
China Yongda Automobiles Services Holdings Limited
中国永达汽车服务控股有限公司
(Incorporated in the Cayman Islands with limited liability)

2023 SHARE OPTION SCHEME

1. DEFINITIONS AND INTERPRETATION

1.1 In the Scheme, each of the following words and expressions shall, unless the context requires otherwise, have the following meaning:

“Adoption Date” means [June 1], 2023 (being the date on which the Scheme was adopted by ordinary resolution of the Shareholders in general meeting);

“associate(s)” has the meaning ascribed thereto under the Listing Rules;

“Auditors” means the auditors of the Company;

“Board” means the board of Directors or a duly authorised committee or officer(s) designated by the board of Directors;

“Business Day” means any day on which securities are traded on the Stock Exchange;

“Company” means China Yongda Automobiles Services Holdings Limited, a limited liability company incorporated in the Cayman Islands whose Shares are listed on the Stock Exchange;

“core connected person” has the meaning ascribed thereto under the Listing Rules;

“Director” means any director (including executive director, non-executive director and independent non-executive director) of the Company;

“Eligible Person(s)” include:

(a) any director of the Company or employee of the Group (including persons who are granted options under the Scheme as an inducement to enter into employment contracts with the Group) (**“Employee Participants”**); and

(b) any director or employee of the holding companies, fellow subsidiaries or associated companies of the Company.

The basis of eligibility of any of the above classes of Eligible Persons to the grant of any Options shall be determined by the Board from time to time on the basis of their contribution to

	the development and growth of the Group.
“Exercise Price”	means the price at which each Share subject to an Option may be subscribed for on the exercise of that Option, subject to paragraph 5 and paragraph 9;
“Existing Schemes”	has the meaning ascribed to it under paragraph 8.2;
“Grantee”	means any Selected Participant who accepts an Offer in accordance with the terms of the Scheme;
“Group”	means the Company and its Subsidiaries;
“HK\$”	means Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	means the Hong Kong Special Administrative Region of the People’s Republic of China;
“Listco Connected Person”	means any director, the chief executive or any substantial shareholder of the Company, or any of their respective associates;
“Listing Rules”	means the Rules Governing the Listing of Securities on the Stock Exchange (as amended from time to time);
“Offer”	means an offer of the grant of Option made in accordance with paragraph 4;
“Offer Date”	means the date on which an Offer is made to an Eligible Person, which must be a Business Day;
“Offer Letter”	has the meaning ascribed to it under paragraph 4.2;
“Option”	means a right to subscribe for Shares pursuant to the Scheme and the Offer Letter (as defined in paragraph 4.2) hereof;
“Option Period”	means a period to be determined and notified by the Board to the Grantee during which the Option may be exercised, which period shall expire in any event not later than the last day of the 10 year period after the date of grant of the Option (subject to the provisions for early termination contained in paragraph 7);

“Relevant Selected Participant”	has the meaning ascribed to it under paragraph 4.5;
“Scheme”	means this share option scheme in its present or any amended form;
“Scheme Mandate Limit”	has the meaning ascribed to it under paragraph 8.2;
“Selected Participant(s)”	participant(s) selected by the Board for participation in this share option scheme
“Shareholders”	means the shareholders of the Company;
“Shares”	means ordinary shares of HK\$0.01 each in the capital of the Company (or, if there has been a sub-division, consolidation, reduction, re-classification or reconstruction of the share capital of the Company, ordinary shares forming part of the equity share capital of the Company of such revised amount as shall result from such sub-division, consolidation, reduction, re-classification or reconstruction of such ordinary shares from time to time);
“Stock Exchange”	means The Stock Exchange of Hong Kong Limited;
“Subsidiary”	means a subsidiary (within the meaning of Section 2 of the Companies Ordinance, Chapter 32 of the Laws of Hong Kong) of the Company from time to time;
“Substantial Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules;
“%”	means per cent.

1.2 In the Scheme, unless the context otherwise requires:

- 1.2.1 paragraph headings are inserted for convenience only and do not affect its interpretation;
- 1.2.2 words in the singular include the plural and vice versa;
- 1.2.3 words denoting the masculine gender include the feminine gender; and

- 1.2.4 a reference to any enactment shall be construed as a reference to that enactment as from time to time amended, extended or re-enacted.

2. CONDITIONS

2.1 The Scheme is conditional on:

- 2.1.1 the passing of the ordinary resolution by the Shareholders to approve and adopt the Scheme and the Scheme Mandate Limit, and to authorise the Board to grant Options under the Scheme and to allot and issue Shares pursuant to the exercise of any Options; and
- 2.1.2 the Stock Exchange granting approval of the listing of, and permission to deal in, any Shares which may fall to be allotted and issued pursuant to the exercise of any Options.

3. PURPOSE, DURATION AND ADMINISTRATION

- 3.1 The purpose of the Scheme is to provide incentive or reward to Eligible Persons for their contribution to, and continuing efforts to promote the interests of, the Group and for such other purposes as the Board may approve from time to time.
- 3.2 Subject to the fulfilment of conditions in paragraph 2 and the termination provisions in paragraph 14, the Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date, after which period no further Options shall be granted. Subject to the above, in all other respects, in particular, in respect of Options remaining outstanding on the expiration of the 10 year period referred to in this paragraph, the provisions of the Scheme shall remain in full force and effect.
- 3.3 The Scheme shall be subject to the administration of the Board whose decision (including the interpretation of any provision and save as otherwise provided herein) shall be final and binding on all parties. The Board may by resolution delegate any or all of its powers in the administration of the Scheme to the administration committee or any other committee or sub-committee or any person(s) as from time to time authorized by the Board for such purpose.
- 3.4 The Scheme does not have a trustee.

4. GRANT OF OPTIONS

- 4.1 Subject to the terms of the Scheme, the Board shall be entitled but shall not be bound at any time within the period of 10 years after the Adoption Date to make an Offer to any Selected Participant, taking into account such factors as the Board may at its discretion consider appropriate, which will entitle the Relevant Selected Participant to subscribe for such number of Shares as the Board may in its absolute discretion determine, subject to paragraphs 4.4, 4.5, 4.6 and 8, at the Exercise Price as the Board may determine. The Board may in its absolute discretion specify such conditions as it thinks fit when making an Offer to a Selected Participant (including, without limitation, as to performance criteria which must be satisfied by the Selected Participant and/or the Company and/or its Subsidiaries, before an Option may be exercised), provided that such

conditions shall not be inconsistent with any other terms and conditions of the Scheme and the Listing Rules.

- 4.2 Each Offer shall be in writing made to a Selected Participant by letter in such form as the Board may from time to time determine at its discretion (the “**Offer Letter**”) and shall:
 - 4.2.1 state the name, address and position of the Grantee;
 - 4.2.2 state the Offer Date;
 - 4.2.3 specify a date, being a date not later than 28 days after (i) the Offer Date, or (ii) the date on which the conditions for the Offer are satisfied, if any, by which the Eligible Person must accept the Offer or be deemed to have declined it;
 - 4.2.4 state the method and procedures for accepting the Offer;
 - 4.2.5 specify the number of Shares to which the Offer relates;
 - 4.2.6 specify the Exercise Price and the manner of payment of the Exercise Price for the Shares on and in consequence of the exercise of the Option;
 - 4.2.7 specify the Option Period, and the date or dates during the Option Period upon which the Option shall become exercisable;
 - 4.2.8 specify any other conditions which must be satisfied before the Option may be exercised, including without limitation such performance criteria and targets and minimum periods for which an Option must be held before it can be exercised, and any other terms in relation to the exercise of the Option, including without limitation such percentages of the Options that can be exercised during a certain period of time, as the Board may determine from time to time;
 - 4.2.9 require the Selected Participant to undertake to hold the Option on the terms on which it is to be granted and to be bound by the provisions of the Scheme; and
 - 4.2.10 subject to the above, be made in such form as the Board may from time to time prescribe.
- 4.3 In respect of an Option, the Offer Date shall be deemed as the date of grant of such Option.
- 4.4 No Offer shall be made by the Board under the Scheme:
 - 4.4.1 after an event involving inside information in relation to affairs or securities of the Company has occurred or a matter involving inside information in relation to the securities of the Company has been the subject of a decision, until (and including) such inside information has been publicly announced in accordance with the applicable laws and the Listing Rules;

- 4.4.2 during the period of 60 days immediately preceding the publication date of the annual results for any financial period of the Company or, if shorter, the period from the end of the relevant financial period up to the publication date of the results, to any Employee Participant who, because of his/her employment in the Group, is likely to possess inside information in relation to the securities of the Company (including directors of the Company);
 - 4.4.3 during the period of 30 days immediately preceding the publication date of the quarterly results and half-year results for any financial period of the Company or, if shorter, the period from the end of the relevant quarterly or half-year period of the financial period up to the publication date of the results, to any Employee Participant who, because of his/her employment in the Group, is likely to possess inside information in relation to the securities of the Company (including directors of the Company);
 - 4.4.4 during the period commencing one month immediately before the earlier of (1) the date of the Board meeting (as such date is first notified to the Stock Exchange under the Listing Rules) for approving the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (2) the deadline for the Company to announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement, to any Selected Participants (other than Employee Participants referred to in the paragraphs 4.4.2 and 4.4.3); or
 - 4.4.5 in any circumstance which is prohibited under the Listing Rules, the Securities and Futures Ordinance or any other law or regulation or where any requisite approval from any governmental or regulatory authority has not been granted.
- 4.5 Subject to paragraph 4.6, no Option shall be granted to any Selected Participant (the **"Relevant Selected Participant"**) if, at the relevant time of grant, the number of Relevant Shares (as defined in paragraph 4.9) would exceed 1% of the total number of Shares in issue at such time, unless:
- 4.5.1 such grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules in force from time to time, by ordinary resolution of the Shareholders in general meeting, at which the Relevant Selected Participant and his close associates (or associates if the Relevant Selected Participant is a connected person) abstained from voting;
 - 4.5.2 a circular regarding the grant has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules in force from time to time; and

- 4.5.3 the number and terms (including the Exercise Price) of such Options are fixed before the general meeting of the Company at which the same are approved.
- 4.6 Where an Option is to be granted to a Listco Connected Person, the grant shall not be valid unless it has been approved by the independent non-executive Directors, excluding any independent non-executive Director who is also a proposed Grantee of the Option.
- 4.7 Where an Option is to be granted to an independent non-executive Director or a Substantial Shareholder (or any of their respective associates), and the grant will, in the 12-month period up to and including the date of such grant, result in the number of the Relevant Shares (as defined in paragraph 4.9) exceeding 0.1% of the total number of Shares in issue at the relevant time of grant, such grant shall not be valid unless:
- (A) a circular containing the details of the grant has been despatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules in force from time to time; and
 - (B) the grant has been approved by the Shareholders in general meeting (taken on a poll), at which the Grantee, his associates and all core connected persons of the Company abstained from voting in favour.
- 4.8 Any change in the terms of any Option granted to a Listco Connected Person which was initially so approved by the Shareholders shall not be valid unless:
- 4.8.1 a circular regarding the change has been despatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules; and
 - 4.8.2 the change has been approved by the Shareholders in general meeting (taken on a poll), at which the Grantee, his associates and all core connected persons of the Company abstained from voting in favour.
- 4.9 For the purposes of paragraphs 4.5 and 4.7, “Relevant Shares” shall mean Shares issued and to be issued in respect of all grants made under any share scheme(s) of the Company (granted and proposed to be granted, whether exercised, cancelled or outstanding, excluding any options or awards lapsed in accordance with any share scheme(s) of the Company) to the Relevant Selected Participant referred to in paragraph 4.5 or 4.7 (as the case may be) in the 12-month period up to and including the date of grant of the relevant Option referred to in paragraph 4.5 or 4.7 (as the case may be).
- 4.10 Any Offer may be accepted in respect of all or any portion of the Shares underlying the Option so offered. To the extent that an Offer is not accepted within the time stated in the Offer for that purpose, it will be deemed to have been irrevocably declined.

- 4.11 An acceptance of the Offer need not be accompanied by payment of any grant price.

5. EXERCISE PRICE

- 5.1 Subject to paragraphs 5.2 and 9, the Exercise Price shall be a price solely determined by the Board and notified to a Grantee and shall be at least the highest of:
- 5.1.1 the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Offer Date, which must be a Business Day;
 - 5.1.2 the average of the closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five Business Days immediately preceding the Offer Date; and
 - 5.1.3 the nominal value of the Shares.
- 5.2 Where a relevant Option is to be granted under paragraph 4.5 or 4.7, for the purposes of paragraphs 5.1.1 and 5.1.2, the date of the Board meeting at which the grant was proposed shall be taken to be the Offer Date for such relevant Option, and the provisions of paragraph 5.1 shall apply *mutatis mutandis*.

6. EXERCISE OF OPTION

- 6.1 An Option shall be personal to the Grantee and shall not be assignable nor transferable, and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favour of any third party over or in relation to any Option, unless a waiver is granted by the Stock Exchange of Hong Kong Limited. Any breach of the foregoing by a Grantee shall cause the outstanding Options of such Grantee to lapse without incurring any liability on the part of the Company.
- 6.2 An Option may be exercised according to the terms of the Scheme and the relevant Offer Letter in whole or in part by the Grantee before its expiry by giving notice in writing to the Company stating that the Option is to be exercised and the number of Shares in respect of which it is exercised. Such notice must be accompanied by a remittance for the full amount of the Exercise Price for the Shares in respect of which the notice is given. No later than 28 days after receipt of the notice and the remittance and (where appropriate) receipt of the Auditor's or the independent financial adviser's certificate under paragraph 9, the Company shall allot and issue the relevant Shares to the Grantee credited as fully paid and issue to the Grantee a share certificate in respect of the Shares so allotted.
- 6.3 Subject to terms of the Offer Letter (as defined in sub-paragraph 4.2 hereof) under which the Option is offered, an Option may be exercised by the Grantee at any time during the Option Period after it is vested.

An Option must be held by the Grantee for at least 12 months before the Option can be exercised. A shorter vesting period may be granted to a Selected Participant who is an Employee Participant at the discretion of the Board and/or

the remuneration committee of the Board as deemed appropriate at the sole discretion of the Board and/or the remuneration committee of the Board if:

- (i) the Options granted to the Selected Participant are grants of “make-whole” awards to the Selected Participants upon joining the Group to replace the share awards they forfeited when leaving the previous employer, such that the vesting period of such Options granted under the Scheme shall apportion rateably based on the vesting period applicable to such Selected Participant’s unvested outstanding share awards granted by his previous employer;
- (ii) the unvested Options granted to the Selected Participant may vest with the Selected Participant or the legal personal representatives of the Selected Participant (in the case of death) within a period of 12 months from the date of termination of the employment of the Selected Participant if such termination is due to disability or death of the Selected Participant, provided that the Selected Participant had been continuously an employee of any member of the Group from the Offer Date until the date of termination of employment of such Selected Participant;
- (iii) in the event that it is not practicable for the Selected Participant to be granted the Options in a planned grant period due to legal or regulatory restrictions, such that the Options which should have been granted earlier (the “**Delayed Grant**”) are granted together with a subsequent batch of Options to the remaining Selected Participants during a calendar year, the vesting period for the Options underlying the Delayed Grant can be shorter than 12 months from the Offer Date to reflect the time from which such Options would have been granted;
- (iv) grants with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of 12 months; or
- (v) grants with performance-based vesting conditions in lieu of time-based vesting criteria.

Vesting of the Options shall be subject to the performance criteria to be satisfied by the Selected Participant as determined by the Board and/or the remuneration committee of the Board from time to time and specified in the Offer Letter (as defined in sub-paragraph 4.2 hereof). The performance criteria may comprise a mixture of attaining a satisfactory key performance indicators components (including, without limitation, the business performance and financial performance of the Group and/or department by reference to annual corporate targets and/or goals attained, market capitalization milestones and individual performance based on the periodic performance assessment and annual review results) which may vary among the Selected Participants.

Provided, subject to sub-paragraph 6.1 and the applicable laws, stock market or exchange rules (including the Listing Rules), that:

- 6.3.1 where the Grantee is a director or an employee of the Group, and his/her employment ceases for any reason other than death or becoming

permanently disabled as described in clause 6.3.3 below, the Option shall lapse after the date of such cessation, which date shall be his/her last actual working day with the Company or any Subsidiary whether salary is paid in lieu of notice or not;

6.3.2 where

- (A) the Grantee has committed any other act of fraud or dishonesty or serious misconduct, whether or not in connection with his/her employment or engagement by any member of the Group and whether or not it has resulted in his/her employment or engagement being terminated by the relevant member of the Group, or has been declared or adjudged to be bankrupt by a competent court or governmental body or has failed to pay his/her debts as they fall due (after the expiry of any applicable grace period) or has entered into any arrangement or composition with his/her creditors generally or an administrator has taken possession of any of his/her assets, or has been convicted of any criminal offence, or has been convicted of or is being held liable for any offence under or any breach of the Securities and Futures Ordinance or other securities laws or regulations in Hong Kong or any other applicable laws or regulations and the provisions of the bye-laws of the Company in force from time to time,
- (B) the Board at its absolute discretion determines that where the Grantee has failed to perform duties effectively or is involved in serious misconduct or malfeasance as being proved by the results of the economic responsibility audit and other reports, or has been committed a material misstatement in the financial statements of the Group,
- (C) the Board at its absolute discretion determines that the Grantee has failed to discharge, or failed to discharge properly, his/her/its duties and thereby resulting in serious loss in assets to the Company and other serious and adverse consequences,
- (D) the Board at its absolute discretion determines that the Grantee or his/her/its associate has committed any breach of any contract entered into between the Grantee or his/her/its associate on one part and the Group on the other part or that the Grantee has committed any act of bankruptcy or has become insolvent or is subject to any winding-up, liquidation or analogous proceedings or has made any arrangement or composition with his/her/its creditors generally,
- (E) the Board at its absolute discretion determines that the Grantee has been involved in acceptance or solicitation of bribery, corruption, theft, leakage of trade and technical secrets, conducted connected transactions and other unlawful acts and misconducts, which prejudiced the interest and reputation of and caused significant negative impact to the image of the Group, or
- (F) the Board at its absolute discretion determines that the Grantee joins a competitor after leaving the Company or forming a competing business

the Option granted to such Grantee shall lapse on or after the date on which the Board has so determined;

- 6.3.3 where the Grantee of an outstanding Option dies or becomes permanently disabled before exercising the Option in full or at all, the Option shall lapse after the date of his/her death or permanent disability. However, if the Board issues a written consent to his/her personal representatives within 60 days after the date of his/her death or permanent disability, the Option may be transferred to the personal representative as soon as practicable. For the avoidance of doubt, all vesting conditions previously imposed on such Option shall still apply;
- 6.3.4 if a general offer by way of a take-over is made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional, the Company shall forthwith notify all the Grantees and any Grantee that they may by notice in writing to the Company within 21 days after such offer becoming or being declared unconditional exercise the Option to its full extent or to the extent specified in such notice;
- 6.3.5 if a general offer by way of a scheme of arrangement is made to all the Shareholders and the scheme has been approved by the necessary number of Shareholders at the requisite meetings, the Company shall forthwith notify all the Grantees and any Grantee that they may thereafter (but before such time as shall be notified by the Company) by notice in writing to the Company exercise the Option to its full extent or to the extent specified in such notice;
- 6.3.6 other than a general offer or a scheme of arrangement contemplated in sub-paragraphs 6.3.4 and 6.3.5, if a compromise or arrangement between the Company and its Shareholders or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies, the Company shall give notice thereof to the Grantee (together with a notice of the existence of the provisions of this paragraph) on the same date or soon after it despatches the notice to each member or creditor of the Company summoning the meeting to consider such a compromise or arrangement, and thereupon the Grantee may forthwith and until the expiry of the period commencing with such date and ending with the earlier of 2 months thereafter and the date on which such compromise or arrangement is sanctioned by the court of competent jurisdiction, exercise any of his/her/its Options in full or in part, but the aforesaid exercise of an Option shall be conditional upon such compromise or arrangement being sanctioned by the court of competent jurisdiction and becoming effective. Upon such compromise or arrangement becoming effective, all outstanding Options shall lapse except insofar as previously exercised under the Scheme. The Company may require the Grantee to transfer or otherwise deal with the Shares issued as a result of the exercise of Options in these circumstances so as to place the Grantee

in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement; and

6.3.7 in the event a notice is given by the Company to its Shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company other than for the purposes of a reconstruction, amalgamation or scheme of arrangement, the Company shall on the same date as or soon after it despatches such notice to each member of the Company give notice thereof to all Grantees (together with a notice of the existence of the provisions of this paragraph) and thereupon, each Grantee shall be entitled to exercise all or any of his/her/its Options at any time not later than four Business Days prior to the proposed general meeting of the Company by giving notice in writing to the Company, accompanied by a remittance for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than one Business Day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the Grantee credited as fully paid.

6.4 The Shares to be allotted and issued upon the exercise of an Option shall be subject to the Company's memorandum and articles of association and the laws of the Cayman Islands for the time being in force and shall rank pari passu in all respects with other fully-paid Shares in issue as at the date of allotment and will entitle the holders to the same rights of the holders of other fully-paid Shares in issue, including voting, dividend, transfer and any other rights. In particular, the Shares to be allotted and issued upon the exercise of an Option will entitle the holders to participate in all dividends or other distributions paid or made on or after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefor shall be on or before the date of allotment and issue. The Option itself (before exercise) will not entitle the Grantee to any of the aforementioned Shareholder's rights.

7. LAPSE OF OPTION

7.1 The right to exercise an Option (to the extent not already exercised) shall terminate immediately upon the earliest of:

7.1.1 the expiry of the Option Period;

7.1.2 the date referred to in paragraph 6.3.1;

7.1.3 the date referred to in paragraph 6.3.2;

7.1.4 the expiry of the 60-day period referred to in paragraph 6.3.3;

7.1.5 the expiry of the period referred to in paragraph 6.3.4;

- 7.1.6 subject to the scheme of arrangement becoming effective, the expiry of the period referred to in paragraph 6.3.5;
- 7.1.7 subject to the compromise or arrangement becoming effective, the expiry of the period referred to in paragraph 6.3.6;
- 7.1.8 subject to paragraph 6.3.7, the date of the commencement of the winding-up of the Company;
- 7.1.9 the date on which the Grantee commits a breach of paragraph 6.1; or
- 7.1.10 the non-fulfillment of any condition referred to in paragraph 2 on or before the date stated therein.

The Company shall owe no liability to any Grantee for the lapse of any Option under this paragraph 7.

8. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

- 8.1 The maximum aggregate number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Scheme and any other share schemes of the Company shall comply with Chapter 17 of the Listing Rules in force from time to time.
- 8.2 The Company shall not make any further grant of Options which will result in the aggregate number of Shares underlying all grants made pursuant to the Scheme and all other share schemes existing at such time (the “**Existing Schemes**”) of the Company to exceed [194,502,551] Shares, representing 10% of the total number of Shares in issue as at the Adoption Date, excluding any options and/or awards lapsed in accordance with any share scheme(s) of the Company involving issuance of new Shares (the “**Scheme Mandate Limit**”)
- 8.3 For the purposes of calculating the Scheme Mandate Limit under paragraph 8.2, Shares which are the subject matter of any Options that have already lapsed in accordance with the terms of the relevant Existing Scheme(s) shall not be counted.
- 8.4 The Scheme Mandate Limit may be refreshed by ordinary resolution of the Shareholders in general meeting to refresh the Scheme Mandate Limit after three years from the date of Shareholders’ approval for the last refreshment (or the Adoption Date, which is later), provided that:
 - 8.4.1 the Scheme Mandate Limit so refreshed shall not exceed 10% of the total number of issued Shares as at the date of Shareholders' approval of the refreshing of the Scheme Mandate Limit;
 - 8.4.2 Options previously granted under any Existing Schemes (including Options outstanding, cancelled, or lapsed in accordance with the relevant scheme rules or exercised options) shall not be counted for the purpose of calculating the limit as refreshed; and

8.4.3 a circular regarding the proposed refreshing of the Scheme Mandate Limit has been despatched to the Shareholders in a manner complying with, and containing the matters specified in the relevant provisions of Chapter 17 of the Listing Rules in force from time to time.

In the event that the Scheme Mandate Limit is refreshed within three years from the date of Shareholders' approval for the last refreshment (or the Adoption Date, which is later), the Company may seek the approval of its Shareholders in general meeting, provided that the controlling shareholders of the Company and their associates (or if there is no controlling shareholder, Director (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of such resolutions at the general meeting, and the Company must comply with the relevant requirements under the Listing Rules.

8.5 The Company may seek separate approval from the Shareholders in the general meeting for granting Options which will result in the Scheme Mandate Limit being exceeded, provided that:

8.5.1 the grant is to Selected Participant specifically identified by the Company before the approval is sought; and

8.5.2 a circular regarding the grant has been despatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules in force from time to time.

9. EFFECT OF ALTERATIONS TO SHARE CAPITAL

9.1 In the event of any alteration to the capital structure of the Company whilst any Option remains exercisable, arising from capitalization issue, rights issue, consolidation, sub-division or reduction of the share capital of the Company in accordance with the legal requirements or requirements of the Stock Exchange, other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party, adjustment (if any) shall be made to:

9.1.1 the number of Shares subject to the Option so far as unexercised; and/or

9.1.2 the Exercise Price for the Shares subject to the Option so far as unexercised; and/or

9.1.3 any combination thereof.

The method of adjustment of number of Option so far as unexercised is set out as below:

Capitalization issue

$$Q = Q_0 \times (1 + n)$$

Where: “Q0” represents the number of Option before the adjustment; “n” represents the ratio of the capitalization issue; “Q” represents the number of Option after the adjustment.

Rights issue

$$Q = Q0 \times P1 \times (1 + n) \div (P1 + P2 \times n)$$

Where: “Q0” represents the number of Option before the adjustment; “P1” represents the closing price as at the record date; “P2” represents the subscription price of the rights issue; “n” represents the ratio of allotment; “Q” represents the number of Option after the adjustment.

Consolidation of Shares or share subdivision or reduction of the share capital

$$Q = Q0 \times n$$

Where: “Q0” represents the number of Option before the adjustment; “n” represents the ratio of share consolidation or share subdivision or reduction of share capital; “Q” represents the number of Option after the adjustment.

The method of adjustment of the Exercise Price is set out as below:

Capitalization issue

$$P = P0 \div (1 + n)$$

Where: “P0” represents the Exercise Price before the adjustment; “n” represents the ratio of the capitalization issue; “P” represents the Exercise Price after the adjustment.

Rights issue

$$P = P0 \times (P1 + P2 \times n) \div (P1 \times (1 + n))$$

Where: “P0” represents the Exercise Price before the adjustment; “P1” represents the closing price as at the record date; “P2” represents the subscription price in respect of the rights issue; “n” represents the ratio of allotment; “P” represents the Exercise Price after the adjustment.

Consolidation of Shares or share subdivision or reduction of the share capital

$$P = P0 \div n$$

Where: “P0” represents the Exercise Price before the adjustment; “n” represents the ratio of share consolidation or share subdivision or reduction of share capital; “P” represents the Exercise Price after the adjustment.

- 9.2 In the event of any adjustment as described in paragraph 9.1, the Auditors or the independent financial adviser to the Company (acting as expert not arbitrator) shall at the request of the Company certify in writing to the Board either generally or as regards any particular Grantee that the adjustments are in

compliance with the requirements under the note to Rules 17.03(13) of the Listing Rules.

- 9.3 Any such adjustments must give a Grantee the same proportion of the equity capital of the Company, rounded to the nearest whole Share, as to which that Grantee was previously entitled, and any adjustments so made shall be in compliance with the Listing Rules and such applicable guidance and/or interpretation of the Listing Rules from time to time issued by the Stock Exchange (including, without limitation, the “Supplemental Guidance on Main Board Listing Rule 17.03(13) and the Notice immediately after the Rule” attached to the letter of the Stock Exchange dated 5 September 2005 to all issuers relating to share option scheme) but no such alterations shall be made the effect of which would be to enable a Share to be issued at less than its nominal value. The capacity of the Auditors or the independent financial adviser to the Company in this paragraph 9 is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on the Company and the Grantees. The costs of the Auditors or the independent financial adviser to the Company shall be borne by the Company. Notice of such adjustment shall be given to the Grantees by the Company.

10. SHARE CAPITAL

The exercise of any Option shall be subject to the Shareholders in general meeting approving any necessary increase in the authorised share capital of the Company. Subject to such approval, the Board shall make available sufficient authorised but unissued share capital of the Company to meet subsisting requirements on the exercise of Options.

11. DISPUTES

Any dispute arising in connection with the Scheme (whether as to the number of Shares the subject of an Option, the amount of the Exercise Price, or otherwise) shall be referred to the decision of the Auditors or the independent financial adviser to the Company who shall act as experts and not as arbitrators and whose decision shall, in the absence of manifest error, be final and binding. The costs of the Auditors or the independent financial adviser to the Company shall be borne equally by the Company and the relevant Grantee.

12. ALTERATION OF THE SCHEME

The Scheme may be altered in any respect by resolution of the Board without the approval of the Shareholders in general meeting, provided that (i) any alteration to the terms and conditions of the Scheme which are of a material nature or any alterations to the provisions relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of the Grantees must be approved by the Shareholders in general meeting, (ii) any change to the terms of the Options granted to a Grantee must be approved by the Board, the remuneration committee of the Company, the independent non-executive Director and/or the Shareholders (as the case may be) if the initial grant of the Options was approved by the Board, the remuneration committee of the Company, the independent non-executive Directors and/or the Shareholders (as the case may be), (iii) the amended terms of the Scheme or the Options must still comply with the relevant

requirements of Chapter 17 of the Listing Rules, and (iii) any change to the authority of the Directors to later the terms of the Scheme must be approved by the Shareholders in general meeting.

13. CANCELLATION OF OPTIONS GRANTED

13.1 The Board may at any time at its absolute discretion cancel an Option granted but not exercised.

13.2 No Options may be granted to a Selected Participant in place of his/her/its cancelled Options unless there are available unissued Options within the Scheme Mandate Limit approved by the Shareholders from time to time in accordance with paragraph 8 and granted in compliance with the terms of the Scheme, the Listing Rules and the applicable laws. The Options cancelled will be regarded as utilized for the purpose of calculating the Scheme Mandate Limit.

14. TERMINATION

As the Scheme will involve the issue of new Shares, the termination of the Scheme is subject to the approval of the Shareholders under Rule 17.03(18) of the Listing Rules.

In the event of termination of the Scheme, no further Option will be offered but the provisions of the Scheme shall remain in full force and effect in all other respects and Options granted prior to such termination shall continue to be valid and exercisable in accordance with the Scheme.

15. DISCLOSURE IN ANNUAL AND INTERIM REPORTS

The Company will disclose details of the Scheme in its annual and interim reports including the number of options, date of grant, exercise price, exercise period, vesting period and (if appropriate) a valuation of options granted during the financial year/ period in the annual/ interim reports in accordance with the Listing Rules in force from time to time.

16. MISCELLANEOUS

16.1 Notwithstanding any provision of any other paragraph of the Scheme:

16.1.1 the Scheme shall not form part of any contract of employment between the Company or any Subsidiary (as appropriate) and any Eligible Person and the rights and obligations of any Eligible Person under the terms of his office or employment shall not be affected by his participation in the Scheme or any right which he may have to participate in it and the Scheme shall afford such an Eligible Person no additional rights to compensation or damages in consequence of the termination of such office or employment for any reason; and

16.1.2 the Scheme shall not confer on any person any legal or equitable rights (other than those constituting the Options themselves) against the Company directly or indirectly or give rise to any cause of action at law or in equity against the Company.

- 16.2 The Company shall bear the costs of establishing and administering the Scheme.
- 16.3 A Grantee shall be entitled to receive copies of all notices and other documents sent by the Company to the Shareholders.
- 16.4 Any notice or other communication between the Company and a Grantee shall be addressed to the recipient and sent by personal delivery or by prepaid post or by fax to, in the case of the Company, Mr. Xu Yue or any other person designated by Mr. Xu Yue for this purpose with the contact information as set out below or as otherwise notified to the Grantee from time to time and, in the case of the Grantee, his residential address as notified to the Company from time to time.

The Company : China Yongda Automobiles Services Holdings Limited
Attention : Mr. Xu Yue
Address : No. 299 Ruijin Road (S.) Shanghai 200023, PRC
Fax : +86 21 5352 2427

- 16.5 Any notice or other communication between the Company and a Grantee shall be deemed to have been received:-
- 16.5.1 in the case of delivery by hand, when delivered;
- 16.5.2 in the case of prepaid post, on the second day following the day of posting; or
- 16.5.3 in the case of a fax, on the date of transmission provided that the sender has a transmission report indicating that the fax was duly transmitted and received.
- 16.6 In the case of a notice served by the Company by post, in proving service it shall be sufficient to prove that the envelope containing the notice was properly addressed and stamped and was deposited in a post box or at the post office.
- 16.7 A Grantee shall be responsible for obtaining any governmental or other official consent that may be required by any country or jurisdiction in order to permit the grant or exercise of an Option. The Company shall not be responsible for any failure by a Grantee to obtain any such consent or for any tax or other liability to which a Grantee may become subject as a result of his participation in the Scheme. The Company shall not be responsible for the lapse or cancellation of any Options granted to any Grantee.
- 16.8 The Scheme and all Options granted under the Scheme shall be governed by and construed in accordance with the laws of Hong Kong.