development; product development and design; repair and after-sales; manufacturing; engineering; supply chain; and quality control, technical, financial, corporate, strategy formulation, managerial, secretarial, legal advice or services, staff training and other administrative work) in a more cost-effective and efficient manner to the relevant member(s) of the Rising Stars Group in support of the Rising Stars Group's overall business operations and future development, expansion and success in the long run. Both the Board and the Rising Stars Board believe that covering such third party service providers under the Rising Stars Share Option Scheme is in furtherance of the purpose set forth in Paragraph (A) above, particularly incentivizing such third party service providers to provide

better services and more contributions to the Rising Stars Group and in return providing them with the opportunity to participate in the continuous growth, development and long-term success of the Rising Stars Group by acquiring Rising Stars Shares representing ownership interest in Rising Stars. The continuous growth, sustainable development and long-term success of the Rising Stars Group (particularly when the Group has been strategically keen on expanding its India market to further enhance its local competitive advantages and business developments) will in turn be beneficial and advantageous to the Company as its indirect holding company, ultimately in the interests of the Company and its shareholders as a whole.

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

- (a) Any Options to be granted to a Director, chief executive or substantial shareholder of the Company or any of their respective 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 Sub-paragraph (B)(a) above, if any Options to be granted to a substantial shareholder or independent non-executive Director of the Company, or any of their respective associates, would result in the total number of Rising Stars Shares issued and to be issued upon exercise of all the Options granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of the grant representing in aggregate over 0.1% of the Rising Stars Shares in issue from time to time and having an aggregate value (based on the then market price of the Rising Stars Shares as reasonably determined by the Rising Stars Board) in excess of HK\$5,000,000, such further grant of Options must be approved by the Shareholders in general meeting. The Company must send a circular to the Shareholders containing such information as is required under Rule 17.04 of the Listing Rules, which shall include: (i) details of the number and terms (including the exercise price) of the Options (including information required under Rules 17.03(5) to 17.03(10) of the Listing Rules) to be granted to each participant, which must be fixed before the Shareholders' meeting; (ii) a recommendation from the independent non-executive Directors (excluding independent non-executive Director who is the grantee of the Options) to the independent Shareholders as to voting; (iii) the information required under Rules 17.02(2)(c) and (d) of the Listing Rules and the disclaimer required under Rule 17.02(4) of the Listing Rules; and (iv) the information required under Rule 2.17 of the Listing Rules. The relevant grantee, his associates and all of the Company's core connected persons (as defined in the Listing Rules) shall abstain from voting in favour at such general meeting, and any vote taken at such meeting must be taken on a poll.

- (c) Any change in the terms governing the grant of Options to a substantial shareholder or an independent non-executive Director of the Company, or any of their respective associates, shall be approved by the Shareholders in general meeting in the manner described in Sub-paragraph (B)(b) above.

(C) MAXIMUM NUMBER OF RISING STARS SHARES

- (a) The maximum number of Rising Stars Shares which may be issued upon exercise of all Options that may be granted under the Rising Stars Share Option Scheme and any other scheme involving the issue or grant of options and/or awards over Rising Stars Shares or other securities by Rising Stars or any of its subsidiaries (the “**Maximum Number of Rising Stars Shares**”) shall not in aggregate exceed 10% of Rising Stars’ issued share capital as of the Rising Stars Adoption Date. Options and/or awards lapsed in accordance with the terms of the Rising Stars Share Option Scheme or any other scheme shall not be counted for the purpose of calculating the 10% limit.
- (b) The Maximum Number of Rising Stars Shares may, with the approval of the Shareholders in general meeting, be “refreshed” such that the total number of Rising Stars Shares which may be issued and allotted upon exercise of all Options that may be granted under the Rising Stars Share Option Scheme and any other scheme involving the issue or grant of options and/or awards over Rising Stars Shares or other securities by Rising Stars or any of its subsidiaries under the limit as refreshed shall not exceed 10% of the issued share capital of Rising Stars as at the date of approval of the refreshed limit. Options and/or awards previously granted under the Rising Stars Share Option Scheme or any other scheme, including options and/or awards outstanding, cancelled or lapsed in accordance with the relevant scheme or exercised options and/or awards, shall not be counted for the purpose of calculating the limit to be refreshed.
- (c) Rising Stars may obtain a separate approval from the Shareholders in general meeting to grant Options which will result in the number of Rising Stars Shares in respect of all the Options granted under the Rising Stars Share Option Scheme and all the options and/or awards over Rising Stars Shares or other securities by Rising Stars or any of its subsidiaries granted under any other scheme exceeding 10% of Rising Stars’ issued share capital, provided that such Options are granted only to Rising Stars Eligible Persons specifically identified by Rising Stars before the separate approval of the Shareholders is sought.
- (d) The maximum number of Rising Stars Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Rising Stars Share Option Scheme and any other options and/or awards granted and yet to be vested or exercised under any other scheme involving the issue or grant of options and/or awards over Rising Stars Shares or other securities by Rising Stars or any of its subsidiaries shall not exceed 30% of Rising Stars’ issued share capital from time to time.

- (e) No Option may be granted to any one person such that the total number of Rising Stars Shares issued and to be issued upon exercise of Options granted and to be granted to that person in any 12-month period up to and including the date of the latest grant exceeds 1% of Rising Stars' issued share capital from time to time.

(D) GRANT OF OPTIONS

- (a) The period within which the Options must be exercised will be specified by the Rising Stars Board (or its duly authorised committee, officer(s) or delegate(s)) at the time of grant.
- (b) An offer of grant of Options shall be made by letter to the Rising Stars Eligible Person, specifying the number of Options proposed to be granted and the applicable terms and conditions relating to the Options. These terms and conditions may include provisions as to the performance criteria which must be satisfied before the Option can be exercised, the minimum period for which an Option must be held before it can be exercised, vesting conditions (if any) and such other provisions as the Rising Stars Board (or its duly authorised committee, officer(s) or delegate(s)) may determine. The Rising Stars Eligible Person is required to accept the offer and undertake to hold the Option on and subject to the terms and conditions governing the grant and, upon receipt by Rising Stars or any of its subsidiaries of such acceptance, the Option shall be deemed to have been granted to and accepted by the Rising Stars Eligible Person (“**Option holder**”) and to have taken effect.
- (c)
 - (i) Rising Stars shall not make any offer to any Rising Stars Eligible Person after any inside information has come to its knowledge until such time as that inside information has been announced thereby ceasing to constitute an inside information. In particular, Rising Stars shall not make any offer to any Rising Stars Eligible Person during the period commencing one month immediately preceding the earlier of: (1) the date of the meeting of the Board (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 (whether or not required under the Listing Rules); and (2) the deadline for the Company to publish an announcement of its results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement.
 - (ii) Where an offer is proposed to a director of Rising Stars or a Director or any Rising Stars Eligible Person who (because of his office or employment in Rising Stars or any of its subsidiaries) is likely to be in possession of unpublished inside information in relation to the Rising Stars Shares or the Shares, no offer shall be made on any day on which the results of the Company are published and during the period of: (1) 60 days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and (2) 30

days immediately preceding the publication date of the 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 the results.

(E) MINIMUM HOLDING PERIOD, VESTING AND DEALING RESTRICTION

- (a) The Options granted will be subject to vesting periods of a minimum of one year and up to six years (or such other period which must not be less than one year nor more than 10 years from the date of grant of the relevant Options) as determined by the Rising Stars Board (or its duly authorised committee, 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 Rising Stars Shares will become vested and the Option holders will become entitled to exercise the Options in accordance with the terms of the Rising Stars Share Option Scheme.
- (b) Notwithstanding anything contained in the Rising Stars Share Option Scheme, if Rising Stars or any Option grantee would or might be prohibited by the Listing Rules or by any other applicable laws, regulations or rules (including any dealing code of Rising Stars) from dealing in the Rising Stars Shares during the Option period or within the periods specified in the Rising Stars Share Option Scheme: (i) the Option period may be extended by a period of time that is equal to the length of the relevant dealing restriction; and (ii) the relevant Rising Stars Shares under such Option shall be allotted and issued to the Option grantee as soon as reasonably practicable after the date when such dealing is permitted.

(F) PERFORMANCE TARGETS

The Rising Stars Share Option Scheme does not contain any performance target(s) which must be achieved before the Options can be exercised in whole or in part, unless otherwise determined by the Rising Stars Board (or its duly authorised committee, officer(s) or delegate(s)). At the time of grant of the Options, the Rising Stars Board (or its duly authorised committee, officer(s) or delegate(s)) may specify any performance target(s).

(G) AMOUNT PAYABLE FOR OPTIONS

No amount is payable on acceptance of an Option.

(H) EXERCISE PRICE

The amount payable for each Rising Stars Share to be subscribed for upon exercise of an Option shall be determined by the Rising Stars Board in its absolute discretion and notified to a Rising Stars Eligible Person, after having taken into account (among other things) the nominal value and then market value of a Rising Stars Share, provided that such amount shall not be lower than the nominal value of a Rising Stars Share.

(I) VOTING AND OTHER RIGHTS

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 or his services engagement under Sub-paragraph (Q)(d) or (Q)(e) below has occurred, all the unvested Options held by the Option holder shall be deemed to immediately vest with the legal personal representative(s) of the Option holder and 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 Rising Stars Board may determine) to exercise the Options 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 Sub-paragraph (K)(b) or (Q)(d) 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 his last actual working day with Rising Stars 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, retirement, agreement with the Rising Stars Board or transfer of business in relation to which the employee was engaged to a company outside the Rising Stars Group and none of the events which would be a ground for termination of his employment under Sub-paragraph (Q)(d) 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 his last actual working day with Rising Stars or its relevant subsidiary, whether salary is paid in lieu of notice or not. In the event of the Option holder ceasing to be an employee by reason of ill-health, injury or disability not attributable to his own misconduct, all the unvested Options held by the Option holder shall be deemed to immediately vest with him.

(L) RIGHTS ON CEASING TO BE A THIRD PARTY SERVICE PROVIDER

- (a) If the Option holder ceases to be a third party service provider under a fixed term contract by reason of termination or expiry of the term of the relevant fixed term contract without any extension or renewal by Rising Stars or its relevant subsidiary for reasons other than (i) on one or more of the grounds specified in Sub-paragraph (Q)(e) below; or (ii) on his death, the Option holder may exercise the Option up to his entitlement at the date of cessation (to the extent not already exercised) within

the period of nine months (or such other period as the Rising Stars Board may determine) following the date of such cessation, which date shall be the date of termination or expiry of the relevant fixed term contract.

- (b) If the Option holder ceases to be a third party service provider not under any fixed term contract by reason of such Option holder ceasing to provide any further services, support, assistance or contribution to Rising Stars or its relevant subsidiary as may be determined by the Rising Stars Board and notified to such third party service provider in writing within three months after the provision of its last services, support, assistance or contribution to Rising Stars or its relevant subsidiary for reasons other than (i) on one or more of the grounds specified in Sub-paragraph (Q)(e) below; or (ii) on his death, the Option holder may exercise the Option up to his entitlement at the date of cessation (to the extent not already exercised) within the period of nine months (or such other period as the Rising Stars Board may determine) following the date of such cessation, which date shall be the date of the written notification to the third party service provider.

(M) 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 Rising Stars 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), Rising Stars 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, shareholders of Rising Stars). If such offer, having been approved in accordance with applicable laws and regulatory requirements, becomes or is declared unconditional, the Option holder (or 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.

(N) RIGHTS ON A VOLUNTARY WINDING-UP

In the event of an effective resolution being passed for the voluntary winding-up of Rising Stars or an order of the court being made for the winding-up of Rising Stars, Rising Stars shall give notice thereof to all Option holders. The Option holder (or his legal personal representative(s)) may by notice in writing to Rising Stars 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 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 Rising Stars 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 Rising Stars Shares such sum as would have been received in respect of the Rising Stars Shares being the subject of such election.

(O) RIGHTS ON SCHEMES OF COMPROMISE OR ARRANGEMENT

If a compromise or arrangement between Rising Stars and its shareholders or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of Rising Stars or its amalgamation with any other company or companies, Rising Stars shall give notice thereof to all Option holders (together with a notice of the existence of the provisions of this Paragraph (O)) on the same date as it dispatches to each shareholder or creditor of Rising Stars a notice summoning the meeting to consider such a compromise or arrangement, and thereupon each Option holder (or his legal personal representative(s)) shall be entitled to exercise the Option up to his entitlement at any time prior to 12:00 noon (India 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 Rising Stars Board shall endeavour to procure that the Rising Stars Shares issued as a result of the exercise of Options under this Paragraph (O) shall for the purposes of such compromise or arrangement form part of Rising Stars' issued share capital on the effective date thereof and that such Rising Stars 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 Rising Stars Share Option Scheme) as if such compromise or arrangement had not been proposed by Rising Stars and no claim shall lie against Rising Stars or any of its directors or officers for any loss or damage sustained by any Option holder as a result of the aforesaid suspension.

(P) LIFE OF THE RISING STARS SHARE OPTION SCHEME

Unless otherwise terminated by the Board or the Shareholders in general meeting in accordance with the terms of the Rising Stars Share Option Scheme, the Rising Stars Share Option Scheme shall be valid and effective for a period of 10 years from the Rising Stars Adoption Date, after which period no further Options will be granted under the Rising Stars Share Option Scheme, but the provisions of the Rising Stars 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 Rising Stars Share Option Scheme.

(Q) 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) the expiry of any of the periods referred to in Paragraphs J, K(a), K(b), L, M, N and O above;
- (c) save as otherwise provided in Paragraph (N) above, the date of commencement of the winding-up of Rising Stars;

- (d) an Option holder ceasing to be an employee of Rising Stars 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;
- (e) the date on which (i) the contract between the third party service provider and Rising Stars or its relevant subsidiary is terminated, where such contract is terminated by reason of breach of contract on the part of the third party service provider; or (ii) the third party service provider appears either to be unable to pay or have no reasonable prospect to be able to pay its debts, or has become insolvent, or has passed a resolution for its winding-up or an order has been made for its winding-up, or has made any arrangement (including a voluntary arrangement) or composition with his creditors generally, or ceases or threatens to cease to carry on his business, or is bankrupted, or has been convicted of any criminal offence involving integrity, honesty or fraud, provided that whether any one or more of the events specified above has occurred in relation to a third party service provider shall, in its reasonable opinion, be solely and conclusively determined by the Rising Stars Board; or
- (f) any breach of the provision described in Paragraph (W) below.

(R) DRAG-ALONG RIGHTS

Where the relevant member of the Group proposes to sell in one or more transactions 75% or more of the Rising Stars Shares held by it to a bona fide purchaser, the Rising Stars Board shall, if requested by the purchaser, notify each Option holder that he shall exercise all vested Options in full by a specified date and to sell all the Rising Stars Shares held by him to the purchaser on the same terms as such member of the Group. Each Option holder shall execute all such documents as may be required by Rising Stars and the purchaser in relation to the transfer of Rising Stars Shares to the purchaser.

(S) ADJUSTMENT

In the event of a capitalisation issue, rights issue or an issue of securities with a price-dilutive element, subdivision or consolidation of Rising Stars Shares or reduction of Rising Stars' share capital while any Option remains exercisable, but excluding, for the avoidance of doubt, any alteration in Rising Stars' capital structure as a result of an issue of Rising Stars Shares as consideration in a transaction to which Rising Stars is a party, Rising Stars' auditors for the time being shall determine what adjustment is required to be made to the subscription price, the number of Rising Stars Shares to be issued on exercise of the Options (or any combination of the foregoing), provided that any such adjustments give the Option holder the same proportion of Rising Stars' equity capital and no adjustment may be made to the extent that Rising Stars Shares would be issued at less than their nominal value. In respect of any such adjustments, Rising Stars' auditors for the time being shall certify in writing to the Rising Stars Board that the adjustments are in their opinion fair and reasonable and satisfy the requirements set out in Rule 17.03(13) of the Listing Rules and any other applicable rules, regulations or guidance issued by the Stock Exchange from time to time.

(T) CANCELLATION OF OPTIONS NOT EXERCISED OR LAPSED

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

(U) RANKING OF RISING STARS SHARES

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

(V) TERMINATION

Rising Stars by a special resolution of the shareholders and an ordinary resolution of the Shareholders (for so long as Rising Stars remains a subsidiary of the Company) may, in accordance with the India Companies Act, at any time terminate the operation of the Rising Stars Share Option Scheme and in such event no further Options will be offered or granted, but in all other respects the Rising Stars 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 issue after the termination of the Rising Stars Share Option Scheme.

(W) TRANSFERABILITY

The Options are personal to the Option holders and are not transferable, except for the transmission of an Option on the death of an Option holder to his legal personal representative(s) on the terms of the Rising Stars Share Option Scheme. The terms of the Rising Stars Share Option Scheme and the offer (when accepted) shall be binding upon the executors, administrators, legal personal representatives, heirs, successors and permitted assigns and transferees of the grantee. Please refer to the previous Paragraph (J) headed "Rights on Death" for further information.

(X) AMENDMENT

Subject to the provisions set out in this Paragraph (X) below, in accordance with the India Companies Act, the Rising Stars Share Option Scheme may at any time be altered in any respect by a special resolution of the shareholders of Rising Stars (including without limitation any alteration in order to comply with changes in legal or regulatory requirements and amendments in order to waive any restrictions imposed by the provisions of the Rising Stars Share Option Scheme which are not found in Chapter 17 of the Listing Rules) (but not so as to affect adversely any rights which have accrued to any Option holder at that date). Those specific provisions of the Rising Stars Share Option Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules cannot be altered to the advantage of Option holders, and no changes to the authority of the Rising Stars Board or administrator of the Rising Stars Share Option Scheme in relation to any alteration of the terms therein shall be made, without the prior approval of the Shareholders in general meeting (for so long as Rising Stars remains a subsidiary of the Company).

Any alterations to the terms and conditions of the Rising Stars Share Option Scheme which are of a material nature, or any change to the terms of Options granted, must be approved by the Shareholders in general meeting (for so long as Rising Stars remains a subsidiary of the Company), except where the alterations take effect automatically under the terms of the Rising Stars Share Option Scheme. The Rising Stars Share Option Scheme so altered must comply with Chapter 17 of the Listing Rules.

(Y) OPTION HOLDER'S RESPONSIBILITIES AND LIABILITIES

- (a) All allotments and issues under the Rising Stars Share Option Scheme will be subject to all applicable laws, regulations, rules and requirements for the time being in force in any relevant jurisdiction. An Option holder shall be responsible for obtaining any governmental, regulatory or other official consent or approval and going through any other governmental, regulatory or other official procedures that may be required by any country or jurisdiction in respect of the grant or exercise of the Option. Rising Stars shall not be responsible for any failure by an Option holder to obtain any such consent or for any tax or other liability to which an Option holder may become subject as a result of his participation in the Rising Stars Share Option Scheme. An Option holder shall pay all tax and discharge all other liabilities to which he may become subject as a result of his participation in the Rising Stars Share Option Scheme or the exercise of any Option. An Option holder shall, forthwith on demand, indemnify Rising Stars in full against all claims and demands which may be made against Rising Stars or any member of the Rising Stars Group and the Group (whether alone or jointly with other party or parties) for or in respect of or in connection with any failure on the part of the Option holder to obtain any necessary consent referred to above or to pay tax or other liabilities referred to above and against all incidental costs and expenses which may be incurred by Rising Stars or any member of the Rising Stars Group and the Group in connection therewith.

- (b) Any liability of an Option holder to tax or social security contributions in respect of a grant or exercise of his Options shall be for the account of the Option holder and the allotment and issue of Rising Stars Shares pursuant to the exercise of Options shall be conditional on the Option holder complying with any arrangements specified by Rising Stars for the payment of any tax and social security contributions (including, without limitation, authorising Rising Stars or any third party to: (a) sell or withhold on behalf of the Option holder a sufficient number of the Rising Stars Shares issued and/or transferred to the Option holder pursuant to the exercise of his Options to satisfy any tax and social security contribution liability; or (b) withhold the amount of any tax and social security contribution liability from any remuneration or other amounts owing to the Option holder). All transaction levy, brokerage, stamp duty or other expenses of that nature payable in connection with any transfer of Rising Stars Shares upon the exercise of an Option shall be borne by the Option holder.

NOTICE OF ANNUAL GENERAL MEETING



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 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, 28 May 2021 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 2020 together with the reports of the directors and the independent auditor thereon.
- (2) To re-elect Mr. LAU Siu Ki as director and authorise the board of directors of the Company to fix his remuneration.
- (3) To re-elect Dr. Daniel Joseph MEHAN as director and authorise the board of directors of the Company to fix his remuneration.
- (4) To re-elect Mr. MENG Hsiao-Yi as director and authorise the board of directors of the Company to fix his remuneration.
- (5) 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

(6) “THAT:

- (a) subject to resolution number (6)(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 (6)(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 or any applicable laws of the Cayman Islands to be held.”

(7) “**THAT:**

- (a) subject to resolution number (7)(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 (7)(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 (7)(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, shall not exceed 20 percent of the total number of issued Shares on the date of passing of this resolution; and
- (d) for the purposes of this resolution:
 - (i) “**Relevant Period**” shall have the same meaning as assigned to it under resolution number (6)(c) set out in the notice convening this meeting; and

NOTICE OF ANNUAL GENERAL MEETING

- (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).”
- (8) **“THAT** subject to the passing of the resolution numbers (6) and (7) 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 (7) 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 (6) 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.”
- (9) **“THAT:**
 - (a) subject to resolution number (9)(b) below, the exercise by the board of directors of the Company (or its duly authorised committee, officer(s) or delegate(s)) during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional Shares to be issued under the share scheme adopted by the board of directors of the Company on 17 October 2013 and by the shareholders of the Company on 26 November 2013 (as amended from time to time) be and is hereby generally and unconditionally approved;
 - (b) the aggregate number of additional Shares allotted, issued or dealt with by the board of directors of the Company (or its duly authorised committee, officer(s) or delegate(s)) pursuant to the approval in resolution number (9)(a) above shall not exceed 2 percent of the total number of issued Shares on the date of passing of this resolution; and
 - (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 board of directors of the Company (or its duly authorised committee, officer(s) or delegate(s)) 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 or any applicable laws of the Cayman Islands to be held.”

NOTICE OF ANNUAL GENERAL MEETING

- (10) “**THAT** the proposed amendments (as set out in Appendix III to the circular of the Company dated 21 April 2021) to the Company’s Procedures for Endorsement and Guarantee be and are hereby approved and adopted in all respects with immediate effect.”
- (11) “**THAT** the proposed amendments (as set out in Appendix III to the circular of the Company dated 21 April 2021) to the Company’s Procedures for Loaning of Funds be and are hereby approved and adopted in all respects with immediate effect.”
- (12) “**THAT** the share option scheme (the “**Mobile Drive Share Option Scheme**”) of Mobile Drive Technology Co., Ltd. (“**Mobile Drive**”) (the terms of which are contained in the document produced to the meeting marked “A” for identification purposes) be and is hereby approved and adopted in all respects, and the board of directors (or, in the absence of such board of directors, the sole director for the time being) of Mobile Drive (or its/his duly authorised committee, officer(s) or delegate(s) pursuant to the terms of the Mobile Drive Share Option Scheme) be and is hereby authorised for and on behalf of the Company and Mobile Drive respectively to do any and all such acts and things and to enter into, execute and deliver (and affix Mobile Drive’s seal or stamp to, if necessary) any and all such transactions, arrangements, deeds, agreements and documents as it/he may in its/his absolute discretion consider necessary or expedient in connection with or for the purposes of the Mobile Drive Share Option Scheme and/or any of the matters contemplated thereby, including without limitation:
- (a) to administer and operate the Mobile Drive Share Option Scheme under which options will be granted to participants eligible under the Mobile Drive Share Option Scheme to subscribe for shares in Mobile Drive;
 - (b) to modify and/or amend the Mobile Drive Share Option Scheme from time to time, provided that such modification and/or amendment is/are effected in accordance with the provisions of the Mobile Drive Share Option Scheme relating to modification and/or amendment;
 - (c) to allot and issue from time to time such number of shares in Mobile Drive as may be required to be allotted and issued pursuant to the exercise of the options granted from time to time under the Mobile Drive Share Option Scheme;
 - (d) to consent, if it/he 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 Mobile Drive Share Option Scheme; and
 - (e) in addition and without prejudice to the foregoing, any one director of Mobile Drive be and is hereby authorised for and on behalf of the Company and Mobile Drive respectively to enter into, execute and deliver (and affix Mobile Drive’s seal or stamp to, if necessary) any and all such transactions, arrangements, deeds, agreements and documents as he may in his absolute discretion consider necessary or expedient involving any and all service providers engaged by or on behalf of Mobile Drive from time to time in connection with or for the purposes of the implementation, administration and operation of the Mobile Drive Share Option Scheme.”

NOTICE OF ANNUAL GENERAL MEETING

(13) “**THAT** the share option scheme (the “**Rising Stars Share Option Scheme**”) of Rising Stars Mobile India Private Limited (“**Rising Stars**”) (the terms of which are contained in the document produced to the meeting marked “B” for identification purposes) be and is hereby approved and adopted in all respects, and the board of directors (or, in the absence of such board of directors, the sole director for the time being) of Rising Stars (or its/his duly authorised committee, officer(s) or delegate(s) pursuant to the terms of the Rising Stars Share Option Scheme) be and is hereby authorised for and on behalf of the Company and Rising Stars respectively to do any and all such acts and things and to enter into, execute and deliver (and affix Rising Stars’ seal or stamp to, if necessary) any and all such transactions, arrangements, deeds, agreements and documents as it/he may in its/his absolute discretion consider necessary or expedient in connection with or for the purposes of the Rising Stars Share Option Scheme and/or any of the matters contemplated thereby, including without limitation:

- (a) to administer and operate the Rising Stars Share Option Scheme under which options will be granted to participants eligible under the Rising Stars Share Option Scheme to subscribe for shares in Rising Stars;
- (b) to modify and/or amend the Rising Stars Share Option Scheme from time to time, provided that such modification and/or amendment is/are effected in accordance with the provisions of the Rising Stars Share Option Scheme relating to modification and/or amendment;
- (c) to allot and issue from time to time such number of shares in Rising Stars as may be required to be allotted and issued pursuant to the exercise of the options granted from time to time under the Rising Stars Share Option Scheme;
- (d) to consent, if it/he 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 Rising Stars Share Option Scheme; and
- (e) in addition and without prejudice to the foregoing, any one director of Rising Stars be and is hereby authorised for and on behalf of the Company and Rising Stars respectively to enter into, execute and deliver (and affix Rising Stars’ seal or stamp to, if necessary) any and all such transactions, arrangements, deeds, agreements and documents as he may in his absolute discretion consider necessary or expedient involving any and all service providers engaged by or on behalf of Rising Stars from time to time in connection with or for the purposes of the implementation, administration and operation of the Rising Stars Share Option Scheme.”

By Order of the Board
CHIH Yu Yang
Acting Chairman

Hong Kong, 21 April 2021

NOTICE OF ANNUAL GENERAL MEETING

Registered Office:

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Hibiscus Way
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Grand Cayman, KY1-1205
Cayman Islands

Head Office:

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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

Notes:

- (a) The register of members of the Company will be closed from Monday, 24 May 2021 to Friday, 28 May 2021, 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, Wan Chai, Hong Kong for registration no later than 4:30 p.m. on Friday, 21 May 2021.
- (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 Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, 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 numbers (2) to (4) above, Mr. LAU Siu Ki, Dr. Daniel Joseph MEHAN and Mr. MENG Hsiao-Yi, being eligible, will offer themselves for re-election as Directors at the Annual General Meeting, details of the above Directors are set out in Appendix II to the circular dated 21 April 2021.
- (e) With reference to resolution number (9) above, shareholders who are management members or employees or third party service providers of the Company and its subsidiaries and their associates (as defined in the Listing Rules) shall abstain from voting on such resolution at the Annual General Meeting, details are set out in the Letter from the Board forming part of the circular dated 21 April 2021.
- (f) With reference to resolution numbers (10) and (11) above proposing the amendments to the Company's Procedures for Endorsement and Guarantee as well as Procedures for Loaning of Funds at the Annual General Meeting, details of the proposed amendments are set out in Appendix III to the circular dated 21 April 2021.
- (g) The ordinary resolutions set out above will be determined by way of poll.
- (h) In view of the recent developments relating to the novel coronavirus disease (COVID-19), the Company strongly recommends the Shareholders to consider appointing the chairman of the meeting as proxy to vote on the relevant resolutions according to their respective voting instructions at the meeting, instead of attending the meeting in person.