
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in Xiaomi Corporation, you should at once hand this circular and the accompanying form of proxy to the purchaser or to the transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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XIAOMI CORPORATION

小米集团

(A company controlled through weighted voting rights and incorporated in the Cayman Islands with limited liability)

(Stock Code: 1810)

**PROPOSED ADOPTION OF
THE SUBSIDIARY SHARE OPTION SCHEME
AND
NOTICE OF THE EXTRAORDINARY GENERAL MEETING**

A notice convening the extraordinary general meeting (“EGM”) of Xiaomi Corporation 小米集团 to be held at Xiaomi Campus, Anningzhuang Road, Haidian District, Beijing, The People’s Republic of China on Monday, October 25, 2021 at 2:30 p.m. is set out on page 17 of this circular. A form of proxy for use at the EGM is enclosed, and published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.mi.com).

Whether or not you are able to attend the EGM, please complete and sign the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company’s Hong Kong share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, as soon as possible but in any event not later than 48 hours before the time appointed for the holding of the EGM (i.e. not later than 2:30 p.m. on Saturday, October 23, 2021) or any adjournment thereof (as the case may be). Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

Reference to time and dates in this circular are to Hong Kong time and dates.

October 4, 2021

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DEFINITIONS

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

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| “Articles of Association” | the articles of association of the Company, as amended from time to time |
| “Board” | the board of Directors |
| “Business Day(s)” | a day (other than a Saturday, Sunday or public holiday and days on which a tropical cyclone warning signal No. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks are generally open in Hong Kong for general banking business |
| “Class A Share(s)” | class A ordinary shares in the share capital of the Company with a par value of US\$0.0000025 each, conferring weighted voting rights in the Company such that a holder of a Class A Share is entitled to ten votes per share on any resolution tabled at the Company’s general meetings, save for resolutions with respect to any Reserved Matters, in which case they shall be entitled to one vote per share |
| “Class B Share(s)” | class B ordinary shares in the share capital of the Company with a par value of US\$0.0000025 each, conferring a holder of a Class B Share one vote per share on any resolution tabled at the Company’s general meetings |
| “Company” | Xiaomi Corporation 小米集团, a company with limited liability incorporated under the laws of the Cayman Islands on January 5, 2010, and whose Class B Shares are listed on the Stock Exchange |
| “Companies Law” | the Companies Law of the Cayman Islands as amended from time to time |
| “Connected Person(s)” | has the same meaning ascribed thereto under the Listing Rules |
| “Director(s)” | the director(s) of the Company |
| “EGM” | the extraordinary general meeting of the Company to be held at Xiaomi Campus, Anningzhuang Road, Haidian District, Beijing, The People’s Republic of China on Monday, October 25, 2021 at 2:30 p.m., or any adjournment thereof |

DEFINITIONS

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| “Eligible Person(s)” | shall have the meaning as defined in paragraph 2 of Appendix I |
| “Grantee” | any Eligible Person who accepts an Offer in accordance with the terms of the Option Scheme, or (where the context so permits) any person who is entitled in accordance with applicable laws of succession to any such Option in consequence of the death of the original Grantee, or the legal personal representative of such person |
| “Grant Date” | the date on which the Offer of that Option is made to the Eligible Person, which date must be a Business Day |
| “Group” | the Company and its Subsidiaries and the operating entities controlled under contractual arrangements from time to time |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Latest Practicable Date” | September 24, 2021, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Participant(s)” | the participant(s) of the Subsidiary Share Option Scheme as defined in Appendix I to this circular |
| “Offer” | the offer of the grant of an Option made in accordance with paragraph 8 of Appendix I |
| “Option” | a right granted to subscribe for Xiaomi EV Shares pursuant to the Subsidiary Share Option Scheme |
| “Option Period” | a period within which an Option may be exercised, which is to be determined and notified by the Xiaomi EV Board to each Grantee at the time of making an Offer, and shall not expire later than ten years from the Grant Date |
| “PRC” | the People’s Republic of China |

DEFINITIONS

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| “Reserved Matters” | those matters or resolutions with respect to which each Share is entitled to one vote at general meetings of the Company pursuant to the Articles of Association, being (i) any amendment to the memorandum and articles of association of the Company, including the variation of the rights attached to any class of Shares, (ii) the appointment, election or removal of any independent non-executive Director, (iii) the appointment or removal of the Company’s auditors, and (iv) the voluntary liquidation or winding up of the Company |
| “Scheme Period” | the period of ten years commencing on the date on which the last of the conditions set out in the Scheme Rules is fulfilled |
| “Scheme Rules” | the rules relating to the Subsidiary Share Option Scheme as amended from time to time |
| “Share(s)” | the Class A Shares and/or Class B Shares in the share capital of the Company, as the context so requires |
| “Shareholder(s)” | holder(s) of Share(s) |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Subsidiary(ies)” | has the same meaning ascribed thereto under the Listing Rules |
| “Subsidiary Share Option Scheme” or “Option Scheme” | the share option scheme of Xiaomi EV to be approved by the Shareholders, a summary of the principal terms of which is set out in Appendix I to this circular |
| “Subscription Price” | the price per share at which a Grantee may subscribe for the Xiaomi EV Share on the exercise of an Option |
| “US\$” | United States dollars, the lawful currency of the United States of America |
| “weighted voting rights” | has the meaning ascribed thereto under the Listing Rules |
| “WVR Beneficiary(ies)” | has the meaning ascribed thereto under the Listing Rules and unless the context otherwise requires, refers to Lei Jun and Lin Bin, being the holders of Class A Shares |
| “%” | per cent |
| “Xiaomi EV” | Xiaomi EV, Inc., an exempted company incorporated under the laws of the Cayman Islands with limited liability and a direct wholly-owned Subsidiary of the Company |

DEFINITIONS

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| “Xiaomi EV Board” | the board of directors of Xiaomi EV |
| “Xiaomi EV Director(s)” | the director(s) of Xiaomi EV |
| “Xiaomi EV Employee” | any employee (whether full-time or part-time employee) of any members of the Xiaomi EV Group, provided that the Grantee shall not cease to be a Xiaomi EV Employee in the case of (a) any leave of absence approved by Xiaomi EV; or (b) transfer amongst Xiaomi EV or any successor, and provided further that a Xiaomi EV Employee shall, for the avoidance of doubt, cease to be a Xiaomi EV Employee with effect from (and including) the date of termination of his employment |
| “Xiaomi EV Group” | Xiaomi EV and its Subsidiaries and consolidated affiliated entities from time to time, and the expression “member of the Xiaomi EV Group” shall be construed accordingly |
| “Xiaomi EV Share(s)” | ordinary share(s) of US\$0.000005 each in the share capital of Xiaomi EV |
| “Xiaomi EV Shareholder(s)” | the holder(s) of the Xiaomi EV Share(s) |

LETTER FROM THE BOARD



XIAOMI CORPORATION

小米集团

(A company controlled through weighted voting rights and incorporated in the Cayman Islands with limited liability)

(Stock Code: 1810)

Executive Directors:

Lei Jun (*Chairman of the Board and
Chief Executive Officer*)
Lin Bin (*Vice-Chairman of the Board*)
Liu De

Non-Executive Director:

Liu Qin

Independent Non-executive Directors:

Chen Dongsheng
Wong Shun Tak
Tong Wai Cheung Timothy

Registered Office:

Maples Corporate Services Limited
PO Box 309
Ugland House
Grand Cayman, KY1-1104
Cayman Islands

***Head Office and Principal Place of Business
in Mainland China:***

Xiaomi Campus, Anningzhuang Road
Haidian District
Beijing
The People's Republic of China

Principal Place of Business in Hong Kong:

Level 54, Hopewell Centre
183 Queen's Road East
Hong Kong

October 4, 2021

To the Shareholders

Dear Sir or Madam

PROPOSED ADOPTION OF THE SUBSIDIARY SHARE OPTION SCHEME

1. INTRODUCTION

The purpose of this circular is to provide you with, among other information, (i) information reasonably required by you for making an informed decision on the voting of the ordinary resolution regarding the proposed adoption of the Subsidiary Share Option Scheme at the EGM; and (ii) a notice of EGM.

LETTER FROM THE BOARD

2. PROPOSED ADOPTION OF THE SUBSIDIARY SHARE OPTION SCHEME

The Company's Subsidiary, Xiaomi EV, proposes to adopt the Subsidiary Share Option Scheme as described in Appendix I of this circular. Save for the Subsidiary Share Option Scheme proposed to be adopted, Xiaomi EV does not have any other share option scheme in place as at the Latest Practicable Date. Further information in connection with the Option Scheme is set out in Appendix I of this circular.

Xiaomi EV is a company incorporated in the Cayman Islands with limited liability, and is a wholly owned Subsidiary directly held by the Company. Xiaomi EV is established to operate the Group's smart electric vehicle business.

At the EGM, ordinary resolutions will be proposed to the Shareholders to adopt the Subsidiary Share Option Scheme. The purpose of the Subsidiary Share Option Scheme is to provide Eligible Persons with the opportunity to acquire interests in Xiaomi EV and to encourage Eligible Persons to work towards enhancing the value of Xiaomi EV and its shares for the benefit of Xiaomi EV and our Company, as a whole. The Option Scheme will provide Xiaomi EV with a flexible means of retaining, incentivizing, and rewarding Eligible Persons by compensating and/or providing benefits to them.

The Subsidiary Share Option Scheme does not stipulate a minimum period for which an Option must be held or any performance targets a Grantee is required to achieve before an Option may be exercised. However, under the Option Scheme, the Xiaomi EV Board may at its discretion specify any conditions which must be satisfied before an Option may be exercised in the offer letter of the Option Scheme whereby such Option is offered. The Xiaomi EV Board believes that this will provide its board of directors with more flexibility in setting the terms and conditions of its Options under particular circumstances of each grant and facilitate the Xiaomi EV Board's aim to offer meaningful incentive to attract and retain quality personnel that are valuable to the development of Xiaomi EV and for the benefit of the Group and the Shareholders as a whole.

There is no trustee appointed for the purposes of the Subsidiary Share Option Scheme as at the Latest Practicable Date. In the event that a trustee is appointed in respect of the Subsidiary Share Option Scheme in the future, the Company and Xiaomi EV will ensure that no Directors nor Xiaomi EV Director will become such a trustee or has any direct or indirect interest in such a trustee. If and when the trustee is appointed, it will at all times keep a list of grantees containing details of the allocation of shares earmarked to the corresponding specific beneficiaries identified by the Xiaomi EV Board at the time of grant.

The Subsidiary Share Option Scheme is a share option scheme prepared for Xiaomi EV in accordance with Chapter 17 of the Listing Rules. Pursuant to Rule 17.02(1)(a) of the Listing Rules, the adoption of the Subsidiary Share Option Scheme and the commencement of the Scheme Period is conditional upon the approval of the Shareholders at the EGM and the shareholder of Xiaomi EV (i.e. the Company). The Company will, where applicable, comply with the relevant requirements of Chapter 14 of the Listing Rules in connection with the deemed disposal as a result of the exercise of share options under the Subsidiary Share Option Scheme, which may reduce the shareholding of the Company in Xiaomi EV. If the Company grants any options to connected persons of the Company under the Subsidiary Share Option Scheme, the Company will comply with the relevant requirements under Chapter 14A of the Listing Rules. As at the Latest Practicable Date, as the highest applicable percentage ratio applied in accordance with Rule 14.07 of Listing Rules in respect of the issuance of the maximum equity capital allowed to be granted pursuant to the Subsidiary Share Option Scheme is less than 5%, this does not constitute a discloseable transaction under Chapter 14 of the Listing Rules. The Company will continuously assess the impact of any grant under the Subsidiary Share Option Scheme and will comply with the requirements under Chapter 14 and Chapter 14A of the Listing Rules, where appropriate.

LETTER FROM THE BOARD

A summary of the principal terms of the Subsidiary Share Option Scheme are set out in Appendix I to this circular. Copies of the Option Scheme will be available for inspection at the Company's principal place of business in Hong Kong at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong during normal business hours from October 4, 2021 to October 25, 2021 (both days inclusive) and at the EGM.

3. EGM AND PROXY ARRANGEMENT

A notice convening the EGM is set out on page 17 of this circular. At the EGM, resolutions will be proposed to approve the Subsidiary Share Option Scheme.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, all the proposed resolutions will be put to vote by way of poll at the EGM. An announcement on the poll results will be made by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

The Company is controlled through weighted voting rights. Holders of Class B Shares present in person (in the case of a member being a corporation, by its duly authorized representative) or by proxy shall have one vote per Share. Holders of Class A Shares present in person (in the case of a member being a corporation, by its duly authorized representative) or by proxy shall have ten votes per Share, save for resolutions with respect to any Reserved Matters, in which case they shall have one vote per Share. Holders of Class B Shares and Class A Shares shall at all times vote together as one class.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, the WVR Beneficiaries were Lei Jun and Lin Bin. Lei Jun is deemed to be interested in 4,191,854,183 Class A Shares and 1,862,325,455 Class B Shares, representing approximately 65.4% of the voting rights in the Company; and Lin Bin is deemed to be interested in 462,608,829 Class A Shares and 1,937,311,381 Class B Shares, representing approximately 9.8% of the voting rights in the Company.

A form of proxy for use at the EGM is enclosed with this circular and such form of proxy is also published on the website of the Stock Exchange (www.hkexnews.hk) and the Company (www.mi.com). Whether or not you are able to attend the EGM, please complete and sign the form of proxy in accordance with the instructions printed thereon and return it, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof to the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM (i.e. not later than Saturday, October 23, 2021) or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish and in such event, the form of proxy shall be deemed to be revoked.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on the resolution approving the Subsidiary Share Option Scheme. No Shareholder has a material interest in the proposed adoption of the Option Scheme.

4. RECOMMENDATION

The Directors consider that the proposed adoption of the Subsidiary Share Option Scheme is in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolution to be proposed at the EGM.

LETTER FROM THE BOARD

5. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all 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.

6. GENERAL INFORMATION

Your attention is drawn to the additional information set out in the appendix to this circular: Appendix I — Principal Terms of the Subsidiary Share Option Scheme.

Yours faithfully,
By order of the Board
Xiaomi Corporation
Lei Jun
Chairman of the Board

The following is a summary of the principal terms of the Subsidiary Share Option Scheme proposed to be adopted at the EGM but does not form part of, nor was it intended to be, part of the Subsidiary Share Option Scheme nor should it be taken as affecting the interpretation of the Subsidiary Share Option Scheme. The Subsidiary Share Option Scheme was conditionally adopted by the Xiaomi EV Shareholder (i.e. the Company) on September 23, 2021. The terms of Subsidiary Share Option Scheme will be governed by Chapter 17 of the Listing Rules. As of the Latest Practicable Date, the share capital of Xiaomi EV was made of ordinary shares with par value of US\$0.000005 each.

1. PURPOSE

The purpose of the Subsidiary Share Option Scheme is to provide Eligible Persons with the opportunity to acquire interests in Xiaomi EV and to encourage Eligible Persons to work towards enhancing the value of Xiaomi EV and its shares for the benefit of Xiaomi EV and its shareholder, including our Company and the Shareholders, as a whole. The Option Scheme will provide Xiaomi EV with a flexible means of retaining, incentivizing, rewarding, remunerating, compensating and/or providing benefits to Eligible Persons.

2. ELIGIBLE PERSONS

Any individual, being an employee or director of any member of the Xiaomi EV Group or the Group (including nominees and/or trustees of any employee benefit trust established for such employees or directors, which, in the avoidance of doubt, any Options so granted shall be personal to the such employees or directors and shall not be transferable or assignable), and any consultant, advisor, distributor, contractor, customer, supplier, agent, business partner, joint venture business partner or service provider of any member of the Xiaomi EV Group or the Group who the Xiaomi EV Board or its delegate(s) considers, in its sole discretion, to have contributed or will contribute to the Xiaomi EV Group is entitled to be offered and granted options. However, no individual who is resident in a place where the grant, acceptance or exercise of the Options pursuant to the Subsidiary Scheme Option Scheme is not permitted under the laws and regulations of such place or where, in the view of the Xiaomi EV Board or its delegate(s), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual, is eligible to be offered or granted options.

The eligibility of any of the Eligible Persons shall be determined by the Xiaomi EV Board or its delegate(s) from time to time on the basis of the Xiaomi EV Board's opinion as to such Eligible Person's contribution to the development and growth of the Group. The Xiaomi EV Board considers that the grant of Options to these Eligible Persons will offer incentives for advisors, consultants and service providers to provide better services to Xiaomi EV Group (for example in terms of special skills or technical knowledge to fill the void currently experienced by Xiaomi EV), to customers to maximise the quantity of their orders and increase loyalty to Xiaomi EV Group, for suppliers to offer more economic and quality supplies to Xiaomi EV Group, for the business partners and joint venture business partners to refer or introduce potential business opportunities to the Xiaomi EV Group, for consultants, advisors, distributors, contractors and agents to maximise the quality of their service offerings to Xiaomi EV Group, thereby optimising performance efficiency and benefiting the long-term growth of Xiaomi EV Group. Accordingly, the Xiaomi EV Board will assess the eligibility of these Eligible Persons based on various factors such as performance conditions, or targets to be achieved and potential and/or actual contribution to the business affairs of and benefits to Xiaomi EV Group. It is expected that the Grantees will make an effort to contribute to the development of the Xiaomi EV Group and the Group. In particular, in determining the criteria for the Eligible Persons who are not employees or directors of any member of the Xiaomi EV Group or the Group, the Xiaomi EV Board will take into account the following factors: (i) the special skills or technical knowledge possessed by them which is beneficial to Xiaomi EV's continuing development, (ii) whether they have contributed to the business development of Xiaomi EV, and (iii) whether they will contribute to the medium-to-long-term business development of the respective Subsidiaries.

3. MAXIMUM NUMBER OF SHARES SUBJECT TO OPTIONS

The total number of Xiaomi EV Shares which may be issued upon exercise of all Options to be granted under the Option Scheme and options to be granted under any other share option schemes of Xiaomi EV is 1,000,000,000 (one billion) (the “**Scheme Mandate Limit**”), representing 10% of 10,000,000,000 Xiaomi EV Shares, the total number of the issued shares of Xiaomi EV as at the date of approval of the Subsidiary Share Option Scheme by the Shareholders (the “**Approval Date**”) (assuming no Xiaomi EV Shares would be issued or repurchased between the Latest Practicable Date and the Approval Date). Options which have lapsed in accordance with the terms of the Scheme Rules (or any other share option schemes of Xiaomi EV) shall not be counted for the purpose of calculating the Scheme Mandate Limit.

The overall limit on the number of Xiaomi EV Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the Subsidiary Share Option Scheme and any other share option schemes of Xiaomi EV at any time (and to which the provisions of Chapter 17 of the Listing Rules are applicable) must not exceed 30% of the Xiaomi EV Shares in issue from time to time (the “**Scheme Limit**”). No Options may be granted if such Options together with any share options granted under any schemes of Xiaomi EV (or its subsidiaries) will result in the Scheme Limit being exceeded.

Xiaomi EV may refresh the Scheme Mandate Limit at any time subject to prior approval of the Xiaomi EV Shareholder in general meeting and, for so long as Xiaomi EV is a Subsidiary of the Company, the Shareholders of the Company in general meeting and/or such other requirements prescribed under the Listing Rules from time to time. However, the Scheme Mandate Limit as refreshed shall not exceed 10% of the Xiaomi EV Shares in issue as at the date of the aforesaid approval to refresh the Scheme Mandate Limit by the Xiaomi EV Shareholder and Shareholders of the Company in their respective general meeting. Options previously granted under the Subsidiary Share Option Scheme and any other share option schemes of Xiaomi EV (and to which the provisions of Chapter 17 of the Listing Rules are applicable) (including those outstanding, cancelled or lapsed in accordance with its terms or exercised), shall not be counted for the purpose of calculating the limit as refreshed.

Xiaomi EV may also grant options in excess of the Scheme Mandate Limit, provided such grant is to specifically identified Eligible Persons and is first approved by Xiaomi EV Shareholder and, for so long as Xiaomi EV is a Subsidiary of the Company, the Shareholders of the Company in general meeting.

4. MAXIMUM ENTITLEMENT OF A GRANTEE

Unless approved by the Xiaomi EV Shareholder and, for so long as Xiaomi EV is a Subsidiary of the Company, the Shareholders of the Company, the total number of Xiaomi EV Shares issued and to be issued upon exercise of the Options granted and to be granted under any other share option scheme(s) of Xiaomi EV to each Eligible Person (including both exercised and outstanding Options) in any 12 month period shall not exceed 1% of the total number of Xiaomi EV Shares in issue (the “**Individual Limit**”). Any further grant of Options to a Eligible Person which would result in the aggregate number of Xiaomi EV Shares issued and to be issued upon exercise of all Options granted and to be granted to such Eligible Person (including exercised, cancelled and outstanding Options) in the 12 month period up to and including the date of such further grant exceeding the Individual Limit shall be subject to separate approval of the Xiaomi EV Shareholder, and for so long as Xiaomi EV is a Subsidiary of the Company, the Shareholders of the Company (with such Eligible Person and his close associates (or his associates if the relevant Eligible Person is a connected person) abstaining from voting).

5. PERFORMANCE TARGET

The Subsidiary Share Option Scheme does not set out any performance targets that must be achieved before an Option may be exercised. However, the Xiaomi EV Board or its delegate(s) may at their discretion specify, as part of the terms and conditions of any option, such performance conditions that must be satisfied before the Option can be exercised.

6. SUBSCRIPTION PRICE

The Xiaomi EV Board shall determine the Subscription Price in relation to each option at the time of grant and specify the Subscription Price in the grant offer letter.

In the event that the Xiaomi EV Board resolves to seek a separate listing of the Xiaomi EV Shares on any established stock exchange (including the Stock Exchange), for so long as Xiaomi EV is a Subsidiary of the Company, subject to alteration/adjustment in accordance with the relevant requirement under the Note 2 to Rule 17.03(9) of the Listing Rules, the Subscription Price of any Options granted after such resolution to the listing date of Xiaomi EV shall not be lower than the nominal value of a Xiaomi EV Share or the new issue price (if any). In particular, the Subscription Price of any Options granted during the period commencing six (6) months before the lodgment of the listing application and up to the listing date of Xiaomi EV shall not be lower than the new issue price (if any).

After the Xiaomi EV Shares are listed on the Stock Exchange, the Subscription Price of any Options to be granted shall be at least the higher of: (i) the nominal value of a share of a Xiaomi EV Share; (ii) the closing price of the Xiaomi EV Shares as stated in the exchange's daily quotations sheet on the date of grant of such option, which must be a business day; and (iii) the average closing price of the Xiaomi EV Shares as stated in the stock exchange's daily quotations sheets for the five (5) business days immediately preceding the date of grant of such option. If the Xiaomi EV Shares are listed on any established stock exchange (other than the Stock Exchange), the Subscription Price of any Options to be granted shall follow the requirements under the rules of that stock exchange.

7. RIGHTS ARE PERSONAL TO GRANTEE

An Option shall be personal to the Grantee and shall not be transferable or assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest in favor of or enter into any agreement with any other person over or in relation to any Option, except for the transmission of an Option on the death of the Grantee to his personal representative(s) on the terms of the Option Scheme.

8. GRANT OF OPTION

Where the Option is to be granted to a Director, chief executive or substantial shareholder of the Company, or any of their respective associates, 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.

Where any grant of Options to a substantial shareholder, or an independent non-executive Director (or any of their respective associates) would result in the number of Xiaomi EV Shares issued and to be issued upon exercise of all Options already 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 such grant (a

representing in aggregate over 0.1% (or such other higher percentage as may from time to time be specified by the Stock Exchange) of the Xiaomi EV Shares in issue and (b) in case the shares of Xiaomi EV is listed on the Stock Exchange, having an aggregate value (based on the closing price of the Xiaomi EV Shares as stated in the daily quotations sheets issued by the Stock Exchange on the date of each grant) in excess of HK\$5 million, such further grant of Options shall be first approved by the Xiaomi EV Shareholder in general meeting, and, for so long as Xiaomi EV is a Subsidiary of the Company, the Shareholders of the Company (voting by way of poll) in general meeting. In obtaining the approval, the Company shall send a circular to the Shareholders in accordance with and containing such information as is required under the Listing Rules. The Grantee, his associates and all core connected persons of the Company shall abstain from voting at such general meeting, except that any Connected Person may vote against the relevant resolution at the general meeting provided that his intention to do so has been stated in the circular to be sent to the Shareholders in connection therewith.

9. GRANT OFFER LETTER AND NOTIFICATION OF GRANT OF OPTIONS

An Offer shall be made to Eligible Persons by a letter in duplicate which specifies the terms on which the Option is to be granted. Such terms may include the subscription price, vesting schedule, any minimum period(s) for which an Option must be held and/or any minimum performance target(s) that must be achieved, before the Option can be exercised in whole or in part, and may include at the discretion of the Xiaomi EV Board or its delegate(s) such other terms either on a case basis or generally.

An Offer shall be deemed to have been accepted and the Option to which the Offer relates shall be deemed to have been granted and to have taken effect when the duplicate of the offer letter comprising acceptance of the Offer duly signed by the Grantee with the number of Xiaomi EV Shares in respect of which the Offer is accepted clearly stated therein, together with a remittance in favor of Xiaomi EV of HK\$1.00 by way of consideration for the grant thereof, which must be received by Xiaomi EV within 20 business days from the date on which the offer letter is delivered to the Grantee.

Any Offer may be accepted in respect of less than the number of Xiaomi EV Shares for which it is offered. To the extent that the Offer is not accepted within 20 Business Days from the date on which the letter containing the Offer is delivered to that Eligible Person in the manner indicated above, it shall be deemed to have been irrevocably declined.

10. TIME OF EXERCISE OF AN OPTION

An Option may, subject to the terms and conditions upon which such Option is granted, be exercised in whole or in part by the Grantee giving notice in writing to Xiaomi EV in such form as the Xiaomi EV Board may from time to time determine stating that the Option is thereby exercised and the number of Xiaomi EV Shares in respect of which it is exercised.

11. CANCELATION OF OPTIONS

Any breaches of the rules of the Option Scheme by a Grantee may result in the Options granted to such Grantee being cancelled by Xiaomi EV. Any Options granted but not exercised may be cancelled if the Grantee so agrees. Issuance of new Options to the same Grantee may only be made if there are unissued Options available under the Option Scheme (excluding the cancelled Options) and in compliance with the terms of the Option Scheme.

12. LAPSE OF OPTIONS

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

- (a) the expiry of the Option Period;
- (b) the expiry of any of the periods for exercising the Option as referred to in paragraphs 15, 16 and 17 below; and
- (c) the date on which the Grantee commits a breach of the Scheme Rules.

13. VOTING AND DIVIDEND RIGHTS

No dividends shall be payable and no voting rights shall be exercisable in relation to any Options or Xiaomi EV Shares that are the subject of Options that have not been exercised.

14. EFFECTS OF ALTERATIONS IN THE CAPITAL STRUCTURE

In the event of an alteration in the capital structure of Xiaomi EV whilst any Option remains exercisable by way of capitalization of profits or reserves, rights issue, subdivision or consolidation of shares, or reduction of the share capital of Xiaomi EV in accordance with legal requirements and, if applicable, the requirements of the Stock Exchange (other than any alteration in the capital structure of Xiaomi EV as a result of an issue of Xiaomi EV Shares as consideration in a transaction to which Xiaomi EV is a party), such corresponding alterations (if any) shall be made to:

- (i) the number or nominal amount of Xiaomi EV Shares comprised in each Option so far as unexercised; and/or
- (ii) the Subscription Price; and/or
- (iii) the method of exercise of the Option,
- (iv) or any combination thereof,

as the auditors of Xiaomi EV or a financial advisor engaged by Xiaomi EV for such purpose shall, at the request of Xiaomi EV, certify in writing, either generally or as regards any particular Grantee, to be in their opinion fair and reasonable, provided always that any such adjustments should give each Grantee the same proportion of the equity capital of Xiaomi EV as that to which that Grantee was previously entitled prior to such adjustments, and no adjustments shall be made which will enable a Xiaomi EV Share to be issued at less than its nominal value. The capacity of the auditors or financial advisor (as the case may be) is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on Xiaomi EV and the Grantees. The costs of the auditors or financial advisor (as the case may be) shall be borne by Xiaomi EV.

15. RETIREMENT, DEATH OR PERMANENT PHYSICAL OR MENTAL DISABILITY OF AN ELIGIBLE PERSON

If a Grantee ceases to be an Eligible Person by reason of (i) death of the Grantee, (ii) termination of the Grantee's employment or contractual engagement with the Xiaomi EV Group or the Group by reason of his/her permanent physical or mental disablement, (iii) retirement of the Grantee, the Option may be exercised within the Option Period, or such other period as the Xiaomi EV Board or its delegate(s) may decide in their sole discretion.

In the case of death of a Grantee, the Option may be exercised within that period by the personal representatives of the Grantee. In the case where a Grantee no longer has any legal capacity to exercise the Option, the Option may be exercised within that period by the persons charged with the duty of representing the Grantee under the relevant laws in Hong Kong. If the option is not exercised within the time mentioned above, the option shall lapse.

If a Grantee, being a Xiaomi EV Employee whose employment is terminated by the Xiaomi EV Group or the Group by reason of the employer terminating the contract of employment without notice or payment in lieu of notice, or the Grantee having been convicted of any criminal offense involving his integrity or honesty, the Option shall immediately lapse.

If a Grantee is declared bankrupt or becomes insolvent or makes any arrangements or composition with his or her creditors generally, the Option shall immediately lapse.

If a Grantee being a Xiaomi EV Employee ceases to be an Eligible Person due to termination of his or her employment or contractual engagement with the Xiaomi EV Group by reason of redundancy, the Option may be exercised within three months of such cessation or within the Option Period, whichever is the shorter, or such other period as the Xiaomi EV Board or its delegate(s) may decide in their sole discretion.

If a Grantee ceases to be an Eligible Person other than in any of the circumstances described above, unless otherwise provided in the terms of the Offer, a Grantee may exercise his Option within three months of such cessation or within the Option Period, whichever is the shorter, or such other period as the Xiaomi EV Board or its delegate(s) may decide in their sole discretion.

16. RIGHTS ON TAKEOVER AND SCHEMES OF COMPROMISE OR ARRANGEMENT

If a compromise or arrangement between Xiaomi EV and its members or creditors is proposed, Xiaomi EV shall give notice to each Grantee on the same date as it despatches the notice to each member or creditor of Xiaomi EV summoning the meeting to consider such a compromise or arrangement, and thereupon each Grantee (or his personal representatives) may until the expiry of the period commencing with such date and ending with the earlier of the date two calendar months thereafter or the date on which such compromise or arrangement is sanctioned by the court, exercise any of his Options (to the extent not already exercised) whether in full or in part, but the exercise of an Option as aforesaid shall be conditional upon such compromise or arrangement being sanctioned by the court and becoming effective, and upon such compromise or arrangement becoming effective, all Options shall lapse except insofar as previously exercised under the Option Scheme. Xiaomi EV may require Grantees to transfer or otherwise deal with the Xiaomi EV Shares issued as a result of the exercise of Options in these circumstances so as to place the Grantees in the same position, as nearly as possible, as would have been the case had such Xiaomi EV Shares been subject to such compromise or arrangement. If an Option is not exercised within the time specified, the Option shall lapse.

17. RIGHTS ON A VOLUNTARY WINDING UP

In the event a notice is given by Xiaomi EV to its members to convene a general meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind-up Xiaomi EV, Xiaomi EV shall on the same date as or soon after it despatches such notice to each member of Xiaomi EV give notice thereof to all Grantees (together with a notice of the existence of the provisions of this subparagraph) and thereupon, each Grantee (or his personal representatives) shall be entitled to exercise all or any of his Options (to the extent not already exercised) at any time not later than two Business Days prior to the proposed general meeting of Xiaomi EV by giving notice in writing to Xiaomi EV, accompanied by a remittance for the subscription price for the ordinary shares of Xiaomi EV in respect of which the notice is given whereupon. Xiaomi EV shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot and issue the relevant Xiaomi EV Shares to the Grantee credited as fully paid. If an Option is not exercised within the time specified, the Option shall lapse.

18. RANKING OF SHARES

The Xiaomi EV Shares to be allotted and issued upon the exercise of an Option shall be identical to all existing issued Xiaomi EV Shares and shall be allotted and issued subject to all the provisions of the memorandum and articles of association of Xiaomi EV for the time being in force and will rank *pari passu* with the other fully paid Xiaomi EV Shares in issue on the date the name of the Grantee is registered on the register of members of Xiaomi EV or if that date falls on a day when the register of members of Xiaomi EV is closed, the first day of the re-opening of the register of members, save that the Grantee shall not have any voting rights, or rights to participate in any dividends or distributions (including those arising on a liquidation of Xiaomi EV) declared or recommended or resolved to be paid to the Xiaomi EV Shareholder on the register on a date prior to such registration.

19. DURATION

The Subsidiary Share Option Scheme shall be valid and effective for the Scheme Period (after which, no further Options shall be offered or granted under the Option Scheme), but in all other respects the provisions of the 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 Scheme Rules.

20. ALTERATION OF THE SHARE OPTION SCHEME

The Xiaomi EV Board may, subject to the Scheme Rules, amend any of the provisions of the Option Scheme (including, without limitation, amendments 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 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 Grantee at that date).

Those specific provisions of the Option Scheme which relate to the matters set out in Rule 17.03 of the Listing Rules cannot be altered to the advantage of Eligible Persons, and no changes to the authority of the administrator of the Option Scheme in relation to any alteration of the terms of the Option Scheme shall be made, without the prior approval of Xiaomi EV Shareholder, and for as long as Xiaomi EV is a Subsidiary of the Company, the Shareholders of the Company in general meeting. Any alterations to the terms of the Option Scheme which are of a material nature, or any change to the terms and conditions of

Options granted, must also, to be effective, be approved by the Xiaomi EV Shareholder, and for as long as Xiaomi EV is a Subsidiary of the Company, the Shareholders in general meeting and the Stock Exchange, except where the alterations take effect automatically under the existing terms of the Option Scheme. The Options and the Option Scheme so altered must comply with Chapter 17 of the Listing Rules. Any change to the authority of the Xiaomi EV Directors or scheme administrators in relation to any alteration to the terms of the Option Scheme must be approved by Xiaomi EV Shareholder, and for as long as Xiaomi EV is a Subsidiary of the Company, the Shareholders in general meeting.

21. TERMINATION

The Xiaomi EV Shareholder by ordinary resolution in general meeting or the Xiaomi EV Board may at any time resolve to terminate the operation of the Option Scheme prior to the expiry of the Scheme Period, and in such event no further Options will be offered or granted, but the provisions of the Option Scheme shall remain in full force 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 Option Scheme. Options complying with the provisions of Chapter 17 of the Listing Rules which are granted during the life of the Option Scheme and remain unexercised and unexpired immediately prior to the termination of the operation of the Option Scheme shall continue to be valid and exercisable in accordance with their terms of issue after the termination of the Option Scheme.

NOTICE OF THE EXTRAORDINARY GENERAL MEETING



XIAOMI CORPORATION

小米集团

(A company controlled through weighted voting rights and incorporated in the Cayman Islands with limited liability)

(Stock Code: 1810)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting of Xiaomi Corporation (the “**Company**”) will be held at Xiaomi Campus, Anningzhuang Road, Haidian District, Beijing, The People’s Republic of China, on Monday, October 25, 2021 at 2:30 p.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolution as an ordinary resolution of the Company:

ORDINARY RESOLUTION

“**THAT** the rules of the proposed share option scheme (the “**Xiaomi EV Share Option Scheme**”) of Xiaomi EV, Inc. be and are hereby approved and the directors of the Company be and are hereby authorised to execute such documents and take such actions as they deem appropriate to implement and give effect to such scheme.”

Yours faithfully,
By order of the Board
Xiaomi Corporation
Lei Jun
Chairman of the Board

Hong Kong, October 4, 2021

Notes:

1. Any member of the Company entitled to attend and vote at the EGM shall be entitled to appoint a proxy to attend and vote instead of him/her. A proxy need not be a member of the Company. A member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him/her to attend and vote on his/her behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. To be valid, a form of proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy thereof, must be lodged the Company’s share registrar in Hong Kong (i.e. Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong) as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM (i.e. not later than 2:30 p.m. on Saturday, October 23, 2021) or any adjournment thereof (as the case may be). Delivery of the form of proxy shall not preclude a member of the Company from attending and voting in person at the meeting and, in such event, the form of proxy shall be deemed to be revoked.
3. To ascertain shareholders’ eligibility to attend and vote at this meeting, the register of members of the Company will be closed from Wednesday, October 20, 2021 to Monday, October 25, 2021, both dates inclusive, during which period no transfer of shares will be registered. In order to attend and vote at the EGM, all transfer of shares, accompanied by the relevant share certificates and transfer forms, must be lodged for registration with the Company’s share registrar in Hong Kong (i.e. Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong), for registration no later than 4:30 p.m. on Tuesday, October 19, 2021.
4. References to time and dates in this Notice are to Hong Kong time and dates.