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

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

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## Nexteer Automotive Group Limited 耐世特汽車系統集團有限公司

*(Incorporated under the laws of the Cayman Islands with limited liability)*

(Stock Code: 1316)

**PROPOSALS FOR  
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES;  
RE-ELECTION OF RETIRING DIRECTORS;  
ELECTION OF NEW DIRECTOR;  
PROPOSED CHANGE OF AUDITORS;  
PAYMENT OF FINAL DIVIDEND  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the Annual General Meeting of Nexteer Automotive Group Limited to be held on June 8, 2021 at 9:00 a.m. at Huashan Room, Island Shangri-La, Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong is set out on pages 19 to 24 of this circular. A form of proxy for use at the Annual General Meeting is also enclosed. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.nexteer.com](http://www.nexteer.com). Whether or not you intend to attend the Annual General Meeting, you are required to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude any shareholder from attending and voting in person at the Annual General Meeting if they so wish and in such event the form of proxy shall be deemed to be revoked. **The Company strongly recommends you to closely monitor the development of the situation with the COVID-19 pandemic and to assess, based on the social distancing policies, the necessity for attending the Annual General Meeting in person.**

May 7, 2021

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## DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held on June 8, 2021 at 9:00 a.m. at Huashan Room, Island Shangri-La, Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong, or any adjournment thereof
“Articles of Association”	the memorandum and articles of association of the Company as amended and/or restated from time to time
“AVIC”	中國航空工業集團有限公司 (Aviation Industry Corporation of China, Ltd., formerly known as Aviation Industry Corporation of China*), a state-owned limited liability company established in the PRC on November 6, 2008, a Controlling Shareholder of the Company
“AVIC Auto”	中國航空汽車系統控股有限公司 (AVIC Automotive Systems Holding Co., Ltd.*), a limited liability company established in the PRC on November 7, 1985, which is owned as to 70.11% by AVIC, a Controlling Shareholder of the Company
“Beijing E-Town”	北京亦莊國際投資發展有限公司 (Beijing E-Town International Investment & Development Co. Ltd.*), a limited company established in the PRC on February 6, 2009
“Beijing E-Town Auto”	北京亦莊國際汽車投資管理有限公司 (Beijing E-Town International Automotive Investment & Management Co. Ltd.*), a limited company established in the PRC on December 2, 2014 and directly and wholly-owned by Beijing E-Town
“Board”	board of Directors of the Company
“Companies Law”	the Companies Law (as revised) of the Cayman Islands as amended, supplemented and/or otherwise modified from time to time

## DEFINITIONS

“Company”	Nexteer Automotive Group Limited (耐世特汽車系統集團有限公司), a company incorporated as an exempted company with limited liability under the laws of the Cayman Islands on August 21, 2012 and the issued Shares of which are listed on the main board of the Stock Exchange
“Controlling Shareholder(s)”	has the meaning ascribed thereto in the Listing Rules and, unless the context requires otherwise, refers to AVIC, AVIC Auto, PCM China and Nexteer Hong Kong
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting to allot, issue and/or deal in Shares not exceeding 20% of the aggregate number of issued shares of the Company as at the date of passing of the relevant resolution granting such mandate
“Latest Practicable Date”	April 29, 2021, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Nexteer Hong Kong”	Nexteer Automotive (Hong Kong) Holdings Limited (耐世特汽車系統(香港)控股有限公司), a company incorporated in Hong Kong on August 10, 2012, which is wholly-owned by PCM China. It directly holds approximately 65.90% of the issued share capital of the Company, and is a Controlling Shareholder of the Company

## DEFINITIONS

“PCM China”	太平洋世紀(北京)汽車零部件有限公司 (Pacific Century Motors, Inc.*), a limited liability company established in the PRC on September 10, 2010, which is owned as to 51% by AVIC Auto and 49% by Beijing E-Town Auto, and is a Controlling Shareholder of the Company
“PRC”	the People’s Republic of China, and for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting to repurchase Shares not exceeding 10% of the aggregate number of issued shares of the Company as at the date of passing of the relevant resolution granting such mandate
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended from time to time
“Share(s)”	ordinary share(s) of nominal value of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of Share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Buy-backs, as amended from time to time
“US” or “United States”	the United States of America
“US\$”	United States dollar, the lawful currency of the United States
“%”	per cent.

\* Denotes an English translation of a Chinese name and is for identification purpose only



**Nexteer Automotive Group Limited**  
**耐世特汽車系統集團有限公司**

*(Incorporated under the laws of the Cayman Islands with limited liability)*

**(Stock Code: 1316)**

*Executive Directors:*

Mr. ZHAO, Guibin

*(Chief Executive Officer and Vice Chairman)*

Mr. MILAVEC, Robin Zane

Mr. FAN, Yi

*Registered office:*

P.O. Box 309

Ugland House

Grand Cayman

KY1-1104

Cayman Islands

*Non-executive Directors:*

Mr. WANG, Jian *(Chairman)*

Mr. LIU, Ping

Ms. ZHANG, Wendong

*Corporate headquarters:*

1272 Doris Road

Auburn Hills, Michigan 48326

United States

*Independent non-executive Directors:*

Mr. LIU, Jianjun

Mr. WEI, Kevin Cheng

Mr. YICK, Wing Fat Simon

*Principal place of business in*

*Hong Kong:*

31/F, Tower Two, Times Square

1 Matheson Street

Causeway Bay

Hong Kong

May 7, 2021

*To the Shareholders*

Dear Sir or Madam,

**PROPOSALS FOR  
GENERAL MANDATES TO ISSUE SHARES AND REPURCHASE SHARES;  
RE-ELECTION OF RETIRING DIRECTORS;  
ELECTION OF NEW DIRECTOR;  
PROPOSED CHANGE OF AUDITORS;  
PAYMENT OF FINAL DIVIDEND  
AND  
NOTICE OF ANNUAL GENERAL MEETING**

**INTRODUCTION**

The purpose of this circular is to provide Shareholders with the notice of Annual General Meeting and further information in relation to, amongst other matters, the following resolutions to be proposed at the Annual General Meeting: (a) the grant to the

## LETTER FROM THE BOARD

Directors of the Issue Mandate and the Repurchase Mandate; (b) the re-election of the retiring Directors; (c) the election of new Director; (d) the proposed change of auditors; and (e) the payment of final dividend.

### ISSUE MANDATE

In order to ensure flexibility and give discretion to the Directors in the event that it becomes desirable for the Company to issue any new Shares, an ordinary resolution 5(A) will be proposed at the Annual General Meeting to grant a general mandate to the Directors to exercise all powers of the Company to allot, issue and deal with additional Shares up to 20% of the total number of issued shares of the Company as at the date of passing of the resolution in relation to the Issue Mandate.

As at the Latest Practicable Date, the issued share capital of the Company was at HK\$250,859,483.30 and comprised of 2,508,594,833 Shares. Subject to the passing of the proposed ordinary resolution 5(A) and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the Annual General Meeting, the Company will be allowed to issue a maximum of 501,718,966 Shares under the Issue Mandate.

The Issue Mandate will remain in effect until the earliest of: (i) the conclusion of the next annual general meeting of the Company; (ii) the date by which the next annual general meeting of the Company is required to be held pursuant to the applicable laws or the Articles of Association; or (iii) the date on which such an authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

### REPURCHASE MANDATE

An ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Repurchase Mandate to the Directors to exercise all powers of the Company to repurchase Shares representing up to 10% of the total number of issued shares of the Company as at the date of passing of the resolution, amounting to 250,859,483 Shares, in relation to the Repurchase Mandate, assuming that no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of passing of such resolution at the Annual General Meeting.

The Repurchase Mandate will remain in effect until the earliest of: (i) the conclusion of the next annual general meeting of the Company; (ii) the date by which the next annual general meeting of the Company is required to be held pursuant to the applicable laws or the Articles of Association; or (iii) the date on which such an authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

An explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the proposed Repurchase Mandate is set out in Appendix II to this circular. This explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the Annual General Meeting.

## LETTER FROM THE BOARD

The Board advises that it has no present intention to repurchase any Shares pursuant to the Repurchase Mandate or issue any new Shares pursuant to the Issue Mandate in the event that the relevant resolutions are approved.

### GENERAL EXTENSION MANDATE

In addition, if the Repurchase Mandate and the Issue Mandate are granted, an ordinary resolution will be proposed at the Annual General Meeting to extend the Issue Mandate by adding to the Issue Mandate those Shares repurchased by the Company under the Repurchase Mandate provided that such extended amount shall not exceed 10% of the total number of issued shares of the Company on the date of passing of the resolution for the grant of the Issue Mandate.

### RE-ELECTION OF RETIRING DIRECTORS

Pursuant to Article 16.18 of the Articles of Association, at every annual general meeting of the Company, one-third of the Directors for the time being shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years.

Pursuant to Article 16.2 of the Articles of Association, any Director appointed by the Board, either to fill a casual vacancy or as an addition to the existing Directors, shall hold office only until the next following annual general meeting of the Company and shall then be eligible for election at that meeting.

In accordance with Article 16.18 of the Articles of Association, Executive Director Mr. ZHAO, Guibin, non-Executive Director Mr. LIU, Ping and Independent non-Executive Director Mr. LIU, Jianjun, indicated that they intend to retire at the Annual General Meeting. At the Board meeting held on November 13, 2020, the Board appointed Ms. ZHANG, Wendong as a non-Executive Director with effect from November 13, 2020. In accordance with Article 16.2 of the Articles of Association, Ms. ZHANG, Wendong shall hold office only until the Annual General Meeting.

Executive Director Mr. ZHAO, Guibin, non-Executive Director Mr. LIU, Ping and Independent non-Executive Director, Mr. LIU, Jianjun will retire from office by rotation at the Annual General Meeting. Except for Mr. LIU, Ping, the remaining retiring Directors, being eligible, will offer themselves for re-election at the Annual General Meeting. Mr. LIU, Ping has informed the Company that he will not seek re-election at the Annual General Meeting due to personal work adjustment and will retire as a non-Executive Director with effect from the conclusion of the Annual General Meeting. Mr. LIU, Ping confirmed that he has had no disagreement with the Board and that no matters need to be brought to the attention of the Shareholders and the Stock Exchange in relation to his retirement from the Board. Recommendation to the Board for the proposal for re-election of Mr. ZHAO, Guibin as an Executive Director, Ms. ZHANG, Wendong as a non-Executive Director and Mr. LIU, Jianjun as an Independent non-Executive Director was made by the remuneration and nomination Committee of the Board, in accordance with the Company's director nomination policy and objective criteria (including but not limited to gender, age, ethnicity, years of work experience and professional experience), with due regard for the



## LETTER FROM THE BOARD

benefits of diversity, as set out under the Company's board diversity policy. The Board has also taken into account the contributions of the above Directors eligible for re-election and their commitment to their roles.

Furthermore, the Board has also assessed the independence of Mr. LIU, Jianjun, the Independent non-Executive Director eligible for re-election at the Annual General Meeting, by reference to the guidelines on independence as set out in rule 3.13 of the Listing Rules and received a confirmation from Mr. LIU, Jianjun in respect of his independence, and was satisfied with his independence and believes Mr. LIU, Jianjun is independent.

In view of the above, the Board believes the Directors eligible for re-election at the Annual General Meeting and their respective education, background and experience will allow them to provide valuable insights and contribute to the diversity of the Board, and therefore recommends to Shareholders for re-election of the retiring Directors.

### **ELECTION OF NON-EXECUTIVE DIRECTOR**

Pursuant to the resolution passed by the Board on March 17, 2021, the Board had nominated Mr. LEI, Zili as a non-Executive Director for election by Shareholders at the Annual General Meeting.

Details of the above retiring Directors who are standing for re-election and the new Director nominated for election at the Annual General Meeting are set out in Appendix I to this circular in accordance with the relevant requirements of the Listing Rules. Separate resolutions will be proposed for the re-election of each of the retiring Directors, and for the election of the new Director nominated for election.

### **PROPOSED CHANGE OF AUDITORS**

PricewaterhouseCoopers ("PwC") will retire as the auditor of the Company upon expiration of its current term of office at the conclusion of the Annual General Meeting of the Company. As disclosed in the announcement of the Company dated March 17, 2021, the Board and the Audit and Compliance Committee of the Board confirm that there are no disagreements or unresolved matters between PwC and the Company, and there are no other matters in respect of the proposed change of auditors that need to be brought to the attention of the Shareholders and creditors.

The Board has resolved, with the recommendation of the Audit and Compliance Committee of the Board, that Deloitte Touche Tohmatsu be proposed to be appointed as the auditor of the Company following the retirement of PwC with effect from the conclusion of the Annual General Meeting and until the conclusion of the next annual general meeting of the Company, subject to the approval by the Shareholders by way of an ordinary resolution at the Annual General Meeting.

## LETTER FROM THE BOARD

As such, an ordinary resolution will be proposed at the Annual General Meeting to the Shareholders to approve the appointment of Deloitte Touche Tohmatsu as auditor of the Company with effect from the date of the Annual General Meeting and to hold office until the conclusion of the next annual general meeting of the Company, and that the Board be authorized to fix their remuneration.

### FINAL DIVIDEND

Subject to Shareholders' approval at the Annual General Meeting, the Board has recommended a final dividend of US\$0.0094 per Share for the year ended December 31, 2020 (the "**Final Dividend**"). The Final Dividend is payable on June 28, 2021 and the record date for entitlement to the Final Dividend is June 17, 2021.

For determining the entitlement to the Final Dividend, the register of members of the Company will be closed from June 15, 2021 to June 17, 2021, both days inclusive, during which no transfer of Shares will be registered. In order to qualify for the Final Dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration no later than 4:30 p.m. on June 11, 2021.

### NOTICE OF ANNUAL GENERAL MEETING

Set out on pages 19 to 24 of this circular is the notice of the Annual General Meeting containing, inter alia, the ordinary resolutions in relation to the Issue Mandate, the Repurchase Mandate, the extension of the Issue Mandate, the re-election of the retiring Directors, the election of new Director, the proposed change of auditors and the payment of the Final Dividend.

For determining the eligibility to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from June 3, 2021 to June 8, 2021, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, all transfer of Shares, accompanied by the relevant share certificates, must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on June 2, 2021.

### FORM OF PROXY

A form of proxy is enclosed for use at the Annual General Meeting. Such form of proxy is also published on the websites of the Stock Exchange at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company at [www.nexteer.com](http://www.nexteer.com). Whether or not you intend to attend the Annual General Meeting, you are required to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for the holding of the Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy shall not preclude a Shareholder from

## LETTER FROM THE BOARD

attending and voting in person at the Annual General Meeting if they so wish and in such event the form of proxy shall be deemed to be revoked. **The Company strongly recommends you to closely monitor the development of the situation with the COVID-19 pandemic and to assess, based on the social distancing policies, the necessity for attending the Annual General Meeting in person.**

### VOTING BY POLL

Pursuant to rule 13.39(4) of the Listing Rules, any resolution put to the vote of the Shareholders at a general meeting must be taken by poll except where the chairman of the Annual General Meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Accordingly, each of the resolutions set out in the notice of Annual General Meeting will be taken by way of poll.

On a poll, every Shareholder present in person or by proxy or, in the case of a Shareholder being a corporation, by its duly authorised representative, shall have one vote for every fully paid Share of which he/she/it is the holder. A Shareholder entitled to more than one vote need not use all his/her/its votes or cast all the votes he/she/it uses in the same way.

### PRECAUTIONARY MEASURES FOR THE ANNUAL GENERAL MEETING

Taking into account of the recent development of the epidemic caused by COVID-19, the Company will adopt the following prevention and control measures at the Annual General Meeting to ensure the safety of the Shareholders and other participants attending the Annual General Meeting:

- (i) compulsory body temperature check will be conducted for every Shareholder or proxy at the entrance of the meeting venue. Any person with a body temperature of over 37.4 degrees Celsius will not be permitted to access to the meeting venue. Furthermore, any person who is subject to any quarantine prescribed by the Hong Kong Government will be denied entry into or be required to leave the meeting venue. In any case, denied entry to the meeting venue means the person will not be allowed to attend the Annual General Meeting;
- (ii) all persons who attend the Annual General Meeting are required to wear surgical face masks before they are permitted to attend, and during their attendance of, the Annual General Meeting; and
- (iii) no refreshments or souvenirs will be served or distributed at the Annual General Meeting.

## LETTER FROM THE BOARD

### RECOMMENDATION

The Directors consider that all the proposed resolutions including the Issue Mandate, the Repurchase Mandate and the extension of the Issue Mandate are in the best interest of the Company and the Shareholders as a whole. The Directors also consider that the re-election of retiring Directors, the election of new Director, the proposed change of auditors and the payment of the Final Dividend are in the best interest of the Company and its Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting.

### ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the Appendices to this circular.

Yours faithfully  
By order of the Board  
**Nexteer Automotive Group Limited**  
**FAN Yi**  
*Executive Director, Company Secretary*

*The following are the particulars of the Directors (as required by the Listing Rules) standing for re-election at the Annual General Meeting.*

As at the Latest Practicable Date, save as disclosed herein, none of the following Directors, had any interest in the Shares within the meaning of Part XV of the SFO.

Save as disclosed herein, no Director holds any position with the Company or any other member of the Group, nor has any directorships in other listed companies in the past three years.

In addition, save as disclosed herein, no Director has any relationship with any other Directors, senior management, substantial Shareholders or Controlling Shareholders of the Company.

Save as disclosed herein, there is no other matter relating to any of the following Directors that needs to be brought to the attention of the Shareholders and there is no other information relating to the following Directors which is required to be disclosed pursuant to any of the requirements of rule 13.51(2)(h) to (v) of the Listing Rules.

## **DIRECTORS:**

### **Executive Director**

**ZHAO, Guibin (趙桂斌)** (Vice Chairman and Chief Executive Officer), aged 57, was appointed as the Executive Director on June 15, 2013 and has successively acted as Chairman of the Board from June 15, 2013 and as Vice Chairman from June 3, 2019. Mr. ZHAO is also the Chief Executive Officer of the Company since June 2012. Mr. ZHAO has over 20 years of relevant experience in the automotive industry. As the Vice Chairman of the Board, Mr. ZHAO is primarily responsible for assisting the Chairman to arrange and convene shareholder and Board meetings, supervising the implementation of the relevant resolutions and acting on behalf of the Chairman upon delegation by the Chairman or when the Chairman is incapable to act. As the Chief Executive Officer, he is primarily responsible for leading the Company's Global Strategy Council (GSC), setting the strategic vision, direction and goals and overseeing the overall execution of the Group's strategy. He sets the strategic direction of the Company, acts as a "bridge" between senior management and the Board, is responsible for the Company's new product lines and advanced engineering (business development), joint ventures and merger and acquisition activities, maintains relationships with major external stakeholders, chooses and manages the senior management team, determines overall incentive compensation targets and communicates internally. Mr. ZHAO is also the chief executive officer and the chairman of the board of directors of Nexteer Automotive Corporation, one of the Company's indirectly wholly-owned subsidiaries. He held the position as deputy chief economist of AVIC, the Controlling Shareholder, from February 2010 to June 2016. He held the positions as general manager and chairman of the board of directors of AVIC Auto, a subsidiary of AVIC, the Controlling Shareholder, from 2009 to October 2018. Mr. ZHAO had been the chairman of the board of directors of PCM China, the Controlling Shareholder, from December 2010 to February 2019 and was the president of PCM China from February 2019 to November 2020. From August 2016 to November 2019, Mr. ZHAO has been chairman of

the board of directors of AVIC Hande (Beijing) Investment Holding Co., Ltd. and Henniges Automotive Holdings, Inc., both of which are non wholly-owned subsidiaries of AVIC Auto. From December 2015 to March 2017, Mr. ZHAO had been a director of AVIC Capital Co., Ltd., a non wholly-owned subsidiary of AVIC, a company listed on the Shanghai Stock Exchange (stock code: 600705). From April 2010 to April 2013, Mr. ZHAO was the chairman of the board of directors of AVIC Heavy Machinery Co. Ltd., a non wholly-owned subsidiary of AVIC, and a company listed on the Shanghai Stock Exchange (stock code: 600765). From 1997 to 2003, Mr. ZHAO was the general manager of Sichuan Lingfeng Aeronautics Hydraulic Machinery Co., Ltd., a wholly-owned subsidiary of AVIC, where he was in charge of corporate governance and operational management. He held the positions as general manager, director and chairman of AVIC Chengdu Engine (Group) Co., Ltd., a wholly-owned subsidiary of AVIC, and as a director and the chairman of the board of its non wholly-owned subsidiary, Sichuan Chengfa Aero Science and Technology Co., Ltd., a company listed on the Shanghai Stock Exchange (stock code: 600391) from August 2003 to January 2009. Mr. ZHAO became a first-tier senior economist in September 2004, awarded by AVIC. He was awarded an executive master's degree in business administration by the University of Electronic Science and Technology of China, China, in June 2007. Mr. ZHAO has received numerous awards in recognition of his achievements, including the Government Special Allowance awarded by the People's Republic of China State Council in 2000.

Mr. ZHAO has entered into a service contract with the Company for a term of three years with effect from June 3, 2019, subject to re-election and retirement as required by the Articles of Association. As an executive Director, he does not receive any emoluments; as the Chief Executive Officer of the Company, he is entitled to receive emoluments of US\$1,040,000 per annum and a discretionary bonus as determined by the Board with reference to the experience, responsibility, workload, time devoted, contribution to the Group, emoluments paid by comparable companies and performance of the Group.

As at the Latest Practicable Date, Mr. ZHAO had an interest in 6,177,870 underlying Shares of the Company in respect of the share options granted under the share option scheme of the Company within the meaning of Part XV of SFO.

#### **Non-Executive Directors**

**ZHANG, Wendong** (張文冬), aged 44, was appointed as a non-Executive Director on November 13, 2020. Ms. ZHANG has served as the Deputy General Manager of Beijing E-Town since July 2018. Since November 2017, Ms. ZHANG has also been appointed as the Non-Executive Director, the member of Audit Committee, the member of Compensation Committee and the member of Nominating and Corporate Governance Committee of the Board of UTStarcom Holdings Corp, a company listed on NASDAQ (ticker symbol: UTSI). Ms. ZHANG also held various positions in Beijing E-Town, including an Assistant to the General Manager from June 2015 to July 2018, the Director of Asset Management Department from January 2014 to June 2015 and the Deputy Director of Asset

Management Department from December 2012 to January 2014. From October 2007 to December 2012, she served as the head of the Corporate Development Department of Dongfang Cultural Asset Management Company; from July 2000 to September 2007, she served as the Manager of the Project Department of Beijing Shengandi Investment Management Consulting Company. Ms. ZHANG is currently a senior economist. Ms. ZHANG graduated with a major in economics and obtained a bachelor's degree from Minzu University of China in May 2005. She obtained a master's degree in business administration (MBA) from University of Chinese Academy of Sciences, China in July 2016.

Ms. ZHANG has entered into a service contract with the Company for a term of three years with effect from November 13, 2020, subject to re-election and retirement as required by the Articles of Association. Ms. ZHANG is entitled to receive a director's fee of US\$42,000 per annum and a discretionary bonus as determined by the Board with reference to the experience, responsibility, workload, time devoted, contribution to the Group, emoluments paid by comparable companies and performance of the Group.

As at the Latest Practicable Date, Ms. ZHANG did not have any interest in the Shares within the meaning of Part XV of SFO.

LEI, Zili (雷自力), aged 50, has over 25 years of relevant experience in the automotive industry. Mr. LEI serves as the director of and deputy general manager of AVIC Auto, the chairman and general manager of AVIC Hande (Beijing) Investment Holding Co., Ltd., a non-wholly-owned subsidiary of AVIC Auto, the chairman of Henniges Automotive Holdings, Inc. since July 2020. The chairman and general manager of PCM China, the director of Nexteer Hong Kong since November 2020. From March 2013 to July 2020, he served as the executive director and general manager of AVIC Hubei Aviation Precision Machinery Technology Co., Ltd. From September 2000 to March 2013, he served successively as the deputy general manager, general manager of Hubei Aviation Precision Machinery Technology Co., Ltd. (a company listed on the Shenzhen Stock Exchange, Stock Code: 002013). From April 1995 to September 2000, he served successively as the planner, deputy manager and manager of the Planning Department of China Aviation Life-support Research Institute Jiali Branch. From July 1990 to April 1995, he served as the technician in the Petrochemical Department of China Aviation Life-support Research Institute. Mr. LEI graduated from Department of Mechanical Engineering of Zhengzhou University of Aeronautics in July 1990, obtained a master's degree in business administration from Zhongnan University of Economics and Law in October 2005. Mr. LEI is currently a senior economist awarded by the AVIC.

Mr. LEI will enter into a service contract with the Company for a term of three years with effect from June 8, 2021, subject to re-election and retirement as required by the Articles of Association. Mr. LEI is entitled to receive a director's fee of US\$42,000 per annum and a discretionary bonus as determined by the Board with reference to the experience, responsibility, workload, time devoted, contribution to the Group, emoluments paid by comparable companies and performance of the Group.

As at the Latest Practicable Date, Mr. LEI did not have any interest in the Shares within the meaning of Part XV of SFO.

**Independent Non-Executive Director**

**LIU, Jianjun (劉健君)**, aged 52, was appointed as an Independent non-Executive Director on June 15, 2013. Mr. LIU was in the legal department of China Ocean Shipping (Group) Company container lines (中國遠洋運輸集團總公司集裝箱運輸) from July 1993 to March 1999, a Partner at Zhong Sheng Law Firm, Beijing (北京中盛律師事務所), from April 2001 to October 2006, a Senior Associate in Zhong Lun Law Firm, Beijing (北京中倫律師事務所) from November 2006 to May 2007, and has been a Partner at Zhonglun W&D Law Firm, Beijing (北京中倫文德律師事務所), since June 2007. Mr. LIU started practicing as lawyer in China in August 2001. He obtained a master's degree in law from Peking University, China, in July 1998, and a law degree from Washington University in St. Louis, the US, in May 2004.

Mr. LIU has entered into a letter of appointment with the Company for a term of three years with effect from June 15, 2019, subject to re-election and retirement as required by the Articles of Association. He is entitled to receive a director's fee of US\$55,650 per annum as determined by the Board with reference to the prevailing market conditions and his responsibility in the Company.

As at the Latest Practicable Date, Mr. LIU did not have any interest in the Shares within the meaning of Part XV of SFO.



*The following is an explanatory statement required to be sent to the Shareholders under the Listing Rules in connection with the proposed Repurchase Mandate.*

## **SHARE CAPITAL**

As at the Latest Practicable Date, the issued share capital of the Company was at HK\$250,859,483.30 and comprised of 2,508,594,833 Shares. Subject to the passing of the resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the Annual General Meeting, the Company will be allowed to repurchase a maximum of 250,859,483 Shares which represent 10% of the issued share capital of the Company during the period ending on the earlier of (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the Articles of Association to be held; or (iii) the date on which such authority is revoked or varied by an ordinary resolution of the Shareholders in general meeting.

## **REASONS FOR REPURCHASES**

The Directors believe that it is in the best interest of the Company and the Shareholders as a whole to seek a general authority from the Shareholders to enable the Company to repurchase its Shares on the Stock Exchange. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole.

## **FUNDING OF REPURCHASES**

Repurchases of Shares will be financed out of funds legally available for the purpose and in accordance with the Articles of Association, the Listing Rules, the Companies Law and any other applicable laws. The Companies Law provides that the amount of capital repaid in connection with a share repurchase may be paid out of the profits of the Company, the share premium account of the Company or the proceeds of a fresh issue of Shares made for the purpose of the repurchase, or out of capital provided that the Company is able to pay its debts as they fall due in the ordinary course of business and the payment out of capital is authorized by the Articles of Association, subject to and in accordance with the Companies Law. The amount of premium payable on repurchase may only be paid out of either or both the profits of the Company or the share premium account of the Company before or at the time the Company's Shares are repurchased, or in the manner provided for in the Companies Law.

A listed company in Hong Kong may not repurchase its own securities on the Stock Exchange for, inter alia, a consideration other than for cash or for settlement otherwise than in accordance with the Listing Rules.

**IMPACT OF THE REPURCHASES**

The Directors have no present intention to repurchase any Shares and they would only exercise the power to repurchase in circumstances where they consider that the repurchase would be in the best interest of the Company and the Shareholders as a whole. The Directors consider that if the Repurchase Mandate was to be exercised in full, it may have a material adverse impact on the working capital or the gearing position of the Company, as compared with the positions disclosed in the audited consolidated financial statements of the Company as at December 31, 2020, being the date on which the latest published audited consolidated financial statements of the Company were made up. The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or on the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

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

None of the Directors or, to the best of their knowledge, having made all reasonable enquiries, any of their respective close associates (as defined in the Listing Rules) currently intends to sell any Shares to the Company, if the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise their power to repurchase any Shares pursuant to the Repurchase Mandate in accordance with the Listing Rules, the Articles of Association and applicable laws of the Cayman Islands.

As at the Latest Practicable Date, no core connected person (as defined in the Listing Rules) of the Company had notified the Company that he/she/it has a present intention to sell any Shares to the Company, or has undertaken not to do so, if the proposed Repurchase Mandate is approved by the Shareholders.

**EFFECT OF TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING**

If as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. Accordingly, if a Shareholder, or a group of Shareholders acting in concert (within the meaning of the Takeovers Code), depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company, it will become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, the following Shareholders had beneficial interests representing 5% or more of the issued share capital of the Company within the meaning of Part XV of the SFO:

Name of Shareholders	Number of Shares held	Current percentage interest in the issued share capital of the Company <sup>(1)</sup>	Percentage interest in the issued share capital of the Company in the event the Repurchase Mandate is exercised in full <sup>(1)</sup>
Nexteer Hong Kong ( <i>Note 2</i> )	1,653,120,000	65.90%	73.22%
PCM China ( <i>Note 2</i> )	1,653,120,000	65.90%	73.22%
AVIC Auto ( <i>Note 3</i> )	1,653,120,000	65.90%	73.22%
AVIC ( <i>Note 3</i> )	1,653,120,000	65.90%	73.22%

*Notes:*

- (1) The calculation is based on the total number of 2,508,594,833 Shares in issue as at the Latest Practicable Date.
- (2) Nexteer Hong Kong is wholly-owned by PCM China, which is in turn owned as to 51% by AVIC Auto and as to 49% by Beijing E-Town Auto. Each of PCM China and AVIC Auto is deemed to be interested in the 1,653,120,000 Shares held by Nexteer Hong Kong.
- (3) AVIC Auto is owned as to 70.11% by AVIC. AVIC is deemed to be interested in the 1,653,120,000 Shares held by Nexteer Hong Kong.

In the opinion of the Directors, any increase in percentage interests arising out of the exercise of the Repurchase Mandate would not give rise to any obligation to make a mandatory offer under Rule 26 of the Takeovers Code. Accordingly, the Directors are not aware of any other consequences which arise under the Takeovers Code as a result of any purchase of its Shares by the Company.

The Listing Rules prohibit a company from making repurchase on the Stock Exchange if the result of the repurchase would be that less than 25% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the issued share capital would be in public hands. The Directors do not propose to repurchase Shares which would result in less than the prescribed minimum percentage of Shares in public hands.

#### SHARE REPURCHASE MADE BY THE COMPANY

The Company had not repurchased any Shares on the Stock Exchange in the six months preceding the Latest Practicable Date.

**SHARE PRICES**

The highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the previous twelve months were as follows:

<b>Month</b>	<b>Highest prices HK\$</b>	<b>Lowest prices HK\$</b>
<b>2020</b>		
May	4.81	3.87
June	6.45	4.16
July	6.15	4.74
August	5.66	4.72
September	5.75	4.98
October	7.77	5.33
November	8.84	6.08
December	9.75	7.85
<b>2021</b>		
January	14.70	7.51
February	14.20	10.24
March	12.32	9.28
April (up to the Latest Practicable Date)	10.48	8.96

NOTICE OF ANNUAL GENERAL MEETING



**Nexteer Automotive Group Limited**  
**耐世特汽車系統集團有限公司**

*(Incorporated under the laws of the Cayman Islands with limited liability)*

**(Stock Code: 1316)**

**NOTICE OF ANNUAL GENERAL MEETING**

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “**Annual General Meeting**”) of Nexteer Automotive Group Limited (the “**Company**”) will be held on June 8, 2021 at 9:00 a.m. at Huashan Room, Island Shangri-La, Hong Kong, Pacific Place, Supreme Court Road, Central, Hong Kong for the following purposes of considering and, if thought fit, passing the following resolutions:

**ORDINARY RESOLUTIONS**

1. To consider and adopt the audited consolidated financial statements of the Company and the reports of the directors and auditors of the Company for the year ended December 31, 2020.
2. To declare a final dividend of US\$0.0094 per ordinary share of HK\$0.10 each (“**Shares**”) for the year ended December 31, 2020.
3. (a) To re-elect the following Directors of the Company:
  - (i) Mr. ZHAO, Guibin as an executive Director;
  - (ii) Ms. ZHANG, Wendong as a non-executive Director; and
  - (iii) Mr. LIU, Jianjun as an independent non-executive Director.
- (b) To elect Mr. LEI, Zili as a non-Executive Director.
- (c) To authorise the board of directors of the Company (the “**Board**”) to fix the remuneration of the Directors.
4. To appoint Deloitte Touche Tohmatsu as auditor of the Company and to authorise the Board to fix their remuneration.

## NOTICE OF ANNUAL GENERAL MEETING

5. To consider as special business and, if thought fit, pass the following resolutions as ordinary resolutions:

(A) “THAT:

- (i) subject to paragraph (iii) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and otherwise deal with additional Shares, or options, warrants or similar rights to subscribe for Shares or other securities convertible into Shares and to make or grant offers, agreements and/or options (including bonds, warrants and debentures exchangeable for or convertible into Shares) and rights of exchange or conversion which may require the exercise of such powers be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) above shall be in addition to any other authorisation given to the directors of the Company and shall authorise the directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and/or options (including bonds, warrants and debentures exchangeable or convertible into Shares) and rights of exchange or conversion which may require the exercise of such power after the end of the Relevant Period;
- (iii) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the directors of the Company during the Relevant Period pursuant to paragraph (i) or (ii) of this resolution 5(A) above, otherwise than pursuant to:
  - (1) a Rights Issue (as hereinafter defined);
  - (2) the grant or exercise of any option under any share option scheme of the Company (if applicable) or any other option, scheme or similar arrangements for the time being adopted for the grant or issue to the directors of the Company, officers and/or employees of the Company and/or any of its subsidiaries and/or other eligible participants specified thereunder of options to subscribe for Shares or rights to acquire Shares;
  - (3) any scrip dividend or similar arrangement providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company; or

## NOTICE OF ANNUAL GENERAL MEETING

- (4) any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any existing convertible notes issued by the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into Shares,

shall not exceed 20% of the total number of issued Shares as at the date of passing this resolution and the approval shall be limited accordingly; and

- (iv) for the purpose of this resolution 5(A):
- (a) **“Relevant Period”** means the period from the passing of this resolution until whichever is the earliest of:
- (1) the conclusion of the next annual general meeting of the Company;
  - (2) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the articles of association of the Company to be held; or
  - (3) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and
- (b) **“Rights Issue”** means an offer of Shares, or an offer or issue of warrants, options or other securities which carry a right to subscribe for Shares, open for a period fixed by the directors of the Company to holders of Shares whose names appear on the register of members on a fixed record date in proportion to their holdings of Shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or, having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the exercise or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, any recognised regulatory body or any stock exchange applicable to the Company).”

## NOTICE OF ANNUAL GENERAL MEETING

(B) **“THAT:**

- (i) subject to paragraph (ii) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase Shares on The Stock Exchange of Hong Kong Limited (the **“Stock Exchange”**) or on any other stock exchange on which the Shares may be listed and recognised for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange in accordance with all applicable laws including The Codes on Takeovers and Mergers and Share Buy-backs and the Rules Governing the Listing of Securities on the Stock Exchange, be and is hereby generally and unconditionally approved;
- (ii) the aggregate number of Shares, which may be repurchased pursuant to the approval in paragraph (i) above of this resolution 5(B) during the Relevant Period shall not exceed 10% of the total number of issued Shares as at the date of passing of this resolution 5(B), and the said approval shall be limited accordingly; and
- (iii) for the purpose of this Resolution:

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

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the articles of association of the Company to be held; or
- (c) the revocation or variation of the authority given under this resolution by ordinary resolution of the shareholders of the Company in general meeting.”



## NOTICE OF ANNUAL GENERAL MEETING

- (C) “**THAT** conditional upon the passing of the resolutions 5(A) and 5(B), the general mandate referred to in the resolution 5(A) be and is hereby extended by the addition to the aggregate number of Shares which may be allotted, issued or otherwise dealt with or agreed conditionally or unconditionally to be allotted, issued or otherwise dealt with by the Directors pursuant to such general mandate of an amount representing the aggregate number of issued Shares repurchased or otherwise acquired by the Company pursuant to the general mandate pursuant to resolution 5(B), provided that such aggregate number of Shares so repurchased shall not exceed 10% of the total number of issued Shares as at the date of passing this resolution.”

By order of the Board  
**Nexteer Automotive Group Limited**  
**FAN Yi**  
*Executive Director, Company Secretary*

Hong Kong, May 7, 2021

<i>Registered office:</i>	<i>Corporate headquarters:</i>	<i>Principal place of business in</i>
P.O. Box 309	1272 Doris Road	<i>Hong Kong:</i>
Ugland House	Auburn Hills, Michigan 48326	31/F, Tower Two, Times Square
Grand Cayman	United States	1 Matheson Street
KY1-1104		Causeway Bay
Cayman Islands		Hong Kong

*Notes:*

- (i) A shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A proxy need not be a shareholder. The Company strongly recommends you to closely monitor the development of the situation with the COVID-19 pandemic and to assess, based on the social distancing policies, the necessity for attending the above meeting in person, and the board of directors of the Company respectfully requests that, for the same reason, the shareholders to appoint the chairman of the above meeting as their proxy rather than a third party to attend and vote on their behalf at the above meeting (or any adjournment thereof).
- (ii) In the case of joint holders of any Share, any one of such persons may vote at the Annual General Meeting, either personally or by proxy, in respect of such Share as if he/she were solely entitled thereto. However, if more than one of such joint holders be present at the above Annual General Meeting personally or by proxy, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined as that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
- (iii) In order to be valid, a form of proxy must be completed, signed and returned to the Hong Kong branch share registrar of the Company, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) not less than 48 hours before the time appointed for the holding of the Annual General Meeting or any adjournment thereof. The completion and return of the form of proxy shall not preclude the shareholders from attending and voting in person at the Annual General Meeting (or any adjourned meeting thereof) if they so wish.

## NOTICE OF ANNUAL GENERAL MEETING

- (iv) In respect of the ordinary resolution 2 above, the payment of the final dividend shall be made in US dollars, except that payment to shareholders whose names appear on the register of members in Hong Kong shall be paid in Hong Kong dollars. The relevant exchange rate shall be the opening buying rate of Hong Kong dollars to US dollars as announced by the Hong Kong Association of Banks ([www.hkab.org.hk](http://www.hkab.org.hk)) on the day of the approval of the distribution at the above Annual General Meeting.
- (v) For determining the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from June 3, 2021 to June 8, 2021, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on June 2, 2021.
- (vi) The final dividend is payable on June 28, 2021 and the record date for entitlement to the proposed final dividend is June 17, 2021. For determining the entitlement to the proposed final dividend, the register of members of the Company will be closed from June 15, 2021 to June 17, 2021, both days inclusive, during which no transfer of Shares will be registered. In order to qualify for the proposed final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited (address as per above) for registration no later than 4:30 p.m. on June 11, 2021.
- (vii) In respect of ordinary resolution 3 above, Mr. ZHAO, Guibin, Ms. ZHANG, Wendong and Mr. LIU, Jianjun will retire and being eligible, offered themselves for re-election at the Annual General Meeting while Mr. LIU, Ping has informed the Company that he will not seek re-election at the Annual General Meeting due to personal work adjustment. Mr. LEI, Zili will stand for election as a non-executive director. The biography of each of the above retiring directors standing for re-election and the candidate standing for election as a non-executive director are set out in Appendix I to the circular dated May 7, 2021.
- (viii) In respect of the ordinary resolution 5(A) above, the directors wish to state that they have no immediate plans to issue any new shares of the Company. Approval is being sought from shareholders of the Company as a general mandate for the purposes of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**").
- (ix) In respect of ordinary resolution 5(B) above, the directors wish to state that they will exercise the powers conferred by the general mandate to repurchase shares of the Company in circumstances which they deem appropriate for the benefits of shareholders of the Company. The explanatory statement containing the information necessary to enable shareholders of the Company to make an informed decision on whether to vote for or against the resolution to approve the repurchase by the Company of its own shares, as required by the Listing Rules, is set out in Appendix II to the circular dated May 7, 2021.
- (x) Taking into account of the recent development of the epidemic caused by COVID-19, the Company will adopt the following prevention and control measures at the Annual General Meeting to ensure the safety of the Shareholders and other participants attending the Annual General Meeting:
  - a) compulsory body temperature check will be conducted for every Shareholder or proxy at the entrance of the meeting venue. Any person with a body temperature of over 37.4 degrees Celsius will not be permitted to access to the meeting venue. Furthermore, any person who is subject to any quarantine prescribed by the Hong Kong Government will be denied entry into or be required to leave the meeting venue. In any case, denied entry to the meeting venue means the person will not be allowed to attend the Annual General Meeting;
  - b) all persons who attend the Annual General Meeting are required to wear surgical face masks before they are permitted to attend, and during their attendance of, the Annual General Meeting; and
  - c) no refreshments or souvenirs will be served or distributed at the Annual General Meeting.