

A. FURTHER INFORMATION ABOUT OUR COMPANY AND ITS SUBSIDIARIES

1. Incorporation of our Company

Our Company was incorporated in the Cayman Islands under the Cayman Companies Act as an exempted company with limited liability on August 25, 2020. Our Company has established its principal place of business in Hong Kong at 40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong and was registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on January 13, 2022. Our Company has appointed Ms. Zhang Xiao (張瀟) of 40th Floor, Dah Sing Financial Centre, No. 248 Queen's Road East, Wanchai, Hong Kong as the authorized representative of our Company for the acceptance of service of process and notices on behalf of our Company in Hong Kong.

As our Company was incorporated in the Cayman Islands, we operate subject to the Cayman Companies Act and to our constitution comprising the Memorandum and the Articles of Association. A summary of various provisions of our Company's constitution and certain relevant aspects of the Cayman Companies Act is set out in Appendix III to this Document.

2. Changes in Share Capital of our Company

As of the date of incorporation of our Company on August 25, 2020, our authorized share capital was US\$50,000 divided into 5,000,000 Shares with par value of US\$0.01 each. The following sets out the changes in our Company's issued share capital since the date of our incorporation:

- (i) Upon its incorporation, one Share was allotted and issued to its initial subscriber fully paid at par, which was then transferred to Howking Tech Holding on the same day.
- (ii) On November 17, 2021, our Company allotted and issued 772,788 Shares at par to Howking Tech Holding. Upon completion of the aforesaid allotment and issue, our Company was wholly owned by Howking Tech Holding.
- (iii) On December 10, 2021, (i) our Company allotted and issued 75,201, 32,780, 30,852, 23,139, 19,282, 16,197 and 11,569 Shares for cash to Shanghai Jinyuan, Dongzheng Hande, Dongzheng Xiade, Shenzhen Tim Win, Shenzhen Zhichen, Zhangzhou Heze and Ningbo Qipu, respectively; (ii) our Company acquired the entire issued share capital of Parka Aragon BVI from Mr. Wu by allotting and issuing 6,941 Shares of our Company to Mr. Wu as the consideration; (iii) our Company allotted and issued 11,124 Shares to Zibo Puhao and (iv) Howking Tech Holding transferred an aggregate of 131,999 Shares, of which 49,438 Shares, 9,888 Shares, 39,550 Shares and 33,123

Shares to Mr. Wu, Shenzhen Brightmin, Mr. Huang and Ms. Wu, respectively. Upon completion of the aforesaid transfer, allotment and issue, our Company was held as to 64.0871%, 7.5210%, 3.2784%, 3.0856%, 2.3142%, 1.9284%, 1.6199%, 1.1570%, 5.6386%, 0.9889%, 3.9555%, 3.3127% and 1.1125% by Howking Tech Holding, Shanghai Jinyuan, Dongzhen Hande, Dongzhen Xiade, Shenzhen Tim Win, Shenzhen Zhichen, Zhangzhou Heze, Ningbo Qipu, Mr. Wu, Shenzhen Brightmin, Mr. Huang, Ms. Wu and Zibo Puhao, respectively.

- (iv) On November 11, 2022, our Company increased its authorized share capital from US\$50,000 divided into 5,000,000 Shares of US\$0.01 each to US\$3,000,000 divided into 300,000,000 Shares of US\$0.01 each by creation of an additional 295,000,000 Shares (ranking *pari passu* in all respects with the then existing issued Shares).

Assuming that the [REDACTED] becomes unconditional and the issue of the Shares pursuant to the [REDACTED] and the [REDACTED] mentioned herein are made, but not taking into account of any Shares which may be issued upon the exercise of the [REDACTED] and any Shares which may be issued upon the exercise of any options which may be granted under the Share Option Scheme, the issued share capital of our Company will be US\$[REDACTED] divided into [REDACTED] Shares fully paid or credited as fully paid.

Other than pursuant to any options which may be granted under the Share Option Scheme, the exercise of the [REDACTED] or the exercise of the general mandate to issue shares referred to in “— A. Further Information About Our Company And Its Subsidiaries — 3. Written Resolutions of all the Shareholders passed on November 11, 2022” in this section below, there is no present intention to issue any part of the authorized but unissued share capital of our Company and, without prior approval of the Shareholders in general meeting, no issue of Shares will be made which would effectively alter the control of our Company.

Save as disclosed herein and in “— A. Further Information About Our Company and its Subsidiaries — 4. Corporate Reorganization” in this section below, there has been no alteration in the share capital of our Company since its incorporation.

3. Written Resolutions of all the Shareholders passed on November 11, 2022

On November 11, 2022, written resolutions of all the Shareholders were passed pursuant to which, among others:

- (a) the Memorandum be and was thereby approved and adopted with immediate effect and the Articles be and were thereby conditionally approved and adopted which will come into effect on the [REDACTED] Date, the terms of which are summarized in Appendix III to this Document;

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- (b) the authorized share capital of the Company be increased from US\$50,000 divided into 5,000,000 Shares with a par value of US\$0.01 each to US\$3,000,000 divided into 300,000,000 Shares with a par value of US\$0.01 each by the creation of an additional 295,000,000 Shares ranking *pari passu* with the existing Shares with immediate effect;
- (c) conditional on (A) the [REDACTED] granting the [REDACTED] of, and permission to [REDACTED], the Shares in issue and the Shares to be issued as mentioned herein (including any Shares which may be issued pursuant to the [REDACTED], the [REDACTED], the [REDACTED] and the Share Option Scheme); (B) the entering into of the agreement on the [REDACTED] between the [REDACTED] and the [REDACTED] (for itself and on behalf of the [REDACTED]) and our Company; (C) the execution and delivery of the [REDACTED] on or before the date as mentioned in this Document; and (D) the obligations of the [REDACTED] under the [REDACTED] becoming unconditional (including, if relevant, as a result of the waiver of any condition(s) by the [REDACTED] and the [REDACTED], on behalf of the [REDACTED]) and not being terminated in accordance with the terms of such agreement or otherwise, in each case on or before the date determined in accordance with the terms of the [REDACTED]:
 - (i) the [REDACTED] was approved and the Directors were authorized to effect the same and to allot and issue the [REDACTED] pursuant to the [REDACTED];
 - (ii) the [REDACTED] was approved and the Directors were authorized to allot and issue any Shares which may be required to be issued if the [REDACTED] is exercised;
 - (iii) the rules of the Share Option Scheme, the principal terms of which are set out in “— D. Share Option Scheme” below, were approved and adopted and the Directors were authorized, at their absolute discretion, to grant options to subscribe for Shares under the Share Option Scheme and to allot, issue and deal with Shares issued thereunder and to take all such steps as they consider necessary, desirable or expedient to implement and give effect to the Share Option Scheme; and
 - (iv) conditional upon the share premium amount of the Company being credited as a result of the [REDACTED], the Directors were authorized to capitalize the amount of US\$[REDACTED] from the amount standing to the credit of the share premium account of the Company to pay up in full at par [REDACTED] Shares for allotment and issue to the person(s) whose name(s) appears on the register of members of the Company as of the date of the passing of the resolution in proportion to

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(as nearly as possible without involving fractions so that no fraction of a Share shall be allotted and issued) their then existing shareholdings in the Company;

- (v) a general unconditional mandate was given to the Directors authorizing them to exercise all the powers of the Company to allot, issue and deal in (including the power to make an offer or agreement, or grant securities which would or might requires Shares to be allotted and issued), otherwise than by way of rights issue or an issue of shares upon the exercise of the [REDACTED] or any subscription or conversion rights attaching to any warrants or any securities which are convertible into Shares or pursuant to the exercise of any options which may be granted under the Share Option Scheme, or any other option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of our Company and/or any of its subsidiaries or any other person of share or rights to acquire Shares or any scrip dividend schemes or similar arrangements 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 or a specific authority granted by the Shareholders in general meeting, any unissued Shares not exceeding 20% of the aggregate nominal amount of the share capital of the Company in issue immediately following completion of the [REDACTED] and the [REDACTED] (excluding any Shares that may be issued upon exercise of the [REDACTED] or pursuant to the exercise of any options which may be granted under the Share Option Scheme) and to make or grant offers, agreements and options (including but not limited to warrants, bonds and debentures convertible into Shares) which might require the exercise of such power to issue Shares until whichever is the earliest of:
 - (1) the conclusion of the next annual general meeting of our Company;
 - (2) the date by which the next annual general meeting of our Company is required by the Articles of Association or any applicable laws of the Cayman Islands to be held; or
 - (3) the passing of an ordinary resolution by the Shareholders in general meeting revoking, varying or renewing such mandate;
- (vi) a general unconditional mandate was given to the Directors authorizing them to exercise all powers of our Company to repurchase on the [REDACTED] or on any other stock exchange on which the Shares may be [REDACTED], and which is recognized by the SFC and the Stock Exchange for this purpose, such number of Shares with an aggregate

nominal value of not exceeding 10% of the aggregate of the total nominal value of the share capital of the Company in issue immediately following completion of the [REDACTED] and the [REDACTED] (excluding any Shares that may be issued upon exercise of the [REDACTED] or pursuant to the exercise of any options which may be granted under the Share Option Scheme), such mandate to remain in effect until whichever is the earliest of:

- (1) the conclusion of the next annual general meeting of our Company;
 - (2) the date by which the next annual general meeting of our Company is required by the Articles of Association or any applicable laws of the Cayman Islands to be held; or
 - (3) the passing of an ordinary resolution by the Shareholders in general meeting revoking, varying or renewing such mandate;
- (vii) the general unconditional mandate mentioned in paragraph (v) above was extended by the addition to the aggregate nominal value of the share capital of our Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the share capital of our Company repurchased by our Company pursuant to the mandate to repurchase Shares referred to in paragraph (vi) above provided that such extended amount shall not exceed 10% of the aggregate of the total nominal value of the share capital of our Company in issue immediately following completion of the [REDACTED] and the [REDACTED] (excluding any Shares that may be issued upon exercise of the [REDACTED] or pursuant to the exercise of any options which may be granted under the Share Option Scheme).

4. Corporate Reorganization

In preparation for the [REDACTED], the companies comprising our Group underwent the Reorganization to rationalize the corporate structure of our Group. For further details, see "History, Reorganization and Corporate Structure — Reorganization" in this Document.

5. Changes in Share Capital of Subsidiaries

Save as disclosed in "History, Reorganization and Corporate Structure" in this Document, there has been no alteration in the share capital of any of our subsidiaries within the two years preceding the date of this Document.

6. Particulars of Our Subsidiaries

Particulars of our subsidiaries are set forth in the Accountants’ Report, the text of which is set forth in Appendix I to this Document.

7. Repurchase of Our Own Securities

This paragraph includes the information required by the Stock Exchange to be included in this Document concerning the repurchase by our Company of its own securities.

(a) Provisions of the Listing Rules

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important of which are summarized below:

(i) Shareholders’ Approval

All proposed repurchases of securities on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of general mandate or by specific approval in relation to specific transactions.

Note: Pursuant to the written resolution of all the Shareholders passed on November 11, 2022, a general unconditional mandate (the “**Repurchase Mandate**”) was given to our Directors authorizing any repurchase by our Company of Shares as described above in “A. Further Information about our Company and its Subsidiaries — 3. Written Resolutions of all the Shareholders passed on November 11, 2022” in this appendix.

(ii) Source of Funds

Any repurchases must be financed out of funds legally available for the purpose in accordance with the Memorandum and the Articles of Association, the Listing Rules and the applicable laws and regulations of the Cayman Islands.

(b) Funding of Purchases

In repurchasing securities, our Company may only apply funds legally available for such purpose in accordance with the Memorandum, the Articles of Association, the Listing Rules and the applicable laws and regulations of the

Cayman Islands. Pursuant to the Repurchase Mandate, repurchases will be made out of funds of our Company legally permitted to be utilized in this connection, including profits of our Company or out of a fresh issue of Shares made for the purpose of the repurchase or, if authorized by the Articles of Association and subject to the Cayman Companies Act, out of capital and, in the case of any premium payable on the repurchase, out of the profits of our Company or from sums standing to the credit of the share premium account of our Company or, if authorized by the Articles of Association and subject to the Cayman Companies Act, out of capital of our Company. Our Company may not repurchase securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange from time to time.

(c) *Reasons for Repurchases*

Repurchases of Shares will only be made when our Directors believe that such repurchase will benefit our Company and the Shareholders as a whole. Such repurchase may, depending on market conditions and funding arrangements at that time, lead to an enhancement of the net asset value of our Company and/or its earnings per Share.

(d) *Status of the Repurchased Shares*

The listing of all repurchased Shares (whether offered on the Stock Exchange or otherwise) on Main Board will automatically be cancelled and the certificates for those Shares shall be cancelled and destroyed.

(e) *Trading restrictions*

The total number of shares which a listed company may repurchase on Main Board is the number of shares representing up to a maximum of 10% of the aggregate number of shares of that company in issue. A company may not issue or announce a proposed issue of new securities for a period of 30 days immediately following a repurchase (other than an issue of securities pursuant to an exercise of warrants, share options or similar instruments requiring the company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange. In addition, a listed company is prohibited from repurchasing its shares on the Stock Exchange if the purchase price is 5% or higher than the average closing market price for the five preceding trading days on which its shares were traded on Main Board. The Listing Rules also prohibit a listed company from repurchasing its securities if the repurchase would result in the number of listed securities which are in the hands of the public falling below the relevant minimum prescribed percentage as required by the Stock Exchange. A company is required to procure that the broker appointed by it to effect a repurchase of securities discloses to the Stock Exchange such information with respect to the repurchase as the Stock Exchange may require.

(f) Suspension of repurchase

A listed company may not make any repurchase of securities on the Stock Exchange at any time after inside information has come to its knowledge until the information is made publicly available. In particular, during the period of one month immediately preceding the earlier of (a) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of a listed company's results for any year, half-year, quarter-year or any other interim period (whether or not required under the Listing Rules) and (b) the deadline for publication of an announcement of a listed company's results for any year, half-year or quarter-year under the Listing Rules, or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement, the listed company may not repurchase its shares on the Stock Exchange other than in exceptional circumstances. In addition, the Stock Exchange may prohibit a repurchase of securities on Main Board if a listed company has breached the Listing Rules.

(g) Reporting requirements

Certain information relating to repurchases of securities on the Stock Exchange or otherwise must be reported to the Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the following business day. In addition, a listed company's annual report is required to disclose details regarding repurchases of securities made during the year, including a monthly analysis of the number of securities repurchased, the purchase price per share or the highest and lowest price paid for all such repurchases, where relevant, and the aggregate prices paid.

(h) Exercise of the Repurchase Mandate

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

There might be a material adverse impact on the working capital or gearing position of our Company (as compared with the position disclosed in this Document) in the event that the Repurchase Mandate is exercised in full. However, our 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 our Company or on its gearing levels which in the opinion of our Directors are from time to time appropriate for our Company.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the Repurchase Mandate in accordance with the Listing Rules, the Memorandum, the Articles of Association and all the applicable laws and regulations of the Cayman Islands.

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the interest of the Shareholder(s), could obtain or consolidate control of our Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code as a result of a repurchase of Shares made after the [REDACTED]. Save as aforesaid, our Directors are not aware of any other consequence under the Takeovers Code as a result of a repurchase of Shares made immediately after the [REDACTED].

No connected person (as defined in the Listing Rules) of our Company has notified us that he has a present intention to sell any Shares to our Company or has undertaken not to do so, if the Repurchase Mandate is exercised.

B. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of Material Contracts

The following contracts (not being contracts in the ordinary course of business of our Group) have been entered into by members of our Group within the two years preceding the date of this Document and are or may be material:

- (1) the equity transfer agreement dated December 6, 2021 between Ms. Ding Di and Parka Aragon Hong Kong Limited, pursuant to which Ms. Ding Di transferred 0.6623% equity interest in Nanjing Howking Technology Co., Ltd. (南京濠曝通訊科技有限公司) to Parka Aragon Hong Kong Limited at the consideration of RMB298,035;
- (2) the share transfer agreement dated October 15, 2021 among Mr. Wu Chak Man, Howkingtech Holding Limited and our Company, pursuant to which Howkingtech Holding Limited transferred 49,438 shares of our Company to Mr. Wu Chak Man at the cash consideration equivalent to RMB30,000,000;
- (3) the share transfer agreement dated October 15, 2021 among Ms. Sun Shaomin, Shenzhen Brightmin Management Consulting Partnership (LLP) (深圳市亮敏管理諮詢合夥企業(有限合夥)), Howkingtech Holding Limited and our Company, pursuant to which Howkingtech Holding Limited transferred 9,888 shares of our Company to Shenzhen Brightmin Management Consulting Partnership (LLP) (深圳市亮敏管理諮詢合夥企業(有限合夥)) at the cash consideration equivalent to RMB6,000,000;

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- (4) the share transfer agreement dated October 15, 2021 among Mr. Huang Jianzhong, Howkingtech Holding Limited and our Company, pursuant to which Howkingtech Holding Limited transferred 39,550 shares of our Company to Mr. Huang Jianzhong at the cash consideration equivalent to RMB24,000,000;
- (5) the share transfer agreement dated October 15, 2021 among Ms. Wu Chin-Shan (吳金蟬), Howkingtech Holding Limited and our Company, pursuant to which Howkingtech Holding Limited transferred 33,123 shares of our Company to Ms. Wu Chin-Shan at the cash consideration equivalent to RMB20,100,000;
- (6) the investment agreement dated October 15, 2021 among Zibo Puhao Equity Investment Partnership (LLP) (淄博浦濠股權投資合夥企業(有限合夥)), Ms. Wang Zheshi, Ms. Jin Yan, Nanjing Howking Technology Co., Ltd. (南京濠暉通訊科技有限公司), Dr. Chen Ping and our Company, pursuant to which Zibo Puhao Equity Investment Partnership (LLP) (淄博浦濠股權投資合夥企業(有限合夥)) subscribed for 1.1125% of the enlarged issued share capital of our Company at the cash consideration equivalent to RMB9,000,000;
- (7) the reorganization agreement dated October 8, 2021 among Ms. Wang Zheshi, Ms. Jin Yan, Shenzhen Huixin Qianhai Equity Investment Enterprise (LLP) (深圳匯信前海股權投資企業(有限合夥)), Haining Dongzheng Hande Investment Partnership (LLP) (海寧東證漢德投資合夥企業(有限合夥)), Ningbo Meishan Bonded Port Area Dongzheng Xiade Investment Partnership (LLP) (寧波梅山保稅港區東證夏德投資合夥企業(有限合夥)), Mr. Li Zhangpeng, Shenzhen Zhichen Wuqi Venture Investment Partnership (LLP) (深圳智宸五期創業投資合夥企業(有限合夥)), Zhangzhou Merchants Economic Development District HeZe Limited Partnership (LLP) (漳州招商局經濟技術開發區合澤股權投資合夥企業(有限合夥)), Ningbo Qipu Growth Ruiying Investment Management Partnership (LLP) (寧波啟浦成長睿贏投資管理合夥企業(有限合夥)), Ms. Ding Di, Nanjing Howking Technology Co., Ltd. (南京濠暉通訊科技有限公司) and our Company in relation to the Reorganization;
- (8) the termination agreement dated December 16, 2021 among Nanjing Howking Technology Co., Ltd. (南京濠暉通訊科技有限公司), Ms. Jin Yan, Ms. Wang Zheshi, Shenzhen Huixin Qianhai Equity Investment Enterprise (LLP) (深圳匯信前海股權投資企業(有限合夥)), Haining Dongzheng Hande Investment Partnership (LLP) (海寧東證漢德投資合夥企業(有限合夥)), Ningbo Meishan Bonded Port Area Dongzheng Xiade Investment Partnership (LLP) (寧波梅山保稅港區東證夏德投資合夥企業(有限合夥)), Mr. Li Zhangpeng, Shenzhen Zhichen Wuqi Venture Investment Partnership (LLP) (深圳智宸五期創業投資合夥企業(有限合夥)), Zhangzhou Merchants Economic Development District HeZe Limited Partnership (LLP) (漳州招商局經濟技術開發區合澤股權投資合夥企業(有限合夥)), Ningbo Qipu Growth Ruiying Investment Management Partnership (LLP) (寧波啟浦成長睿贏投資管理合夥企業(有限合夥)) and Ms. Ding Di, pursuant to which the parties

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thereto agreed to terminate a shareholders agreement of Nanjing Howking Technology Co., Ltd. (南京濠暉通訊科技有限公司) dated December 8, 2019 entered into among the same parties;

- (9) the shareholders agreement of our Company dated December 16, 2021 among our Company, Howkingtech (BVI) Limited, HowKingTech Hong Kong Limited, Nanjing Howking Technology Co., Ltd. (南京濠暉通訊科技有限公司), Ms. Jin Yan, Ms. Wang Zheshi, Howkingtech Holding Limited, Shanghai Jinyuan Changfu Enterprise Management Partnership (LLP) (上海進源長富企業管理合夥企業(有限合夥)), Haining Dongzheng Hande Investment Partnership (LLP) (海寧東證漢德投資合夥企業(有限合夥)), Ningbo Meishan Bonded Port Area Dongzheng Xiade Investment Partnership (LLP) (寧波梅山保稅港區東證夏德投資合夥企業(有限合夥)), Shenzhen Tim Win Investment Partnership (LLP) (深圳市添運投資合夥企業(有限合夥)), Shenzhen Zhichen Wuqi Venture Investment Partnership (LLP) (深圳智宸五期創業投資合夥企業(有限合夥)), Zhangzhou Merchants Economic Development District HeZe Limited Partnership (LLP) (漳州招商局經濟技術開發區合澤股權投資合夥企業(有限合夥)), Ningbo Qipu Growth Ruiying Investment Management Partnership (LLP) (寧波啟浦成長睿贏投資管理合夥企業(有限合夥)), Mr. Wu Chak Man, Zibo Puhao Equity Investment Partnership (LLP) (淄博浦濠股權投資合夥企業(有限合夥)), Shenzhen Brightmin Management Consulting Partnership (LLP) (深圳市亮敏管理諮詢合夥企業(有限合夥)) and Mr. Huang Jianzhong, pursuant to which the shareholders rights of the parties thereto were agreed among them;
- (10) the equity transfer agreement dated January 14, 2022 between Ms. Jin Yan and HowKingTech Hong Kong Limited, pursuant to which Ms. Jin Yan transferred 4.3585% equity interest of Nanjing Howking Technology Co., Ltd. (南京濠暉通訊科技有限公司) to HowKingTech Hong Kong Limited at the consideration of RMB5,086,338;
- (11) the equity transfer agreement dated January 14, 2022 between Ms. Wang Zheshi and HowKingTech Hong Kong Limited, pursuant to which Ms. Wang Zheshi transferred 3.4867% equity interest of Nanjing Howking Technology Co., Ltd. (南京濠暉通訊科技有限公司) to HowKingTech Hong Kong Limited at the consideration of RMB4,068,997;
- (12) [REDACTED];
- (13) [REDACTED];

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- (14) the deed of non-competition dated November 11, 2022 executed by our Controlling Shareholders in favor of the Company as detailed in “Relationship with our Controlling Shareholders — Deed of Non-competition” in this Document;
- (15) the deed of indemnity dated November 11, 2022 executed by our Controlling Shareholders in favor of the Company (for itself and as trustee for its subsidiaries) containing the indemnities referred to in “— E. Other Information — 1. Estate Duty, Tax and Other Indemnity” in this appendix; and
- (16) [REDACTED].

2. Intellectual Property of our Group

(a) Trademarks

As of the Latest Practicable Date, we have registered the following trademarks which are material to our business:

No.	Trademark	Registration No.	Place of Registration	Trademark Owner	Class	Effective Date	Expiry Date
1.	 濠曝科技	51398389	PRC	Nanjing Howking	42	July 21, 2021	July 20, 2031
2.		26186380	PRC	Nanjing Howking	42	November 7, 2018	November 6, 2028
3.	M2Micro	11334683	PRC	Shenzhen Wulian	9	January 14, 2014	January 13, 2024

(b) Domain Name

As of the Latest Practicable Date, our Group was the registered proprietor of the following domain name:

No.	Registrant	Domain Name	Date of Registration	Expiry Date
1.	Nanjing Howking	howkingtech.com	May 25, 2010	May 25, 2025
2.	Shenzhen Wulian	m2micro.com	September 13, 2010	September 13, 2025

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(c) *Patents*

As of the Latest Practicable Date, we have registered the following patents which we believe are material to our business:

No.	Patent	Patentee	Date of Registration	Patent Number	Application Date	Expiry Date
1.	A DPD device and method suitable for 5G broadband MIMO system (一種適用於5G寬帶MIMO系統的DPD裝置及方法)	Nanjing Howking	March 15, 2022	202110098364.8	January 25, 2021	January 24, 2041
2.	A novel MIMO millimeter wave circularly polarized antenna for 5G (一種用於5G新型MIMO毫米波斜極化天線)	Nanjing Howking	July 16, 2021	202120005869.0	January 4, 2021	January 3, 2031
3.	A multi-probe testing device of multi-degree-of-freedom millimeter wave MU-MIMO system (一種多自由度毫米波MU-MIMO系統多探頭測試裝置)	Nanjing Howking	September 21, 2021	202120005861.4	January 4, 2021	January 3, 2031
4.	A millimeter wave communication system (一種毫米波通信系統)	Nanjing Howking	June 22, 2021	202023044978.8	December 15, 2020	December 14, 2030
5.	A SIW filter for front end of Q-band transceiver (一種用於Q波段收發前端的SIW濾波器)	Nanjing Howking	January 8, 2021	202022157061.2	September 27, 2020	September 26, 2030
6.	A wireless control system for 5G communication (一種用於5G通訊的無線控制系統)	Nanjing Howking	December 25, 2020	202021183458.2	June 23, 2020	June 22, 2030
7.	A 5G onboard double 2x2 MIMO wireless control system (一種5G板載雙2x2 MIMO無線控制系統)	Nanjing Howking	March 23, 2021	201910307172.6	April 17, 2019	April 16, 2039
8.	An antenna module for 5th generation of mobile communication MIMO system (一種用於第五代移動通信MIMO系統的天線模塊)	Nanjing Howking	February 5, 2019	201821369476.2	August 24, 2018	August 23, 2028
9.	An active integrated antenna module of high integration for 5th generation of mobile communication (一種用於第五代移動通信的高集成度有源一體化天線模塊)	Nanjing Howking	April 2, 2019	201821181092.8	July 25, 2018	July 24, 2028
10.	A high-gain low-profile microstrip patch antenna (一種高增益低剖面微帶貼片天線)	Nanjing Howking	November 20, 2018	201820666701.2	May 7, 2018	May 6, 2028

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No.	Patent	Patentee	Date of Registration	Patent Number	Application Date	Expiry Date
11.	A miniaturized antenna for 5G mobile communication (一種用於5G移動通信的小型化天線)	Nanjing Howking	May 17, 2017	201621226009.5	November 15, 2016	November 14, 2026
12.	A band-stop filter capable of eliminating interference between different service providers (一種適用於不同運營商間干擾消除的帶阻濾波器)	Nanjing Howking	January 14, 2020	201610474114.9	June 26, 2016	June 25, 2036
13.	A miniaturized antenna in broadband for 5G mobile communication (一種用於5G移動通信的寬帶小型化天線)	Nanjing Howking	November 23, 2016	201620619384.X	June 21, 2016	June 20, 2026
14.	LDS antenna support and LDS antenna forming method based on fixed laser head (LDS天線支架及基於固定激光頭的LDS天線成型方法)	Nanjing Howking	December 25, 2018	201510019926.X	January 15, 2015	January 14, 2035
15.	A WiFi antenna applied to metal frame mobile phone (一種用於金屬邊框手機的WiFi天線)	Nanjing Howking	November 10, 2017	201410747594.2	December 9, 2014	December 8, 2034
16.	Matrix circuit and scan method (矩陣電路及掃描方法)	Nanjing Howking	November 11, 2016	201310557817.4	November 11, 2013	November 10, 2033
17.	Device and method for realizing wide-range multi-frequency band frequency division and frequency selection (實現寬範圍多頻帶分頻和選頻的裝置和方法)	Nanjing Howking	January 7, 2015	201210077065.7	March 22, 2012	March 21, 2032
18.	A frequency modulation reception device capable of automatic interference elimination and method (一種自動去干擾調頻接收裝置和方法)	Nanjing Howking	July 2, 2014	201110346377.9	November 4, 2011	November 3, 2031
19.	A surface mounted millimeter wave high-gain dual-polarized array antenna device (一種表貼式毫米波高增益雙極化陣列天線裝置)	Nanjing Howking	November 4, 2022	202222138474.5	August 15, 2022	August 14, 2032

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As of the Latest Practicable Date, our Group has made an application to register the following patents which are material to our business:

No.	Patent	Applicant	Application Number	Application Date
1.	A novel MIMO millimeter wave circular polarization patch antenna applied to 5G communication (一種應用於5G新型MIMO毫米波圓極化貼片天線)	Nanjing Howking	202110666947.6	June 16, 2021
2.	A base station antenna anti-shake pull rod supporting device (一種基站天線防抖拉桿支撐裝置)	Nanjing Howking	202110649415.1	June 10, 2021
3.	An interconnection structure for millimeter wave transceiver front-end (一種用於毫米波收發前端的互聯結構)	Nanjing Howking	202110346148.0	March 31, 2021
4.	A method and device for detecting movement of small cellular base station (一種檢測小型蜂窩基站移動的方法及裝置)	Nanjing Howking	202110338570.1	March 30, 2021
5.	Rapid punching device for base station antenna pull rod (基站天線拉桿快速打孔裝置)	Nanjing Howking	202110235631.1	March 3, 2021
6.	A novel MIMO millimeter wave circularly polarized antenna for 5G (一種用於5G新型MIMO毫米波斜極化天線)	Nanjing Howking	202110003134.9	January 4, 2021
7.	A multi-probe testing device of multi-degree-of-freedom millimeter wave MU-MIMO system (一種多自由度毫米波MU-MIMO系統多探頭測試裝置)	Nanjing Howking	202110003867.2	January 4, 2021
8.	A millimeter wave communication system (一種毫米波通信系統)	Nanjing Howking	202011480739.9	December 15, 2020
9.	A microstrip line filter (一種微帶線濾波器)	Nanjing Howking	202011279368.8	November 16, 2020
10.	A SIW filter for front end of Q-band transceiver (一種用於Q波段收發前端的SIW濾波器)	Nanjing Howking	202011035581.4	September 27, 2020
11.	An antenna module for 5th generation of mobile communication MIMO system (一種用於第五代移動通信MIMO系統的天線模塊)	Nanjing Howking	201810970423.4	August 24, 2018
12.	An active integrated antenna module of high integration for 5th generation of mobile communication (一種用於第五代移動通信的高集成度有源一體化天線模塊)	Nanjing Howking	201810824016.2	July 25, 2018
13.	A high-gain low-profile microstrip patch antenna (一種高增益低剖面微帶貼片天線)	Nanjing Howking	201810425199.0	May 7, 2018
14.	A 5G broadband millimeter wave dual-polarized packaged antenna and array antenna (一種應用於5G寬帶毫米波雙極化封裝天線及陣列天線)	Nanjing Howking	202210411002.4	April 19, 2022
15.	An interface system and method for an adaptive fronthaul protocol (一種自適應前傳協議的接口系統及方法)	Nanjing Howking	202210561963.3	May 23, 2022
16.	A radome with a painted antenna and a 5G small base station (一種帶有塗刷天線的天線罩及5G小基站)	Nanjing Howking	202221865908.5	July 19, 2022
17.	A 5G millimeter wave broadband microstrip array antenna (一種5G毫米波寬頻段微帶陣列天線)	Nanjing Howking	202210822727.2	July 12, 2022
18.	A method to improve the performance of Polar decoding LLR algorithm (一種提升Polar解碼LLR運算性能的方法)	Nanjing Howking	202210943888.7	August 4, 2022

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No.	Patent	Applicant	Application Number	Application Date
19.	An integrated underground communication and positioning system based on 5G+ (一種基於5G+的井下通信與定位一體化系統)	Nanjing Howking	202210974414.9	August 15, 2022
20.	A method for realizing ORAN synchronization plane based on Ethernet multi-layer information (一種基於以太網多層信息的ORAN同步面實現方法)	Nanjing Howking	202211256264.4	14 October, 2022

(d) Software Copyrights

As of the Latest Practicable Date, our Group has obtained the following software copyrights which are material to our business:

No.	Software	Copyright Owner	Registration Number	First Publication Date
1.	Application Service Platform (with Server Cluster) V1.0 (應用服務平台(含服務器集群)V1.0)	Nanjing Howking	2020SR1568585	October 10, 2020
2.	Trunked Dispatch System V1.0 (集群調度系統V1.0)	Nanjing Howking	2020SR1504861	September 11, 2020
3.	Core Network System V1.0 (核心網系統V1.0)	Nanjing Howking	2020SR1504860	September 15, 2020
4.	Network Management System V1.0 (網管系統V1.0)	Nanjing Howking	2020SR1504822	September 17, 2020
5.	Network Management System V1.0 (網絡管理系統V1.0)	Nanjing Howking	2020SR1504821	September 10, 2020
6.	Mobile Command and Dispatch System V1.0 (移動調度指揮系統V1.0)	Nanjing Howking	2020SR1504857	September 12, 2020
7.	Recording System V1.0 (錄音系統V1.0)	Nanjing Howking	2020SR1504875	September 16, 2020
8.	Millimeter Wave Uart Configuration Application [abbreviation: MmwUartConfigApp] V1.0 (毫米波串口配置軟件[簡稱: MmwUartConfigApp]V1.0)	Nanjing Howking	2020SR1062226	Unpublished
9.	High and Low Temperature Shock Test and Analysis System V1.0 (高低溫衝擊測試分析系統V1.0)	Nanjing Howking	2020SR1033677	August 23, 2020
10.	Equipment Performance Monitoring System Software V1.0 (設備性能監測系統軟件V1.0)	Nanjing Howking	2020SR1033629	August 21, 2020
11.	4/5G Signal Coverage Terminal Unit with Interface Software V1.0 (4/5G信號覆蓋終端單元含接口軟件V1.0)	Nanjing Howking	2020SR1033147	August 24, 2020
12.	4/5G Signal Coverage Host Unit Interface Software V1.0 (4/5G信號覆蓋主機單元接口軟件V1.0)	Nanjing Howking	2020SR1033420	August 22, 2020
13.	Industrial Automation Test System V1.0 (工業自動化測試系統V1.0)	Nanjing Howking	2020SR1033412	August 25, 2020
14.	Industrial DSP Automatic Programming Software (工業DSP自動燒錄軟件V1.0)	Nanjing Howking	2020SR1033460	August 24, 2020
15.	4/5G Signal Coverage for Controlling Unit and Monitoring Software V1.0 (4/5G信號覆蓋監控單元監控軟件V1.0)	Nanjing Howking	2020SR1033877	August 24, 2020
16.	16 Onboard Platform Monitoring Center System Software of 5G Base Station Antenna Array [abbreviation: MBMC_5GBS] V1.0 (5G基站天線陣列之16板載平台監控中心系統軟件[簡稱: MBMC_5GBS]V1.0)	Nanjing Howking	2019SR0871759	Unpublished

C. FURTHER INFORMATION ABOUT OUR DIRECTORS, MANAGEMENT AND SUBSTANTIAL SHAREHOLDERS

1. Interests and Short Positions of Directors in the Share Capital of the Company

Interests in the Company

Immediately following completion of the [REDACTED] and the [REDACTED] (taking no account of Shares which may be issued pursuant to the exercise of the [REDACTED] and options which may be granted under the Share Option Scheme), the interests or short positions of each of the Directors and the chief executives in the share capital, underlying shares and debentures of our Company which, once the Shares are [REDACTED], will have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have taken under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register required to be kept therein or which, once the Shares are [REDACTED], will be required pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules to be notified to our Company and the Stock Exchange are set out as follows:

Name of Director	Capacity/ Nature of Interest	Number and Class of Securities⁽¹⁾	Approximate percentage of shareholding⁽²⁾
Dr. Chen ⁽³⁾	Interest of spouse	[REDACTED](L)	[REDACTED]%
Ms. Wang ^{(3) (4)}	Interest in controlled corporation	[REDACTED](L)	[REDACTED]%

Notes:

- (1) The letter "L" denotes the person's long position in the Shares.
- (2) The calculation is based on the total number of [REDACTED] Shares in issue after completion of the [REDACTED] and the [REDACTED].
- (3) Dr. Chen, our executive Director, is the spouse of Ms. Wang. Therefore, Dr. Chen is deemed to be interested in the Shares held by Ms. Wang by virtue of the SFO.
- (4) Ms. Wang is interested in 56.7980% of Howking Tech Holding. Therefore, by virtue of the SFO, Ms. Wang is deemed to be interested in the Shares in which Howking Tech Holding is interested.

2. Interests and Short Positions of Substantial Shareholders in the Share Capital of Our Company

Interests in our Company

Save as disclosed in “Substantial Shareholders” in this Document, our Directors are not aware of any other person who will, immediately following the [REDACTED] (without taking into account the exercise of the [REDACTED]), have an interest or a short position in the Shares or underlying Shares which will be required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or will be, directly or indirectly, interested in 10% or more of any class of share capital carrying the rights to vote in all circumstances at the general meetings of our Company.

3. Directors’ Service Contracts, Appointment Letters and Remuneration

(a) Directors’ Service Contracts and Appointment Letters

Each of our executive Directors has entered into a service contract with our Company for a term of three years commencing from the date thereof, which may be terminated by not less than three months’ notice in writing served by either party on the other.

Each of our independent non-executive Directors has entered into a letter of appointment with our Company for a term of three years commencing from the [REDACTED] Date, which may be terminated by not less than three months’ notice in writing served by either party on the other.

(b) Directors’ remuneration

For the years ended December 31, 2019, 2020 and 2021 and the five months ended May 31, 2022, the aggregate amount paid to our Directors as remuneration (including salaries, allowances, benefits in kind, contributions to pension schemes and discretionary performance related bonuses) were RMB656,000, RMB1,051,000, RMB2,076,000 and RMB1,173,000, respectively.

For the year ending December 31, 2022, the estimated total compensation payable to the Directors amounts to RMB2.8 million (excluding any discretionary bonus), respectively.

There was no arrangement under which a Director has waived or agreed to waive any emoluments for each of the three financial years immediately preceding the issue of this Document.

4. Disclaimers

In this Document:

- (a) none of the Directors nor any of the persons whose names are listed in “— E. Other Information — 7. Consents of Experts” in this appendix has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this Document, acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;
- (b) none of the Directors nor any of the persons whose names are listed in “— E. Other Information — 7. Consents of Experts” in this appendix is materially interested in any contract or arrangement subsisting at the date of this Document which is significant in relation to the business of our Group;
- (c) none of the Directors is materially interested in any contract or arrangement subsisting at the date of this Document which is significant in relation to the business of our Group taken as a whole;
- (d) none of the Directors or their close associates (as defined in the Listing Rules) or existing Shareholders (who, to the knowledge of the Directors, owns more than 5% of our issued share capital) has any interest in any of the five largest customers of our Company; and
- (e) none of the Directors or their close associates (as defined in the Listing Rules) or our existing Shareholders (who, to the knowledge of the Directors, owns more than 5% of our issued share capital) has any interest in any or the five largest suppliers of our Company.

D. SHARE OPTION SCHEME

Summary of terms

The following is a summary of the principal terms of the Share Option Scheme conditionally approved and adopted by the written resolutions of all Shareholders of our Company passed on November 11, 2022. Our Directors confirm that the terms of the Share Option Scheme comply with the requirements under Chapter 17 of the Listing Rules.

(a) Purpose

The purpose of the Share Option Scheme is to provide incentive or reward to Eligible Persons (as defined in paragraph (b) below) for their contribution to, and continuing efforts to promote the interests of, our Group and for such other purposes as the Board may approve from time to time.

(b) Who may join

The Board may, at its absolute discretion, offer eligible persons (being any director or employee (whether full time or part time), consultant or advisor of our Group who in the sole discretion of the Board has contributed to and/or will contribute to our Group) (the “**Eligible Persons**”) to subscribe for such number of Shares in accordance with the terms of the Share Option Scheme.

(c) Maximum number of Shares

- (i) The maximum aggregate number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other share option schemes of our Company, must not, in aggregate, exceed 30% of the total number of Shares in issue from time to time. No options may be granted under the Share Option Scheme and any other share option schemes of our Company if this will result in such limit being exceeded.
- (ii) Subject to paragraphs (c)(i), (iv) and (v), at the time of adoption by our Company of the Share Option Scheme or any new share option scheme (the “**New Scheme**”), the aggregate number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme, the New Scheme and all schemes existing at such time (the “**Existing Schemes**”) of our Company must not in aggregate exceed 10% of the total number of the Shares in issue as of the [REDACTED] Date (the “**Scheme Mandate Limit**”).
- (iii) For the purposes of calculating the Scheme Mandate Limit under paragraph (c)(ii), Shares which are the subject matter of any options that have already lapsed in accordance with the terms of the relevant Existing Scheme(s) shall not be counted.
- (iv) The Scheme Mandate Limit may be refreshed by ordinary resolution of the Shareholders in general meeting, provided that:

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- the Scheme Mandate Limit so refreshed shall not exceed 10% of the total number of issued Shares as of the date of Shareholders' approval of the refreshment of the Scheme Mandate Limit;
 - options previously granted under any Existing Schemes (including options outstanding, cancelled, or lapsed in accordance with the relevant scheme rules or exercised options) shall not be counted for the purpose of calculating the limit as refreshed; and
 - a circular regarding the proposed refreshment of the Scheme Mandate Limit has been dispatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules.
- (v) Our Company may seek separate approval from the Shareholders in the general meeting for granting options which will result in the Scheme Mandate Limit being exceeded, provided that:
- the grant is to Eligible Persons specifically identified by our Company before the approval is sought; and
 - a circular regarding the grant has been dispatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules and other applicable laws and rules,

in accordance with the terms of the Share Option Scheme.

(d) *Maximum number of options to any one individual*

No option shall be granted to any Eligible Person (the "**Relevant Eligible Person**") if, at the relevant time of grant, the number of Shares issued and to be issued upon exercise of all Options (granted and proposed to be granted, whether exercised, cancelled or outstanding) to the Relevant Eligible Person in the 12-month period expiring on the date on which an offer of the grant of an option under the Share Option Scheme is made to the Relevant Eligible Person would exceed 1% of the total number of Shares in issue at such time, unless:

- such grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by ordinary resolution of the Shareholders in general meeting, at which the Relevant Eligible Person and his associates abstained from voting;

- a circular regarding the grant has been dispatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules; and
- the number and terms (including the Subscription Price) of such options are fixed before the general meeting of our Company at which the same are approved.

(e) Price of Shares

The subscription price for a Share in respect of any particular option granted under the Share Option Scheme (which shall be payable upon exercise of the option) shall be a price solely determined by the Board and notified to all Eligible Person and shall be at least the highest of (i) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the date of offer to grant option, which must be a business day; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange’s daily quotations sheet for the five business days immediately preceding the date of offer to grant option (the “**Offer Date**”) (provided that the new [REDACTED] shall be used as the [REDACTED] for any business day falling within the period before the [REDACTED] Shares where our Company has been [REDACTED] for less than five business days as of the Offer Date); and (iii) the nominal value of the Share. A consideration of RMB1.0 is payable on acceptance of the offer of an option or options.

(f) Granting options to connected persons

Any grant of options to a Director, chief executive or Substantial Shareholder of our Company or any of their respective associates is required to be approved by the independent non-executive Directors (excluding any independent non-executive Director who is a proposed grantee of the options). If our Company proposes to grant options to a Substantial Shareholder or an independent non-executive Director or their respective associates which will result in the number and value of Shares issued and to be issued upon exercise of all options granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of the offer of such grant in aggregate exceeding: (i) 0.1% of the Shares in issue at the relevant time of grant; and (ii) HK\$5 million, based on the closing price of the Shares as stated in the daily quotations sheets issued by the Stock Exchange at the date of each grant, such grant shall not be valid unless: (A) a circular containing the details of the grant has been dispatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules (including in particular, a recommendation from the independent non-executive Directors (excluding the independent non-executive Director who is the prospective grantee) to the independent Shareholders as to voting); and (B) the grant has been

approved by the Shareholders in general meeting (taken on a poll), at which all Connected Persons abstained from voting in favour at such meeting.

(g) *Restrictions on the time of grant of options*

No offer to grant option shall be made after a price-sensitive event has occurred or a price-sensitive matter has been the subject of a decision until such price-sensitive information has been announced pursuant to the requirements of the Listing Rules. In particular, no options may be offered to be granted during the period commencing one month immediately preceding the earlier of (i) the date of the Board meeting (as such date is first notified by our Company to the Stock Exchange in accordance with the Listing Rules) for the approval of our Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (ii) the deadline for our Company to publish an announcement of its results for any year or half year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules) and ending on the date of actual publication of the results announcement. The period which no option may be granted will cover any period of delay in the publication of results announcement.

(h) *Rights are personal to grantee*

An option is personal to the grantee and shall not be assignable nor transferable, and no grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favor of any third party over or in relation to any option.

(i) *Time of exercise of option*

Subject to the provisions of the Listing Rules and other applicable laws and regulations, the Board may in its absolute discretion when offering the grant of an option impose any conditions, restrictions or limitations in relation thereto in addition to those set forth in the Share Option Scheme as the Board may think fit (to be stated in the offer Letter) including (without prejudice to the generality of the foregoing) qualifying and/or continuing eligibility criteria, conditions, restrictions or limitations relating to the achievement of performance, operating or financial targets by our Company and/or the grantee, the satisfactory performance or maintenance by the grantee of certain conditions or obligations or the time or period before the right to exercise the option in respect of all or any of the Shares shall vest provided that such terms or conditions shall not be inconsistent with any other terms or conditions of the Share Option Scheme. For the avoidance of doubt, subject to such terms and conditions as the Board may determine as aforesaid (including such terms and conditions in relation to their vesting, exercise or otherwise) there is no minimum period for which an option must be held before it can be exercised and no performance target which need to be achieved by the grantee before the option can be exercised.

The date of grant of any particular option is the date on which the offer relating to such option is duly accepted by the grantee in accordance with the Share Option Scheme. An option may be exercised according to the terms of the Share Option Scheme and the offer in whole or in part by the grantee (or his personal representatives) before its expiry by giving notice in writing to our Company stating that the option is to be exercised and the number of Shares in respect of which it is exercised provided that the number of Shares shall be equal to the size of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof. Such notice must be accompanied by a remittance for the full amount of the subscription price for the Shares in respect of which the notice is given. The period during which an option may be exercised will be determined by the Board at its absolute discretion, save that no option may be exercised more than 10 years from the date of grant. No option may be granted more than 10 years after the date of approval of the Share Option Scheme. Subject to earlier termination by our Company in general meeting, the Share Option Scheme shall be valid and effective for a period of 10 years from the date of adoption of the Share Option Scheme by Shareholders by resolution at a general meeting.

(j) *Performance target*

The Board may from time to time require a particular grantee to achieve certain performance targets specified at the time of grant before any option granted under the Share Option Scheme can be exercised. There are no specific performance targets stipulated under the terms of the Share Option Scheme and the Board is currently unable to determine such restriction on the exercise of the options granted under the Share Option Scheme.

(k) *Rights on ceasing to be an Eligible Person*

In the event of the grantee ceasing to be an Eligible Person for any reason other than ceasing (1) by reason of summary dismissal for misconduct or other breach of the terms of his employment or other contract constituting him an Eligible Person, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his debts or has become insolvent or has made any arrangements or composition with his creditors generally or on which he has been convicted of any criminal offence involving his integrity or honesty or (2) by death or permanent disability the option may be exercised within one month after the date of such cessation, which date shall be (i) if he is an employee or director of our Company or any subsidiary, his last actual working day with our Company or any subsidiary whether salary is paid in lieu of notice or not; or (ii) if he is not an employee of our Company or any subsidiary, the date on which the relationship constituting him an Eligible Person ceases.

(l) Rights on death or permanent disability

In the event that the grantee of an outstanding option dies or becomes permanently disabled before exercising the option in full or at all, the option may be exercised up to the entitlement of such grantee or, if appropriate, in the circumstances described in paragraphs (n), (o) and (q), an election made by his personal representatives within twelve months after the date of his death or permanent disability.

(m) Lapse of option on misconduct, bankruptcy or dismissal etc.

If a grantee ceases to be an Eligible Person by reason of summary dismissal for misconduct or other breach of the terms of his employment or other contract constituting him an Eligible Person, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his debts or has become insolvent or has made any arrangements or composition with his creditors generally or on which he has been convicted of any criminal offence involving his integrity or honesty, the right to exercise the option (to the extent not already exercised) shall terminate immediately.

(n) Rights on a general offer by way of a take-over

If a general offer by way of a take-over is made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert with the offeror) and such offer becomes or is declared unconditional, our Company shall forthwith notify all the grantees and any grantee (or his personal representatives) may by notice in writing to our Company within 21 days after such offer becoming or being declared unconditional exercise the option to its full extent or to the extent specified in such notice.

(o) Rights on a general offer by way of a scheme of arrangement

If a general offer by way of a scheme of arrangement is made to all the Shareholders and the scheme has been approved by the necessary number of Shareholders at the requisite meetings, our Company shall forthwith notify the grantees and any grantee (or his personal representatives) may thereafter (but before such time as shall be notified by our Company) by notice in writing to our Company exercise the option to its full extent or to the extent specified in such notice.

(p) Rights on a compromise or arrangement

If a compromise or arrangement between our Company and its Shareholders or creditors is proposed for the purposes of or in connection with a scheme for the reconstruction of our Company or its amalgamation with any other company or companies, our Company shall give notice thereof to the grantee (together with a notice of the existence of the provisions of this paragraph) on the same date or soon after it dispatches the notice to each member or creditor of our Company summoning the meeting to consider such a compromise or arrangement, and thereupon the grantee (or his personal representatives) may forthwith and until the expiry of the period commencing with such date and ending with the earlier of 2 months thereafter and the date on which such compromise or arrangement is sanctioned by the court of competent jurisdiction, exercise any of his options 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 of competent jurisdiction and becoming effective. Upon such compromise or arrangement become effective, all options shall lapse except insofar as previously exercised under the Share Option Scheme. Our Company may require the grantee (or his personal representatives) to transfer or otherwise deal with the Shares issued as a result of the exercise of options in these circumstances so as to place the grantee in the same position as nearly as would have been the case had such Shares been subject to such compromise or arrangement.

(q) Rights on winding-up

In the event a notice is given by our Company to its Shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up our Company other than for the purpose of a reconstruction, amalgamation or scheme of arrangement, our Company shall on the same date as or soon after it dispatches such notice to each member of our Company give notice thereof to all grantees (together with a notice of the existence of the provisions of this paragraph) and thereupon, each grantee (or his personal representatives) shall be entitled to exercise all or any of his options at any time not later than four business days prior to the proposed general meeting of our Company by giving notice in writing to our Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given whereupon our Company shall as soon as possible and, in any event, no later than one business day immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the grantee credited as fully paid.

(r) *Lapse of the options*

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

- (i) the expiry of the option period;
- (ii) the expiry of any of the periods referred to in paragraph (k), (l) or (n);
- (iii) subject to the scheme of arrangement becoming effective, the expiry of the period referred to in paragraph (o);
- (iv) subject to the compromise or arrangement referred to in paragraph (p);
- (v) the date on which the grantee ceases to be an Eligible Person by reason of summary dismissal for misconduct or other breach of the terms of his employment or other contract constituting him an Eligible Person, or appears either to be unable to pay or to have no reasonable prospect of being able to pay his debts or has become insolvent or has made any arrangements or composition with his creditors generally or on which he has been convicted of any criminal offence involving his integrity or honesty;
- (vi) subject to paragraph (q), the date of the commencement of the voluntary winding-up of our Company;
- (vii) the date on which the grantee commits a breach of paragraph (h);
- (viii) the date on which the option is cancelled by the Board as provided in paragraph (v); or
- (ix) the non-fulfillment of any condition referred to in paragraph (x) on or before the date specified therein.

Our Company shall owe no liability to any grantee for the lapse of any option under this paragraph (r).

(s) *Ranking of Shares*

The Shares to be allotted and issued upon the exercise of an option shall be subject to our Company's Memorandum and Articles of Association and the laws of the Cayman Island for the time being in force and shall rank *pari passu* in all respects with the fully-paid Shares in issue of our Company as of the date of allotment and will entitle the holders to participate in all dividends or other

distributions paid or made on or after the date of allotment other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefore shall be on or before the date of allotment and issue.

(t) Effect of alterations to share capital

In the event of any alteration to the capital structure of our Company arising from capitalization of profits or reserves, rights issue, consolidation, redenomination, subdivision or reduction of the share capital of our Company in accordance with the legal requirements or requirements of the Stock Exchange other than any alteration in the capital structure of our Company as a result of an issue of Shares as consideration in a transaction to which our Company is a party. Adjustment (if any) shall be made to (a) the number or nominal amount of Shares subject to the option so far as unexercised; and/or (b) the subscription price for the Shares subject to the option so far as unexercised; and/or (c) the Shares to which the option relates; or any combination thereof as the Auditors or the independent financial advisors to our Company (acting as expert not arbitrator) shall at the request of our Company certify in writing to the Board either generally or as regards any particular grantee that the adjustments are in compliance with Rule 17.03(13) of the Listing Rules and the notes thereto. Any such adjustments must give a grantee the same proportion of the equity capital of our Company as to which that grantee was previously entitled, and any adjustments so made shall be in compliance with the Listing Rules and such applicable guidance and/ or interpretation of the Listing Rules from time to time issued by the Stock Exchange (including, without limitation, the "Supplemental Guidance on Main Board Listing Rule 17.03(13) and the Notice immediately after the Rule" attached to the letter of the Stock Exchange dated September 5, 2005 to all issuers relating to share option scheme) and any future guidance/interpretation of the Listing Rules issued by the Stock Exchange from time to time (but no such alterations shall be made the effect of which would be to enable a Share to be issued at less than its nominal value. The capacity of the Auditors or the independent financial advisors to our Company in this paragraph is that of experts and not of arbitrators and their certification shall, in the absence of manifest error, be final and binding on our Company and the grantees. The costs of the Auditors or the independent financial advisors to our Company shall be borne by our Company. Notice of such adjustment shall be given to the Grantees by our Company.

(u) Alteration of Share Option Scheme

The Share Option Scheme may be altered in any respect by resolution of the Board except that the provisions of the Share Option Scheme as to:

- (i) the definitions of "Eligible Person" and "grantee" in the Share Option Scheme; and

- (ii) the provisions relating to the matters set out in Rule 17.03 of the Listing Rules

which shall not be altered to the advantage of grantees or prospective grantees except with the prior approval of the Shareholders in general meeting (with participants and their respective associates abstained from voting). No such alterations shall operate to affect adversely the terms of issue of any option granted or agreed to be granted prior to such alterations except with the consent or sanction in writing of such majority of the grantees as would be required of the Shareholders under the bye-laws for the time being of our Company for a variation of the rights attached to the Shares. Any change to the authority of the Board in relation to any alterations to the terms of the Share Option Scheme must be approved by the Shareholders in general meeting. Any alterations to the provisions of the Share Option Scheme which are of a material nature or any change to the terms of options granted must be approved by the Shareholders in general meeting except where the alterations take effect automatically under the existing provisions of the Share Option Scheme. Any amended terms of the Scheme or the options must comply with Chapter 17 of the Listing Rules.

(v) *Cancellation of options*

The Board may cancel an option granted but not exercised with the approval of the grantee of such option. No options may be granted to an Eligible Person in place of his cancelled options unless there are available unissued options (excluding the cancelled options) within the limit set out in paragraph (c) above from time to time.

(w) *Termination of the Share Option Scheme*

Our Company, by resolution in general meeting, or the Board may at any time terminate the operation of the Share Option Scheme and in such event no further option will be offered but in all other respects the provisions of the Share Option Scheme shall remain in full force and effect and options granted prior to such termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

(x) *Conditions of the Share Option Scheme*

The Share Option Scheme is conditional upon:

- (i) the Listing Committee granting approval of the [REDACTED] of, and permission to [REDACTED], any [REDACTED] which may fall to be allotted and issued pursuant to the exercise of any such options;

- (ii) the passing of the resolutions by the Shareholders to approve and adopt the Share Option Scheme and to authorise the Board to grant Options under the Share Option Scheme and to allot and issue Shares pursuant to the exercise of any options; and
- (iii) the commencement of [REDACTED] in the [REDACTED] on the [REDACTED].

(y) *Disclosure in annual and interim reports*

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

E. OTHER INFORMATION

1. Estate Duty, Tax and Other Indemnity

Indemnity on estate duty and taxation

The Controlling Shareholders (the “**Indemnifiers**”) have pursuant to the Deed of Indemnity, given indemnities on a joint and several basis in favour of the Company (for itself and as trustee as its subsidiaries) in connection with, among others, (i) any taxation which might be payable by any member of our Group in respect of any income, profits or gains earned, accrued or received or alleged to have been earned, accrued or received (the “**Taxation Liabilities**”); and (ii) any adverse impact imposed on the operations of our Group resulted from issues which might cast doubt on the ability or suitability of the Controlling Shareholders to perform his/her duties as a Director, on or before the date on which the [REDACTED] becomes unconditional (the “**Effective Date**”).

The Indemnifiers will however, not be liable under the Deed of Indemnity for taxation where:

- (a) to the extent (if any) to which provision, reserve or allowance has been made for such Taxation Liabilities and claims in the audited consolidated accounts of our Company for the Track Record Period as set out in Appendix I to this Document (the “**Accounts**”);

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

- (b) to the extent that such Taxation Liabilities and claims falling on any of the members of our Group in respect of any accounting period commencing on or after the [REDACTED] Date would not have arisen but for some act or omission of, or transaction voluntarily effected by, any of the members of our Group (whether alone or in conjunction with some other act, omission or transaction, whenever occurring) without the prior written consent or agreement or acquiescence of the Indemnifiers, other than any such act, omission or transaction:
 - (i) carried out or effected in the ordinary course of business or in the ordinary course of acquiring and disposing of capital assets on or before the [REDACTED] Date, or
 - (ii) carried out, made or entered into pursuant to a legally binding commitment created on or before the [REDACTED] Date or pursuant to any statement of intention made in this Document; or
- (c) to the extent of any provision, reserve or allowance made for such Taxation Liabilities in the Accounts which is finally established to be an over-provision or an excessive reserve or allowance, in which case the Indemnifiers' liability (if any) in respect of such Taxation Liabilities shall be reduced by an amount not exceeding such provision, reserve or allowance, provided that the amount of any such provision, reserve or allowance applied pursuant to this paragraph to reduce the Indemnifiers' liability in respect of such Taxation Liabilities shall not be available in respect of any such liability arising thereafter and for the avoidance of doubt, such over-provision or excess provision, reserve or allowance shall only be applied to reduce the liability of the Indemnifiers under the Deed of Indemnity and none of the members of our Group shall in any circumstances be liable to pay the Indemnifiers any such excess; or
- (d) to the extent that any Taxation Liabilities or claims arises or is incurred as a result of the imposition of taxation as a consequence of any retrospective change in the law, rules and regulations or the interpretation or practice thereof by the Hong Kong Inland Revenue Department, the taxation authority of the PRC, the United States, or any other relevant authority (whether in Hong Kong, the BVI, the Cayman Islands, the United States, the PRC or any other part of the world) coming into force after the Effective Date or to the extent such Taxation Liabilities or claims arise or are increased by an increase in rates of such Taxation Liabilities or claims after the Effective Date with retrospective effect.

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of its subsidiaries under the laws of the Cayman Islands, the BVI, the United States, Hong Kong or the PRC, being jurisdictions in which one or more of the companies comprising our Group are incorporated.

Other indemnity

Under the Deed of Indemnity, the Indemnifiers have also given indemnities on a joint and several basis in favour of the Company (for itself and as trustee as its subsidiaries) for any monetary fines, penalties, settlements payments and any associated costs, expenses and damages which would be incurred or suffered by our Group and/or cast doubt on the ability or suitability of the Controlling Shareholders to perform his/her duties as a Director in connection with any non-compliance with the applicable laws, rules or regulations, by himself/herself, our Company and/or any members of our Group in any relevant jurisdiction as deemed relevant to them by the relevant authorities, including but not limited to, their respective place of incorporation or operation which has occurred at any time on or before the Effective Date as set forth in "Business — Legal Proceedings and Compliance", in particular, including but not limited to, the payment of unpaid social insurance and housing provident fund contributions or any penalty imposed payment of the outstanding amount or shortfall of the contribution to the social insurance and/or housing provident fund.

2. Litigation

As of the Latest Practicable Date, no member of our Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance was known to our Directors to be pending or threatened against any member of our Group that would have a material adverse effect on our results of operations or financial conditions.

3. Sole Sponsor

The Sole Sponsor has made an application on behalf of our Company to the Listing Committee for [REDACTED] of, and permission to [REDACTED], the Shares in issue and Shares to be issued as mentioned herein (including any Shares falling to be issued pursuant to the exercise of the [REDACTED] and pursuant to the exercise of any options which may be granted under the Share Option Scheme).

The Sole Sponsor is independent from our Company pursuant to Rule 3A.07 of the Listing Rules. The total amount of fees payable to the Sole Sponsor by our Company for sponsoring the [REDACTED] of the Shares on the [REDACTED] is HK\$[REDACTED].

4. Preliminary Expenses

Our preliminary expenses are estimated to be approximately RMB1.0 million and were fully paid by our Company.

5. Promoter

Our Company has no promoter for the purpose of the Listing Rules. Save as disclosed above, within the two years immediately preceding the date of this Document, no cash, securities or other benefits have been paid, allotted or given to any promoters in connection with the [REDACTED] or the related transactions described in this Document.

6. Qualifications of Experts

The following are the qualifications of the experts who have given opinion or advice which are contained in this Document:

Name	Qualification
Ping An of China Capital (Hong Kong) Company Limited	Licensed for Type 6 (advising on corporate finance) regulated activities under the SFO
Ernst & Young	Certified public accountants under the Professional Accountants Ordinance (Chapter 50 of the Laws of Hong Kong) and Registered Public Interest Entity Auditor under the Accounting and Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong)
Jingtian & Gongcheng	PRC legal advisors to the Company
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Industry consultant
Ogier	Cayman Islands legal advisors to the Company
Hogan Lovells	International sanctions legal advisors
Winston & Strawn LLP	U.S. and Russian legal advisors as to import and export law

7. Consents of Experts

Each of the experts named in paragraph 6 above has given and has not withdrawn its consent to the issue of this Document with the inclusion of its report and/or letter and/or opinion (as the case may be) and references to its name included in the form and context in which it respectively appears.

None of the experts named in paragraph 6 above has any shareholding interests in our Group or any right or option (whether legally enforceable or not) to subscribe for, or to nominate persons to subscribe for, securities in any member of our Group.

8. Binding Effect

This Document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance insofar as applicable.

9. Agency fees or [REDACTED] received

The [REDACTED] will receive an [REDACTED], and the Sole Sponsor will receive a sponsorship fee, as referred to under "[REDACTED] and Expenses" in this Document.

10. Miscellaneous

- (a) Save as disclosed in "History, Reorganization and Corporate Structure" in this Document, within the two years immediately preceding the date of this Document:
1. no share or loan capital of our Company or any of its subsidiaries has been issued or agreed to be issued fully or partly paid either for cash or for a consideration other than cash;
 2. no share or loan capital of our Company or any of its subsidiaries is under option or is agreed conditionally or unconditionally to be put under option;
 3. no commissions, discounts, brokerages or other special terms have been granted or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of its subsidiaries;
 4. no founders, management or deferred shares of our Company or any of its subsidiaries have been issued or agreed to be issued; and
 5. no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share in our Company or any of its subsidiaries.
- (b) Since May 31, 2022, being the date of our latest audited consolidated financial results as set out in the Accountants' Report in Appendix I to this Document, there has been no material adverse change in the financial or trading position or prospects of our Group.

- (c) There has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this Document.
- (d) Subject to the provisions of the Cayman Companies Act, the register of members of the Company will be maintained in the Cayman Islands by [REDACTED] and a branch register of members of the Company will be maintained in Hong Kong by [REDACTED]. Unless the Directors otherwise agree, all transfer and other documents of title of Shares must be lodged for registration with and registered by our [REDACTED] in Hong Kong and may not be lodged in the Cayman Islands. All necessary arrangements have been made to enable the Shares to be admitted into [REDACTED] for clearing and settlement.
- (e) No company within our Group is presently listed on any stock exchange or traded on any trading system.
- (f) There are no arrangements in existence under which future dividends are to be or agreed to be waived.

11. Bilingual Document

The English language and Chinese language versions of this Document are being published separately in reliance upon the exemption provided by Section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).