

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in 佐力科創小額貸款股份有限公司 (Zuoli Kechuang Micro-finance Company Limited*), you should at once hand this circular, together with the accompanying form of proxy to the purchaser or the transferee, or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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佐力科創小額貸款股份有限公司
(Zuoli Kechuang Micro-finance Company Limited*)

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 6866)

**REPORT OF THE DIRECTORS FOR THE YEAR 2023,
REPORT OF THE BOARD OF SUPERVISORS FOR THE YEAR 2023,
ANNUAL REPORT FOR THE YEAR 2023,
THE COMPANY'S AUDITED FINANCIAL STATEMENTS FOR THE YEAR 2023,
PROFIT DISTRIBUTION PLAN FOR THE YEAR 2023,
EXTERNAL AUDITOR'S FEES FOR THE YEAR 2023,
RE-APPOINTMENT OF THE COMPANY'S EXTERNAL AUDITOR,
BANK CREDIT APPLICATIONS,
PURCHASE OF WEALTH MANAGEMENT PRODUCTS
WITH TEMPORARY IDLE PROCEEDS,
ESTABLISHMENT OF ESG SUSTAINABLE DEVELOPMENT COMMITTEE,
THE GRANTS OF EXTERNAL GUARANTEES,
GENERAL MANDATE TO ISSUE SHARES,
ISSUE OF DEBT FINANCING INSTRUMENTS,
AND
NOTICE OF AGM**

A notice of convening the AGM of the Company to be held at Conference Room, 3rd Floor, Zuoli Building, No. 399 Deqing Avenue, Wukang Road, Deqing County, Huzhou City, Zhejiang Province, the PRC at 3:30 p.m. on Tuesday, 25 June 2024 is set out on pages 14 to 21 of this circular. A form of proxy for use at the AGM is also enclosed with this circular. Whether or not you are able to attend and vote at the AGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the H Share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (in respect of H Shares), or to the Company's registered office in the PRC at No. 399 Deqing Avenue, Wukang Road, Deqing County, Huzhou City, Zhejiang Province, the PRC (in respect of Domestic Shares) as soon as possible but in any event by not later than 24 hours before the time appointed for holding of the AGM or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM or any adjourned meeting should you so wish.

* For identification purpose only

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DEFINITIONS

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

“AGM”	the annual general meeting of the Company to be held at Conference Room, 3rd Floor, Zuoli Building, No. 399 Deqing Avenue, Wukang Road, Deqing County, Huzhou City, Zhejiang Province, the PRC at 3:30 p.m. on 25 June 2024, the notice of which is set out on pages 14 to 21 of this circular, or any adjournment thereof
“Articles” or “Articles of Association”	the articles of association of the Company, as amended, modified or otherwise supplemented from time to time
“Board”	the board of Directors
“Company”	佐力科創小額貸款股份有限公司 (Zuoli Kechuang Micro-finance Company Limited*), a joint stock company incorporated in the PRC with limited liability on 18 August 2011 and the H Shares of which are listed on the Stock Exchange
“Company Law”	《中華人民共和國公司法》 (the Company Law of the PRC*), as amended, modified or otherwise supplemented from time to time
“Deqing”	Deqing County, Huzhou, Zhejiang, where the Company principally operates
“Director(s)”	the director(s) of the Company
“Domestic Shares”	ordinary shares issued by the Company, with RMB-denominated par value of RMB1.00 each, which are subscribed for and paid up in RMB
“General Meeting”	general meeting of the Shareholders
“Group”	the Company and its subsidiaries
“H Shares”	ordinary shares issued by the Company, with RMB-denominated par value of RMB1.00 each, which are subscribed for and paid up in HKD and listed on the Stock Exchange
“HKD” or “HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

* For identification purpose only

DEFINITIONS

“Latest Practicable Date”	15 April 2024, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information in this circular
“Listing Rules”	Rules Governing the Listing of Securities on the Stock Exchange, as amended, modified or otherwise supplemented from time to time
“Nomination Committee”	the nomination committee of the Board
“Notice”	the notice of the AGM as set out on pages 14 to 21 of this circular
“PRC”	the People’s Republic of China, for the purpose of this circular, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Securities Law”	《中華人民共和國證券法》(the Securities Law of the PRC*), as amended, modified or otherwise supplemented from time to time
“SFO”	Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended, modified or otherwise supplemented from time to time
“Share(s)”	the Domestic Share(s) and the H Share(s)
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supervisor(s)”	the member(s) of the supervisory committee of the Company established pursuant to the Company Law
“Supervisory Committee”	the supervisory committee of the Company established pursuant to the Company Law
“Zhejiang”	Zhejiang Province, a province located in the southeastern coast of the PRC
“%”	percent

DEFINITIONS

For the purpose of this circular, conversion of RMB into HK\$ is based on the exchange rate of RMB1.00 to HK\$1.08. The exchange rate has been used, where applicable, for the purposes of illustration only and do not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.

LETTER FROM THE BOARD



佐力科創小額貸款股份有限公司
(Zuoli Kechuang Micro-finance Company Limited*)

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 6866)

Executive Directors:

Mr. Yu Yin (Chairman)
Mr. Zheng Xuegen
Mr. Yang Sheng
Ms. Hu Fangfang

Non-executive Director:

Mr. Pan Zhongmin

Independent Non-executive Directors:

Mr. Chan Kin Man
Mr. Zhao Xuqiang
Ms. Yang Jie

Registered Office:

No. 399, Deqing Avenue,
Wukang Road,
Deqing County,
Huzhou City,
Zhejiang Province, the PRC

*Principal Place of Business
in Hong Kong:*

Suite 2703, 27/F.,
Shui On Centre,
6-8 Harbour Road,
Wanchai, Hong Kong

24 April 2024

To the Shareholders

Dear Sir or Madam,

**REPORT OF THE DIRECTORS FOR THE YEAR 2023,
REPORT OF THE BOARD OF SUPERVISORS FOR THE YEAR 2023,
ANNUAL REPORT FOR THE YEAR 2023,
THE COMPANY'S AUDITED FINANCIAL STATEMENTS FOR THE YEAR 2023,
PROFIT DISTRIBUTION PLAN FOR THE YEAR 2023,
EXTERNAL AUDITOR'S FEES FOR THE YEAR 2023,
RE-APPOINTMENT OF THE COMPANY'S EXTERNAL AUDITOR,
BANK CREDIT APPLICATIONS,
PURCHASE OF WEALTH MANAGEMENT PRODUCTS
WITH TEMPORARY IDLE PROCEEDS,
ESTABLISHMENT OF ESG SUSTAINABLE DEVELOPMENT COMMITTEE,
THE GRANTS OF EXTERNAL GUARANTEES,
GENERAL MANDATE TO ISSUE SHARES,
ISSUE OF DEBT FINANCING INSTRUMENTS,
AND
NOTICE OF AGM**

* For identification purpose only

LETTER FROM THE BOARD

INTRODUCTION

The purpose of this circular is to give you the Notice and provide you with relevant information to enable you to make informed decision on whether to vote for or against the resolutions (among others) to be proposed at the AGM for the following issues, to be approved by way of ordinary resolutions or special resolutions:

ORDINARY RESOLUTIONS

- (1) Report of the Directors for the year 2023;
- (2) Report of the board of Supervisors for the year 2023;
- (3) Annual report for the year 2023;
- (4) The Company's audited financial statements for the year 2023;
- (5) Profit distribution plan for the year 2023;
- (6) External auditor's fees for the year 2023;
- (7) Re-appointment of KPMG as the Company's external auditor;
- (8) Bank credit applications;
- (9) Purchase of wealth management products with temporary idle proceeds; and
- (10) Establishment of ESG Sustainable Development Committee.

SPECIAL RESOLUTIONS

- (11) The grants of external guarantees;
- (12) General mandate to issue Shares; and
- (13) Issue of the debt financing instruments.

LETTER FROM THE BOARD

(1) REPORT OF THE DIRECTORS FOR THE YEAR 2023

An ordinary resolution will be proposed at the AGM to approve the report of the Directors for the year 2023, the text of which is set out in the Company's annual report dispatched on 24 April 2024.

(2) REPORT OF THE BOARD OF SUPERVISORS FOR THE YEAR 2023

An ordinary resolution will be proposed at the AGM to approve the report of the board of Supervisors for the year 2023, the text of which is set out in the Company's annual report dispatched on 24 April 2024.

(3) ANNUAL REPORT FOR THE YEAR 2023

An ordinary resolution will be proposed at the AGM to approve the annual report for the year 2023 dispatched on 24 April 2024.

(4) THE COMPANY'S AUDITED FINANCIAL STATEMENTS FOR THE YEAR 2023

An ordinary resolution will be proposed at the AGM to approve the Company's audited financial statements for the year ended 31 December 2023, the text of which is set out in the Company's annual report dispatched on 24 April 2024.

(5) PROFIT DISTRIBUTION PLAN FOR THE YEAR 2023

According to the Articles of Association, an ordinary resolution will be proposed at the AGM to approve the Company's profit distribution plan for the year 2023.

The Board proposed the distribution of a final dividend of RMB0.02 per Share (before tax) totaling RMB23.6 million (before tax) for the year ended 31 December 2023. Such dividend will be paid to the holders of the Domestic Shares in RMB and to the holders of the H Shares in HKD. The actual amount of the H Share dividend paid in HKD will be calculated according to the average closing exchange rate of RMB against HKD as published by the People's Bank of China for one calendar week immediately preceding the date of the AGM. The payment date for the Proposed Final Dividend will be determined upon approval by the Shareholders at the AGM.

Pursuant to the enterprise income tax law of the PRC and its implementation rules, which came into force on 1 January 2008 and other relevant rules, where the Company distributes the proposed 2023 final dividend to non-resident enterprise Shareholders whose names appear on the register of members for H Shares of the Company, it is required to withhold enterprise income tax at the rate of 10%. Any H Shares registered in the name of non-individual registered Shareholders, including HKSCC Nominees Limited, other nominees, trustees or other organizations or groups, will be treated as Shares being held by non-resident enterprise Shareholders, and consequently will be subject to the withholding of the enterprise income tax.

LETTER FROM THE BOARD

Pursuant to the requirements of the Notice on Certain Issues on the Policies of Individual Income Tax by the State Administration of Taxation and the Ministry of Finance (Cai Shui Zi [1994] No. 20) (《財政部、國家稅務總局關於個人所得稅若干政策問題的通知》(財稅字[1994] 20號)), foreign individuals are temporarily exempted from individual income tax on the dividends and bonuses received from foreign invested enterprises. The Company was approved by the Department of Commerce of Zhejiang Province to convert into a foreign invested joint stock company, and thus the Company is not required to withhold nor pay the individual income tax on the distribution of dividend to non-resident individual shareholders named in the H Share register.

(6) EXTERNAL AUDITOR'S FEES FOR THE YEAR 2023

An ordinary resolution will be proposed at the AGM to approve the fees paid or payable to the external auditor of the Company, KPMG, for the year ended 31 December 2023.

During the year ended 31 December 2023, the annual fees payable to KPMG in respect of its audit services provided to the Company was RMB2.1 million.

(7) RE-APPOINTMENT OF KPMG AS THE COMPANY'S EXTERNAL AUDITOR

An ordinary resolution will be proposed at the AGM to consider and approve the re-appointment of KPMG as the Company's external auditor for a term until the conclusion of the next annual general meeting of the Company, and to authorise the Board and the authorised person of the Board to determine its remuneration.

(8) BANK CREDIT APPLICATIONS

In order to further expand the capital source of the Company and benefit the expansion of the Company's business, the Company intends to apply a comprehensive credit line not exceeding RMB800 million (including RMB800 million) from the bank with the actual bank interest rate during the period of obtaining credit, to supplement the working capital of the Company in the year of 2024. The amount of credit applied by the Company will ultimately depend on the actual credit amount approved by the bank. The specific financing amount will be determined in accordance with the actual needs of working capital of the Company.

Within the scope of annual credit limit approved in the annual general meeting of the Company, to authorise the chairman of the Board to execute any legal documents in connection with the above credit limit on behalf of the Company, all legal and economic liabilities arising therefrom shall be borne by the Company. The chief financial officer of the Company is responsible for matters such as the execution of bank credit applications.

(9) PURCHASE OF WEALTH MANAGEMENT PRODUCTS WITH TEMPORARY IDLE PROCEEDS

To improve the efficiency of utilisation of the Group's temporary idle proceeds, the Company intends to apply part of the idle proceeds to purchase wealth management products issued by financial institutions with lower risk without affecting the Company's daily operation capital use, so

LETTER FROM THE BOARD

as to enhance the utilisation and effect of the Company's temporary idle proceeds, thereby further increase the overall income of the Company and seek better investment returns for the benefits of the Company and the Shareholders as a whole.

According to the actual funds arrangement of the Company, the proposed wealth management products to be invested are summarised below:

(i) Varieties of entrusted wealth management products

Varieties of investment on wealth management products issued by financial institutions are classified as fixed income or non-break-even floating income.

(ii) Investment cap

The amount of a single purchase of wealth management products by the Company or unexpired wealth management products held at any time shall not exceed RMB200 million in aggregate. Rolling use can be made within the abovementioned cap upon the passing of this resolution.

(iii) Term

Term of purchase of wealth management products with temporary idle proceeds shall not exceed 1 month.

(iv) Source of funding and manner of implementation

Funding for purchase of wealth management products shall be solely limited to temporary idle proceeds of the Company. It is proposed that the following authorisation of the Board is approved at AGM: within the abovementioned cap (i) the chairman of the Board is authorised to exercise the decision-making power regarding purchase of wealth management products and sign relevant legal documents; (ii) the chief financial officer of the Company is authorised to be responsible for matters such as handling relevant procedures for purchase of wealth management products. The Company will perform the continuous disclosure obligations related to the progress of the related usage of temporary idle proceeds for purchase of wealth management products pursuant to the applicable laws and regulations.

The abovementioned authorisation shall be effective from the passing of this resolution at the AGM until the date of the next annual general meeting of the Company.

(10) ESTABLISHMENT OF ESG SUSTAINABLE DEVELOPMENT COMMITTEE

In order to meet its sustainable development needs, the Company proposes to establish an ESG Sustainable Development Committee and formulate its terms of reference in accordance with the Company Law of the People's Republic of China, the Listing Rules, the Articles of Association and other relevant regulations.

LETTER FROM THE BOARD

The ESG Sustainable Development Committee will be responsible for assisting the Board in overseeing the formulation and implementation of the Company's sustainable development strategy to address environmental, social and governance ("ESG") related issues, including: guiding the formulation of the Company's ESG sustainable development strategy, monitoring and evaluating the progress and performance of ESG sustainability efforts; making decisions and providing guidance for the establishment, implementation and improvement of the Company's ESMS; providing an open communication channel for the Board and senior management concerned with the Company's ESG sustainability issues; assisting the Board in identifying and assessing ESG sustainability opportunities and risks, and reviewing relevant public disclosures and reports and sustainable growth related matters.

Upon nomination by the Chairman of the Board, the Board proposes to elect Mr. Yang Sheng, Mr. Chan Kin Man and Ms. Hu Fangfang as members of the ESG Sustainable Development Committee of the Board of Zuoli Kechuang Micro-finance Company Limited* for a term of office from the date of passing the resolution at the AGM to the expiration of the fourth session of the Board.

(11) THE GRANTS OF EXTERNAL GUARANTEES

In order to meet the production, operation and development needs of the Company's holding subsidiaries and enhance its market competitiveness, the Company intends to provide external guarantees with a total amount of no more than RMB1 billion (including RMB1 billion) (the "**External Guarantee Quota**") to its holding subsidiaries pursuant to the relevant requirements of the Securities Law, the Company Law, the Listing Rules and other applicable laws and regulations. The Board resolved to submit to the Shareholders at the AGM for considering and approving the following mandates (the "**Mandates**") to the Board:

- (i) in the extent of External Guarantee Quota that implement the required guarantee amounts by steps, as well as sign and guarantee the relevant legal documents, pursuant to the major business operations of each of the Company's holding subsidiaries;
- (ii) in the extent of External Guarantee Quota that could adjust the actual guarantee amounts amongst the holding subsidiaries on the basis of the actual needs of each holding subsidiary of the Company.

The Mandates shall be deemed effective until the earliest of: (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the Articles of Association or other applicable laws and regulations; or (iii) the date on which the granted authority under relevant resolution of the Shareholders is revoked or varied by a special resolution of the Shareholders in a General Meeting. The Company will perform the continuous disclosure obligations related to the progress of the related external guarantees pursuant to the applicable laws and regulations.

LETTER FROM THE BOARD

(12) GENERAL MANDATE TO ISSUE SHARES

To increase flexibility and efficiency in the Company's operation, a special resolution is proposed by the Company to grant the general mandate to the Directors to allot, issue and otherwise deal with additional Domestic Shares and/or H Shares, up to a limit of 20% of each of the number of the Domestic Shares and H Shares, respectively, in issue on the date of passing such resolution. As at the Latest Practicable Date, the issued share capital of the Company comprised 880,000,000 Domestic Shares and 300,000,000 H Shares. Subject to the passing of the resolution of the granting of the general mandate and on the basis that no further Shares will be issued before the AGM, the Company will be allowed to issue a maximum of 176,000,000 Domestic Shares and 60,000,000 H Shares under the general mandate.

The general mandate shall be deemed effective until the earliest of: (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the Articles of Association or other applicable laws and regulations; or (iii) the date on which the granted authority under relevant resolution of the Shareholders is revoked or varied by a special resolution of the Shareholders in a General Meeting.

Pursuant to the general mandate, the Board shall be authorised to determine the specific issue plan, including but not limited to: (i) to determine the amount of the Domestic Shares and/or H Shares to be allotted; (ii) to determine the issue price of the new Domestic Shares and/or H Shares; (iii) to determine the date(s) on which the issue of new Domestic Shares and/or H Shares is/are to be commence and close; (iv) to determine the number of new Domestic Shares and/or H Shares, if applicable, to be issued to the existing holders of Domestic Shares and/or H Shares; (v) to make or grant an offer, agreement and option necessary for the exercise of such powers; and (vi) where prohibited and required by foreign laws or regulations, or by other reasons which in the opinion of the Board are appropriate, to determine that the offer of subscription for and issue of shares to holders of H Shares shall exclude shareholders residing in the PRC or the offer of subscription for and issue of shares to holders of Domestic Shares shall exclude shareholders residing outside the PRC.

Any exercise of the power by the Board under the general mandate shall comply with the relevant requirements of the Listing Rules, the Articles of Association, the applicable laws and regulations of the PRC and all the necessary approvals of relevant government authorities. As at the Latest Practicable Date, the Board does not have any definitive plan to issue any new Shares pursuant to the general mandate.

(13) ISSUE OF DEBT FINANCING INSTRUMENTS

In order to further expand financing channels of the Company, develop the business and lower the financing cost of the Company, the Board resolved to submit to the Shareholders at the AGM for consideration and, if thought fit, approval of the proposed issue of the debt financing instrument with an aggregate principal amount of not more than RMB2 billion (including RMB2 billion) (the "Debt Financing Instruments") inside or outside the PRC.

LETTER FROM THE BOARD

According to the laws and regulations of the PRC and the Articles of Association, the proposed issue of the Debt Financing Instruments is subject to the approval of the Shareholders by way of a special resolution at the AGM and the approval by relevant regulatory authorities.

(1) Arrangements for the issue

- Size of issue: not more than RMB2 billion in aggregate (including RMB2 billion), excluding existing debt financing instruments, hybrid financing instruments and equity financing instruments;
- Categories of issue: one or several categories of debt financing instruments including but not limited to super short-term debentures, short-term debentures, medium-term notes, private placement of debt financing instruments, assets-backed notes, project revenue notes, corporate bonds, enterprise assets-backed bonds, overseas bond issuance, overseas borrowings and other type of debt financing instrument issued inside or outside the PRC;
- Maturity: not more than five years (including five years) for the term of each Debt Financing Instruments; and
- Use of proceeds: supplement of working capital.

(2) Authorisation to the Board

It will be submitted to the AGM to authorise the Board to deal with, in the best interest of the Company, all matters relating to the proposed issue of Debt Financing Instruments, including but not limited:

- (i) to consider the issue of Debt Financing Instruments in accordance with needs of the Company, to deal with the specific proposals, specific terms and conditions and other relevant matters for the issue of public Debt Financing Instruments in accordance with the market conditions, including but not limited to the issue subject, size of issue, interest rate, duration, type and condition of guarantee, intended investors, use of proceeds, arrangement for offering in tranches (if any) and producing, filing, executing, signing, accepting and publishing of any necessary legal documents;
- (ii) to make any changes or adjustments to the relevant matters of the issue of the Debt Financing Instruments with reference to the comments from relevant regulatory authorities or the market conditions if there is any change to the regulatory policies or the market conditions;
- (iii) to sign all necessary legal documents regarding to the issue of Debt Financing Instruments;

LETTER FROM THE BOARD

- (iv) to decide the engagement of intermediaries necessary for the issue of Debt Financing Instruments; and
- (v) to determine any other matters relating the issue of Debt Financing Instruments.

The abovementioned authorisation shall be deemed effective until the earliest of: (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the Articles of Association or other applicable laws and regulations; or (iii) the date on which the granted authority under relevant resolution of the Shareholders is revoked or varied by a special resolution of the Shareholders in a General Meeting.

THE AGM AND PROXY ARRANGEMENT

Notice

The AGM will be held at Conference Room, 3rd Floor, Zuoli Building, No. 399 Deqing Avenue, Wukang Road, Deqing County, Huzhou City, Zhejiang Province, the PRC at 3:30 p.m. on Tuesday, 25 June 2024. The Notice is set out on pages 14 to 21 of this circular.

Closure of books

The register of members of the Company will be closed from Sunday, 26 May 2024 to Tuesday, 25 June 2024, both days inclusive, during which period no transfer of Shares will be effected. In order to be qualified to attend and vote at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the H Share registrar of the Company, namely Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (in respect of H Shares), or to the Company’s registered office in the PRC at No. 399 Deqing Avenue, Wukang Road, Deqing County, Huzhou City, Zhejiang Province, the PRC (in respect of Domestic Shares) no later than 4:30 p.m. on Friday, 24 May 2024.

Proxy form

Shareholders who intend to attend the AGM by proxy are required to complete and return the proxy form, in accordance with the instructions printed thereon as soon as possible and in any event not later than 24 hours before the time appointed for the holding of the AGM or any adjournment thereof. Completion and return of the proxy form will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

Voting by poll at the AGM

Pursuant to Rule 13.39(4) of the Listing Rules, the resolutions to be proposed at the AGM as set out in the Notice set out at the end of this circular must be taken by poll. The chairman of the AGM will therefore demand a poll for every such resolution put to the vote at the AGM. On a poll, every Shareholder present in person or by proxy or (being a corporation) by its duly authorised

LETTER FROM THE BOARD

representative shall have one vote for each Share of the Company registered in his or her name in the register of Shareholders. A Shareholder entitled to more than one vote need not use all his or her votes or cast all the votes he or she uses in the same way.

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Board considers that all resolutions set out in the Notice for the Shareholders' consideration and approval are in the best interests of the Company and its Shareholders as a whole. As such, the Board recommends the Shareholders to vote in favor of the resolutions set out in the Notice which are to be proposed at the AGM.

Yours faithfully,
By order of the Board of
佐力科創小額貸款股份有限公司
(**Zuoli Kechuang Micro-finance Company Limited***)
YU Yin
Chairman

NOTICE OF 2023 ANNUAL GENERAL MEETING



佐力科創小額貸款股份有限公司 (Zuoli Kechuang Micro-finance Company Limited*)

(A joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 6866)

NOTICE IS HEREBY GIVEN that the annual general meeting (the “AGM”) of 佐力科創小額貸款股份有限公司 (Zuoli Kechuang Micro-finance Company Limited*) (the “Company”) for the year ended 31 December 2023 will be held at Conference Room, 3rd Floor, Zuoli Building, No. 399 Deqing Avenue, Wukang Road, Deqing County, Huzhou City, Zhejiang Province, the People's Republic of China at 3:30 p.m. on 25 June 2024 to consider and, if thought fit, to pass, with or without modifications, the following resolutions of the Company:

ORDINARY RESOLUTIONS

1. To receive, consider and approve the report of the board of directors of the Company for the year ended 31 December 2023;
2. To receive, consider and approve the report of the board of supervisors of the Company for the year ended 31 December 2023;
3. To receive, consider and approve the annual report of the Company for the year ended 31 December 2023;
4. To receive, consider and approve the Company's audited financial statements for the year ended 31 December 2023;
5. To consider and approve the Company's profit distribution plan for the year ended 31 December 2023;
6. To consider and approve the Company's external auditor's fees for the year ended 31 December 2023;
7. To consider and approve the re-appointment of KPMG as the Company's external auditor for a term until the conclusion of the next annual general meeting of the Company and other applicable laws and regulations, and to authorise the board of directors of the Company to determine its remuneration;
8. To consider and approve the application for a credit line from the bank with an amount not exceeding RMB800 million (including RMB800 million); and

* For identification purpose only

NOTICE OF 2023 ANNUAL GENERAL MEETING

9. To consider and authorise the board of directors of the Company to purchase wealth management products with temporary idle proceeds.
10. To consider and approve the establishment of ESG Sustainable Development Committee.

SPECIAL RESOLUTIONS

11. To consider and approve the external guarantees of the Company with an aggregated amount not exceeding RMB1 billion (including RMB1 billion);
12. To consider and approve the following as a special resolution of the Company:

“THAT:

- (1) in accordance with the requirements of the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (the “**Listing Rules**”), the Company Law of the People’s Republic of China (the “**PRC**”), as well as other applicable laws and regulations, in each case as amended from time to time, a general mandate be granted to the board of directors of the Company (the “**Board**”) to exercise, for once or more than once, all the power of the Company to allot, issue and deal with Domestic Shares (as defined below) and/or H Shares (as defined below) or securities convertible into such shares or options, warrants or similar rights to subscribe for any such shares or such convertible securities (including the power to make or grant any offers, agreements, options (including bonds, warrants and debentures convertible into shares of the Company) and rights of exchange or conversion which would or might require the exercise of such powers) during the Relevant Period (as defined below):

In exercising the power to allot, issue and deal with the Domestic Shares and/or H Shares, the authority of the Board to determine the specific issue plan shall include (but not limited to) the following:

- (i) to determine the amount of the Domestic Shares and/or H Shares to be allotted;
- (ii) to determine the issue price of the new Domestic Shares and/or H Shares;
- (iii) to determine the date(s) on which the issue of new Domestic Shares and/or H Shares is/are to be commence and close;
- (iv) to determine the number of new Domestic Shares and/or H Shares, if applicable, to be issued to the existing holders of Domestic Shares and/or H Shares;

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- (v) to make or grant an offer, agreement and option necessary for the exercise of such powers; and
- (vi) where prohibited and required by foreign laws or regulations, or by other reasons which in the opinion of the Board are appropriate, to determine that the offer of subscription for and issue of shares to holders of H Shares shall exclude shareholders residing in the PRC or the offer of subscription for and issue of shares to holders of Domestic Shares shall exclude shareholders residing outside the PRC;
- (a) upon the exercise of the powers granted to the Board above, the Board may during the Relevant Period make or grant any offers, agreements, or options which might require the exercise of such powers either during or after the expiration of the Relevant Period;
- (b) the aggregate number of Domestic Shares and H Shares to be allotted or agreed conditionally or unconditionally to be allotted by the Board pursuant to such mandate granted to the Board above shall not exceed:
 - (i) 20 per cent of the number of Domestic Shares in issue; and
 - (ii) 20 per cent of the number of H Shares in issue;

in each case as of the date of the passing of this resolution, otherwise than pursuant to (i) a Right Issue (as defined below); (ii) any scrip dividend or similar arrangement providing for allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company; (iii) the exercise of any right of subscription or conversion under the terms of any bonds, warrants or debentures which may be issued by the Company or any securities which are convertible into shares of the Company; or (iv) a specific authority granted by the shareholders of the Company in general meeting; and

- (c) the Board shall only exercise its power under such mandate in accordance with the Company Law of the PRC, the Listing Rules and other applicable laws and regulations (in each case as amended from time to time) and only if all necessary approvals from the China Securities Regulatory Commission and/or other relevant PRC government authorities have been obtained;

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For the purpose of this resolution:

“Domestic Shares” means ordinary shares issued by the Company, with RMB-denominated par value of RMB1.00 each, which are subscribed for and paid up in RMB;

“H Shares” means the ordinary shares issued by the Company, with RMB-denominated par value of RMB1.00 each, which are subscribed for and paid up in HKD and listed on the Stock Exchange; and

“Relevant Period” means the period from the passing of the resolution at the AGM until the earliest of:

- (A) the conclusion of the next annual general meeting of the Company; or
 - (B) the expiration of the period within which the next annual general meeting of the Company is required by the articles of association of the Company or other applicable laws to be held; or
 - (C) the date on which the authority set out in this resolution is revoked or varied by a special resolution of the shareholders of the Company in a general meeting; or
 - (D) “Rights Issue” means an offer of shares of the Company or offer or issue of options, warrants or other securities giving rights to subscribe for shares of the Company, open for a period fixed by the Board to holders of shares of the Company on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the Board may deem necessary or expedient in relation to fractional entitlements and having regard to any legal or practical problems, restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong applicable to the Company) and an offer, allotment or issue of shares by way of rights shall be construed accordingly; and
- (2) subject to the Board resolving to issue shares pursuant to subparagraph (1) of this resolution, the Board be authorised to:
- (a) formulate and implement the specific issuance plan with details including but not limited to: the class and number of the shares of the Company to be issued; the pricing method and/or issue price (including the range of issue price); the start and end date of the issuance; use of proceeds; and other matters to be included in a specific issuance plan as required by the relevant laws, regulations and other regulatory documents, relevant regulatory institutions as well as the stock exchange of the place where the H Shares are listed;

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- (b) approve, execute and do or procure to be executed and done, all such documents, deeds and things as it may consider necessary in connection with the issue of such new shares including, without limitation, the agreement for the engagement of any professional parties, making all necessary applications to the relevant authorities, entering into an underwriting agreement (or any other agreement) and making appropriate amendments;
- (c) make all necessary filings and registrations with the relevant PRC and Hong Kong authorities; and
- (d) increase the registered capital of the Company in accordance with the actual increase of capital by issuing shares pursuant to sub-paragraph (1) of this resolution, to register the increase of capital with the relevant authorities in the PRC and to make such amendments to the articles of association of the Company as it thinks fit so as to reflect the increase and any other changes in the registered capital of the Company.”

13. To consider and approve the following as a special resolution of the Company:

“**THAT:** the issue of the debt financing instruments with an aggregate principal amount of not more than RMB2 billion (including RMB2 billion) (the “**Debt Financing Instruments**”), on the terms set forth below be and is detailed below and hereby approved:

- (a) Size of issue: not more than RMB2 billion in aggregate (including RMB2 billion), excluding existing debt financing instruments, hybrid financing instruments and equity financing instruments;
- (b) Categories of issue: one or several categories of Debt Financing Instruments including but not limited to super short-term debentures, short-term debentures, medium-term notes, private placement of Debt Financing Instruments, assets-backed notes, project revenue notes, corporate bonds, enterprise asset-backed bonds, overseas bond issuance, overseas borrowing and other type of Debt Financing Instrument issued inside or outside the PRC;
- (c) Maturity: not more than five years for the term of each Debt Financing Instruments (including five years);
- (d) Use of proceeds: supplement of working capital;
- (e) Authorisation: the board of directors of the Company be and is hereby authorised to deal with all matters relating to the proposed issue of Debt Financing Instruments, including but not limited to:
 - (i) to consider the issue of Debt Financing Instruments in accordance with the needs of the Company, to deal with the specific proposals, specific terms and conditions and other relevant matters for the issue of public Debt Financing Instrument in accordance with the market conditions, including but not limited

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- to the issue subject, size of issue, interest rate, duration, type and condition of guarantee, intended investors, use of proceeds, arrangement for offering in tranches (if any) and producing, filing, executing, signing, accepting and publishing of any necessary legal documents;
- (ii) to make any changes or adjustments to the relevant matters of the issue of the Debt Financing Instruments with reference to the comments from relevant regulatory authorities or the market conditions if there is any change to the regulatory policies or the market conditions;
 - (iii) to sign all necessary legal documents regarding to the issue of Debt Financing Instruments;
 - (iv) to decide the engagement of intermediaries necessary for the issue of Debt Financing Instruments; and
 - (v) to determine any other matters relating the issue of Debt Financing Instruments.
- (f) The abovementioned authorisation shall be deemed effective until the earliest of: (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the Articles of Association or other applicable laws and regulations; or (iii) the date on which the granted authority under relevant resolution of the Shareholders is revoked or varied by a special resolution of the Shareholders in a General Meeting.”

By order of the Board of
佐力科創小額貸款股份有限公司
(Zuoli Kechuang Micro-finance Company Limited*)
YU Yin
Chairman

Hong Kong, 24 April 2024

* For identification purpose only

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Notes:

1. The register of members of the Company will be closed from Sunday, 26 May 2024 to Tuesday, 25 June 2024, both days inclusive, during which period no transfer of Shares will be effected. In order to be qualified to attend and vote at the AGM, all transfers accompanied by the relevant share certificates must be lodged with the H Share registrar of the Company at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (in respect of H Shares), Computershare Hong Kong Investor Services Limited, or to the Company’s registered office in the PRC (in respect of Domestic Shares) no later than 4:30 p.m. on Friday, 24 May 2024.
2. The register of members of the Company will be closed from Tuesday, 2 July 2024 to Monday, 8 July 2024, both days inclusive, during which period no transfer of shares will be registered. In order to be qualified for receiving the final dividend for the year ended 31 December 2023, all transfer documents accompanied by the relevant share certificates must be lodged with the H Share Registrar of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong (in respect of H Shares), or to the Company’s registered office in the PRC at No. 399 Deqing Avenue, Wukang Road, Deqing County, Huzhou City, Zhejiang Province, the PRC (in respect of Domestic Shares) no later than 4:30 p.m. on Friday, 28 June 2024.
3. Any shareholders of the Company (the “Shareholders”) who is entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote on his/her behalf. A proxy needs not be a Shareholder.
4. The instrument appointing a proxy must be in writing under the hand of the appointer or his attorney duly authorised in writing. If the Shareholder is a legal person, that instrument must be executed either under its seal or under the hand of its director or other attorney duly authorised to sign the same.
5. In order to be valid, the proxy form must be deposited, for the holders of H Shares, to the H share registrar of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, or for the holders of Domestic Shares, to the Company’s registered office in the PRC, not less than 24 hours before the time for holding the AGM (or any adjournment thereof). If the proxy form is signed by a person under a power of attorney or other authorisation instrument, a notarially certified copy of that power of attorney or other authority shall be deposited at the same time as mentioned in the proxy form. Completion and return of the proxy form will not preclude the Shareholders from attending and voting in person at the AGM or any adjourned meetings should you so wish.
6. If corporate Shareholders appoint any authorised representative to attend the AGM, the authorised representative shall produce his/her identity documents and a notarially certified copy of the relevant authorisation instrument signed by the board of directors or other authorised parties of the corporate Shareholders or other notarially certified documents allowed by the Company.
7. The AGM is expected to be held for less than half a day. Shareholders who intend to attend the AGM shall arrange and bear their own transportation and accommodation expenses.
8. The name and address of the Company’s H share registrar in Hong Kong is as follows:

Computershare Hong Kong Investor Services Limited
Shops 1712–1716, 17th Floor and 17M Floor,
Hopewell Centre,
183 Queen’s Road East,
Wanchai,
Hong Kong

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9. The registered office of the Company in the PRC is as follows:

No. 399 Deqing Avenue,
Wukang Road,
Deqing County,
Huzhou City,
Zhejiang Province,
The PRC

10. Where there are joint registered holders of any Share(s), any one of such joint holders may attend and vote at the AGM, either in person or by proxy, in respect of such Share(s) as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the AGM or any adjourned meeting thereof (as the case may be), the most senior shall alone be entitled to vote, whether in person or by proxy. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

11. As at the date of this notice, the board of directors (the “Director(s)”) of the Company comprises four executive Directors, namely Mr. YU Yin (the Chairman), Mr. ZHENG Xuegen, Mr. YANG Sheng and Ms. HU Fangfang; one non-executive Director, namely Mr. PAN Zhongmin; and three independent non-executive Directors, namely Mr. CHAN Kin Man, Mr. ZHAO Xuqiang and Ms. YANG Jie.