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If you have sold or transferred all your shares in **Cheshi Technology Inc.**, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or the transferee or to the bank, licensed securities dealer, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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车市科技

C H E S H I T E C H

Cheshi Technology Inc.

车市科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1490)

**(1) PROPOSALS FOR GENERAL MANDATES TO ISSUE SHARES
AND REPURCHASE SHARES;
(2) RE-ELECTION OF DIRECTORS;
AND
(3) NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the 2024 annual general meeting of Cheshi Technology Inc. to be held at Room 401, Block C, Shuguang Tower No. 5 Jingshun Road, Chaoyang District Beijing, the PRC on Wednesday, May 22, 2024 at 10:00 a.m. is set out on pages 18 to 22 of this circular. A form of proxy for use at the annual general meeting is also enclosed. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.cheshi.com). Whether or not you are able to attend the meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting at the meeting if you so wish.

April 26, 2024

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DEFINITIONS

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

“Annual General Meeting”	the 2024 annual general meeting of the Company to be held at Room 401, Block C, Shuguang Tower No. 5 Jingshun Road, Chaoyang District Beijing, the PRC on Friday, May 22, 2024 at 10:00 a.m., or any adjournment thereof and notice of which is set out on pages 18 to 22 of this circular
“Audit Committee”	the audit committee of the Company
“Board”	the board of Directors
“China” or “PRC”	the People’s Republic of China excluding, for the purpose of this circular, Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Companies Act”	the Companies Act (revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
“Company”	Cheshi Technology Inc. 車市科技有限公司 (previously known as Cheshi Holdings Limited), an exempted company with limited liability incorporated in the Cayman Islands on November 22, 2018, the Shares of which are listed on the Main Board of the Stock Exchange
“Consolidated Affiliated Entities”	the entities the Group controls through the contractual arrangements
“Director(s)”	the director(s) of the Company
“Group”	the Company, its subsidiaries and Consolidated Affiliated Entities, or, where the context so requires, in respect of the period prior to the Company becoming the holding company of its present subsidiaries, such subsidiaries as if they were subsidiaries of the Company at the relevant time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	April 22, 2024, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Date”	January 15, 2021, being the date on which the Shares were listed on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Memorandum and Articles”	the existing fourth amended and restated memorandum and Memorandum and Articles of the Company, as amended from time to time
“Nomination Committee”	the nomination committee of the Company
“Proposed Issue Mandate”	a general mandate proposed to be granted to the Directors at the Annual General Meeting to allot, issue and/or deal with the additional Shares up to 20% of the aggregate number of issued Shares as at the date of passing of the relevant resolution granting such general mandate
“Remuneration Committee”	the remuneration committee of the Company
“RMB”	Renminbi, the lawful currency of the PRC
“SA Scheme”	the restricted share award scheme approved and conditionally adopted by the Shareholders on June 25, 2019, the principal terms of which are set forth in “Statutory and General Information – G. RSU Scheme and SA Scheme – 2. SA Scheme” in Appendix IV to the prospectus of the Company dated December 31, 2020
“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the share capital of the Company with a nominal value of US\$0.0001 each

DEFINITIONS

“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission of Hong Kong, as amended, supplemented or otherwise modified from time to time
“US\$”	the United States of America dollars, the lawful currency of the United States of America
“%”	per cent

LETTER FROM THE BOARD



C H E S H I T E C H

Cheshi Technology Inc.

车市科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1490)

Executive Directors:

Mr. Xu Chong (*Chairman and
chief executive officer*)

Mr. Liu Lei

Mr. Lin Yuqi

Registered office:

Sertus Chambers, Governors Square

Suite# 5-204, 23 Lime Tree Bay Avenue

P.O. Box 2547

Grand Cayman, KY1-1104

Cayman Islands

Independent Non-executive Directors:

Mr. Xu Xiangyang

Mr. Ng Jack Ho Wan

Mr. Sun Yong

*Head office and principal place of
business in the PRC:*

Room 401

Block C, Shuguang Tower

No. 5 Jingshun Road

Chaoyang District

Beijing

the PRC

Principal place of business in Hong Kong:

31/F, Tower Two, Times Square

1 Matheson Street, Causeway Bay

Hong Kong

April 26, 2024

To the Shareholders

Dear Sir or Madam,

- (1) PROPOSALS FOR GENERAL MANDATES TO ISSUE SHARES
AND REPURCHASE SHARES;
(2) RE-ELECTION OF DIRECTORS;
AND
(3) NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with (i) the notice of Annual General Meeting; (ii) all the information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolutions in relation to the Proposed Issue Mandate, the Proposed Repurchase Mandate; and (iii) information relating to the re-election of Directors.

LETTER FROM THE BOARD

PROPOSED ISSUE MANDATE

In order to ensure flexibility and give discretion to the Directors in the event that it becomes desirable to issue any Shares, approval is to be sought from the Shareholders, pursuant to the Listing Rules, for a general mandate to issue Shares. At the Annual General Meeting, an ordinary resolution numbered 4(A) will be proposed to grant a general mandate to the Directors to exercise the powers of the Company to allot, issue and deal with the additional Shares up to 20% of the aggregate number of issued Shares as at the date of passing of the resolution in relation to such general mandate. In addition, subject to a separate approval of the ordinary resolution numbered 4(C), the number of issued Shares repurchased by the Company under the ordinary resolution numbered 4(B) will also be added to extend the 20% limit of the Proposed Issue Mandate as mentioned in the ordinary resolution numbered 4(A). The Directors wish to state that they have no immediate plans to issue any new Shares pursuant to the Proposed Issue Mandate.

The Proposed Issue Mandate, if granted, will remain in effect 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 any applicable laws or regulations or the Memorandum and Articles; or (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

As at the Latest Practicable Date, the number of issued Shares was 1,234,600,000 Shares. Subject to the passing of the resolution approving the Proposed Issue Mandate and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the Annual General Meeting, the Company will be allowed to issue a maximum of 246,920,000 Shares.

PROPOSED REPURCHASE MANDATE

In addition, an ordinary resolution numbered 4(B) will be proposed at the Annual General Meeting to approve the granting of a Proposed Repurchase Mandate to the Directors to exercise the powers of the Company to repurchase Shares representing up to 10% of the aggregate number of issued Shares as at the date of passing of the resolution approving the Proposed Repurchase Mandate.

The Proposed Repurchase Mandate, if granted, will remain in effect 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 any applicable laws or regulations or the Memorandum and Articles; or (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

LETTER FROM THE BOARD

As at the Latest Practicable Date, the number of issued Shares was 1,234,600,000 Shares. Assuming that there is no change in the number of issued Shares between the period from the Latest Practicable Date and the date of passing the resolution approving the Proposed Repurchase Mandate, the maximum number of Shares which may be repurchased pursuant to the Proposed Repurchase Mandate will be 123,460,000 Shares.

EXPLANATORY STATEMENT

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

PROPOSED RETIREMENT AND RE-ELECTION OF DIRECTORS

The Board currently consists of six Directors. The executive Directors are Mr. Xu Chong, Mr. Liu Lei and Mr. Lin Yuqi; and the independent non-executive Directors are Mr. Xu Xiangyang, Mr. Ng Jack Ho Wan, and Mr. Sun Yong.

In accordance with Article 108(a) of the Memorandum and Articles, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years.

Accordingly, Mr. Xu Chong and Mr. Xu Xiangyang shall retire at the Annual General Meeting and they, being eligible, will offer themselves for re-election.

In accordance with Article 112 of the Memorandum and Articles, any Director appointed by the Board to fill a casual vacancy shall hold office only until the first annual general meeting of the Company after his appointment, and shall then be eligible for re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the first annual general meeting of the Company after his appointment, and shall then be eligible for re-election.

Reference is made to the announcement of the Company dated 26 March 2024 in relation to the appointment of Mr. Sun Yong as an independent non-executive Director and a member of each of the Audit Committee and the Nomination Committee. With effect from 26 March 2024, Mr. Sun Yong is appointed as an independent non-executive Director, and a member of each of the Audit Committee and the Nomination Committee by the Board. Mr. Sun Yong shall hold office only until the first annual general meeting of the Company after his appointment, and shall then be eligible for re-election at such meeting in accordance with the Memorandum and Articles. Details of Mr. Sun Yong who is subject to election at the Annual General Meeting are set out in Appendix II to this circular in accordance with the relevant requirements of the Listing Rules.

LETTER FROM THE BOARD

Procedure and Process for Nomination of Directors

The Nomination Committee will recommend to the Board for the appointment of a Director including an independent non-executive Director in accordance with the following selection criteria and nomination procedures:

Selection Criteria

The Nomination Committee shall consider the following selection criteria in evaluating and selecting candidates for directorships:

- (a) Character and integrity.
- (b) Qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy.
- (c) The ability to devote adequate time to discharge duties as a member of the Board taking into account his/her other directorships and any other significant commitments.
- (d) For the appointment of an independent non-executive Director, requirement for the Board to have independent non-executive Directors in accordance with the Listing Rules and whether the candidates might be considered not independent with reference to the independence guidelines set out in the Listing Rules.
- (e) Board Diversity Policy and any objectives adopted by the Nomination Committee for achieving diversity in all aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service, on the Board.
- (f) Such other perspectives appropriate to the Company's business and corporate strategy.

These factors are for reference only, and not meant to be exhaustive and decisive. The Nomination Committee has the discretion to nominate any person, as it considers appropriate.

LETTER FROM THE BOARD

Nomination Procedures

The Nomination Committee will recommend to the Board for the appointment of a Director in accordance with the following procedures and process:

- i. The Nomination Committee shall, upon receipt of the proposal on appointment of new Director to fill a casual vacancy and the biographical information (or relevant details) of the candidate, evaluate and assess such candidate based on the selection criteria as mentioned above to determine whether such candidate is qualified for directorship. The Nomination Committee may engage such external service provider as it considers appropriate in making such determination.
- ii. If there is more than one desirable candidate, the Nomination Committee shall rank them by order of preference based on the needs of the Company and reference check of each candidate (where applicable).
- iii. The Nomination Committee shall then recommend to the Board to appoint the appropriate candidate for directorship.
- iv. For any person that is nominated by a Shareholder for election as a Director at the general meeting of the Company, the Nomination Committee shall evaluate such candidate based on the selection criteria as mentioned above to determine whether such candidate is qualified for directorship and where appropriate, the Nomination Committee and/or the Board shall make recommendation to the Shareholders in respect of the proposed election of Director at the general meeting.

Recommendation of the Nomination Committee

The Nomination Committee had evaluated the performance of each of the retiring Directors, namely Mr. Xu Chong and Mr. Xu Xiangyang for the period from the Listing Date to December 31, 2023 and found their performance satisfactory. The Nomination Committee had assessed the independence of the independent non-executive Director, Mr. Xu Xiangyang, based on reviewing his annual written confirmation of independence to the Company. Therefore, the Nomination Committee nominated the retiring Directors to the Board for it to propose to Shareholders for re-election at the Annual General Meeting.

Accordingly, with the recommendation of the Nomination Committee, the Board has proposed that all the retiring Directors, namely Mr. Xu Chong and Mr. Xu Xiangyang stand for re-election as Directors at the Annual General Meeting.

Biographical details of the Directors who are proposed to be re-elected at the Annual General Meeting are set out in Appendix I to this circular.

LETTER FROM THE BOARD

NOTICE OF ANNUAL GENERAL MEETING

Set out on pages 18 to 22 of this circular is the notice of the Annual General Meeting at which, inter alia, ordinary resolutions will be proposed to the Shareholders to consider and approve the grant to the Directors of general mandates to issue Shares and repurchase Shares and the re-election of Directors.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the Annual General Meeting, the register of members of the Company will be closed from Friday, May 17, 2024 to Wednesday, May 22, 2024, both days inclusive, during which period no transfer of Shares will be registered. In order to be eligible to attend and vote at the Annual General Meeting, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration no later than 4:30 p.m. on Thursday, May 16, 2024.

FORM OF PROXY

A form of proxy is enclosed for use at the Annual General Meeting. Such form of proxy is also published on the website of the Stock Exchange (www.hkexnews.hk) and the Company (www.cheshi.com). Whether or not you intend to be present at the Annual General Meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time fixed for the holding of the Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude Shareholders from attending and voting at the Annual General Meeting if they so wish and in such event, the relevant form of proxy shall be deemed to be revoked.

VOTING BY POLL

Pursuant to Article 72 of the Memorandum and Articles and Rule 13.39(4) of the Listing Rules, a resolution put to the vote of the meeting shall be decided by way of a poll save that the chairman of the meeting may in good faith, allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Therefore, the chairman of the Annual General Meeting will demand a poll for the resolutions to be put forward at the Annual General Meeting.

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

LETTER FROM THE BOARD

RECOMMENDATION

The Board considers that the Proposed Issue Mandate, the Proposed Repurchase Mandate and the re-election of Directors are in the interests of the Company and the Shareholders as a whole. The Board therefore recommends the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting.

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 respect 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.

Yours faithfully,

By order of the Board

Cheshi Technology Inc.

Xu Chong

Chairman and Chief Executive Officer

APPENDIX I DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

The following are the particulars (as required by the Listing Rules) of the Directors proposed to be re-elected at the Annual General Meeting.

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

Save as disclosed herein, none of the following Directors holds any position with the Company or any other member of the Group, or any directorships in other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

Save as disclosed herein, the following Directors are not otherwise related to any Directors, senior management, substantial Shareholders or controlling Shareholders (as defined in the Listing Rules) of the Company. Save as disclosed herein, there is no other matter in relation to the following Directors that needs to be brought to the attention of the Shareholders and there is no other information relating to the following Directors which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2) (h) to (v) of the Listing Rules.

EXECUTIVE DIRECTOR

Mr. Xu Chong (徐翀), aged 41, is the co-founder, an executive Director, the Chairman and the chief executive officer of the Company. Mr. Xu is primarily responsible for formulating strategy, planning, business development and supervising the overall management of the Group.

Prior to joining our Group, he worked at various companies that operated Cheshi.com, including Beijing Tianxindao Technology Development Co., Ltd. (北京天信道科技發展有限公司), the initial operator of Cheshi.com, as its editor-in-chief between July 2003 and June 2006, Beijing Tianxinyi Technology Development Co., Ltd. (北京天信易科技發展有限公司) as its editor-in-chief between July 2006 and January 2008, Beijing Zhide Diankang Electronic Commerce Co., Ltd. (北京智德典康電子商務有限公司) as editor-in-chief between February 2008 and January 2009 and CNet (Beijing) Information Technology Co., Ltd. (塞納德(北京)信息技術有限公司) as editor-in-chief from February 2009 to January 2012. Mr. Xu founded Netcom Agency in January 2012 and served as its executive director from January 2012 to October 2017. Mr. Xu founded our Group on September 28, 2015. He is a director, chief executive officer and general manager of the Company.

Mr. Xu graduated from the Advanced Technical Institute of the Northern Jiaotong University (北方交通大學) (currently known as Beijing Jiaotong University (北京交通大學)) in the PRC in July 2003 and he completed a part-time program and obtained a postgraduate diploma in integrated marketing communications in October 2007 from the School of Professional and Continuing Education of The University of Hong Kong in Hong Kong.

APPENDIX I DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

Save for being the beneficial owner of Cheshi Holdings Inc. (formerly known as X Technology Group Inc.) one of the controlling shareholders of the Company, Mr. Xu has no relationship with other Directors, senior management or substantial or controlling Shareholders (as defined in the Listing Rules) of the Company.

Mr. Xu has entered into a director's service contract with the Company for a fixed term of three years commencing from January 15, 2024 which can be terminated before the expiration of the term by not less than three months' notice in writing served by either party on the other. Pursuant to the terms of the director's service contract, Mr. Xu shall not receive additional annual salaries in his capacity as an executive Director (inclusive of his role(s) as a member of any committees of the Board that the Board may appoint from time to time, if any) beyond his remunerative package under his employment contract with the Group or such higher sum as the Remuneration Committee may from time to time decide. Mr. Xu's remuneration is subject to annual review by the Remuneration Committee and shall be subject to the approval by a majority in number of the members of the Board. Furthermore, according to the terms of his employment contract as chief executive officer of the Company, Mr. Xu Chong is entitled to receive remuneration of RMB900,000 per annum and a discretionary bonus which is determined by the Remuneration Committee according to, among others, his individual performance and the emolument policy of the Company.

As at the Latest Practicable Date, as defined in Part XV of the SFO, Mr. Xu was interested in 802,500,000 Shares.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Xu Xiangyang (徐向陽), aged 58, is an independent non-executive Director. He is also the chairman of the Remuneration Committee, and the member of the Audit Committee and the Nomination Committee. Mr. Xu Xiangyang is responsible for providing independent advice to the Board.

Mr. Xu Xiangyang has over 33 years of experience in the automotive engineering industry. He worked at Harbin Institute of Technology (哈爾濱工業大學) between June 1990 and September 2002, and his last position was a professor and the head of the science and technology department of Harbin Institute of Technology (Weihai) (哈爾濱工業大學(威海)). Mr. Xu Xiangyang has been a professor of Beihang University (北京航空航天大學) since September 2002, and is currently the professor of its automotive engineering department of the school of transportation science and engineering. In April 2013, Mr. Xu Xiangyang was appointed as an executive deputy director of the National Automatic Transmission Engineering Technology Research Center for Passenger Vehicles (國家乘用車自動變速器工程技術研究中心) and in September 2013, Mr. Xu Xiangyang was named as a "Taishan Scholars Distinguished Expert" (泰山學者特聘專家) by the People's Government of Shandong Province (山東省人民政府). One of Mr. Xu's projects was awarded "First Class National Science and Technology Progress Award" (國家科學技術進步一等獎) in December 2016 by the State Council of the PRC (中華人民共和國國務院). Mr. Xu Xiangyang was also awarded the "National Innovative Progress Award" (全國創新爭先獎狀) in May 2017 granted jointly by the

Ministry of Human Resources and Social Security of the PRC (中華人民共和國人力資源和社會保障部), the China Association for Science and Technology (中國科學技術協會), the Ministry of Science and Technology of the PRC (中華人民共和國科學技術部) and the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產監督管理委員會). In April 2018, he was awarded the “2017 Beijing Higher Education Teaching Achievement Award (Second Class)” (2017年北京市高等教育教學成果獎二等獎) granted by the People’s Government of Beijing Municipality (北京市人民政府). Since December 2019, Mr. Xu has been appointed as an independent director of Shanghai Sinotec Co., Ltd. (上海華培動力科技(集團)股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603121). Since March 2021, Mr. Xu has been appointed an independent non-executive director of BAIC Motor Corporation Limited (北京汽車股份有限公司), a company listed on the Main Board of the Stock Exchange (stock code: 1958).

Mr. Xu Xiangyang obtained his bachelor’s degree and master’s degree in engineering majoring in vehicle engineering from Beijing Institute of Technology (北京理工大學) (formerly known as Beijing Industrial Institute (北京工業學院)) in the PRC in July 1987 and March 1990, respectively. He obtained his doctorate degree in mechanical electronic engineering from Harbin Institute of Technology (哈爾濱工業大學) in the PRC in December 1999.

Mr. Xu Xiangyang had signed appointment letter with the Company for a term of three years commencing from the Listing Date. Under the appointment letter, Mr. Xu is entitled to a fixed Director’s fee of HK\$120,000 per annum with effect from the Listing Date. Any future emoluments to be paid to Mr. Xu Xiangyang shall be determined by the Remuneration Committee based on, among others, his individual performance and the emolument policy of the Company.

As at the Latest Practicable Date, Mr. Xu Xiangyang did not have any interest in the Shares or underlying Shares or its associated corporations within the meaning of Part XV of the SFO.

Mr. Sun Yong (孫勇), aged 56, is an independent non-executive Director. He is also a member of the Audit Committee and the Nomination Committee. Mr Sun serves as a director of Zhongde Nuohao (Beijing) Education Technology Co., Ltd and Dean of Zhongde Nuohao Automotive Education Institute. Concurrently, he is an expert at the China Automobile Dealers Association, and an expert at the China Auto Dealers Chamber of Commerce. He is also an independent director of Avatr Technology (Chongqing) Co., Ltd.

Mr. Sun has over 30 years of experience in the automotive industry from 1994. Among that, he has 11 years of experience working in automotive news editing, serving as director of the editorial department of Auto Weekly of Economic Information Daily, under Xinhua News Agency, and deputy chief editor of China Automotive News under People’s Daily. In addition, Mr. Sun has 10 years of experience working in car companies, where he held positions including the member of the management committee and general manager of sales at Chery Automobile Co., Ltd, deputy general manager and general manager of the business department

APPENDIX I DETAILS OF DIRECTORS PROPOSED FOR RE-ELECTION

at Nanjing Fiat Automobile Co., Ltd, and director and deputy general manager at Sinomach Automobile Co., Ltd. Apart from his automotive news editing and car company experience, Mr. Sun also has 9 years of experience in automotive education and training, and served as the president and chief executive officer of Zhongde Nuohao (Beijing) Education Technology Co., Ltd. During that time, he also served as an independent director of Chongqing Changan New Energy Technology Co., Ltd (now renamed as Deepal Technology Co., Ltd).

Mr. Sun obtained his bachelor's degree in law from School of Government Peking University (北京大學政府管理學院) and a master's degree in business administration from Guanghua School of Management Peking University (北京大學光華管理學院) in the PRC in July 1990 and July 2007, respectively.

The Company has entered into an appointment letter with Mr. Sun for an initial term of three years, commencing from 26 March 2024, and shall be automatically renewed thereafter unless which may be terminated by either party by giving not less than three months' prior notice in writing to the other or by mutual agreement of both parties and shall hold office only until the first annual general meeting of the Company after his appointment, and shall then be eligible for re-election at such meeting in accordance with the Memorandum and Articles. Mr. Sun's appointment under the appointment letter will be subject to requirement by rotation and re-election at annual general meetings of the Company in accordance with the Memorandum and Articles or any other applicable laws from time to time. Mr. Sun has agreed to take up the role as an independent non-executive Director with a director's fee of HK\$120,000 per annum, which is determined by the Remuneration Committee with reference to their duties and responsibilities within the Group and the prevailing market conditions, subject to review by the Board and the Remuneration Committee from time to time.

As at the Latest Practicable Date, Mr. Sun Yong did not have any interest in the Shares or underlying Shares or its associated corporations within the meaning of Part XV of the SFO.

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

SHARE CAPITAL

As at the Latest Practicable Date, the number of issued Shares was 1,234,600,000 Shares. Subject to the passing of the resolution granting the Proposed Repurchase Mandate and on the basis that no further Shares are issued or repurchased before the Annual General Meeting, the Company will be allowed to repurchase a maximum of 123,460,000 Shares which represent 10% of the number of issued Shares during the period ending on 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 any applicable laws or regulations or the Memorandum and Articles; or (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

REASONS AND FUNDING OF REPURCHASES

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

Repurchases of Shares will be financed out of funds legally available for the purpose and in accordance with the Memorandum and Articles, the Listing Rules and the applicable laws and regulations of the Cayman Islands. The Companies Act provides that the amount of capital repaid in connection with a share repurchase may be paid out of the profits of the Company or the proceeds of a fresh issue of Shares made for the purposes of the repurchase or out of capital subject to and in accordance with the Companies Act. The amount of premium payable on repurchase may only be paid out of either the profits of the Company or out of the share premium account before or at the time the Shares are repurchased in the manner provided for in the Companies Act.

The Directors have no present intention to repurchase any Shares and they would only exercise the power to repurchase Shares in circumstances where they consider that the repurchase would be in the best interests of the Company. The Directors consider that if the Proposed Repurchase Mandate were to be exercised in full, it may not have a material adverse impact on the working capital or the gearing position of the Company, as compared with the positions disclosed in the audited consolidated financial statements of the Company as at December 31, 2023, being the date to which the latest published audited consolidated financial statements of the Company were made up. The Directors do not propose to exercise the mandate to repurchase Shares to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or on the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

GENERAL MATTERS

To the best of their knowledge, having made all reasonable enquiries, none of the Directors or any of their close associates (as defined in the Listing Rules), currently intends to sell any Shares to the Company or its subsidiaries, if the Proposed Repurchase Mandate is exercised.

The Directors, so far as the same may be applicable, will exercise the Proposed Repurchase Mandate in accordance with the Listing Rules and the applicable laws of the Cayman Islands. Neither this explanatory statement nor the proposed share repurchase has any unusual features.

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

TAKEOVERS CODE IMPLICATIONS

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

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, Cheshi Holdings Inc. (formerly known as X Technology Group Inc.) was interested in 802,500,000 Shares. X Technology Group Inc. is wholly-owned by Mr. Xu Chong. Mr. Xu Chong was deemed to be interested in 802,500,000 Shares, representing an approximate 65.00% of the issued Shares. In the event that the Directors should exercise in full the Repurchase Mandate, Mr. Xu Chong's interests in the Company will be increased to approximately 72.22% of the issued Shares. Such increase would not give rise to an obligation to make a mandatory offer under the Takeovers Code. The Directors have no present intention to repurchase the Shares to the extent that will trigger the obligations under the Takeovers Code to make a mandatory offer. The Directors are not aware of any other consequences which may arise under the Takeovers Code as a result of any repurchase made by the Company of its Shares.

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

SHARE REPURCHASE MADE BY THE COMPANY

No repurchase of Shares (whether on the Stock Exchange or otherwise) have been made by the Company during the six months preceding the Latest Practicable Date.

SHARE PRICES

The monthly highest and lowest prices at which the Shares have been traded on the Stock Exchange during each of the previous 12 calendar months preceding the Latest Practicable Date were as follows:

Month	Highest Prices <i>HK\$</i>	Lowest Prices <i>HK\$</i>
2023		
April	0.255	0.192
May	0.227	0.180
June	0.192	0.170
July	0.190	0.170
August	0.183	0.138
September	0.165	0.142
October	0.160	0.140
November	0.162	0.139
December	0.160	0.131
2024		
January	0.159	0.120
February	0.133	0.118
March	0.170	0.123
April (up to date preceding the Latest Practicable Date)	0.155	0.130

NOTICE OF ANNUAL GENERAL MEETING



C H E S H I T E C H

Cheshi Technology Inc.

車市科技有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1490)

NOTICE OF 2024 ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the 2024 annual general meeting of Cheshi Technology Inc. (the “**Company**”) will be held at Room 401, Block C, Shuguang Tower No. 5 Jingshun Road, Chaoyang District Beijing, the PRC on Wednesday, May 22, 2024 at 10:00 a.m. (Hong Kong time) for the following purposes:

ORDINARY BUSINESS

1. To receive and adopt the audited consolidated financial statements of the Company and the reports of the directors of the Company (the “**Directors**”) and independent auditor of the Company (the “**Auditor**”) for the financial year ended December 31, 2023.
2. (a) To re-elect the following Directors:
 - (i) Mr. Xu Chong as an executive Director;
 - (ii) Mr. Xu Xiangyang as an independent non-executive Director; and
 - (iii) Mr. Sun Yong as an independent non-executive Director.
- (b) To authorise the board of Directors (the “**Board**”) to fix the remuneration of the Directors.
3. To re-appoint Ernst & Young as Auditor and authorise the Board to fix their remuneration for the year ending December 31, 2024.
4. To consider and, if thought fit, to pass, with or without modification, the following resolutions as ordinary resolutions:
 - (A) “**THAT:**
 - (i) subject to paragraph (iii) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and/or otherwise deal with additional shares in the capital of the Company or securities convertible into shares, or options, warrants or similar rights to subscribe for shares or such convertible securities of the Company and to make or grant offers, agreements and/or options

NOTICE OF ANNUAL GENERAL MEETING

(including bonds, warrants and debentures convertible into shares of the Company) which may require the exercise of such powers be and is hereby generally and unconditionally approved;

- (ii) the approval in paragraph (i) above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements and/or options which may require the exercise of such power after the end of the Relevant Period;
- (iii) the aggregate number of shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the Directors during the Relevant Period pursuant to paragraph (i) above, otherwise than pursuant to (a) a Rights Issue (as hereinafter defined); or (b) the grant or exercise of any option under the option scheme of the Company or any other option scheme or similar arrangements for the time being adopted for the grant or issue to the Directors, officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or (c) any scrip dividend or similar arrangements providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Memorandum and Articles of the Company in force from time to time; or (d) any issue of shares in the Company upon the exercise of rights of subscription or conversion under the terms of any existing convertible notes issued by the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into shares of the Company, shall not exceed the aggregate of 20 per cent (%) of the aggregate number of issued shares of the Company as at the date of passing this resolution and the said approval shall be limited accordingly;
- (iv) for the purpose of this resolution:
 - (a) “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:
 - (1) the conclusion of the next annual general meeting of the Company;
 - (2) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the Memorandum and Articles of the Company to be held; or
 - (3) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in a general meeting of the Company; and

NOTICE OF ANNUAL GENERAL MEETING

(b) “**Rights Issue**” means an offer of shares in the capital of the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by the Directors to holders of shares in the capital of the Company whose names appear on the register of members of the Company on a fixed record date in proportion to their holdings of shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or, having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the exercise or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, any recognised regulatory body or any stock exchange applicable to the Company).”

(B) “**THAT:**

- (i) subject to paragraph (ii) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase shares of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the shares of the Company may be listed and recognised for this purpose by the Securities and Futures Commission and the Stock Exchange under the Code on Share Buy-backs and, subject to and in accordance with all applicable laws and the Rules Governing the Listing of Securities on the Stock Exchange, be and is hereby generally and unconditionally approved;
- (ii) the aggregate number of issued shares of the Company, which may be repurchased pursuant to the approval in paragraph (i) above shall not exceed 10 per cent (%) of the aggregate number of issued shares of the Company at the date of passing of this resolution, and the said approval shall be limited accordingly;
- (iii) subject to the passing of each of the paragraphs (i) and (ii) of this resolution, any prior approvals of the kind referred to in paragraphs (i) and (ii) of this resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and
- (iv) for the purpose of this resolution:

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

- (a) the conclusion of the next annual general meeting of the Company;

NOTICE OF ANNUAL GENERAL MEETING

- (b) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the Memorandum and Articles of the Company to be held; or
 - (c) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in a general meeting of the Company.”
- (C) “**THAT** conditional upon the resolutions numbered 4(A) and 4(B) set out in the notice convening this meeting being passed, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and/or otherwise deal with additional shares of the Company and to make or grant offers, agreements and options which might require the exercise of such powers pursuant to the ordinary resolution numbered 4(A) set out in the notice convening this meeting be and is hereby extended by the addition to the aggregate number of issued shares of the Company which may be allotted by the Directors pursuant to such general mandate an amount representing the aggregate number of issued shares of the Company repurchased by the Company under the authority granted pursuant to ordinary resolution numbered 4(B) set out in the notice convening this meeting, provided that such number shall not exceed 10 per cent (%) of the aggregate number of issued shares of the Company at the date of passing of the said resolutions.”

By order of the Board
Cheshi Technology Inc.
Xu Chong

Chairman and Chief Executive Officer

Beijing, the PRC, April 26, 2024

Registered office:

Sertus Chambers, Governors Square
Suite# 5-204, 23 Lime Tree Bay Avenue
P.O. Box 2547
Grand Cayman, KY1-1104
Cayman Islands

Principal place of business in Hong Kong:

31/F, Tower Two, Times Square
1 Matheson Street, Causeway Bay
Hong Kong

***Head office and principal place
of business in the PRC:***

Room 401
Block C, Shuguang Tower
No. 5 Jingshun Road
Chaoyang District
Beijing
the PRC

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (i) Capitalized terms that are not otherwise defined herein shall have the meanings ascribed to them in the circular of the Company dated April 26, 2024 (the “**Circular**”).
- (ii) Ordinary resolution numbered 4(C) will be proposed to the shareholders of the Company (the “**Shareholders**”) for approval provided that ordinary resolutions numbered 4(A) and 4(B) are passed by the Shareholders.
- (iii) A Shareholder entitled to attend and vote at the above meeting is entitled to appoint another person as his/her proxy to attend and vote instead of him/her; a proxy need not be a Shareholder of the Company.
- (iv) In the case of joint holders of any share of the Company (the “**Share**”), the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the vote(s) of the other joint holder(s) and for this purpose seniority shall be determined as that one of the said persons so present whose name stands first on the register of members in respect of such Share shall alone be entitled to vote in respect thereof.
- (v) In order to be valid, a form of proxy must be deposited at the Company’s Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) not less than 48 hours before the time appointed for the holding of the above meeting or any adjournment thereof. The completion and return of the form of proxy shall not preclude the Shareholders of the Company from attending and voting in person at the above meeting (or any adjourned meeting thereof) if you so wish and in such event the relevant form of proxy shall be deemed to be revoked.
- (vi) The register of members of the Company will be closed from Friday, May 17, 2024 to Wednesday, May 22, 2024, both days inclusive, in order to determine the entitlement of the Shareholders to attend and vote at the above meeting, during which period no transfer of Shares will be registered. All transfer forms accompanied by the relevant share certificates must be lodged with the Company’s Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, May 16, 2024.
- (vii) In respect of the ordinary resolution numbered 4(A) above, the Directors wish to state that they have no immediate plans to issue any new Shares of the Company. Approval is being sought from the Shareholders as a general mandate for the purposes of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.
- (viii) In respect of ordinary resolution numbered 4(B) above, the Directors wish to state that they will exercise the powers conferred by the general mandate to repurchase Shares of the Company in circumstances which they deem appropriate for the benefits of the Shareholders. An explanatory statement containing the information necessary to enable the Shareholders to make an informed decision on whether to vote for or against the resolution to approve the repurchase by the Company of its own Shares, as required by the Listing Rules, is set out in Appendix II to the Circular.