# THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

**If you have sold or transferred** all your shares in **Shenzhen Xunce Technology Co., Ltd.,** you should at once hand this circular and the accompanying form of proxy to the purchaser or 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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# Shenzhen Xunce Technology Co., Ltd.
# 深圳迅策科技股份有限公司

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

**(Stock Code: 3317)**

## (1) ANNUAL FINANCIAL REPORT FOR 2025;
## (2) REPORT OF THE BOARD FOR 2025;
## (3) REPORT OF THE SUPERVISORY COMMITTEE FOR 2025;
## (4) 2025 ANNUAL REPORT;
## (5) PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTOR;
## (6) PROPOSED REMUNERATION FOR THE DIRECTORS AND THE SUPERVISORS;
## (7) PROPOSED RE-APPOINTMENT OF AUDITOR FOR 2026;
## (8) PROPOSED ABOLISHMENT OF THE SUPERVISORY COMMITTEE AND AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND RELATED CORPORATE GOVERNANCE SYSTEMS;
## (9) PROPOSED ADOPTION OF SHARE AWARD SCHEME;
## (10) PROPOSED GRANT OF ISSUE GENERAL MANDATE TO THE BOARD;
## (11) PROPOSED GRANT OF REPURCHASE GENERAL MANDATE TO THE BOARD;
## AND
## (12) NOTICE OF ANNUAL GENERAL MEETING

A notice convening the AGM of Shenzhen Xunce Technology Co., Ltd. to be held at Conference Room, 66/F, Tower A, Building 2, Shenzhen Bay Innovation Technology Center, No. 3156 Keyuan South Road, Gaoxin Community, Yuehai Street, Nanshan District, Shenzhen, the PRC on Friday, 26 June 2026 at 10:00 a.m. is set out on pages 158 to 163 of this circular.

The relevant form of proxy for use at the AGM is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.xuncetech.com). Whether or not you intend to attend the AGM, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon not less than 24 hours before the time appointed for the holding of the AGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy shall not preclude you from attending and voting in person at the meeting should you so wish.

5 June 2026

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

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| "2025 Annual Report" | the annual report of the Company for the year ended 31 December 2025, which was published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.xuncetech.com) |
| "Adoption Date" | the date on which the Shareholders approve the adoption of the Scheme and the date on which the Company adoptes the Scheme Rules for the establishment of the Scheme |
| "AGM" | the annual general meeting of the Company to be held on Friday, 26 June 2026 at 10:00 a.m. or any adjournment thereof (as the case may be), to consider and, if thought fit, approve the resolutions contained in the notice of the AGM set out on pages 158 to 163 of this circular |
| "AI" | artificial intelligence |
| "Articles of Association" | the articles of association of the Company, as amended or supplemented from time to time |
| "associate" | has the meaning ascribed thereto under the Listing Rules |
| "Award" | an award of the Awarded Interests by the Board to a Selected Participant in accordance with the Scheme Rules |
| "Awarded Cash" | in respect of a Selected Participant, such amount of cash to be paid to him in satisfaction of an Award upon its vesting |

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| "Awarded Interests" | the Awarded Shares and/or Awarded Cash under the Award |
| "Awarded Shares" | in respect of a Selected Participant, means such number of H Shares as awarded to him or her by the Board, which may include new H Shares (including treasury Shares) as well as existing H Shares in issue (excluding treasury Shares) |
| "Board" | the board of Directors |
| "Business Day" | a day (other than Saturday, Sunday or public holiday or days on which a tropical cyclone warning No. 8 or above or a black rainstorm warning is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which the Stock Exchange is open for trading and on which banks are open for business in Hong Kong |
| "China" or "PRC" | the People's Republic of China, which for the purpose of this circular and for geographical reference only, excluding the Hong Kong, the Macau Special Administrative Region of the People's Republic of China and Taiwan |
| "close associate(s)" | has the meaning ascribed to it under the Listing Rules |
| "Company" | Shenzhen Xunce Technology Co., Ltd. (深圳迅策科技股份有限公司), a joint stock company established under the laws of the PRC with limited liability, the H Shares of which are listed on the Main Board of the Stock Exchange |
| "Company Law" | the Company Law of the People's Republic of China (《中華人民共和國公司法》), as amended, supplemented or otherwise modified from time to time |
| "connected person(s)" | has the meaning ascribed to it under the Listing Rules |
| "Contributed Amount" | cash paid or made available to the Trust by way of settlement or otherwise contributed to the Trust by the Company and/or any Subsidiary for the purpose of the Scheme |
| "Director(s)" | the director(s) of the Company |
| "Eligible Participant" | (i) the Employee Participant; (ii) the Related Entity Participant; or (iii) the Service Provider Participant |

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| "Employee Participant" | directors (including the executive Directors, non-executive Directors and independent non-executive Directors), supervisors and employees (including full-time employees and part-time employees) of any member of the Group (including persons who are granted Awards under the Scheme as an inducement to enter into employment contracts with any member of the Group) |
| "Excluded Participant" | any Eligible Participant who is resident in a place where the grant of an Award and/or the vesting and transfer of the Awarded Interests pursuant to the Scheme Rules is not permitted or desirable under the laws or regulations of such place or where, in the view of the Board or the Trustee (as the case may be), compliance with applicable laws or regulations in such place makes it necessary or expedient to exclude such Eligible Participant |
| "Group" | the Company and its subsidiaries |
| "Grant Date" | the date on which a grant of Award is made to an Eligible Participant, being the date of the Board meeting approving the grant |
| "H Share(s)" | the overseas listed foreign share(s) in the share capital of the Company with a nominal value of RMB1.00 each, which are traded in HK dollars and listed on the Stock Exchange |
| "Hong Kong" or "HK" | the Hong Kong Special Administrative Region of the PRC |
| "HK dollars" or "HK$" | Hong Kong dollars, the lawful currency of Hong Kong |
| "Issue General Mandate" | a general mandate proposed to be granted to the Board to allot, issue or deal with the Shares (including securities convertible into such Shares) and/or sell treasury Shares not exceeding 20% of the total number of issued Shares (excluding treasury Shares) as at the date on which the Issue General Mandate is approved by the Shareholders |
| "Latest Practicable Date" | 29 May 2026, being the latest practicable date for the purpose of ascertaining certain information contained in this circular prior to its printing |
| "Listing Rules" | the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time |

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| "Model Code" | the model code for securities transactions by the Directors adopted by the Company in terms no less exacting than those set out in Appendix C3 of the Listing Rules |
| "Nomination Committee" | the nomination committee of the Company |
| "Other Schemes" | other share option/award scheme(s) of the Company under which Share Grants are made by the Company or any of its subsidiaries in accordance with Chapter 17 of the Listing Rules |
| "R&D" | research and development |
| "Related Entity" | the holding companies, fellow subsidiaries or associated companies of the Company |
| "Related Entity Participant" | directors and employees (whether full-time or part-time) of any Related Entity |
| "Related Income" | any and all cash and non-cash income, dividends or distributions, and non-cash and non-scrip distributions in respect of any H Shares less any tax, fees, levies, stamp duty and other charges applicable |
| "Remuneration and Assessment Committee" | the remuneration and assessment committee of the Board |
| "Repurchase General Mandate" | a general mandate proposed to be granted to the Board to repurchase issued H Shares not exceeding 10% of the total number of issued H Shares of the Company (excluding treasury Shares) as at the date on which the Repurchase General Mandate is approved by the Shareholders |
| "Residual Cash" | (a) any Contributed Amount, if received by the Trust for the subscription for or purchase of H Shares, which is unutilised and, if applicable, un-refunded to the Company who contributed the Contributed Amount;<br><br>(b) any Contributed Amount received by the Trust for any purpose other than the subscription for or purchase of H Shares; and |

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| | (c) other cash in the Trust Fund (including without limitation (i) any cash income or dividends derived from or in respect of H Shares held under the Trust; (ii) other cash income or net proceeds of sale of non-cash and non-scrip distribution derived from or in respect of the H Shares held under the Trust; and (iii) all interest or income derived from deposits maintained with licensed or regulated banks in Hong Kong or elsewhere) |
| "RMB" or "Renminbi" | Renminbi, the lawful currency of the PRC |
| "Scheme" or "Share Award Scheme" | the share award scheme of the Company to be approved and adopted by the Company on the Adoption Date, in its present form or as amended from time to time in accordance with the Scheme Rules |
| "Scheme Mandate Limit" | the total number of new H Shares (including treasury Shares) that may be allotted and issued (or transferred in respect of treasury Shares) by the Company in respect of:<br>(a) Awards granted under the Scheme; and<br>(b) Share Grants under Other Schemes;<br>being 10% of the relevant class of Shares in issue (excluding treasury Shares) on the Adoption Date, or in such percentage as subsequently refreshed in compliance with the Listing Rules |
| "Scheme Period" | the period of ten (10) years commencing on the Adoption Date |
| "Scheme Rules" | the rules for the Scheme set forth herein including all amendments and supplements hereto |
| "Securities and Futures Ordinance" or "SFO" | the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time |
| "Securities Law" | the Securities Law of the People's Republic of China (《中華人民共和國證券法》), as amended, supplemented or otherwise modified from time to time |
| "Selected Participant(s)" | Eligible Participant(s) selected by the Board pursuant to the Scheme Rules for participation in the Scheme (or his legal personal representative or lawful successor as the case may be) |

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| "Service Provider Participant" | any third party engaged by the Group who provides services to the Group on a continuing and recurring basis in the ordinary course of business of the Group which are in the interests of the long-term growth of the Group including but not limited to suppliers of services and/or products, consultants and advisers of the Group (excluding any placing agents or financial advisors providing advisory services for fundraising, mergers and acquisitions, and professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity) |
| "Share(s)" | share(s) of the Company with a nominal value of RMB1.00 each, including Unlisted Shares and H Shares |
| "Share Grants" | the grant of share awards and/or options over new H Shares under Other Schemes which are governed by Chapter 17 of the Listing Rules |
| "Shareholder(s)" | holder(s) of the Share(s) |
| "Single Largest Group of Shareholders" | Mr. Liu Chengxi, Zhuhai Enyuan, Zhuhai Fuqian, Zhuhai Guwen and Zhuhai Hengcheng |
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited |
| "subsidiary" | has the meaning ascribed to it under the Listing Rules |
| "Supervisor(s)" | member(s) of the Supervisory Committee of the Company |
| "Supervisory Committee" | the supervisory committee of the Company |
| "Takeovers Code" | the Codes on Takeovers and Mergers and Share Buy-backs issued by the Securities and Futures Commission, as amended from time to time |
| "treasury shares" | has the meaning ascribed to it under the Listing Rules |
| "Trust" | the trust constituted by the Trust Deed |
| "Trust Deed" | a trust deed to be entered into between the Company as settlor and the Trustee as trustee of the Trust (as restated, supplemented and amended from time to time) for the purpose of the Share Award Scheme |

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| "Trust Fund" | the funds and properties held directly or indirectly under the Trust and managed by the Trustee for the benefit of the Selected Participants (other than the Excluded Participants), including without limitation:<br><br>(a) HK$100 as initial sum;<br><br>(b) all H Shares acquired by the Trustee for the purpose of the Trust (including but not limited to any Awarded Shares whether or not vested in a Selected Participant) and such other scrip income (including but not limited to bonus Shares and scrip dividends declared by the Company) derived from the H Shares held upon the Trust;<br><br>(c) any cash (including Residual Cash);<br><br>(d) any other property hereafter paid, transferred, or delivered to or otherwise placed under the control of and (in any such case) accepted by the Trustee as additions to the Trust Fund; and<br><br>(e) all other properties from time to time representing (a) to (d) above |
| "Trustee" | the trustee as appointed under the Trust Deed to act as trustee of the Trust, and any additional or replacement trustees, being the trustee or trustees for the time being of the trust declared in the Trust Deed |
| "Unlisted Share(s)" | share(s) (other than H Shares) in the share capital of the Company with a nominal value of RMB1.00 each |
| "Vesting Date" | in respect of a Selected Participant, means the date on which his entitlement to the relevant Award is vested in such Selected Participant in accordance with the Scheme Rules |
| "Zhuhai Enyuan" | Zhuhai Enyuan Technology Partnership (Limited Partnership)* (珠海恩圓科技合夥企業(有限合夥)), a limited partnership established under the laws of the PRC and managed and controlled by its general partner Zhuhai Hengcheng, and a member of the Single Largest Group of Shareholders |

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| "Zhuhai Fuqian" | Zhuhai Fuqian Technology Partnership (Limited Partnership)* (珠海富前科技合夥企業(有限合夥)), a limited partnership established under the laws of the PRC and managed and controlled by its general partner Zhuhai Hengcheng, and a member of the Single Largest Group of Shareholders |
| "Zhuhai Guwen" | Zhuhai Guwen Technology Partnership (Limited Partnership)* (珠海股溫科技合夥企業(有限合夥)), a limited partnership established under the laws of the PRC and managed and controlled by its general partner Zhuhai Hengcheng, and a member of the Single Largest Group of Shareholders |
| "Zhuhai Hengcheng" | Zhuhai Hengcheng Technology Co., Ltd.* (珠海亨呈科技有限責任公司), a limited liability company established under the laws of the PRC, which is owned as to 99.9% by Mr. Liu Chengxi and 0.1% by Mr. Geng Dawei, and the general partner of Zhuhai Enyuan, Zhuhai Fuqian and Zhuhai Guwen, and a member of the Single Largest Group of Shareholders |

* *for identification purpose only*

# Shenzhen Xunce Technology Co., Ltd.
# 深圳迅策科技股份有限公司

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

**(Stock Code: 3317)**

*Executive Directors:*
Mr. Liu Zhijian *(Chairperson & Chief Executive Officer)*
Mr. Geng Dawei *(General Manager)*
Mr. Yang Yang
Mr. Xuan Ran
Mr. Jiang Chunfei

*Non-executive Director:*
Mr. Cai Xiang

*Independent non-executive Directors:*
Mr. Wong Ti
Mr. Jiang Changjian
Ms. Tian Jiangchuan

*Registered Office:*
66/F, Tower A, Building 2
Shenzhen Bay Innovation Technology Center
No. 3156 Keyuan South Road
Gaoxin Community, Yuehai Street
Nanshan District, Shenzhen
Guangdong Province, PRC

*Headquarters and Principal Place of Business in the PRC:*
66/F, Tower A, Building 2
Shenzhen Bay Innovation Technology Center
No. 3156 Keyuan South Road
Gaoxin Community, Yuehai Street
Nanshan District, Shenzhen
Guangdong Province, PRC

*Principal Place of Business in Hong Kong:*
Room 1920, 19/F
Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

*To the Shareholders*

Dear Sir or Madam,

**(1) ANNUAL FINANCIAL REPORT FOR 2025;**
**(2) REPORT OF THE BOARD FOR 2025;**
**(3) REPORT OF THE SUPERVISORY COMMITTEE FOR 2025;**
**(4) 2025 ANNUAL REPORT;**
**(5) PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTOR;**
**(6) PROPOSED REMUNERATION FOR THE DIRECTORS AND THE SUPERVISORS;**
**(7) PROPOSED RE-APPOINTMENT OF AUDITOR FOR 2026;**
**(8) PROPOSED ABOLISHMENT OF THE SUPERVISORY COMMITTEE AND AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND RELATED CORPORATE GOVERNANCE SYSTEMS;**
**(9) PROPOSED ADOPTION OF SHARE AWARD SCHEME;**
**(10) PROPOSED GRANT OF ISSUE GENERAL MANDATE TO THE BOARD;**
**(11) PROPOSED GRANT OF REPURCHASE GENERAL MANDATE TO THE BOARD;**
**AND**
**(12) NOTICE OF ANNUAL GENERAL MEETING**

## I. INTRODUCTION

A notice convening the AGM of the Company to be held at Conference Room, 66/F, Tower A, Building 2, Shenzhen Bay Innovation Technology Center, No. 3156 Keyuan South Road, Gaoxin Community, Yuehai Street, Nanshan District, Shenzhen, the PRC on Friday, 26 June 2026 at 10:00 a.m. is set out on pages 158 to 163 of this circular.

The purpose of this circular is to give you notice of the AGM and to provide you with all information reasonably necessary to enable you to make an informed decision on whether to vote for or against the resolutions to be proposed at the AGM as described below.

## II. ANNUAL FINANCIAL REPORT FOR 2025

An ordinary resolution will be proposed at the AGM to consider and approve the annual financial report of the Company for 2025. The audited consolidated financial statements of the Group for the year ended 31 December 2025 are set out in the 2025 Annual Report. For details, please refer to the 2025 Annual Report published on the websites of the Stock Exchange and the Company.

## III. REPORT OF THE BOARD FOR 2025

An ordinary resolution will be proposed at the AGM to consider and approve the report of the Board for 2025. For details, please refer to the "Directors' Report" set out in the 2025 Annual Report.

## IV. REPORT OF THE SUPERVISORY COMMITTEE FOR 2025

An ordinary resolution will be proposed at the AGM to consider and approve the report of the Supervisory Committee for 2025. For details, please refer to the report of the Supervisory Committee set out in the 2025 Annual Report.

## V. 2025 ANNUAL REPORT

An ordinary resolution will be proposed at the AGM to consider and approve the 2025 Annual Report. For details, please refer to the 2025 Annual Report published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.xuncetech.com).

The 2025 Annual Report has been considered and approved by the Board and is hereby proposed to the AGM for consideration and approval.

## VI. PROPOSED APPOINTMENT OF NON-EXECUTIVE DIRECTOR

Mr. Jiang Chunfei ("**Mr. Jiang**") has tendered his resignation as an executive Director due to personal career planning. Mr. Jiang's resignation will take effect from 26 June 2026, and he will continue to perform his duties as an executive Director until then.

The Board would like to express its sincere appreciation to Mr. Jiang for his contribution to the Company during the tenure of his service.

An ordinary resolution will be proposed at the AGM to approve the appointment of Ms. He Jinglu ("**Ms. He**") as a non-executive Director of the first session of the Board. If Ms. He is appointed as a Director of the first session of the Board, her term of office will commence from the conclusion of the AGM and expire upon the conclusion of the first session of the Board. The biographical details of Ms. He are set out in Appendix I to this circular.

With regard to the proposed appointment of the non-executive Director, the Nomination Committee and the Board have complied with the Company's nomination policy and board diversity policy. The Nomination Committee will nominate the candidate based on criteria including reputation, experience, ability, industry skills and knowledge, the perspectives that the relevant candidate can bring to the Board, the time commitment that the relevant candidate can contribute to the Company, independence, and board diversity (including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service).

After taking into account the Company's nomination policy, the Nomination Committee and the Board consider that Ms. He is a suitable candidate and, based on her background and experience (as detailed in Appendix I to this circular), can contribute to the diversity of the Board.

The above resolution has been considered and approved by the Board and is hereby proposed to the AGM for consideration and approval as an ordinary resolution.

## VII. PROPOSED REMUNERATION FOR THE DIRECTORS AND THE SUPERVISORS

To ensure that Directors and Supervisors fulfill their duties efficiently and in accordance with the law, the Company has established a remuneration incentive and constraint mechanism that aligns with their rights and responsibilities in its Articles of Association, terms of reference of the Remuneration and Assessment Committee, and other relevant regulations. Based on the Company's actual operating conditions and industry remuneration levels, the following remuneration distribution plan for the Directors and Supervisors is formulated:

**(1) Remuneration Plan for Directors**

- Executive Directors will not receive any Director's fees other than the corresponding remuneration in connection with their senior management positions in the Company;
- Mr. Cai Xiang, a non-executive Director of the Company, will receive a fixed allowance of HK$600,000 (before tax) per annum from the Company; and
- Mr. Wong Ti, Ms. Tian Jiangchuan and Mr. Jiang Changjian, independent non-executive Directors, will receive a fixed allowance of HK$600,000 (before tax) per annum.

**(2) Remuneration Plan for Supervisors**

- Supervisors will not receive any Supervisor's fees other than the corresponding remuneration in connection with their actual positions in the Company.

**(3) Other Provisions**

- The remuneration for the Directors and the Supervisors will be paid monthly.
- If Directors and Supervisors leave their positions due to expiration of their term, re-election, resignation during their term, or other reasons, their remuneration will be calculated and paid based on their actual term of office.
- The personal income tax related to the aforementioned remuneration will be uniformly withheld and paid by the Company.

The above resolution has been considered and approved by the Board and is hereby proposed to the AGM for consideration and approval as an ordinary resolution.

## VIII. PROPOSED RE-APPOINTMENT OF AUDITOR FOR 2026

The Company proposed to re-appoint BDO Limited as the auditor of the Company for 2026 to hold office until the conclusion of the next annual general meeting of the Company, and to propose at the AGM to authorise the Board or authorised persons of the Board to determine the remuneration of the auditor in 2026 according to the specific workload of the auditor and the market price level.

The estimated audit fee for the audit services of the Company for 2026 is expected to be within the range from RMB3,000,000 to RMB3,500,000, as agreed between the Company and BDO Limited. Such fee has been determined with reference to factors including the scope and complexity of the audit, the Company's business plan and operations, the expected audit timetable, and the level of resources and expertise required by the auditor.

In the event of any material changes in the basis of determination of the audit fee or any unforeseen circumstances, the final audit fee may be different from the above estimated range.

The above resolution has been considered and approved by the Board and is hereby proposed to the AGM for consideration and approval as an ordinary resolution.

## IX. PROPOSED ABOLISHMENT OF THE SUPERVISORY COMMITTEE AND AMENDMENTS TO THE ARTICLES OF ASSOCIATION AND RELATED CORPORATE GOVERNANCE SYSTEMS

The Company has completed the global offering of H Shares and successfully listed on the Main Board of the Stock Exchange. The total number of overseas listed foreign shares (H Shares) issued pursuant to such global offering is 22,694,400 shares (including partial exercise of the over-allotment option), resulting in an increase in the Company's total share capital to 322,694,400 Shares and the registered capital to RMB322,694,400. At the same time, in order to improve the corporate governance structure of the Company, regulate the organisation and conduct of the Company, the rights and obligations between the Company and its Shareholders and among the Shareholders, and promote the healthy development of the Company, the Company proposed to make certain amendments to the Articles of Association and related corporate governance systems. Such amendments included abolishment of the Supervisory Committee.

In accordance with the requirements of the Company Law, the Guidelines for the Articles of Association of Listed Companies (Revised in 2025) and other laws and administrative regulations and based on the actual circumstances of the Company, the Company proposed to abolish the Supervisory Committee. The functions and duties of the Supervisory Committee as stipulated in the Company Law will be exercised by the audit committee of the Board. Accordingly, the Company proposed to amend the relevant provisions of the Articles of Association and its appendices (the Rules of Procedure for General Meetings of Shenzhen Xunce Technology Co., Ltd. (《深圳迅策科技股份有限公司股東會議事規則》) and the Rules of Procedure for the Board of Shenzhen Xunce Technology Co., Ltd. (《深圳迅策科技股份有限公司董事會議事規則》). For details of the proposed amendments, please refer to Appendices III to V to this circular. Upon amendments, the Rules of Procedure for the Supervisory Committee of Shenzhen Xunce Technology Co., Ltd. shall be repealed accordingly. Any provisions in the Company's various systems relating to the Supervisory Committee or Supervisors shall no longer apply, and the functions and duties of the Supervisory Committee shall be exercised by the audit committee of the Board.

Shareholders are advised that the Articles of Association are prepared in Chinese. In the event of any discrepancy between the Chinese version and the English translation of the Articles of Association, the Chinese version shall prevail.

The Company's legal advisers as to Hong Kong law and PRC law have respectively confirmed that the proposed amendments conform with the requirements under the Listing Rules (where applicable) and applicable PRC laws. The Company confirms that there is nothing unusual about the proposed amendments for a company incorporated in the PRC and listed on the Stock Exchange.

The above resolution has been considered and approved by the Board and is hereby proposed to the AGM for consideration and approval as a special resolution.

## X. PROPOSED ADOPTION OF THE SHARE AWARD SCHEME

In order to provide the Eligible Participants with equity incentives in compliance with the Listing Rules, the Board proposes the adoption of the Share Award Scheme.

### Objectives

The specific objectives of the Scheme are:

(i) to recognise the contributions by certain Eligible Participants and to provide them with incentives in order to retain them for the continual operation and development of the Group; and

(ii) to attract suitable personnel for further development of the Group.

### Eligible Participants and the basis of determining the eligibility of Eligible Participants

***Our Business Model***

The Group is a real-time data infrastructure and analytics solutions provider in China. We offer real-time information technology solutions encompassing both data infrastructure and data analytics to industry-wide enterprises. Our system integration services facilitate seamless deployment within client-owned environments, including self-managed clouds and on-premises systems.

At the core of the Group's offering is real-time data infrastructure, being a unified data platform that collects, cleanses, manages, analyses and governs heterogeneous data from multiple sources, deployed in clients' self-managed cloud or local computing systems. Such real-time data infrastructure allows data collection and data processing to be conducted almost instantaneously for the purpose of decision-making, analysis, or further action. Built upon this foundation is our application layer of data analytics, leveraging the underlying infrastructure to produce insights, make predictions, or inform business decisions.

We provide real-time data infrastructure and analytics solutions across diversified industries, including financial services, city management, manufacturing management and telecommunications, as well as other industries such as retail, renewable energy and agriculture. Our solutions enable clients to focus on investment and business decisions by aggregating disparate data and presenting a unified data platform with real-time processing capabilities. In practical terms, our solutions allow our clients to receive up-to-the-minute information, ensuring that business decisions are based on the most current data available.

The foundation of our solutions are the real-time data infrastructure and data analytics modules. In respect of data infrastructure modules, we offer automated data collection, standardisation, integration and management modules for our clients' external and internal data sources, powered by intelligent algorithm programming capabilities. In respect of data analytics modules, we offer data analytics modules built with intelligent algorithm programming capabilities such as machine learning, optical character recognition and natural language processing to enable real-time data analytics.

These modules may be offered individually or in combination, allowing flexible assembly into data-driven solutions with different features and functionalities according to clients' business scenarios, data complexity, processing speed requirements and operational needs. In delivering and maintaining our solutions, we also engage third-party hardware and equipment suppliers, software developers and technical service providers to provide relevant services and technical support, including data acquisition, data computation, data storage and backup, computing and processing capabilities, which supports our solution development and enhances our implementation efficiency.

The business model of the Group involves the following:

(i) we collect high-value data which are industry-specific and highly specialised, with significant commercial and application value for supporting AI model training, business decision-making and system deployment;

(ii) we utilise the industry-specific and highly specialised data collected, as well as our large model capabilities to develop and train the data infrastructure and data analytics modules and enhance their accuracy and effectiveness, which form the foundation of the solutions of the Group;

(iii) these modules serve as the building blocks, each endowed with specific functionalities, from fundamental data processing functions to industry-specific functions such as investment portfolio monitoring; and

(iv) each data infrastructure solution and data analytics solution will utilise multiple data-driven modules and will be deployed by industry-wide clients as real-time data infrastructure solutions and specialised solutions which perform industry-specific functions such as investment portfolio monitoring.

***Eligible Participants***

The Eligible Participants include:

(i) the Employee Participants, being the directors (including the executive Directors, non-executive Directors and independent non-executive Directors) and employees (including full-time employees and part-time employees) of any member of the Group (including persons who are granted Awards under the Scheme as an inducement to enter into employment contracts with any member of the Group);

(ii) the Related Entity Participants, being the directors and employees of any holding companies, fellow subsidiaries or associated companies of the Company; and

(iii) the Service Provider Participants, being third parties engaged by the Group who provide services and/or products to the Group on a continuing and recurring basis in the ordinary course of business of the Group which are in the interests of the long-term growth of the Group including but not limited to the following (excluding any placing agents or financial advisors providing advisory services for fundraising, mergers and acquisitions, and professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity):

*(1) Suppliers of hardware and equipment and data and software*

This category refers to suppliers providing services and/or products to the Group, including (i) high-value specialised hardware and equipment provider; and (ii) industry-specific and highly-specialised data and software provider. Details of these suppliers are set out below:

| | Type of suppliers | Services/products provided | Importance |
|---|---|---|---|
| (i) | High-value specialised hardware and equipment provider | Provide high-value specialised hardware and equipment for data acquisition, data storage, and data computation (including but not limited to 3-dimensional vision laser scanner, hyperspectral acquisition equipment, infrared thermal imager, data collection terminal and multimodal sensing hardware). | High-value specialised hardware and equipment are essential for high-value specialised data collection, which is significant to the Group's real-time data infrastructure and analytics solutions offered to industry-wide enterprises with tailor-made specifications for different industries and is material to system integration when being applied by Group's clients. High-value specialised hardware and equipment can ensure that the Group's real-time and industry-wide solutions possess high-performance data processing capabilities, which are compatible with and match the needs of clients across various sectors. Given that the Company is not directly engaged in the manufacturing or production of the high-value specialised hardware and equipment, which is inherently capital-intensive in nature, it is commercially reasonable and critically important for the Group to procure such hardware and equipment products from reliable, long-term suppliers on a continuous and recurring basis. Furthermore, given the sensitivity and confidential nature of the data, the Group cannot frequently change its suppliers, and accordingly the Group has established and maintained long-term relationships with its suppliers as these trusted relationships are fundamental to ensuring the quality, safety, integrity, and privacy of storage and processing of commercially sensitive data collection and data insights. |

| | Type of suppliers | Services/products provided | Importance |
|---|---|---|---|
| (ii) | Industry-specific and highly-specialised data and software provider | Provide (i) data in specialised industries (including but not limited to asset management, telecommunications, marine and maritime, energy, smart cities, smart parks, transportation, logistics, healthcare, consumer and retail) which are the industries corresponding to the industries in which the Group's clients operate; and (ii) core computing and processing capabilities on large model including AI model training, and multimodal large models which are applicable to industry-wide real-time data infrastructure and analytics solutions. Large models are used for integrating data to provide solutions. | Provision of industry-specific data by the suppliers is material and crucial to the business operations of the Company, without which the Group's ability to deliver real-time data infrastructure and analytics solutions to clients in the respective industries may be materially limited. The data provided is strongly industry-specific and highly-specialised, which is not readily available through using ordinary equipment and methods. Such data possesses significant commercial and application value as it can support AI model training, business decision-making and system deployment.<br><br>Provision of large model technology is important as it can facilitate the innovation of the Group's real-time data infrastructure and analytics solutions. These suppliers provide the Group with general-purpose large models and engage in deep collaboration to jointly train specialised models tailored to specific industries, thereby supporting the upgrading of the Group's real-time data infrastructure and analytics solutions. |

Granting Awards (instead of monetary return) to above service providers are necessary and commercially reasonable taking into account of the following factors:

***Integral to the principal business of the Group:*** In light of the Company's technology-driven business model and the industry norms, provision of these specialised services in advanced technology areas are frequently delivered by non-employee individuals or companies with highly specialised expertise which are considered as an extension of the Group's core technological capabilities therefore integral to the Group's principal business. This is because the Group operates in a rapidly evolving technology environment and serves clients across a broad range of industries. From time to time, the Group may require specialised technical support or industry-specific expertise to address particular project requirements, including but not limited to asset management, telecommunications, marine and maritime, energy, smart cities, smart parks, transportation, logistics, healthcare, consumer and retail. Accordingly, it has been the Company's established practice to engage service providers, where appropriate, to supplement its internal capabilities and support the delivery of its solutions.

***Alignment of interests:*** Granting Awards to these suppliers can incentivise them to focus on their continuous commitment to service quality and innovation, encourage them to support the sustainable growth and long-term performance and stability of the Group's services, align their interests with those of the Group, and foster their sense of belonging and accountability towards the Group.

***Talent attraction and retention:*** Given the competitive nature of the technology industry, particularly in relation to artificial intelligence and SaaS, the provision of equity-based incentives to suppliers, not being full-time employees, is necessary and commercially reasonable to attract and retain high-calibre individuals whose contributions are critical to the Group's innovation capabilities. Furthermore, it is also in line with the industry norms to grant equity-based incentives to service providers by companies in technology and related industries.

***Equity incentive:*** In line with the industry norms, equity-based incentives under the Share Award Scheme provide an effective mechanism to encourage such suppliers to commit to the Group over a longer period of time and to contribute consistently to the Group's long-term business objectives instead of short-term service engagements.

***Scarceness of products:*** The products and components provided by these suppliers are scarce, highly specialised, continuous in nature and strategically critical to the Group where the high standards of such products and components in terms of quality, functionality and stability are crucial to the product development and R&D of the Group which will impact the Group's adaptability to customer needs which will in turn impact on the competitiveness and innovation capabilities of the Group's products and make direct contributions to the Group's revenue growth and market share.

These suppliers are irreplaceable and essential to the Group's business that they devote substantial and continuous resources to the Group's operations, with the frequency, continuity and depth of their engagement being akin to that of the Group's employees. They collaborate with or function as the Group's internal teams on an ongoing basis in the Group's day-to-day operations. The Group relies on such suppliers which perform functions analogous to the Group's industry-specific departments. Such suppliers are engaged externally primarily due to (i) the highly specialised and technical nature of their capabilities, which are not readily replicable within the Group's internal workforce; and (ii) the need for access to reliable first-hand proprietary data sources, industry-specific infrastructure and specialised expertise that are critical to the Group's business. Without the continued and timely support from these suppliers, the Group's strength in the industry would be undermined.

*(2) Consultants and advisers*

This category refers to independent consultants and advisers who provide consultancy, advisory and/or other professional services to the Group on a regular and recurring basis. These consultants and advisers are required to devote a substantial amount of time attending to the Group's work on an ongoing basis, with the frequency and continuity of their engagement being akin to the Group's employees in their respective areas of expertise, closely collaborating with the Group's teams on a day-to-day or regular periodic basis. Such consultants and advisers are sourced externally due to (i) the highly specialised nature of their expertise which may not be readily available within the Group's internal resources; and (ii) the need for multi-dimensional exposure to market developments, industry trends and cross-sector insights that can only be obtained through professionals with extensive external networks and diversified industry experience. Details of these consultants and advisers are set out below:

| **Type of consultants and advisers** | **Services provided** | **Importance** |
|---|---|---|
| Business and strategic development consultants or advisers | Provide consulting support in product strategies, business planning, branding and market positioning on a regular basis in relation to the Group's business in real-time data infrastructure and analytics solutions. | Facilitate potential collaborations with key market participants and strategic partners (including upstream and downstream industry participants and other stakeholders) which can further enhance or diversify the Group's existing offerings and support the Group's business development. Such business and strategic development consultants and advisers will support the Group's horizontal business expansion, as their broad industry perspective, cross-sector expertise, and strategic networks are essential to identifying and executing opportunities across new markets and complementary business areas of the Group. |
| Marketing and investment opportunities consultants or advisers | Provide essential market intelligence, industry data and investment opportunities which are critical for the Group's expansion strategies in a long term. | Allow the Group to access first-hand market intelligence and identify potential market opportunities and areas of focus by leveraging the specialised knowledge, broader market perspective and established industry relationships of such consultants and advisers. This external expertise serves to supplement the Group's internal capabilities by providing more up-to-date, first-hand and industry-specific market intelligence, given the fast-evolving nature of the real-time data infrastructure and analytics industry. |

| Type of consultants and advisers | Services provided | Importance |
|---|---|---|
| | | Such marketing and investment opportunities consultants and advisers will support the Group's vertical business expansion, as their capabilities in targeted market penetration, capital deployment, and value optimisation are vital to deepening the Company's presence, enhancing competitiveness, delivering up-to-date and tailor-made offerings, and maximising returns within existing business segments of the Group. |
| Technology consultants or advisers | Provide professional, industry-specific and highly-specialised technical consultation and guidance on a regular basis across areas such as AI technologies, real-time data processing, large models, AI model training, and digital R&D. | Support the Group's product upgrades and enhancement, as well as its in-house development of core technologies and the commercialisation of cutting-edge technologies tailored to meet the specific needs and requirements of the various industries in which the Group's clients operate. Unlike the services and products provided by suppliers (which are more specific to particular projects on an ongoing basis), the services provided by technology consultants and advisers are directed towards enhancing the Group's overall technological capabilities and may not be specific to any existing project or client.<br><br>Such technology consultants and advisers will support the Group with their integrated expertise in technology development and optimisation, as well as insights into industry trends and evolution, by offering professional and specialised technical insights and guidance on latest industry developments, evaluating the feasibility and applicability of emerging technologies across different industry scenarios, and identifying opportunities for product upgrades and functional enhancement. Technology consultants and advisers possessing such cross-disciplinary technical proficiency and industry-specific experience are scarce and not readily identifiable in the market, and it is therefore appropriate and necessary for the Company to include them as Eligible Participants under the Scheme. |

The Company considers that the above two categories of Service Provider Participants are distinct in nature and serve different functions in relation to the Group's business. Suppliers are involved in the delivery of technical services and products as part of the Group's ongoing day-to-day operations. Consultants and advisers provide independent consultancy, advisory and/or other professional services to the Group.

The Board considers that the inclusion of Service Provider Participants as Eligible Participants is a fair and reasonable method to maintain sustainable strategic relationships and ensure the Group remains well-positioned for future growth, which is fair and reasonable and in the best interests of the Company and its Shareholders as a whole, based on the following reasons:

*(i) Strategic Rationale and Resource Integration*

The Group's strategic objectives are supported by a diverse network of service providers in a competitive business environment and ever-changing industry landscape. These partners provide specialised technical knowledge, skills and resources that complement the Group's internal capabilities, facilitating efficient product iteration, model training, and system deployment. By integrating these external resources, the Group enhances its operational agility and competitiveness and maintains its focus on core technological advancements.

*(ii) Alignment of Interests and Long-term Strategy*

The Board considers the inclusion of Service Provider Participants to be fully aligned with the Group's long-term development strategy. The use of share-based incentives is intended to align the interests of high-quality service providers with the Group's own growth goals, fostering stable and professional collaborations. This approach allows the Group to effectively leverage external expertise and industry resources to support its independent growth trajectory and enhance overall market competitiveness.

*(iii) Consistency with Market Practice*

The proposed inclusion of Service Provider Participants is consistent with prevailing market practices among peer companies in technology and related industries. Such a mechanism is a recognised tool for maintaining strategic partnerships within complex technological ecosystems.

The nature of the past services contracts between the Company and its service providers is on a regular or continuing basis, with the continuity and frequency of such services being comparable to those of employees of the Group. In assessing whether a Service Provider Participant provides services to the Group on a continuing and recurring basis, and their contributions to the Group, the Board will take into account the following factors:

(i) the duration (i.e., the amount of time such as the number of working days each month required to render the services) and nature (i.e. whether such services form part of or are directly ancillary to the businesses conducted by the Group) of services provided to the Group in the past 12 months, with particular emphasis on whether the services are integral to the principal business of the Group and the frequency of recurrence and regularity of such services (i.e., whether the amount of time required to render the services would be considered regular, continuous or recurring, and whether the Service Provider Participant has previously provided services to the Group for a continuous period of time under the relevant engagement agreement);

(ii) the length of engagement of the Service Provider Participant (i.e. whether the Service Provider Participant has entered into any engagement agreement and whether such agreement is subject to any fixed term of service), taking into account whether the services are expected to continue to be required based on the Group's ongoing business needs and development plans;

(iii) the abovementioned selection criteria (i.e. duration and nature of services, length of engagement, frequency of recurrence and regularity of services) against comparable metrics used to determine other Eligible Participants who have been granted Awards under the Scheme (where applicable), including whether the services provided are of a continuing and recurring nature that forms part of the Group's ongoing operational needs (excluding any services that are ad hoc, isolated, project-specific or readily substitutable on a short-term or one-off basis) and it is expected the same objective standards already used by the Board for previously granted Awards under the Scheme (where applicable) would be applied when assessing whether the services provided are on a continuing and recurring basis in the Group's ordinary and usual course of business. The Board will only consider those Service Provider Participants whose abovementioned metrics match or exceed those of prior Award grantees (when applicable) as providing services on a continuing and recurring basis and thus eligible. This ensures consistent and fair application of the eligibility threshold across all Service Provider Participants; and

(iv) the performance of the Service Provider Participant (i.e., whether the work delivered meets the Group's ongoing operational requirements and standards, whether any delays or disputes had arisen etc.) with such assessment focusing on their sustained contribution to and the recurring business needs of the Group. In evaluating the performance of a Service Provider Participant, the Board will consider on a holistic basis, among other things, the following key performance indicators as applicable to the relevant category of Service Provider Participant:

    (a) in respect of suppliers: the quality, reliability and timeliness of deliverables, compliance with agreed specifications and service level requirements, the extent to which the services or products contribute to the enhancement of the Group's technological capabilities and product development, and the responsiveness and effectiveness in addressing technical issues and providing ongoing support; and

    (b) in respect of consultants and advisers: the timeliness and responsiveness in delivering advice and recommendations, and the extent to which the consultant's or adviser's specialised knowledge and industry experience have contributed to the identification of new business opportunities or the enhancement of the Group's competitiveness.

***Basis of determination of Awarded Interest***

In determining the appropriate Awarded Interest to be granted to any Selected Participant, the Board will take into consideration factors including, but not limited to, (i) the Group's overall business objectives and future development plan; (ii) the general financial condition of the Group; (iii) the present contribution and expected contribution of the relevant Selected Participant to the profits of the Group. In particular, the Board shall also take into consideration matters including, but not limited to,

(1) with respect to an Employee Participant or a Related Entity Participant,

  (a) the Selected Participant's individual performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard;

  (b) the length of engagement of the Selected Participant with the Group or the Related Entity (as the case may be); and

  (c) any other matter which the Board considers relevant.

(2) with respect to a Service Provider Participant,

  (a) the expertise, professional qualifications of the Selected Participant;

  (b) the performance and track record of the Selected Participant, including his/her history of delivering high-quality services, his/her ability to maintain service standards and industry reputation;

  (c) the scope of collaboration between the Selected Participant and the Group, such as whether he/she relates to the core business of the Group and whether such business dealings could be readily replaced by third parties, as well as the duration of the business relationship;

  (d) the scale of business transactions between the Selected Participant and the Group, and the contribution to the Company's performance as assessed by the Board taking into account the amount of support, assistance, guidance and advice from the Selected Participant;

  (e) the benefits and strategic value brought to the Company's development, such as establishment of new capabilities or technological barriers, and enhancement of the Company's reputation; and

  (f) the business opportunities and external resources that have been or are likely to be introduced to the Group by the Selected Participant.

(3) with respect to any other person or entity whom the Board, in its sole discretion, considers to have contributed to the success of the Group,

(a) the nature and extent of such person's or entity's past or prospective contributions to the business development, strategic positioning, or overall growth of the Group;

(b) the significance of the relationship between such person or entity and the Group, including any strategic, technological, financial, or operational collaboration that supports the Group's objectives;

(c) the potential for such person or entity to enhance the Group's market presence, competitiveness, brand recognition or cross industry partnerships;

(d) the degree to which the engagement with such person or entity creates long term shareholder value or other sustainable benefits to the Group; and

(e) any other factors that the Board considers relevant in view of the Group's business priorities and prevailing market conditions.

Although independent non-executive Directors are also Employee Participants and fall within the categories of Eligible Participants, the Company is mindful of the recommended best practices under E.1.9 of the Corporate Governance Code set out in Appendix C1 to the Listing Rules, which provides that issuers generally should not grant equity-based remuneration with performance-related elements to independent non-executive Directors as this may lead to bias in their decision-making and compromise their objectivity and independence.

Notwithstanding the above, the Board, with the recommendation of the Remuneration and Assessment Committee, considered that the inclusion of non-executive Directors and independent non-executive Directors aligns with the Scheme's purpose of attracting and retaining talents to the Board by enhancing the alignment of their interests with those of the Company and the Shareholders, which fosters the long-term success of the Company. The Board, with the recommendation of the Remuneration and Assessment Committee, considered that:

(a) including non-executive Directors and independent non-executive Directors as Eligible Participants would enable the Group to attract and/or retain high-quality talents with the requisite professional qualifications, independent judgment, integrity and reputation to the Board in addition to cash-based directors' fees and emoluments;

(b) the granting of Awards to non-executive Directors and independent non-executive Directors serves to align their interests with those of the Company and the Shareholders as a whole, with a long-term perspective rather than short-term performance considerations, thereby encouraging them to remain committed to the long-term success of the Company and safeguard the interest of the Shareholders as a whole. By granting them Awards, the Company can leverage their insights and expertise more effectively in the decision-making process;

(c) it is common market practice to include non-executive Directors and independent non-executive Directors as Eligible Participants among listed companies, having regard to their increasingly important role in providing oversight, governance and strategic guidance at board level, whereupon their role in maintaining a sound corporate governance framework and supervising the internal control system within the Group is utmost important;

(d) the individual limit of new H Shares (including treasury Shares) issued and to be issued to any non-executive Directors or independent non-executive Directors in the 12-month period (up to and including the date of Grant) is limited to 0.1% of the relevant class of Shares in issue (excluding treasury Shares) on the date of Grant; and

(e) performance targets are not applicable for granting Awards to the independent non-executive Directors, primarily because their role focuses on providing independent oversight and strategic guidance as regards to the Board's decision-making processes rather than direct management of operations. As the Awards are not linked to management performance or operational results, the Company is of the view that the scope and structure of the Awards do not create any conflict of interest or impair the objectivity and independence of the independent non-executive Directors, all of whom would continue to satisfy the independence requirements under Rule 3.13 of the Listing Rules.

In addition, Employee Participants being one of the Eligible Participants also cover full time as well as part time employees, and the Board considers this is in line with modern commercial practice such that both full time and part time employees be given incentives to work towards the goal of enhancing the enterprise value and attaining the long-term objectives of the Company for the benefit of the Group as a whole, and it is also in line with the aforesaid purposes of the Scheme.

The Company recognises that the real-time data infrastructure and analytics market in China is highly competitive and dynamic and in light of such highly competitive landscape that the Company is in, the engagement and retention of capable Service Provider Participants and support from Related Entity Participants are essential to the Group's sustainable growth and business expansion, and is of the view that the proposed categories of Service Provider Participants and Related Entity Participants are in line with the Company's business needs referencing to the Company's nature of operation, the industry norm, and long-term strategic relationship with such participants.

The Related Entity Participants, being the directors and employees of any Related Entity (including additional Related Entities (if any) during the course of the Scheme Period), may also, in the ordinary and usual course of business, be involved in business engagements, operations and collaborative activities relating to the Group's business. They are expected to contribute to the Group's business development through facilitating operational synergies, sharing of industry knowledge and technical expertise, supporting cross-entity collaboration in R&D initiatives, and strengthening the Group's overall market positioning and competitiveness. Such personnel, similar to those employees of the Group, should also be incentivised to make contributions to the sustainable growth, strategic development and overall success of the Group, and the Board considers that the granting of Awards to Related Entity Participants would serve to align their interests with those of the Group, thereby fostering deeper collaboration and encouraging their continued dedication to enhancing the long-term enterprise value of the Group.

The Service Provider Participants directly contribute to the long-term growth of the Group's business by providing services and/or products that are of a continuing and recurring nature in the ordinary and usual course of the Group's business. The granting of Awards to Service Provider Participants helps ensure long-term alignment of interests between them and the Company. These Service Provider Participants are closely connected to and crucial to the Group's day-to-day operations, which span across R&D, product development, technical infrastructure, business development and market expansion, and their contributions directly impact the results of the operations of the Group:

(i) the services and/or products provided by suppliers are industry-specific, highly specialised, scarce, continuous and strategically critical to the Group. In light of the Group's technology-driven business model, the Group requires suppliers with highly specialised expertise in order to develop and maintain the Group's core technological capabilities across all specific industries in which the Group's clients operate (including but not limited to asset management, telecommunications, marine and maritime, energy, smart cities, smart parks, transportation, logistics, healthcare, consumer and retail) and to meet project requirements of different clients. These suppliers' deliverables directly impact Group's products, R&D, adaptability to customer needs, the competitiveness and innovation capabilities of the Group's products and make direct contributions to revenue growth and market share expansion, and their performance is highly correlated with the Group's long-term business outcome; and

(ii) consultancy and advisory services from consultants and advisers who possess professional knowledge, qualifications and industry experience can bring positive impact or strategic benefits to the Group's business growth and development in accordance with the Group's business plans.

Furthermore, the Group operates in the real-time data infrastructure and analytics industry which is fast-evolving and highly relies on cutting-edge technological expertise, industry collaboration and the relevant experts' judgment are essential. Given the rapid pace of technological advancement in areas such as artificial intelligence, data analytics, data computing and cloud computing, the Group's internal employees may not at all times possess the most updated technical knowledge and capabilities required to address the Group's evolving business needs. The Board considers it necessary and reasonable to provide attractive packages to recruit or retain important service providers to support the growth strategy of the Group.

Given the above, the independent non-executive Directors are of the view that (i) inclusion of the Related Entity Participants and the Service Provider Participants as Eligible Participants are in line with the Group's business needs; and (ii) the criteria for the selection of Eligible Participants and the terms of the grants align with the purpose of the Scheme and the long-term interests of the Company and its Shareholders.

**Adoption conditions**

The Scheme shall take effect subject to and conditional upon:

(i) approval of the Shareholders being obtained through the passing of resolutions by the Shareholders to adopt the Scheme and to authorise the Board to grant Awards under the Scheme and to allot, issue, transfer and deal with H Shares pursuant to the grant of any Awards in accordance with the terms and conditions of the Scheme; and

(ii) the Stock Exchange granting approval for the listing of, and permission to deal in, such number of H Shares representing the Scheme Mandate Limit to be allotted and issued or transferred (in the case of treasury Shares) by the Company pursuant to any grant of any Awards in accordance with the terms and conditions of the Scheme.

Application will be made to the Stock Exchange for the approval of the listing of, and permission to deal in the H Shares to be allotted and issued as the source of the Awarded Shares under the Scheme.

**Duration of Scheme Period**

Subject to any early termination as may be determined by the Board pursuant to the Scheme Rules, the Scheme shall be valid and effective for a term of ten (10) years commencing on the Adoption Date, being the Scheme Period, after which no further Awards will be granted but in all other respects the provisions of the Scheme shall remain in full force and effect and the Awards granted during the term of the Scheme may continue to be valid in accordance with the provisions of the Scheme.

Depending on the circumstances including, among other matters, the then market conditions, the performance and development of the Group as well as performance of the Eligible Participants, the Company might consider granting Awards to the Eligible Participants within 12 months after the Adoption Date. As of the Latest Practicable Date, the Company had not finalised the details of any such plan and had no immediate plan or intention to grant any Awards to any Eligible Participants including non-executive Directors or independent non-executive Directors. The Company will make relevant disclosure by way of announcement(s) in compliance with Chapter 17 of the Listing Rules upon the grant of any Awards to the Eligible Participants.

**Administration**

The Scheme shall be subject to the administration of the Board and the Trustee in accordance with the Scheme Rules and the Trust Deed. The decision of the Board with respect to any matter arising under the Scheme shall be final and binding. As at the Latest Practicable Date, the Trustee had yet been appointed. The Company will not appoint any Director to be the Trustee and will not appoint any Trustee in which any Director shall have direct or indirect interest. The Trustee shall be independent of the Company and its connected persons throughout the Scheme Period.

Without prejudice to the foregoing and to the extent permissible under the Listing Rules and other applicable laws and regulations, the Board may resolve to delegate to the Remuneration and Assessment Committee any or all of the authority and responsibility of the Board under the Scheme Rules and the Trust Deed.

Subject to the terms and conditions of the Scheme, the Board shall have the sole and absolute right to (i) interpret and construe the provisions of the Scheme, (ii) determine the Selected Participants who will be granted Awards under the Scheme, the terms and conditions on which Awards are granted to the Selected Participants and when the Awards granted may vest, (iii) make such appropriate and equitable adjustments to the terms of the Awards granted to the Selected Participants as it deems necessary and (iv) make such other decisions or determinations as it shall deem appropriate or desirable in respect of the administration of the Scheme.

The Trustee shall hold the Trust Fund in accordance with the terms of the Trust Deed.

**Operation of the Scheme**

***Grant of the Awarded Shares to Selected Participants***

Subject to the provisions of the Scheme, including but not limited to the restrictions set forth in the Scheme Rules, the Board may, from time to time, at its sole and absolute discretion select any Eligible Participant (other than any Excluded Participant) for participation in the Scheme as a Selected Participant, and grant an Award to any Selected Participant at such consideration and in such circumstances that the Company will not be required under applicable laws and regulations (including without limitation to the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)) to issue a prospectus or other offer document in respect thereof and subject to such terms and conditions as the Board may in its sole and absolute discretion determine. The Board may determine that a Selected Participant will be granted Awarded Interests in the form of Awarded Shares or Awarded Cash or in the combination thereof on a case-by-case basis. In determining whether settlement will be in Awarded Shares or Awarded Cash or in the combination thereof, the Board may take into account factors including (a) the Selected Participant's individual circumstances; (b) the financial position and cash position of the Company; (c) the prevailing market price of the H Shares; and (d) the general economic circumstances at the time of vesting.

The Board envisages that (i) Awarded Shares will be granted where the Company's financial position and prevailing market conditions are conducive to settlement in the form of H Shares; and (ii) Awarded Cash will be granted where, having regard to the Selected Participant's individual circumstances (including any regulatory, tax or compliance considerations applicable to the Selected Participant), the financial position and cash position of the Company, or prevailing market conditions, settlement in the form of H Shares may not be practicable or appropriate, or where a combination of Awarded Shares and Awarded Cash would better serve the objectives of the Scheme. The Board considers that the grant of Awarded Cash is consistent with the purposes of the Scheme as the Selected Participant is incentivised to contribute to the long-term growth and development of the Group throughout the vesting period and the Board retains the discretion to impose such additional conditions on the grant and vesting of Awarded Cash as it considers appropriate to ensure alignment with the long-term interests of the Company and the Shareholders as a whole. For the avoidance of doubt, the Selected Participant shall not be entitled to any Related Income from any H Shares prior to (a) vesting (in respect of Awarded Cash) or (b) the transfer of the H Shares to the Selected Participant (in respect of settlement by way of H Shares).

The Board shall have the sole discretion to determine whether any Award shall be funded by new H Shares (including treasury Shares) or existing H Shares in issue (excluding treasury Shares). In exercising such discretion, the Board shall take into account factors including but not limited to (i) the prevailing market conditions including the prevailing market price of the H Shares; (ii) the financial position and cash position of the Company; (iii) the extent to which the Scheme Mandate Limit has been utilised at the relevant time; and (iv) the possible dilution effects to the existing Shareholders following such grants. For instance, it is expected that the Company is more likely to grant Awards funding by new H Shares (including treasury Shares) instead of existing H Shares unless (a) such H Shares are gifted by any Shareholders or (b) the prevailing market price of the H Shares is at a level (with reference to, among other things, the net asset value per H Shares) that the Board considers favourable for such acquisition, provided that the Company has sufficient cash resources to fund such purchase.

The Board is entitled to impose any conditions, as it deems appropriate in its sole and absolute discretion with respect to the vesting of the Awarded Interests to the Selected Participant providing that, subject to the paragraph below, the vesting period for the Award Interests that are funded by new H Shares (including treasury Shares) shall not be less than twelve (12) months and shall inform the Trustee and such Selected Participant the relevant conditions of the Award. Notwithstanding any other provisions of the Scheme, subject to applicable laws and regulations, the Board shall be at liberty to waive any vesting conditions referred to in this paragraph.

Notwithstanding any other provisions of the Scheme, subject to applicable laws and regulations, the Board may in its sole and absolute discretion to determine that the Awards that are funded by new H Shares (including treasury Shares) and granted to an Employee Participant may be subject to a vesting period of less than twelve (12) months in the following circumstances:

(i) Awards are grant of "make-whole" share awards to an Employee Participant who is a new joiner of the Group to replace the Awards he has been forfeited when leaving the previous employer;

(ii) Awards are granted to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out-of-control event, in which circumstances the vesting of Awards may accelerate;

(iii) Awards are granted to an Employee Participant which are subject to performance-based vesting conditions provided in the Grant Letter, in lieu of time-based vesting criteria;

(iv) Awards are granted to an Employee Participant in batches during a year for administrative and compliance reasons, in which case, the vesting period may be shorter to reflect the time from which the Awards would have been granted;

(v) Awards are granted to an Employee Participant with a mixed or accelerated vesting schedule (such as where the Awards may vest evenly over a period of twelve (12) months); or

(vi) Awards are granted to an Employee Participant with a total vesting and holding period of more than twelve (12) months.

The Board and the Remuneration and Assessment Committee consider that (i) there are certain instances where a strict requirement of vesting period of twelve (12) months may be impracticable or unfair to Employee Participants; (ii) there is a need for the Company to retain flexibility in certain cases to provide a competitive remuneration package attract and retain top-tier talent, particularly in senior management positions that play a pivotal role in driving the Company's long-term success; and (iii) the Company should be allowed discretions to formulate its own talent recruitment and retention strategies in response to evolving market conditions and industry competition to tailor vesting conditions based on individual circumstances rather than relying solely on time-based vesting criteria. Hence, the Board and the Remuneration and Assessment Committee are of the view that the shorter vesting period prescribed in the paragraph above is in line with the market practice and is appropriate and aligns with the purpose of the Scheme.

The Scheme involves Awards funded by both (i) new H Shares (including treasury Shares); and (ii) existing H Shares in issue (excluding treasury Shares) which is subject to the relevant requirements under Chapter 17 of the Hong Kong Listing Rules. Under Chapter 14A of the Listing Rules, Awards funded by new H Shares (including treasury Shares) granted to a Selected Participant who is a Director, supervisor, chief executive, a substantial shareholder, their respective associates or otherwise regarded as a connected person of the Company will be considered as an exempt connected transaction. However, Awards granted to connected persons that are to be funded by existing H Shares, will constitute connected transactions under Chapter 14A of the Listing Rules, and the Company shall comply with the relevant requirements under the Listing Rules.

Where any grant of Awarded Interests is proposed to be made to any Selected Participant, the Company shall comply with such provisions of the Listing Rules as may be applicable, including any disclosure, reporting, announcement and/or shareholders' approval requirements, unless otherwise exempted under the Listing Rules.

After the Board has decided to make a grant of Awarded Interests to any Eligible Participant, the Board shall send to the Eligible Participant a written instrument (the "**Grant Letter**") which sets out details of the Awarded Interests so granted (including the number of Awarded Shares or the amount of the Awarded Cash) and the conditions (if any) upon which such Awarded Interests were granted.

The Board may determine from time to time to set out any performance targets for each grant in the Grant Letter, provided that performance targets are not applicable to independent non-executive Directors. Performance targets may include financial targets and management targets of the Group which shall be determined based on (i) financial parameters of the Group (such as revenue and gross profits) and general financial condition of the Group; (ii) non-financial parameters of Group such as achievement of the Group's strategic objectives, operational targets (such as number of customers), milestone of important projects of the Group; (iii) the key performance indicators and result of annual appraisal (in respect of Employee Participants and Related Entity Participants) of the individual Selected Participant; (iv) the key performance indicators of the departments or business line to which the Selected Participant (who is an Employee Participant) belongs; and/or (v) such other goals as the Board may from time to time determine. The satisfaction of the performance targets shall be assessed and determined by the Board at its sole discretion based on periodic performance assessments and review of the quantitative data of the Group and/or the Selected Participants.

During the vesting period, in respect of any performance targets as may be specified by the Board in the Grant Letter that must be fulfilled before the Award may be vested in the relevant Selected Participant, the Board shall conduct an assessment at the end of such vesting period, including the comparison of the performance of the Group and/or the individual performance of the Selected Participants against the pre-agreed targets, in order to determine whether such targets have been fulfilled and the extent to which such targets have been achieved. If the Board determines in its absolute discretion that any condition(s) and/or performance target(s) as specified in the relevant Grant Letter has not been duly fulfilled, the Board shall determine in its absolute discretion whether such Award shall vest and the period within which such Award shall vest, subject to the requirements of the Listing Rules.

The Board shall have the discretion, rather than being constrained by a prescribed set of performance targets, to determine flexibly whether and to what extent any performance targets will be attached to each Award, and how such performance targets may be both practicable and beneficial to the Group, thereby facilitating the provision of appropriate incentives to attract and retain high-calibre talent who are valuable to the development of the Group. In light of the above, the Board is of the view that it is not practicable to expressly set out a generic set of performance targets in the Scheme Rules, as each Selected Participant will play different roles and contribute in different ways to the Group. Instead, the Scheme Rules include factors to be considered by the Board for determining performance targets. The Board shall have regard to the purpose of the Scheme in making such determinations and ensure that appropriate specific performance targets, if any, will be set under particular circumstances of the relevant Selected Participant(s).

Upon the due execution of the Grant Letter by the Company and the relevant Eligible Participant, the Awarded Interests are considered as having been granted to and accepted by the Eligible Participant, who shall become the Selected Participant. No consideration is payable by the Selected Participant on acceptance of the Awarded Interests. Accordingly, Selected Participants are not subject to any period within which payments or calls must be made upon acceptance of the Awards.

The purchase price of the Awards shall be determined by the Board at its sole and absolute discretion. For the avoidance of doubt, the Board may determine the purchase price of the Awards to be nil. Subject to compliance of all applicable laws and the Articles of Association, the Board shall be entitled to determine upon each grant whether any purchase price shall be payable by the Selected Participant upon vesting based on considerations such as (a) the Selected Participant's position, length of service, performance appraisal results and level of responsibility within the Group; (b) the financial position and cash position of the Company; (c) the prevailing market price of the H Shares; and (d) the general economic circumstances at the material times, including prevailing interest rates, inflation and market conditions in the industry in which the Group operates. The Board shall, within five (5) Business Days after the Grant Letter is duly executed by the Company and the Selected Participant, notify in writing the Trustee of the terms and conditions of such grant (including without limitation the name of the Selected Participant, details of the granted Awarded Interests, vesting schedule and conditions (if any) thereof, if applicable). Subject to any adjustment that may be made pursuant to the Scheme Rules, the number of Awarded Shares specified in the Grant Letter shall constitute the definitive number of Awarded Shares being granted to such Selected Participant.

If an Eligible Participant fails to execute the Grant Letter within twenty (20) Business Days after the Grant Date, the Board may, at its sole and absolute discretion, extend the above deadline to such longer period as appropriate (the discretion of which shall be exercised only on a case-by-case basis). If the executed Grant Letter is still not received by the extended deadline, the Board may determine whether the relevant Awarded Interests shall be considered as having never been granted to such Eligible Participant in which the Awarded Interests shall remain as part of the Trust Fund, or whether to grant a further extension. Such Eligible Participant shall have no right or claim against the Company, any other member of the Group, the Board, the Trust or the Trustee or with respect to those or any other H Shares or any right thereto or interest therein in any way.

***Source of Awarded Interests***

The grant of Awarded Shares shall be satisfied by: (a) new H Shares to be subscribed by the Trustee as duly instructed by the Board pursuant to the terms of the Scheme Rules and allotted and issued to the Trustee by the Company; (b) transfer of treasury Shares from the Company to the Trustee; (c) purchase of existing H Shares by the Trustee as duly instructed by the Board pursuant to the terms of the Scheme Rules; (d) receipt of H Shares as a gift or gratuitous transfer to the Scheme from any Shareholder by the Trustee as duly instructed by the Board pursuant to the terms of the Scheme Rules.

The Board may, having regards to, among other things, the financial position of the Company, the cash position of the Company and the market price of the H Shares:

(a) exercise the mandate within the Scheme Mandate Limit and direct the Company to allot and issue new H Shares to the Trustee to be held by the Trustee to satisfy the Awarded Shares upon vesting in compliance with the relevant Listing Rules, including the applicable requirements under Chapter 17 of the Listing Rules;

(b) transfer treasury Shares to the Trustee and direct and procure the Trustee to apply any treasury Shares to satisfy the Awarded Shares upon vesting. For avoidance of doubt and for the purposes of the Scheme, the treasury Shares transferred to the Trustee shall be treated in the same manner as the new H Shares issued by the Company to the Trustee under the Scheme;

(c) direct and procure the Trustee to apply any Returned Shares (as defined below) to satisfy the Awarded Shares upon vesting;

(d) direct and procure the Trustee to receive existing H Shares from any Shareholder or purchase existing H Shares (either on-market or off-market) to satisfy the Awarded Shares upon vesting; and/or

(e) direct and procure the Trustee to make out the Awarded Cash to satisfy the Awarded Shares upon vesting.

The Board shall from time to time procure that sufficient funds are provided to the Trustee in the following manners to enable the Trustee to satisfy its obligations in connection with the administration of the Scheme:

(a) in the event of subscription of new H Shares for issuance pursuant to the Scheme Mandate Limit, cause the subscription price for new H Shares to be transferred from the Group's resources internally; or

(b) in the event of acquisition of existing H Shares, cause to be paid the purchase price for such H Shares, being the prevailing market price of the H Shares as multiplied by the number of H Shares, and the related purchase expenses (including any brokerage fee, stamp duty and transaction fee) (the "**Reference Amount**") from the Group's resources to the Trust Funds, provided that:

  (i) the Trustee shall apply the Reference Amount towards the purchase of the H Shares on the Stock Exchange within such period as the Trustee and the Board may agree;

  (ii) if the Reference Amount is not sufficient to purchase all the necessary H Shares, the Trustee will acquire the maximum number of board lots of H Shares that can be acquired with that amount;

  (iii) in the event the Awards to which such H Shares are attributable have lapsed before the completion of the purchase of such H Shares or before the purchase of such H Shares having become effective, the relevant Reference Amount paid by the Company shall be taken out from the Trust Funds and returned to the Company as soon as practicable; and

  (iv) in the event the Awards to which such H Shares are attributable have lapsed after the completion of the purchase of such H Shares or after the purchase of the purchase of such H Shares having become effective, the relevant H Shares shall be held by the Trustee as returned Shares ("**Returned Shares**").

***Grant of Award to a Director, supervisor, chief executive or substantial Shareholder of the Company, or any of their respective associates***

Where an Award is to be granted to any Director, supervisor, the chief executive or any substantial Shareholder of the Company (or any of their respective associates), the grant shall not be valid unless it has been approved by the independent non-executive Directors, excluding any independent non-executive Director who is the proposed Selected Participant of the Award.

Where an Award being satisfied by the issuance and allotment of new H Shares or transfer of treasury Shares is to be granted to a Director (other than an independent non-executive Director), supervisor or the chief executive of the Company (or any of their respective associates), and the grant of Award will result in the number of the new H Shares (including treasury Shares) issued and to be issued (or transferred in the case of treasury Shares) in respect of all Awards granted under the Scheme and Share Grants (excluding share options) under Other Schemes to such proposed Selected Participant (excluding any awards lapsed in accordance with the terms of the Scheme and any Other Schemes) in the twelve (12) months period up to and including the Grant Date of the relevant Award would exceed 0.1% of the relevant class of Shares in issue (excluding treasury Shares) as at the Grant Date, such grant of Award shall not be valid unless:

(a) the grant of Award has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by the Shareholders in general meeting, at which the proposed Selected Participant, his associates and all core connected persons (as such term is defined under the Listing Rules) of the Company abstained from voting in favour of the relevant resolution granting the approval;

(b) a circular containing the details of the grant of the Award has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules (including but not limited to, the views of the independent non-executive Directors as to whether the terms of the grant of the Award are fair and reasonable and whether such grant of Award is in the interests of the Company and Shareholders as a whole, and their recommendation to the independent Shareholders as to voting); and

(c) the number and terms of such Award are fixed before the general meeting of the Company at which the same are approved.

Where an Award being satisfied by the issuance and allotment of new H Shares or transfer of treasury Shares is to be granted to an independent non-executive Director or a substantial Shareholder (or any of their respective associates), and the grant of Award will result in the number of new H Shares (including treasury Shares) issued and to be issued (or transferred in the case of treasury Shares) in respect of all Awards granted under the Scheme and Share Grants (including share options) under Other Schemes to such proposed Selected Participant (excluding any options and awards lapsed in accordance with the terms of the Scheme or any Other Schemes) in the twelve (12) months period up to and including the Grant Date, would exceed 0.1% of the relevant class of Shares in issue (excluding treasury Shares) as at the Grant Date, such grant of Award shall not be valid unless:

(a) the grant of Awards has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by the Shareholders in general meeting, at which the proposed Selected Participant, his associates and all core connected persons (as such term is defined under the Listing Rules) of the Company abstained from voting in favour of the relevant resolution granting the approval;

(b) a circular containing the details of the grant of the Award has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules (including but not limited to, the views of the independent non-executive Directors (excluding any independent non-executive Director who is the proposed Selected Participant of the Award) as to whether the terms of the grant of the Award is fair and reasonable and whether such grant of the Award is in the interests of the Company and Shareholders as a whole, and their recommendation to the independent Shareholders as to voting); and

(c) the number and terms of such Award are fixed before the general meeting of the Company at which the same are approved.

Where any change (except where the change takes effect automatically under the existing terms of the Scheme) is to be made to the terms of any Award granted to a Director, supervisor, the chief executive or a substantial Shareholder of the Company (or any of their respective associates) and such grant of Award has been approved in accordance with the foregoing provisions in relation to grant of Awards to a Director, supervisor, the chief executive or a substantial shareholder of the Company (or any of their respective associates) in the Scheme Rules, such change shall not be valid unless:

(a) the change has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by the Shareholders in general meeting, at which such Selected Participant, his associates and all core connected persons (as such term is defined under the Listing Rules) of the Company abstained from voting in favour of the relevant resolution granting the approval; and

(b) a circular regarding the change has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules (including but not limited to, the views of the independent non-executive Directors (excluding the independent non-executive Director who is the Selected Participant of the Award) as to whether the change is fair and reasonable and whether such change is in the interests of the Company and Shareholders as a whole, and their recommendation to the independent Shareholders as to voting).

***Vesting of Awarded Shares***

Subject to the terms and conditions of the Scheme and the fulfilment or waiver of all vesting conditions applicable to the vesting of the Awarded Interests on such Selected Participant, the respective Awarded Interests held by the Trustee on behalf of the Selected Participant pursuant to the provision hereof shall vest in such Selected Participant in accordance with the applicable vesting schedule, and the Trustee shall cause the Awarded Interests to be transferred to such Selected Participant and/or, to the extent permitted under the Listing Rules, a vehicle controlled by him/her (such as a trust or a private company) for the benefit of the Selected Participant and any family members of such Selected Participant in accordance with the Scheme Rules.

Upon the vesting of the Awarded Interests,

(a) barring any unforeseen circumstances, unless otherwise agreed between the Board and the Trustee, at least thirty (30) Business Days prior to the Vesting Date of the Awards granted to a Selected Participant, the Company shall issue a written instrument to confirm the vesting of the Awards (the "**Vesting Letter**"). Before issuing the Vesting Letter to the Selected Participant, the Board shall confirm in advance with the Trustee whether certain transfer documents are required to be signed by the Selected Participant and/or, to the extent permitted under the Listing Rules, a vehicle controlled by him/her (such as a trust or a private company) for the benefit of the Selected Participant and any family members of such Selected Participant (e.g. for estate planning or tax planning purposes) if such Awarded Shares will be transferred to such vehicle in order to effect the vesting and transfer of the Awarded Shares, and if so confirmed by the Trustee, the Board shall, in the Vesting Letter or in a separate notice, require the Selected Participant and/or to procure the said vehicle to execute the transfer documents;

(b) in the event the Selected Participant (or his legal personal representative or lawful successor as the case may be) fails to return an executed Vesting Letter or any transfer documents required to be executed at least ten (10) Business Days prior to the Vesting Date, the Board may, at its sole and absolute discretion, extend the above deadline. If the executed Vesting Letter is still not received by the extended deadline, the Board may determine whether the Awarded Interests which would have otherwise vested in such Selected Participant shall lapse and remain as part of the Trust Fund; and

(c) subject to the requirements of the relevant provisions of the Listing Rules, for the purpose of the vesting of Awarded Interests in a Selected Participant, subject to the receipt by the Trustee of (i) a copy of the relevant Vesting Letter and a written notice from the Board instructing the Trustee to transfer the Awarded Interests to the Selected Participant and/or a vehicle controlled by him/her (such as a trust or a private company); (ii) the original transfer documents (if any) prescribed by the Trustee and duly signed by the Selected Participant and/or a vehicle controlled by him/her (such as a trust or a private company); and (iii) client due diligence documents of the Selected Participant and/or a vehicle controlled by him/her (such as a trust or a private company) required in accordance with the Trustee's client due diligence policy at least ten (10) Business Days prior to the Vesting Date, the Trustee shall transfer the relevant Awarded Interests to the relevant Selected Participant and/or a vehicle controlled by him/her (such as a trust or a private company) as instructed by the Board as soon as practicable on or after the Vesting Date and in any event not later than ten (10) Business Days after the Vesting Date. In the event that the Trustee does not receive the requisite documents in accordance with items (i), (ii) and (iii) herein prior to or on the relevant Vesting Date, the Trustee shall promptly notify the Board and seek the Board's instructions. The Board may, at its sole and absolute discretion, extend the deadline for receipt of the missing document(s) to a date approved by the Board. If the requisite documents are still not received by the extended deadline, the Board may determine whether the relevant Awarded Interests shall lapse and the Selected Participant shall have no claims against the Trust or the Trustee or with respect to those or any other H Shares or any right thereto or interest therein in any way.

Prior to the Vesting Date, any Award made hereunder shall be personal to the Selected Participant to whom it is made and shall not be assignable nor transferrable and no Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to any unvested Awarded Interests referable to him pursuant to such Award or enter or purport to enter into any agreement to do so, unless and until such Awarded Interests are actually vested and transferred to the Selected Participant and/or, to the extent permitted under the Listing Rules, a vehicle controlled by him/her (such as a trust or a private company) for the benefit of the Selected Participant and any family members of such Selected Participant (e.g. for estate planning or tax planning purposes).

Any Awarded Shares to be transferred to a Selected Participant and/or, to the extent permitted under the Listing Rules, a vehicle controlled by him/her (such as a trust or a private company) for the benefit of the Selected Participant and any family members of such Selected Participant (e.g. for estate planning or tax planning purposes) upon vesting of Awarded Shares granted pursuant to the Scheme shall be subject to all provisions of the Articles of Association and rank pari passu in all respects with the fully-paid H Shares in issue then exist on the date of transfer, and accordingly shall entitle the holder of such H Shares to participate in all dividends or other distributions paid or made on or after the date of transfer and to exercise all voting rights in respect of such H Shares.

***Disqualification of Selected Participant and Clawback of Awards***

In the event that prior to or on the Vesting Date, a Selected Participant is found to be an Excluded Participant or is deemed to cease to be an Eligible Participant pursuant to the Scheme Rules, the Board may (but is not obliged to) by notice in writing to the Selected Participant concerned claw back such number of Awards (to the extent not being exercised) granted as the Board may consider appropriate, and the relevant Award made to such Selected Participant shall automatically lapse forthwith and the relevant Awarded Shares shall not vest on the relevant Vesting Date but shall remain part of the Trust Fund. Such Eligible Participant shall have no right or claim against the Company, any other member of the Group, the Board, the Trust or the Trustee or with respect to those or any other H Shares or any right thereto or interest therein in any way.

Unless the Board determines otherwise, the circumstances under which a person shall be treated as having ceased to be an Eligible Participant shall include, without limitation, the following:

(a) where such person has committed any act of fraud or dishonesty or serious misconduct, whether or not in connection with his employment or engagement by or relationship with any member of the Group or the Related Entity (as the case may be) and whether or not it has resulted in his employment or engagement or relationship being terminated by the relevant member of the Group or the Related Entity (as the case may be);

(b) where such person has been summarily dismissed by any member of the Group or the Related Entity (as the case may be);

(c) where such person has been declared or adjudged to be bankrupt by a competent court or governmental body or has failed to pay his debts as they fall due (after the expiry of any applicable grace period) or has entered into any arrangement or composition with his creditors generally or an administrator has taken possession of any of his assets;

(d) where such person has been charged with, convicted of, or is being held liable for any offence under the relevant securities laws in Hong Kong or any other applicable laws or regulations in force from time to time;

(e) where such person has engaged in any act that has had or will have a material adverse effect on the reputation or interests of any member of the Group;

(f) where such person has been charged with, convicted of, or is being held liable for any offence under or any breach of the SFO or other securities laws or regulations in Hong Kong or any other applicable laws or regulations in force from time to time;

(g) where such person has engaged in any act that has had or will have a material adverse effect on the reputation or interests of any member of the Group within the period of three (3) years after the Selected Participant ceases to be an Eligible Participant; or

(h) when the Selected Participant is an Eligible Participant, the Selected Participant has engaged in any act or omission to perform any of his duties that has had or will have a material adverse effect on the reputation or interests of any member of the Group.

In the event of the above circumstances, the unvested Awards of the relevant Selected Participant that are clawed back pursuant to the Scheme Rules shall be regarded as lapsed with effect from the date on which the Selected Participant ceases to be or is deemed to cease to be an Eligible Participant, and the Awards so clawed back will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit (including the refreshed limit, as the case may be).

The Board is of the view that the clawback mechanism provides flexibility for the Company to claw back the equity incentives granted to Eligible Participants culpable of misconduct, ensuring that Awarded Interests are granted only to those who act in the Company's best interests. This aligns with the purpose of the Scheme and facilitates the objective of the Scheme to offer meaningful incentives to attract and retain quality personnel that are valuable to the development of the Group, and is in line with the interests of the Shareholders.

***Other terms and conditions***

For the avoidance of doubt,

(a) a Selected Participant shall not have any interest or rights (including the voting, dividend, transfer and other rights, including those arising on a liquidation of the Company) in the Awarded Interests by virtue of the grant of an Award pursuant to the Scheme, unless and until the Awarded Interests are actually transferred to the Selected Participant and/or, to the extent permitted under the Listing Rules, a vehicle controlled by him/her (such as a trust or a private company) upon vesting of the Awards on the Vesting Date;

(b) a Selected Participant shall have no rights in the Residual Cash or H Shares or such other Trust Fund or property held by the Trust;

(c) no instructions shall be given by a Selected Participant (including, without limitation, voting rights) to the Trustee in respect of the Awarded Shares that have not been vested, and such other properties of the Trust Fund managed by the Trustee;

(d) the Trustee shall abstain from exercising the voting rights in respect of any H Shares held directly or indirectly by it under the Trust (if any) (including but not limited to the Awarded Shares, any bonus Shares and scrip Shares derived therefrom). In particular, the Trustee holding the unvested H Shares, whether directly or indirectly, shall abstain from voting on matters that require shareholders' approval under the Listing Rules, unless otherwise required by law to vote in accordance with the beneficial owner's direction and such a direction is given;

(e) the Board may at its sole and absolute discretion, to determine that all cash income and distribution and the sale proceeds of non-scrip distribution declared by the Company or derived from any Awarded Shares during the period from the date of Award to the Vesting Date held upon the Trust be applied towards the payment of the fees, costs and expenses of the Trust and that the remainder (if any) shall also remain as part of the Trust Fund. The Selected Participant do not have any rights to any cash or non-cash income, dividends or distributions and/or the sale proceeds of non-cash and non-scrip distributions from any Awarded Shares (including those arising on any liquidation of the Company) prior to (a) vesting (in respect of Awarded Cash) or (b) the transfer of the H Shares (in respect of settlement by way of H Shares);

(f) unless otherwise determined by the Board, in the event that the vesting conditions specified in the Grant Letter are not fully satisfied prior to or on the relevant Vesting Date, the award of the Awarded Shares in respect of the relevant Vesting Date shall lapse, such Awarded Shares shall not vest on the relevant Vesting Date and the Selected Participant shall have no claims against the Company, the Board, the Trust or the Trustee; and

(g) in the case of the death of a Selected Participant, the Benefits shall be forfeited if no transfer of the Benefits to the legal personal representatives or lawful successors of the Selected Participant is made within the period prescribed in the Scheme Rules, and the legal personal representatives or lawful successors of the Selected Participant shall have no claims against the Company or the Trustee.

No Award shall be made by the Board pursuant to the Scheme Rules and no instructions to acquire any H Shares shall be given to the Trustee under the Scheme where dealings in the H Shares are prohibited under any code or requirement of the Listing Rules and all applicable laws from time to time. Without limiting the generality of the foregoing, no such instruction is to be given and no such grant is to be made:

(a) after information that are required to be disclosed under Rule 13.09 of the Listing Rules or inside information that are required to be disclosed under Part XIVA of the SFO has come to the knowledge of the Company until (and including) the trading day after such information has been publicly announced in accordance with the Listing Rules, the SFO and/or the application laws;

(b) during the period commencing from 30 days immediately before the earlier of (i) the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for approving the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules) and (ii) the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules) and ending on the date of the results announcements. Such period will cover any period of delay in the publication of a results announcement;

(c) (where a Selected Participant is subject to the requirements of the Model Code) during the period of 60 days immediately preceding the publication date of the annual results for any financial period of the Company or, if shorter, the period from the end of the relevant financial period up to the publication date of the results;

(d) (where a Selected Participant is subject to the requirements of the Model Code) during the period of 30 days immediately preceding the publication date of the interim results for any financial period of the Company or, if shorter, the period from the end of the relevant half-year period of the financial period up to the publication date of the results; or

(e) in any circumstances under which dealing in H Shares by a Selected Participant (including the Directors) are prohibited under the Listing Rules, the SFO or any other applicable laws or regulation;

(f) in any circumstance where any requisite approval from any governmental or regulatory authority has not been granted;

(g) in any circumstance where the granting the Award is prohibited by or would result in a breach of the Listing Rules, the SFO or any other Applicable Law or regulation; or

(h) where the Grant would result in breach of the Scheme Mandate Limit, the Service Provider Sublimit or other rules of the Scheme.

**Takeover, right issue, open offer, scrip dividend**

In the event a general offer for H Shares (whether by way of voluntary offer, takeover, scheme of arrangement or otherwise) is made to all Shareholders (or all such holders other than the offeror, any person controlled by the offeror and any person acting in association or concert with the offeror), the Board may, prior to or immediately upon the offer becoming or being declared unconditional, determine at its absolute discretion whether any Award shall vest and the period within which such Award shall vest, provided that such vesting period in respect of Awards that are funded by issue of new H Shares (or transfer of treasury Shares) shall not be less than the minimum vesting period set out in the Grant Letter. If the Board determines that such Award shall vest, it shall notify the Selected Participant that the Award shall vest and the period within which such Awards shall vest. In the absence of such determination by the Board, the Awards shall continue to vest in accordance with their respective vesting timetable.

If there occurs an event of alteration in the capital structure of the Company (including but not limited to capitalisation issue, rights issue, consolidation, subdivision or reduction of the share capital of the Company) whilst any Award remains outstanding, the Board may make equitable adjustments that it considers appropriate, at its sole and absolute discretion, including:

(a) the maximum number of H Shares subject to the Scheme; and/or

(b) the number of H Shares that may be offered by the Company to the Selected Participant pursuant to the Awards that have already granted but not vested; and/or

provided that:

(c) no such adjustments shall be made in respect of an issue of securities by the Company as consideration in a transaction;

(d) any such adjustments made must give each Selected Participant the same proportion of the share capital of the Company, rounded to the nearest whole H Share, as that to which he was previously entitled;

(e) no such adjustments shall be made which to the extent that an H Share would be issued at less than its nominal value;

(f) no adjustment shall be made to the advantage of the Selected Participant without specific prior approval from the shareholders of the Company;

(g) any adjustment made should have a neutral impact (but shall not be more favourable) from the perspective of the Selected Participant;

(h) any such adjustments involving Awards being satisfied by the issuance and allotment of new H Shares or transfer of treasury Shares, other than those made on a capitalisation issue, shall be confirmed by an independent financial adviser or the auditors in writing to the Directors as satisfying the requirements of this paragraph, the requirements of the relevant provisions of the Listing Rules and Appendix 1 to the Frequently Asked Questions FAQ13 − No.16 (or any successor guidance or interpretation of the Listing Rules in respect of the same subject matter issued by the Stock Exchange from time to time) and any further guidance/interpretation (the "**Supplementary Guidance**") issued by the Stock Exchange from time to time, and that in the opinion of the auditors or an independent financial adviser that the adjustments made by the Board under this paragraph are fair and reasonable. The independent financial adviser or the auditors (as the case may be) shall act as experts and not as arbitrators and their certification shall be final and binding on the Company and the Selected Participant. The costs of the independent financial adviser or the auditors (as the case may be) shall be borne by the Company; and

(i) any adjustments to be made will comply with the Listing Rules, the Supplementary Guidance and any further guidance/interpretation of the Listing Rules issued by the Stock Exchange from time to time.

If there has been any alteration in the capital structure of the Company as referred to in the above paragraph, the Company shall notify each such Selected Participant (with a copy of the notification to the Trustee) of the adjustment to be made after such alteration in the capital structure of the Company.

Unless otherwise determined by the Board, in the event the Company undertakes an open offer of new securities in respect of any H Shares which are held directly or indirectly by the Trustee under the Scheme, the Trustee shall not subscribe for any new H Shares. In the event of a rights issue, the Trustee shall sell or cause to be sold such amount of the nil-paid rights allotted to it on the market as is appropriate and the net proceeds of sale of such rights shall be held as part of the Trust Fund.

Unless otherwise determined by the Board, in the event the Company issues bonus warrants in respect of any H Shares which are held directly or indirectly by the Trustee, the Trustee shall not subscribe for any new H Shares by exercising any of the subscription rights attached to the bonus warrants and shall sell or cause to be sold the bonus warrants created and granted to it on the market, the net proceeds of sale of such bonus warrants shall be held as part of the Trust Fund.

Unless otherwise determined by the Board, in the event that the Company undertakes an issue of bonus Shares, the bonus H Shares allotted with respect to any H Shares which are held directly or indirectly by the Trustee shall be held as part of the Trust Fund.

Unless otherwise determined by the Board, in the event the Company undertakes a scrip dividend scheme, the Trustee shall elect to receive scrip Shares and scrip Shares allotted with respect to any H Shares which are held directly or indirectly by the Trustee shall be held as part of the Trust Fund.

Unless otherwise determined by the Board, in the event of other non-cash and non-scrip distribution made by the Company in respect of H Shares held upon the Trust, the Trustee shall dispose of such distribution and the net sale proceeds thereof shall be deemed as cash income of an H Share held as part of the Trust Fund.

**Scheme Mandate Limit and Service Provider Sublimit**

The total number of new H Shares (including treasury Shares) which may be issued (or transferred in the case of treasury Shares) in respect of all Awards to be granted under the Scheme and any share awards and/or options granted under Other Schemes (being the Share Grants) shall not exceed 10% of the relevant class of Shares in issue as at the Adoption Date (excluding treasury Shares, if any), being 32,269,440 Shares (assuming there is no change in the number of issued Shares (excluding treasury Shares) from the Latest Practicable Date to the Adoption Date) (the "**Scheme Mandate Limit**"), unless otherwise permitted by the Hong Kong Listing Rules or the Company obtains the approval of its Shareholders to refresh the Scheme Mandate Limit. Awards which have lapsed in accordance with the terms of the Scheme Rules or Other Schemes shall not be counted for the purpose of calculating the Scheme Mandate Limit.

Within and as part of the Scheme Mandate Limit, the total number of H Shares which may be issued in respect of all Awards to be granted to Service Provider Participants under the terms of this Scheme and any Other Schemes must not exceed 3.0% of the total number of relevant class of Shares in issue as at the Adoption Date (excluding the treasury Shares, if any) (the "**Service Provider Sublimit**") unless the Company obtains an approval from the Shareholders.

The basis for determining the Service Provider Sublimit includes (i) the potential dilution effect of the voting rights arising from grants to the Service Provider Participants; (ii) the importance of striking a balance between achieving the purpose of the Scheme and protecting the Shareholders from the dilution effect of the voting rights from granting a substantial amount of Awarded Shares to the Service Provider Participants; (iii) the expected contribution to the development and growth of the Company attributable to the Service Provider Participants; (iv) the extent of use of service providers in the Group's business, the current payment and/or settlement arrangements with the Service Provider Participants; (v) the number, roles and seniority of the possible Service Provider Participants currently engaged by the Company; (vi) the Company's expectation that the number of Service Provider Participants it engages will remain relatively small compared with the total number of employees within the Group; and (vii) the fact that the Service Provider Sublimit represents a maximum limit, with the Company retaining discretion as to the extent of its utilisation, including the flexibility to reallocate any unused portion of such sublimit to other Eligible Participants having regard to the Group's business requirements and operational needs from time to time. Taking into account the above, the Board considers that the Service Provider Sublimit would not lead to an excessive dilution of voting rights of the existing Shareholders and is appropriate and reasonable.

Considering that there are no other share schemes over new H Shares or treasury Shares other than the Scheme, the Group's hiring practice and organisational structures and that the Service Provider Participants have contributed to the long term growth of the business of the Group, the Directors (including the independent non-executive Directors) are of the view that, the Service Provider Sublimit is appropriate and reasonable given the nature of the innovation-driven industry and the Group's business needs, and such limit provides the Group with flexibility to provide equity incentives (instead of expending cash resources in the form of monetary consideration) to reward and collaborate with persons who are not employees or officers of the Group, but who may have exceptional expertise in their field or who may be able to provide valuable expertise and services to the Group, which is in line with the purpose of the Scheme.

Subject to the provisions regarding lapse and cancellation of Awarded Shares in the Scheme Rules, any Award (or any portion of an Award) which lapses or is forfeited in accordance with the terms of the Scheme Rules shall be deemed not to have been issued for the purposes of calculating the Scheme Mandate Limit and the Service Provider Sublimit. However, any Awards cancelled (whether voluntarily or involuntarily) will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit.

If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit and the Service Provider Sublimit have been approved by the Shareholders in general meeting, the maximum number of H Shares that may be issued (or transfer in respect of treasury Shares) under the Scheme Mandate Limit and the Service Provider Sublimit as a percentage of the total number of issued H Shares (excluding treasury Shares) at the date immediately before and after such consolidation or subdivision shall be the same, rounded down to the nearest whole H Share.

The Scheme Mandate Limit may be refreshed by the Shareholders in general meeting after three years from the later date of (i) the date of Shareholders' approval for the last refreshment; and (ii) the date of adoption of the Scheme, provided that:

(a) the total number of new H Shares (including treasury Shares) which may be issued (or transferred in the case of treasury Shares) in respect of all Awards to be granted under the Scheme and Share Grants under any Other Schemes under the Scheme Mandate Limit as refreshed shall not exceed 10% of the relevant class of Shares in issue (excluding treasury Shares) as at the date of approval of the refreshing of the Scheme Mandate Limit by the Shareholders; and

(b) a circular regarding the proposed refreshing of the Scheme Mandate Limit has been despatched to the Shareholders in a manner complying with, and containing the matters specified in, the relevant provisions of Chapter 17 of the Listing Rules, including but not limited to the number of Awards that were already granted under the existing Scheme Mandate Limit and the reason for the refreshment.

The Scheme Mandate Limit may be refreshed by the Shareholders in general meeting within three years from either (i) the date of Shareholders' approval for the last refreshment; or (ii) the date of adoption of the Scheme, provided that:

(a) any controlling shareholders (as such term is defined under the Listing Rules) and their associates (or if there is no controlling shareholder (as such term is defined under the Listing Rules), Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates) must abstain from voting in favour of the relevant resolution at the general meeting;

(b) the Company must comply with the requirements under Rules 13.39(6) and (7), 13.40, 13.41 and 13.42 of the Listing Rules; and

(c) the Company must comply with the requirements set forth in the Scheme Rules.

The requirements under subparagraph (a) and (b) of the above paragraph do not apply if the refreshment is made immediately after an issue of securities by the Company to Shareholders on a pro rata basis as set forth in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit (as a percentage of the relevant class of Shares in issue, excluding treasury Shares) upon refreshment is the same as the unused part of the Scheme Mandate Limit immediately before the issue of securities, rounded to the nearest whole H Share.

The Company may seek separate approval from the Shareholders in general meeting for granting Awards beyond the Scheme Mandate Limit, provided that:

(a) the Award will only be granted to Eligible Participants specifically identified by the Company before the relevant Shareholders' approval is sought;

(b) a circular containing the details of the grant has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules, including but not limited to the name of each Eligible Participant who may be granted such Awards, the number and terms of the Awards to be granted to each Eligible Participant, and the purpose of granting Awards to the Eligible Participants with an explanation as to how the terms of the Awards serve such purpose; and

(c) the number and terms of the Awards to be granted to such Eligible Participants are fixed before the general meeting of the Company at which the same are approved.

Where an Award being satisfied by the issuance and allotment of new H Shares or transfer of treasury Shares is to be granted to any Eligible Participant (the "**Relevant Eligible Participant**"), and the grant of Award will result in the number of new H Shares (including treasury Shares) issued and to be issued (or transferred in the case of treasury Shares) in respect of Awards granted under the Scheme and Share Grants (including share options) under Other Schemes to the Relevant Eligible Participant (excluding any options and awards lapsed in accordance with the terms of the Scheme or any Other Schemes) in the twelve (12) months period up to and including the Grant Date would exceed 1% of the relevant class of Shares in issue (excluding treasury Shares) as at the Grant Date, such grant of Award shall not be valid unless:

(a) such grant of Award has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by the Shareholders in general meeting, at which the Relevant Eligible Participant and his close associates (or his associates if the Relevant Eligible Participant is a connected person) has abstained from voting;

(b) a circular containing the details of the Grant has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules, including but not limited to the identity of the Relevant Eligible Participant, the number and terms of the Awards to be granted (and those previously granted to such Relevant Eligible Participant in the said twelve (12) months period), the purpose of granting the Awards to the Relevant Eligible Participant and an explanation as to how the terms of the Awards serve such purpose; and

(c) the number and terms of such Award are fixed before the general meeting of the Company at which the same are approved.

As at the Latest Practicable Date, the number of Shares in issue (excluding treasury Shares) was 322,694,400. At the AGM, a resolution shall be proposed to approve the Scheme Mandate Limit, being the total number of new H Shares (including treasury Shares) that may be allotted and issued (or transferred in the case of treasury Shares) by the Company under the Scheme and Share Grants under Other Schemes. Assuming there would be no issue or repurchase of Shares from the Latest Practicable Date up to the date of the AGM, the Scheme Mandate Limit would be 32,269,440 H Shares, being 10% of the Shares in issue (excluding treasury Shares). Within and as part of the Scheme Mandate Limit, the Service Provider Sublimit would be 9,680,832 H Shares, being 3.0% of the Shares in issue (excluding treasury Shares).

Upon passing of the resolution approving the Scheme Mandate Limit, the maximum aggregate number of new Shares (including treasury Shares) available for grants under the Scheme would be 32,269,440 H Shares.

**Lapse of Awards**

An Award shall lapse automatically on the earliest of:

(a) the date on which the Selected Participant commits a breach of the provisions regarding assignability or transferability in the Scheme Rules;

(b) the date on which the Selected Participant is found to be an Excluded Participant or is deemed to cease to be an Eligible Participant under the circumstances as set out in the section headed "Disqualification of Selected Participant and Clawback of Awards";

(c) the date on which it is no longer possible to satisfy any outstanding conditions to vesting as set out in the Scheme Rules, including but not limited to the termination of the employment or engagement of the Selected Participant;

(d) the date on which the Board decides the Awarded Interests have lapsed in accordance with the Scheme Rules in the event including but not limited to (i) a general offer (whether by way of takeover offer, share repurchase offer, scheme of arrangement or otherwise in like manner) made to all the Shareholders (or all such Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert with the offeror), (ii) a notice being given by the Company to convene a general meeting for the purposes of considering and, if thought fit, approving a resolution to voluntarily wind up the Company, or (iii) a compromise or arrangement between the Company and its members and/or creditors being proposed for the purposes of or in connection with a scheme for the reconstruction of the Company or its amalgamation with any other company or companies; or

(e) the date of his death or his retirement by agreement with a member of the Group or the Related Entity (as the case may be) at any time prior to or on the Vesting Date in accordance with the Scheme Rules.

Subject to the provisions in the Scheme Rules, in respect of a Selected Participant who died or retired by agreement with a member of the Group or the Related Entity (as the case may be) at any time prior to or on the Vesting Date, all unvested Awarded Interests of the relevant Selected Participant shall lapse with effect from the date of his death or his retirement with the relevant member of the Group or the Related Entity (as the case may be). In the event of the death of a Selected Participant, the Trustee shall directly or indirectly hold the vested Awarded Interests (the "**Benefits**") upon trust to transfer the same to the legal personal representatives or lawful successors of the Selected Participant within (i) two (2) years of the death of the Selected Participant (or such longer period as the Trustee and the Board shall agree from time to time) or (ii) the Scheme Period (whichever is shorter), subject to the Trustee receiving (a) the original transfer documents (if any) prescribed by the Trustee and duly signed by such legal personal representatives or lawful successors of the Selected Participant; and (b) client due diligence documents of such legal personal representatives or lawful successors of the Selected Participant required in accordance with the Trustee's client due diligence policy. If the Benefits fail to be transferred or would otherwise become bona vacantia for any reason, such Benefits shall be forfeited and cease to be transferable and the Awarded Interests shall remain part of the Trust Fund.

As set out in the section headed "Cancellation of Awards" below, any cancellation of an Award is subject to Board approval and any Award cancelled will be regarded as utilised in calculating the Scheme Mandate Limit and the Service Provider Sublimit. The Board considers that by setting out the above as circumstances for automatic lapse of the Award without going through any Board approval would be in the interest of the Company as those circumstances (except item (d) above) are the results of any action taken by an Eligible Participant and the occurrence of which is not controlled by the Company. In addition, the Board considers that such Awarded Interests shall not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sublimit (including the refreshed limit, as the case may be) and incentivise other Eligible Participants as a result thereof.

**Cancellation of Awards**

The Board may at its discretion cancel any Award that has not vested or lapsed at any time at its absolute discretion, including but not limited to the following circumstances:

(a) where the Board considers it appropriate to cancel any Awards granted to Employee Participants and Related Entity Participants including but not limited to where a dispute arises between the Group and such Selected Participant and such dispute does not fall within any of the scenarios set out in the section headed "Lapse of Awards" above;

(b) in specific circumstances as the Board deems appropriate including but not limited to where disputes arise between the Group and a Service Provider Participant resulting in the grant of Awards to such Service Provider Participant no longer being aligned with the objectives of the Scheme; and

(c) as may be mutually agreed between the Company and a Selected Participant to cancel his/her Awards.

Where the Company cancels Awards granted to an Eligible Participant, and makes a new grant to the same Eligible Participant, such new grant may only be made under available Scheme Mandate Limit from time to time. Any Award cancelled will be regarded as utilised in calculating the Scheme Mandate Limit and the Service Provider Sublimit.

**Disputes**

Any dispute arising in connection with the Scheme shall be referred to the decision of the Board whose decision shall be final and binding.

**Alteration**

The Scheme may be amended in any respect by a resolution of the Board provided that any alteration to the terms and conditions of the Scheme that are of a material nature or any alteration to the authority of the Board or the Trustee to alter the terms of the Scheme or any alternation to the specific terms of the Scheme which relate to the matters set forth in Rule 17.03 of the Hong Kong Listing Rules to the advantage of Selected Participant or proposed Selected Participant must be approved by the Shareholders in general meeting (with the Selected Participant or proposed Selected Participant and their associates abstaining from voting). The Board's determination as to whether any proposed alteration to the terms and conditions of the Scheme is material shall be conclusive.

Any change to the terms of Awards granted to a Selected Participant must be approved by the Board, the Remuneration and Assessment Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of such Awards under the Scheme was approved by the Board, the Remuneration and Assessment Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) except where the alterations take effect automatically under the existing terms of the Scheme.

The provisions in the Scheme shall be amended by the Board to reflect any amendments to the Hong Kong Listing Rules made by the Hong Kong Stock Exchange after the Adoption Date to comply with the relevant provisions of the Hong Kong Listing Rules which the Scheme has been drafted to reflect the position as at the Adoption Date.

Written notice of all details relating to change in the terms of the Scheme during the lifetime of the Scheme shall be given to all Selected Participants and the Trustee immediately upon the changes take effect.

**Life of the Scheme**

The Scheme shall be valid and effective for a period of ten (10) years commencing on the Adoption Date, after which period no further Awards shall be granted but the provisions of the Scheme shall remain in full force and effect in all other respects.

**Termination**

The Scheme shall terminate on the earlier of:

(a) the tenth (10) anniversary date of the Adoption Date; and

(b) such date of early termination as determined by the Board by a resolution of the Board,

provided that such termination shall not affect any subsisting rights of any Selected Participant hereunder.

Upon termination of the Scheme,

(i) no further grant of Awarded Shares may be made under the Scheme but in all other respects the provisions of the Scheme shall remain in full force and effect;

(ii) all the Awarded Shares of the Selected Participants granted under the Scheme shall continue to be held by the Trustee and become vested in the Selected Participants according to the conditions of the Award, subject to the receipt by the Trustee of the required documents prescribed by the Trustee;

(iii) unless otherwise determined by the Board, all Shares (except for any Awarded Shares subject to vesting on the Selected Participants) remaining in the Trust Fund shall be sold or otherwise dealt with by the Trustee in the manner as determined by the Board within twenty-eight (28) Business Days (on which the trading of the H Shares has not been suspended) (or such longer period as the Trustee and the Board may otherwise determine); and

(iv) all net proceeds of sale referred to in the above paragraph and such other funds and properties remaining in the Trust Fund managed by the Trustee (after making appropriate deductions in respect of all disposal costs, liabilities and expenses) shall be remitted to the Company forthwith. For the avoidance of doubt, the Trustee may not transfer any H Shares to the Company nor may the Company otherwise hold any H Shares whatsoever (other than its interest in the proceeds of sale of such H Shares pursuant to the above paragraph).

For the avoidance of doubt, the temporary suspension of the granting of any Award shall not be construed as a decision to terminate the operation of the Scheme.

## XI. PROPOSED GRANT OF ISSUE GENERAL MANDATE TO THE BOARD

In accordance with the requirements of relevant laws, regulations, the Listing Rules and other normative documents, and based on the practices of the capital market, in order to meet the funding requirements for the Company's ongoing business development, the Company will propose a special resolution at the AGM to seek the approval of the general meeting for granting the Board a general mandate to issue Shares (including securities convertible into such Shares), to allot, issue and deal with (including sale or transfer of treasury Shares, if any) additional Shares (including securities convertible into such Shares) of not exceeding 20% of total issued Shares (excluding treasury Shares) as at the date on which the Issue General Mandate is approved by the Shareholders, and authorise the Board to make corresponding amendments to the Articles of Association as it deems appropriate to reflect the share capital structure as a result of the additional Shares allotted or issued under such mandate.

As at the Latest Practicable Date, the registered capital of the Company comprised 322,694,400 Shares (including 55,518,894 Unlisted Shares and 267,175,506 H Shares) with a nominal value of RMB1.00 each. Therefore, subject to the passing of the resolution at the AGM and assumed that no new Shares will be issued and no Shares will be repurchased or cancelled on or before the AGM, the Board may allot, issue or deal with additional Shares (including securities convertible into such Shares) and/or sell treasury Shares of the Company, either separately or concurrently, up to a maximum of 11,103,778 Unlisted Shares and 53,435,101 H Shares (representing 20% of the number of the total issued Shares as at the Latest Practicable Date) pursuant to the Issue General Mandate.

### 1. Subject of the mandate

The specific scope of the mandate includes but not limited to:

(a) granting of a general mandate to the Board to, subject to market conditions and the needs of the Company, separately or concurrently issue, allot and deal with (including sale or transfer of treasury Shares, if any) Shares (including securities convertible into such Shares) during the period of mandate, and the additional Shares (including securities convertible into such Shares) to be allotted or agreed conditionally or unconditionally to be allotted by the Board shall not exceed 20% of the total issued Shares (excluding treasury Shares) as at the date on which the Issue General Mandate is approved by the Shareholders, and decide to make or grant offers for sale, offers, agreements, share options, power to exchange for or convert into Shares or other powers as required or may be required to allot Shares.

(b) the Board being authorised to formulate and implement a detailed issuance plan in the exercise of the abovementioned general mandate, including but not limited to the class of new Shares to be issued, pricing mechanism, form of issuance, number of Shares to be issued, allottees, timing of issuance, period of issuance, and whether to allot Shares to existing Shareholders.

(c) the Board being authorised to engage intermediaries for matters related to the issuance of Shares, to approve and execute all acts, documents and other related matters that are necessary, appropriate, advisable or relevant to the issuance; to approve and execute, on behalf of the Company, agreements related to the issuance of Shares (including securities convertible into such Shares), including but not limited to underwriting agreements, placing agreements and engagement agreements of intermediaries.

(d) the Board being authorised to approve and execute, on behalf of the Company, documents in connection with the issuance of Shares (including securities convertible into such Shares) to be submitted to relevant regulatory authorities, to carry out relevant approval procedures required by regulatory authorities and place where the Company is listed, and to complete necessary registrations and filings procedures with the relevant government authorities.

(e) the Board being authorised to amend, as required by regulatory authorities within or outside the PRC, the related agreements and statutory document.

(f) the Board being authorised to increase the registered capital of the Company after the issuance of Shares and make amendments to the Articles of Association relating to total share capital and shareholding structure, etc., and authorise the Board or the authorised representative(s) of the Company to complete the relevant industrial and commercial change registration procedures with the market supervision administration of the PRC.

**2. Term of the mandate**

Except that the Board may make or grant offers for sale, agreements or options during the period of mandate in relation to the issuance of Shares (including securities convertible into such Shares), which might require further promotion or implementation after the end of the term of mandate, the exercise of the above mandate shall be within the term of mandate.

The term of mandate represents the period from the consideration and approval of the resolution at the AGM until whichever is the earliest of:

(a) the conclusion of the next annual general meeting of the Company, at which time the mandate shall lapse unless it is passed at that general meeting, the mandate is renewed, either unconditionally or subject to conditions;

(b) the expiration of the 12-month period from the date on which the resolution is approved at the AGM; and

(c) the revocation or variation of the mandate under the resolution by a resolution at any general meeting of the Company.

The Board may only implement the issuance plan in accordance with the Company Law, the Securities Law, the Listing Rules or applicable laws, regulations and provisions of any other governments or regulatory authorities, and subject to obtaining approvals from the relevant government authorities.

The above resolution has been considered and approved by the Board and is hereby submitted to the AGM for consideration and approval by way of a special resolution.

## XII. PROPOSED GRANT OF REPURCHASE GENERAL MANDATE TO THE BOARD

In accordance with the requirements of relevant laws, regulations, the Listing Rules and other normative documents, in order to enable the Directors to flexibly repurchase Shares under appropriate circumstances, it is proposed at the general meeting to grant the Board a general mandate to repurchase H Shares issued at the Stock Exchange, with the aggregate nominal value not exceeding 10% of the total number of issued H Shares (excluding any treasury Shares, if any) of the Company as at the date on which the Repurchase General Mandate is approved by the Shareholders, and to authorise the Board to take all necessary acts, matters and business in connection with the exercise of the general mandate to repurchase H Shares.

### 1. Subject of the mandate

The specific scope of the mandate includes, but is not limited to:

(a) granting of a conditional general mandate to the Board to repurchase H Shares of the Company issued at the Stock Exchange in accordance with market conditions and the needs of the Company, provided that the total number of repurchased H Shares shall not exceed 10% of the total number of issued H Shares as at the date on which the Repurchase General Mandate is approved by the Shareholders; and

(b) the Board being authorised to take all such acts, matters and business necessary or desirable in connection with the exercise of the general mandate to repurchase H Shares, including but not limited to amendments to the Articles of Association, the cancellation of the repurchased H Shares after such general mandate has been exercised and authorising the Board or the authorised representative(s) of the Company to complete the relevant industrial and commercial change registration procedures with the market supervision administration of the PRC.

### 2. Conditions for the repurchase of Shares

The Repurchase General Mandate shall be implemented only upon fulfillment of the following conditions:

(a) the resolution regarding the Repurchase General Mandate having been considered and approved at the AGM; and

(b) the Company having obtained the approval of the regulatory authorities as required by laws and regulations or completing the filing or reporting requirements (if applicable).

The Board will not exercise the repurchase mandate if the abovementioned conditions are not fulfilled.

**3. Term of the mandate**

The term of mandate represents the period from the consideration and approval of the resolution at the AGM until whichever is the earliest of:

(a) the conclusion of the next annual general meeting of the Company, at which time the mandate shall lapse unless it is passed at that meeting, the mandate is renewed, either unconditionally or subject to conditions; and

(b) the revocation or variation of the repurchase mandate under the resolution by a resolution at any general meeting of the Company.

The Board may only implement the repurchase plan in accordance with the Company Law, the Securities Law, the Listing Rules or applicable laws, regulations and provisions of any other governments or regulatory authorities, and subject to obtaining approvals from the relevant government authorities.

An explanatory statement containing certain information relating to the Repurchase General Mandate is set out in Appendix II to this circular.

The above resolution has been considered and approved by the Board and is hereby submitted to the AGM for consideration and approval by way of a special resolution.

## XIII. ANNUAL GENERAL MEETING

The AGM will be held at Conference Room, 66/F, Tower A, Building 2, Shenzhen Bay Innovation Technology Center, No. 3156 Keyuan South Road, Gaoxin Community, Yuehai Street, Nanshan District, Shenzhen, the PRC on Friday, 26 June 2026 at 10:00 a.m. The notice of the AGM is set out on pages 158 to 163 of this circular.

Shareholders who intend to appoint a proxy to attend the AGM on their behalf must complete and return the relevant form of proxy in accordance with the instructions printed thereon as soon as possible. In order to be valid, the form of proxy must be lodged with the Company's headquarters and principal place of business in the PRC at 66/F, Tower A, Building 2, Shenzhen Bay Innovation Technology Center, No. 3156 Keyuan South Road, Gaoxin Community, Yuehai Street, Nanshan District, Shenzhen, Guangdong Province, the PRC (for holders of Unlisted Shares) or the Company's H share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (for holders of H Shares) not later than 24 hours before the time appointed for the AGM or any adjournment thereof (as the case may be) (i.e., before 10:00 a.m. on Thursday, 25 June 2026). Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM should you so wish. If you attend and vote at the AGM, the authority of your proxy will be revoked.

As at the Latest Practicable Date, to the best knowledge of the Directors and having made all reasonable enquiries, no Shareholder had any material interest in the proposed adoption of the Scheme. As such, no Shareholder is required to abstain from voting on the resolutions in relation thereto.

## XIV. CLOSURES OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 23 June 2026 to Friday, 26 June 2026, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's H share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (for holders of H Shares) not later than 4:30 p.m. on Monday, 22 June 2026 for registration. The record date will be Friday, 26 June 2026.

## XV. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, at any shareholders' general meeting, a resolution put to the vote of Shareholders shall be taken by poll except where the chairman of the AGM, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholders is required to abstain from voting on the resolutions to be proposed at the AGM at the Latest Practicable Date.

An announcement on the poll results will be published by the Company after the AGM in the manner prescribed under the Listing Rules.

## XVI. 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.

## XVII. RECOMMENDATIONS

The Directors are of the view that all resolutions set out in the notice of the AGM to be considered and approved by the Shareholders are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that the Shareholders vote in favor of all resolutions to be proposed at the AGM.

## XVIII. DOCUMENT ON DISPLAY

A copy of the Share Award Scheme is published at the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.xuncetech.com) for a period of not less than 14 days before the date of the AGM and will be made available for inspection at the AGM.

By order of the Board
**Shenzhen Xunce Technology Co., Ltd.**
**Mr. Liu Zhijian**
*Chairperson, Executive Director and Chief Executive Officer*

The PRC, 5 June 2026

**Ms. He Jinglu ("Ms. He")**

Ms. He, aged 40, obtained her Master of Business Administration degree from Peking University in July 2021. She is also an alumna of Harvard Business School.

Ms. He has years of experience in corporate operations and business management. She worked at Shenzhen Zhongqi Asset Management Co., Ltd. (深圳重器資產管理有限公司) from 2015 to 2025, and at Bosera Asset Management Co., Limited from 2012 to 2015. Prior to 2012, she also worked at China Resources Power Holdings Company Limited (a company listed on the Main Board of the Stock Exchange (stock code: 836)), where she was responsible for public relations and investor relations.

Ms. He will enter into a letter of appointment with the Company upon the approval of her appointment as a non-executive Director. The term of office of Ms. He will be from the date of appointment until the expiration of the term of office of the current Board and she can be re-elected and reappointed at the end of the term in accordance with the Articles of Association. Under the letter of appointment, Ms. He is entitled to a director's fee of RMB132,200 per month (before tax), totaling RMB1,586,400 per annum (before tax), which was determined with reference to her background, qualification, experience, duties and responsibilities within the Group and the prevailing market conditions.

As at the Latest Practicable Date, Ms. He did not (i) hold any other positions in the Company or any of its subsidiaries; (ii) have any relationships with any Directors, senior management or substantial or controlling shareholders (as defined in the Listing Rules) of the Company; (iii) have any interests in Shares and underlying Shares of the Company and any associated corporation of the Company (within the meaning of Part XV of the SFO); or (iv) hold any directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the three years prior to the Latest Practicable Date. Saved as disclosed above, there is no other information that needs to be disclosed pursuant to any of the requirements as set out in Rules 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there is no other matter that needs to be brought to the attention of the holders of the securities of the Company.

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide the requisite information to enable you to make an informed decision on whether to vote for or against the special resolution to approve the grant of the Repurchase General Mandate to the Board. Neither the explanatory statement nor the proposed grant of the Repurchase General Mandate has any unusual features.

## LISTING RULES RELATING TO SHARE REPURCHASE

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important of which are summarized below. The purpose and arrangement of the Company's share repurchase are not in violation of the requirements of the Company Law and the Articles of Association.

## REGISTERED CAPITAL

As at the Latest Practicable Date, the registered capital of the Company comprised 322,694,400 Shares (including 55,518,894 Unlisted Shares and 267,175,506 H Shares) with a nominal value of RMB1.00 each. Subject to the passing of the proposed resolution for the grant of the Repurchase General Mandate and on the basis that no Shares will be allotted and issued or repurchased by the Company on or prior to the date of the AGM, the Company will be allowed under the Repurchase General Mandate to repurchase a maximum of 26,717,550 H Shares, being the maximum of 10% of the total issued H Shares (excluding treasury Shares) as at the date of passing the relevant resolution.

## REASONS FOR SHARE REPURCHASE

The Directors believe that the Repurchase General Mandate is in the interests of the Company and the Shareholders. An exercise of the Repurchase General Mandate may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and its Shareholders.

## FUNDING OF SHARE REPURCHASE

In repurchasing its H Shares, the Company may only apply funds from the Company's internal resources (which may include surplus funds and retained profits) legally available for such purpose in accordance with the Articles of Association, the Listing Rules and the applicable laws, rules and regulations of the PRC.

## IMPACT OF SHARE REPURCHASE

There might be an adverse impact on the working capital and/or the gearing levels of the Company (as compared with the position disclosed in the most recent published audited accounts of the Company) in the event the proposed Repurchase General Mandate was to be exercised in full. However, the Directors do not intend to exercise the Repurchase General Mandate to such extent as would, in the circumstances, have a material adverse impact on the working capital and/or the gearing levels of the Company which in the opinion of the Directors are from time to time appropriate for the Company. The number of H Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time having regard to the circumstances then prevailing, in the best interests of the Company.

## STATUS OF REPURCHASED SHARES

When exercising the Repurchase Mandate, the Directors may, subject to market conditions and the Company's capital management needs at the relevant time of the repurchases, resolve to cancel the H Shares repurchased following settlement of any such repurchase or hold them as treasury Shares. All H Shares held as treasury Shares retain their listing status. If the Company holds any H Shares in treasury, any sale or transfer of H Shares in treasury may be made pursuant to the terms of the Issue General Mandate and in accordance with the Listing Rules and applicable laws and regulations of the PRC.

To the extent that any treasury Shares are deposited with Central Clearing and Settlement System ("**CCASS**") pending resale, the Company will adopt appropriate measures to ensure that it does not exercise any shareholders' rights or receive any entitlements which would otherwise be suspended under the applicable laws if those Shares were registered in the Company's own name as treasury Shares. These measures may include approval by the Board that (i) the Company will not (or will procure its broker not to) give any instructions to Hong Kong Securities Clearing Company Limited to vote at shareholders' general meetings for the treasury Shares deposited with CCASS; and (ii) in the case of dividends or distributions, the Company will withdraw the treasury Shares from CCASS, and either re-register them in its own name as treasury Shares or cancel them, in each case before the record date for the dividends or distributions.

## H SHARE PRICES

The highest and lowest prices at which the H Shares have traded on the Stock Exchange since the Listing Date and up to the Latest Practicable Date (including the date) were as follows:

| **Month** | **Highest** *(HK$)* | **Lowest** *(HK$)* |
|---|---|---|
| December 2025 | 50.50 | 38.02 |
| January 2026 | 72.05 | 46.50 |
| February 2026 | 95.50 | 49.60 |
| March 2026 | 222.20 | 70.00 |
| April 2026 | 382.80 | 193.00 |
| May 2026 (up to the Latest Practicable Date) | 307.00 | 225.20 |

## DIRECTORS' UNDERTAKING

The Directors will exercise the power of the Company to make purchases pursuant to the Repurchase General Mandate in accordance with the Listing Rules, the Articles of Association and the applicable laws, rules and regulations of the PRC.

**DISCLOSURE OF INTERESTS**

As at the Latest Practicable Date, none of the Directors nor, to the best of their knowledge, having made all reasonable enquiries, any of their respective close associates (as defined in the Listing Rules), had any intention to sell any H Shares to the Company in the event the Repurchase General Mandate is approved by the Shareholders at the AGM.

As at the Latest Practicable Date, the Company had not been notified by any core connected person (as defined in the Listing Rules) of the Company that he/she/it had intention to sell any H Shares to the Company, or that he/she/it had undertaken not to sell any of H Shares held by him/her/it to the Company in the event that the Repurchase General Mandate is approved by the Shareholders at the AGM.

**TAKEOVERS CODE AND PUBLIC FLOAT REQUIREMENT**

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

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, Mr. Liu Chengxi, indirectly through Zhuhai Enyuan, Zhuhai Fuqian, Zhuhai Guwen and Zhuhai Hengcheng (being the Single Largest Group of Shareholders of the Company), held approximately 26.83% of the Company's total issued share capital. In the event that the Repurchase Mandate is exercised in full and there are no other changes to the issued share capital of the Company, the total interests held by Single Largest Group of Shareholders in the Company's total issued share capital will increase to approximately 29.24%. Such increase would not give rise to an obligation on the part of Single Largest Group of Shareholders to make a mandatory general offer under the Takeovers Code.

Save as aforesaid, the Directors are not aware of any consequences of such repurchase which would arise under the Takeovers Code and any similar applicable law as a result of any repurchase of H Shares pursuant to the Repurchase Mandate. Moreover, the Directors do not intend to exercise the power to repurchase H Shares to an extent which would render any Shareholder or group of Shareholders obliged to make a mandatory offer under Rule 26 of the Takeovers Code.

Based on and assuming that the total issued share capital of the Company as at the Latest Practicable Date shall remain unchanged prior to the exercise of any share repurchase, the exercise of the Repurchase Mandate in whole or in part will not result in the failure of the Company to comply with the requirements under Rule 8.08 of the Listing Rules in relation to public float. The Directors do not intend to exercise the Repurchase Mandate to an extent that such repurchase would result in less than 15% (or such other prescribed minimum percentage as determined by the Stock Exchange) of the Company's total number of issued Shares in public hands.

**SHARE REPURCHASE MADE BY THE COMPANY**

During the period from the Listing Date up to the Latest Practicable Date, the Company had not repurchased any of the Shares (whether on the Stock Exchange or otherwise).

# Shenzhen Xunce Technology Co., Ltd.

## Articles of Association

~~(Applicable upon the listing of H shares)~~

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## CHAPTER 1 GENERAL PROVISIONS

**Article 1**

With a view to protecting the legitimate rights and interests of Shenzhen Xunce Technology Co., Ltd. ("**Company**") and its shareholders, employees and creditors, and regulating the organization and activities of the Company, the Articles of Association ("**Articles**") are formulated pursuant to the Company Law of the People's Republic of China ("**Company Law**"), the Securities Law of the People's Republic of China ("**Securities Law**"), **the Guidelines for the Articles of Association of Listed Companies** and other relevant laws and regulations and the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited ("**HK Listing Rules**").

**Article 2**

The Company is a joint stock company with limited liability incorporated pursuant to the Company Law, the Securities Law and other applicable regulations. The Company is a joint stock company with limited liability established by means of entire reorganization of Shenzhen Xunce Technology Co., Ltd. (深圳迅策科技有限公司), has been registered with Shenzhen Administration for Market Regulation and has obtained its business license with the unified social credit code of 91440300MA5D9X5Q1H.

The Company was approved by The Stock Exchange of Hong Kong Limited on December 29, 2025 to make an initial public offering of 22,500,000 overseas listed foreign shares (H shares) and over-allotted 194,400 H shares, the aforesaid overseas listed foreign shares (H shares) was listed on the Main Board of the Stock Exchange on December 30, 2025 and January 27, 2026, respectively.

The H shares issued by the Company are mainly deposited with the nominee company under Hong Kong Securities Clearing Company Limited, and may also be held by shareholders in their own names.

**Article 3**

The registered Chinese name of the Company: 深圳迅策科技股份有限公司.

English name: Shenzhen Xunce Technology Co., Ltd.

**Article 4**

The domicile of the Company: 66/F, Tower A, Building 2, Shenzhen Bay Innovation Technology Center, No. 3156 Keyuan South Road, Gaoxin Community, Yuehai Street, Nanshan District, Shenzhen.

Postal code: 518000

**Article 5**

The registered capital of the Company is RMB322.6944~~300~~ million.

**Article 6**

The Company is a perpetual joint stock company with limited liability.

**Article 7**

The chairman of the Board of Directors of the Company is the legal representative of the Company. If the chairman resigns, he/she is deemed to have resigned from his/her position as legal representative.

In the event of the legal representative's resignation, the Company shall appoint a new legal representative within thirty days of the resignation date.

**Article 8**

Civil activities conducted by the legal representative in the name of the Company shall have their legal consequences borne by the Company.

Restrictions on the authority of the legal representative stipulated in the Articles of Association or by the General Meeting shall not be asserted against a good-faith counterparty.

Where the legal representative causes damage to others in the course of performing his/her duties, the Company shall assume civil liability for such damage. The Company may, after assuming such civil liability, recover loss from the legal representative at fault in accordance with law or the Articles of Association.

~~**Article 8**~~**Article 9**

~~All the assets of the Company are divided into shares of equal value.~~ The shareholders are responsible for the Company to the extent of their subscribed shares, and the Company is responsible for the Company's debts with all its assets.

~~**Article 9**~~**Article 10**

The Articles of Association shall, from the date on which they take effect, be the legally binding document governing the organization and activities of the Company, and the relationship of rights and obligations between the Company and the shareholders and among the shareholders, and be legally binding on the Company and its shareholder(s), Director(s)~~, Supervisor(s)~~ and senior executive(s). A shareholder may bring an action against another shareholder or any Directors~~, Supervisors, general managers~~ or ~~any other~~ senior executives of the Company, or the Company, and the Company may bring an action against any of its shareholder(s), Director(s)~~, Supervisor(s), general manager(s)~~ or ~~other~~ senior executive(s), in each case, in accordance with the Articles of Association.

~~**Article 10**~~**Article 11**

The ~~other~~ senior executive(s) referred to in the Articles of Association refers to secretary to general manager, the Board of Directors, and financial manager.

~~**Article 11**~~**Article 12**

According to relevant provisions of the Constitution of the Communist Party of China, the Company shall establish a Communist Party organization and carry out activities of the Party. The Company shall provide necessary conditions for the activities of the Party organization.

## CHAPTER 2 OBJECTIVES AND SCOPE OF BUSINESS

~~**Article 12**~~**Article 13** Business objectives of the Company: With our expertise and proprietary technology, we are committed to becoming a leading international real-time data infrastructure and technical service provider, providing data infrastructure and analytics solutions for large-scale digitalization across industries, transforming data from a single trustworthy source into actionable insights, transforming data into assets to digitalize economy, facilitating digital transformation and intelligent transformation to make data and AI an important engine for promoting digital economy, technological innovation, and enterprise development.

~~**Article 13**~~**Article 14** As registered in accordance with law, the scope of business of the Company includes: Network technology development (excluding Internet access services); development, design, sale, technical services of computer software; computer system integration; webpage design; technology development, consulting and sale of computers, office equipment automation, electronic products, digital products and peripheral accessories; R&D, design and sale of product-embedded software; planning of conferences and exhibitions; advertising design and planning, marketing planning, technical consulting, technical advisory services for products; consulting of commercial trade information; advertising business. Domestic trade agents; Internet sales (except for sales of goods that require licensing); sale of metal materials; sale of non-ferrous metal alloys (except for projects that require approval by law, business activities may be carried out independently in accordance with the law based on the business license).

## CHAPTER 3 SHARES

### Section 1 Issuance of Shares

~~**Article 14**~~**Article 15** The shares of the Company shall take the form of share registered certificates. The share certificates of the Company shall contain the particulars as required by the Company Law, and any other items as required by any stock exchange on which the Company's shares are listed. The overseas listed shares issued by the Company may take the form of overseas depository receipts or other derivative forms of shares in accordance with the laws of the place where the Company's shares are listed and the norms of securities registration and depository. If the share capital of the Company includes non-voting shares, the words "non-voting" must appear in the designation of such shares. Where the share capital includes shares with different voting rights, the words "limited voting rights" or "restricted voting rights" shall be inserted into the name of each class of shares (other than those with the most favorable voting rights).

~~**Article 15**~~**Article 16** The Company shall issue shares in an open, fair and just manner, and each of the shares of the same class shall have equal rights.

Shares of the same class issued at the same time shall be issued on the same conditions and at the same price. The same consideration shall be paid for each share subscribed by ~~any entities or individuals~~subscribers.

~~**Article 16**~~**Article 17** All shares with par value issued by the Company shall be denominated in RMB with a par value of RMB1 per share. Shares issued by the Company that are listed on the Stock Exchange are referred to as "H shares", which are approved for listing on the Stock Exchange with nominal value denominated in Renminbi and subscribed and traded in Hong Kong dollars.~~The shares issued by the Company shall be centrally deposited with Computershare Hong Kong Investor Services Limited ("**securities registration and settlement institution**").~~

Shares issued by the Company but not listed on any domestic or overseas stock exchange are briefly referred to as "domestic unlisted shares". After the Company's overseas offering of shares and listing, and subject to the permission of relevant laws, administrative regulations and departmental rules, shareholders holding domestic unlisted shares may convert their domestic unlisted shares into overseas listed shares, and the overseas listed shares so converted may be listed and traded on an overseas stock exchange. The listing and trading of such shares on the overseas stock exchange shall also comply with the regulatory procedures, rules, and requirements of the domestic and overseas securities markets.

After the overseas shares of the Company are issued and listed, if the shareholders of the Company apply to convert all or part of their domestic unlisted shares held into overseas listed shares and list and trade on overseas stock exchanges, such conversion shall be exempted from the consideration and approval of the General Meeting or the Board of Directors.

**~~Article 17~~Article 18** The promoters of the Company, their respective number of shares subscribed, method of capital contribution and time of capital contribution are set out below:

| No. | Name of promoter | Number of shares (10,000 shares) | Shareholding percentage (%) | Method of capital contribution | Time of capital contribution |
|---|---|---|---|---|---|
| 1 | Zhuhai Enyuan Technology Partnership (Limited Partnership) | 3,923.0214 | 13.0767 | Shares converted from net assets | November 30, 2023 |
| 2 | Zhuhai Fuqian Technology Partnership (Limited Partnership) | 3,625.2848 | 12.0843 | Shares converted from net assets | November 30, 2023 |
| 3 | Guangxi Tencent Venture Capital Co., Ltd. | 2,252.8175 | 7.5094 | Shares converted from net assets | November 30, 2023 |
| 4 | Accel Asia Holdings II Pte. Ltd. | 1,896.4634 | 6.3215 | Shares converted from net assets | November 30, 2023 |
| 5 | Hubei High Quality Development Industry Investment Fund Partnership (Limited Partnership) | 1,538.7842 | 5.1293 | Shares converted from net assets | November 30, 2023 |
| 6 | Madison Square Investment Limited | 1,360.9242 | 4.5364 | Shares converted from net assets | November 30, 2023 |
| 7 | GBA Fund Investment Limited | 1,357.8462 | 4.5262 | Shares converted from net assets | November 30, 2023 |
| 8 | Tianjin Weizi Enterprise Management Partnership (Limited Partnership) | 1,351.6906 | 4.5056 | Shares converted from net assets | November 30, 2023 |
| 9 | Shanghai Jinke Zhuozhi Enterprise Management Partnership (Limited Partnership) | 1,194.2277 | 3.9808 | Shares converted from net assets | November 30, 2023 |
| 10 | Shanghai Yunfeng Xincheng Investment Center (Limited Partnership) | 1,128.5050 | 3.7617 | Shares converted from net assets | November 30, 2023 |
| 11 | Zhuhai Guwen Technology Partnership (Limited Partnership) | 1,108.8779 | 3.6963 | Shares converted from net assets | November 30, 2023 |
| 12 | Beijing Gehua Silk Road Jinqiao Media Industry Investment Fund Partnership (Limited Partnership) | 1,001.9767 | 3.3399 | Shares converted from net assets | November 30, 2023 |

| No. | Name of promoter | Number of shares (10,000 shares) | Shareholding percentage (%) | Method of capital contribution | Time of capital contribution |
|---|---|---|---|---|---|
| 13 | Goldman Sachs PSI Global Holdings, LLC | 967.9750 | 3.2266 | Shares converted from net assets | November 30, 2023 |
| 14 | Tianjin Xihua Investment Partnership (Limited Partnership) | 776.2480 | 2.5875 | Shares converted from net assets | November 30, 2023 |
| 15 | Shanghai Yunfeng Qitai Investment Centre (Limited Partnership) | 677.5834 | 2.2586 | Shares converted from net assets | November 30, 2023 |
| 16 | Shanghai Yukai Information Technology Partnership (Limited Partnership) | 576.7214 | 1.9224 | Shares converted from net assets | November 30, 2023 |
| 17 | Shenzhen Zhongnan Heduo Venture Capital Partnership (Limited Partnership) | 499.7841 | 1.6659 | Shares converted from net assets | November 30, 2023 |
| 18 | Taikang Life Insurance Co., Ltd. | 450.5635 | 1.5019 | Shares converted from net assets | November 30, 2023 |
| 19 | Hangzhou Broadway Investment Partnership (Limited Partnership) | 417.9798 | 1.3933 | Shares converted from net assets | November 30, 2023 |
| 20 | Jiaxing Xingluo Jingyou Venture Investment Partnership (Limited Partnership) | 392.5206 | 1.3084 | Shares converted from net assets | November 30, 2023 |
| 21 | Shenzhen Yuxin Renhui Investment Partnership (Limited Partnership) | 381.8691 | 1.2728 | Shares converted from net assets | November 30, 2023 |
| 22 | Xiamen Zhongnan Hongyuan Equity Investment Fund Partnership (Limited Partnership) | 369.6260 | 1.2321 | Shares converted from net assets | November 30, 2023 |
| 23 | Wuxi Haiyingjia Investment Enterprise (Limited Partnership) | 337.7347 | 1.1258 | Shares converted from net assets | November 30, 2023 |
| 24 | Shenzhen Qianhai Yuxin Guochang Investment Partnership (Limited Partnership) | 328.4126 | 1.0947 | Shares converted from net assets | November 30, 2023 |
| 25 | Shenzhen Yuanzheng Investment Development Co., Ltd. | 261.2738 | 0.8709 | Shares converted from net assets | November 30, 2023 |
| 26 | Guangdong Yuecai Emerging Industry Equity Investment Fund Partnership (Limited Partnership) | 256.8212 | 0.8561 | Shares converted from net assets | November 30, 2023 |
| 27 | Shenzhen Saidaren Investment Enterprise (Limited Partnership) | 245.3281 | 0.8177 | Shares converted from net assets | November 30, 2023 |
| 28 | JSL Investment Limited | 226.1297 | 0.7537 | Shares converted from net assets | November 30, 2023 |

| No. | Name of promoter | Number of shares (10,000 shares) | Shareholding percentage (%) | Method of capital contribution | Time of capital contribution |
|---|---|---|---|---|---|
| 29 | Shenzhen Qianhai Yuxin Guoyuan Investment Partnership (Limited Partnership) | 198.2478 | 0.6608 | Shares converted from net assets | November 30, 2023 |
| 30 | Shenzhen Zhongtou 63 Bang Investment Enterprise (Limited Partnership) | 190.9346 | 0.6364 | Shares converted from net assets | November 30, 2023 |
| 31 | Shanghai Yiyun Investment Management Partnership (Limited Partnership) | 180.2255 | 0.6008 | Shares converted from net assets | November 30, 2023 |
| 32 | CICC Pucheng Investment Co., Ltd. | 119.4228 | 0.3981 | Shares converted from net assets | November 30, 2023 |
| 33 | Guangzhou Youshan Investment Consulting Co., Ltd. | 90.1127 | 0.3004 | Shares converted from net assets | November 30, 2023 |
| 34 | Hangzhou Hop Ka Hongsheng Venture Capital Partnership (Limited Partnership) | 90.1127 | 0.3004 | Shares converted from net assets | November 30, 2023 |
| 35 | Times Fortune (HK) Company Limited | 90.1127 | 0.3004 | Shares converted from net assets | November 30, 2023 |
| 36 | Beijing Zhongguancun Development Qihang Innovation Investment Fund (Limited Partnership) | 90.1127 | 0.3004 | Shares converted from net assets | November 30, 2023 |
| 37 | Shenzhen Tongrui Changying Phase II Management Consulting Partnership (Limited Partnership) | 17.4819 | 0.0583 | Shares converted from net assets | November 30, 2023 |
| 38 | Guangzhou Chuangying Jianke Investment Partnership (Limited Partnership) | 13.5170 | 0.0451 | Shares converted from net assets | November 30, 2023 |
| 39 | Shenzhen Tencent Industry Win-Win Co., Ltd. | 12.7290 | 0.0424 | Shares converted from net assets | November 30, 2023 |
| **Total** | | 30,000 | 100.0000 | – | – |

~~**Article 18**~~**Article 19** The total number of shares of the Company is ~~300~~322.6944 million, all of which are RMB-denominated ordinary shares.~~ After the Company completes the initial public offering of overseas listed shares ("**H shares**") on the Stock Exchange of Hong Kong Limited ("**Hong Kong Stock Exchange**") and listing, if the over-allotment option is not exercised, the share capital structure of the Company will be: 322.5 million ordinary shares, including 55.518894 million unlisted shares, accounting for 17.22% of total ordinary shares of the Company; 266.981106 million H shares, accounting for 82.78% of total ordinary shares of the Company.~~

~~If the over-allotment option is exercised in full, the share capital structure of the Company will be: 325.875 million ordinary shares, including 55.518894 million unlisted shares, accounting for 17.04% of total ordinary shares of the Company; 270.356106 million H shares, accounting for 82.96% of total ordinary shares of the Company.~~

~~**Article 19**~~**Article 20** The Company or its subsidiaries (including its affiliates) shall not provide financial assistance to others in the form of gifts, advancement, guarantee, loan or otherwise for acquiring shares of the Company or its parent company, except where the Company implements an employee stock ownership plan. For the benefit of the Company, the Company may provide financial assistance to others for acquiring shares of the Company or its parent company upon resolution of the General Meeting or resolution of the Board of Directors pursuant to this Articles of Association or the authorization of the General Meeting, but the total amount of financial assistance shall not exceed ten percent of the total issued share capital. Any resolution of the Board approving such financial assistance shall be passed by not less than two-thirds of all Directors.~~The Company or its subsidiaries (including its affiliates) shall not provide any assistance to any person who purchases or intends to purchase any shares of the Company in the form of gifts, advancement, guarantee, compensation, loan or otherwise.~~

**Section 2 Increase, Reduction and Repurchase of Shares**

~~**Article 20**~~**Article 21** In accordance with the requirements of laws and regulations, the Company may, based on its operational and developmental needs, increase its capital in the following manners upon the adoption of respective resolutions at General Meetings:

(i) by issuing shares to non-specific targets~~public offering of shares~~;

(ii) by issuing shares to specific targets~~non-public offering of shares~~;

(iii) by issuing dividend shares to the existing shareholders;

(iv) by capital increase through the conversion of provident fund;

(v) by other ways stipulated~~permitted~~ by the laws, administrative regulations and securities regulatory authorities such as the China Securities Regulatory Commission ("**CSRC**").

~~**Article 21**~~**Article 22** The Company may reduce its registered capital. Any reduction of registered capital by the Company shall be subject to the Company Law, the Hong Kong Listing Rules and other relevant requirements and procedures prescribed in the Articles of Association.

~~**Article 22**~~**Article 23** The Company shall not acquire its own shares, except under one of the following circumstances:

(i) Reducing registered capital of the Company;

(ii) Merging with another company holding shares of the Company;

(iii) Using shares for employee stock ownership plan or equity incentives;

(iv) Acquisition of shares of shareholders (upon their request) who vote against any resolution proposed in any General Meeting on the merger or division of the Company;

(v) Using shares for converting convertible corporate bonds issued by the Company into shares of the Company;

(vi) Safeguarding corporate value and shareholders' interests as the listed company~~Company~~ deems necessary;

(vii) Other circumstances in which the Company's shares may be acquired in accordance with the provisions stipulated by laws, administrative regulations, and departmental rules.

~~**Article 23**~~**Article 24** The Company may acquire its shares through public centralized trading or other ways as permitted by the laws, administrative regulations, the Hong Kong Listing Rules and the CSRC.

Where the Company acquires its shares under any circumstances prescribed in items (iii), (v) and (vi) of Article 23~~Article 22~~ of the Articles of Association, such acquisition shall be conducted through public centralized trading, subject to the requirements of the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed.

~~**Article 24**~~**Article 25** Where the Company acquires its shares under any circumstances prescribed in items (i) and (ii) of Article 23~~Article 22~~ of the Articles of Association, such acquisition shall require a resolution of a General Meeting. Where the Company acquires its shares under any circumstances prescribed in items (iii), (v) and (vi) of Article 23~~Article 22~~ of the Articles of Association, such acquisition shall require a resolution of a board meeting attended by at least two-thirds of the Directors in accordance with the provisions of the Articles of Association or the authorization of the General Meeting.

Where the Company acquires its shares under the circumstances prescribed in item (i) of Article 23~~Article 22~~, such shares shall be cancelled within 10 days from the date of acquisition. Where the shares are acquired under the circumstances prescribed in items (ii) and (iv) of Article 23~~Article 22~~, such shares shall be transferred or cancelled within 6 months. Where the shares are acquired under the circumstances prescribed in items (iii), (v) and (vi) of Article 23~~Article 22~~, the aggregate number of the shares held by the Company shall not exceed 10% of the total shares issued by the Company, and such shares shall be transferred or cancelled within 3 years.

If the Company purchases its shares, it shall perform the obligation of information disclosure in accordance with the Securities Law.

**Section 3 Transfer of Shares**

~~**Article 25**~~**Article 26** The shares of the Company shall~~may~~ be transferred according to law. All the H Shares shall be transferred by way of a written instrument of transfer in an ordinary or general format, or any other format acceptable to the Board (including the standard transfer format or form of transfer as prescribed from time to time by the Hong Kong Stock Exchange). The written instruments of transfer may only adopt manual signing or be affixed with a valid seal of the Company (if the transferor or transferee is a company). If the transferor or transferee is a recognized clearing house (or its agent) as defined in the relevant regulations that are validated from time to time in Hong Kong, the written instruments of transfer may be signed in form of manual signing or machine printing. All the instruments of transfer shall be kept at the legal address of the Company or such address designated by the Board from time to time.

~~**Article 26**~~**Article 27** The Company shall not accept its own shares as the subject matter of any pledge.

~~**Article 27**~~**Article 28** ~~The shares of the Company held by the promoters thereof shall not be transferred within 1 year of the date of establishment of the Company.~~ Shares already issued by the Company before the public offering shall not be transferred within 1 year of the date on which the shares of the Company are listed on the stock exchange.

The Directors, ~~Supervisors,~~ and senior management of the Company shall declare to the Company their shareholdings of the Company and the changes thereof and shall not transfer exceed 25% of the total number of shares of the same class they hold in the Company during each year of their term of office as determined at the time of appointment. The shares they hold in the Company shall not be transferred within 1 year of the date on which the shares of the Company are listed on the stock exchange. The shares of the Company held by aforesaid persons shall not be transferred within half a year from the date of their resignation.

Where relevant regulations of the securities regulatory authorities in the place where the Company's shares are listed contain any other provisions in respect of the transfer restrictions of overseas listed shares, such provisions shall prevail.

## CHAPTER 4 SHAREHOLDERS AND THE GENERAL MEETING

### Section 1 General Provisions for Shareholders

**~~Article 28~~Article 29** The Company shall establish a register of members. The Company shall establish a register of members in accordance with the certificates provided by the securities registration institution. The register of members shall be sufficient evidence of the shareholders' shareholdings in the Company. Shareholders enjoy rights and assume obligations according to the ~~types~~class of shares they hold. Shareholders holding the same ~~kind~~class of shares shall enjoy the same rights and undertake the same obligations.

Assignment or transfer of shares shall be registered in the register of members. The original register of members of overseas listed foreign shares listed in Hong Kong shall be kept in Hong Kong.

The Company shall keep at its domicile a copy of the register of members of overseas listed foreign shares. The entrusted overseas agency shall always ensure that the original and copies of the register of members of overseas listed foreign shares are consistent. The Hong Kong branch of register of members is available for inspection by shareholders, but the Company may be permitted to suspend the registration of shareholders in accordance with equivalent provisions of the Companies Ordinance (Chapter 622 of the Laws of Hong Kong).

Where any shareholder whose name has been registered in the register of members or any person who requires to have his/her name (or description) entered into the register of members has lost his/her share certificate(s), he/she may apply to the Company for the issue of replacement certificate(s) in respect of such shares. In the event that a shareholder of Domestic Shares loses its share certificate(s) and applies for issuing replacement share certificate(s), it shall follow the relevant procedures as stipulated in the Company Law. The application for the issue of replacement certificates by holders of Overseas Listed Foreign Shares who lost their share certificates shall be made in accordance with the laws, stock exchange regulations or other relevant regulations of the place where the original of the register of members of such Overseas Listed Foreign Shares is kept.

~~**Article 29**~~**Article 30** When the Company convenes the General Meeting, distributes dividends, conducts liquidation or engages in other acts requiring the identification of shareholders, the Board of Directors or the convener of the General Meeting shall determine the record date. The shareholders whose names appear on the register of members after the trading hours on the date of record shall be those entitled to the relevant rights and interests.

~~**Article 30**~~**Article 31** Shareholders of the Company shall enjoy the following rights:

(i) the right to receive dividends and other distributions of interests in proportion to the number of shares held;

(ii) the right to apply for, convene, preside over, attend or appoint proxies to attend the General Meeting in accordance with the law and to exercise the corresponding right to speak and vote;

(iii) the right to supervise, present proposals or raise enquiries in respect of the Company's operations;

(iv) the right to transfer, give as a gift or pledge the shares it holds in accordance with laws, administrative regulations, the Hong Kong Listing Rules and the Articles of Association;

(v) the right to inspect and copy the Articles of Association, register of members, ~~corporate bond stubs,~~ minutes of General Meetings, resolutions of the meetings of the Board of Directors ~~and resolutions of the meetings of the Board of Supervisors~~ and financial and accounting reports. Shareholders meeting the requirements may inspect the Company's accounting books and accounting vouchers;

(vi) in the event of the termination or liquidation of the Company, the right to participate in the distribution of the remaining property of the Company in proportion to the number of shares held;

(vii) shareholders who object to resolutions of merger or division of the Company made by the General Meeting may request the Company to purchase the shares they hold;

(viii) other rights provided for by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules or the Articles of Association.

~~**Article 31**~~**Article 32** Shareholder requesting to inspect or copy the Company's relevant information shall comply with the provisions of the Company Law, the Securities Law and other applicable laws and administrative regulations~~Where any shareholder demands to inspect the relevant information or obtain the relevant materials mentioned in the preceding Article, he/she shall submit written documents to the Company proving the class(es) and number of shares of the Company he/she holds. The Company shall provide those requested in accordance with the Shareholder's demand after verifying the Shareholder's identity~~.

~~**Article 32**~~**Article 33** If any resolution made by the General Meeting and the Board of Directors of the Company violates the laws and administrative regulations, the shareholders are entitled to petition to the people's court to affirm it as invalid.

If the convening procedure or voting method of the General Meeting or the meeting of the Board of Directors contravenes the laws, administrative regulations or the Articles of Association, or if the content of the resolutions of such meeting contravenes the Articles of Association, the shareholders may request the people's court to revoke the resolution within 60 days of the resolution. However, this shall not apply to cases where the convening procedure or voting method of the General Meeting or Board meeting have only minor defects and have not had a material impact on the resolution.

Where there is a dispute among the Board, shareholders, or other relevant parties regarding the validity of a general meeting resolution, they shall promptly initiate a lawsuit with the People's Court. Before the People's Court renders a judgment or ruling to revoke the resolution, the relevant parties shall implement the general meeting resolution. The Company, Directors, and senior management shall earnestly perform their duties to ensure the normal operation of the Company.

Upon the People's Court rendering a judgment or ruling on relevant matters, the Company shall fulfil its information disclosure obligations in accordance with laws, administrative regulations, the rules of the CSRC, and the Hong Kong Listing Rules, fully explain the impact, and actively cooperate with the enforcement after the judgment or ruling takes effect. Where it involves correcting prior matters, the Company shall promptly process and fulfil the corresponding information disclosure obligations.

**Article 34**

Resolutions of the Company's General Meeting or Board meeting shall not be valid under any of the following circumstances:

(i) no General Meeting or Board meeting was convened to adopt the resolution;

(ii) the General Meeting or Board meeting did not vote on the matters set forth in the resolution;

(iii) the number of attendees or the voting rights held by them at the meeting did not reach the number of attendees or the voting rights required by the Company Law or the Articles of Association;

(iv) the number of persons or the voting rights held by them in favor of the resolution did not reach the number of persons or the voting rights required by the Company Law or the Articles of Association.

**~~Article 33~~Article 35**

If a Director (other than members of the Audit Committee) or senior management violates the laws, administrative regulations or any provisions of the Articles of Association when performing his/her duties with the Company resulting in losses to the Company, shareholders individually or together holding 1% or more of the shares of the Company for more than 180 consecutive days may request the Audit Committee~~Board of Supervisors~~ in writing to file a lawsuit with the people's court; if members of the Audit Committee~~Board of Supervisors~~ violates the laws, administrative regulations or any provisions of the Articles of Association when performing its duties with the Company resulting in losses to the Company, any aforesaid shareholder may request the Board of Directors in writing to file a lawsuit with the people's court.

If the Audit Committee~~Board of Supervisors~~ or the Board of Directors refuses to file such lawsuit after a written request has been received from any shareholder specified in the preceding paragraph, or fails to file such lawsuit within 30 days from the date when the request has been received, or under urgent circumstance where failure to immediately file a lawsuit will lead to irreparable losses to the Company, any shareholder under the preceding paragraph may file a lawsuit directly with the people's court in such shareholder's own name, for the interest of the Company.

If any person infringes on any lawful interests of the Company resulting in any losses to the Company, any shareholder under the first paragraph of this Article may file a lawsuit with the people's court in accordance with the provisions of the two preceding paragraphs.

Where a Director, supervisor (if any) or senior management of a wholly-owned subsidiary of the Company violates laws, administrative regulations or the Articles of Association in the course of performing his/her duties and causes losses to the Company, or where others infringe upon the legitimate rights and interests of a wholly-owned subsidiary of the Company and cause losses, shareholders individually or collectively holding more than one percent of the Company's shares for more than one hundred and eighty consecutive days may, in accordance with the relevant provisions of the Company Law, request the board of supervisors or the board of directors of the wholly-owned subsidiary in writing to initiate legal proceedings in the People's Court, or directly initiate legal proceedings in the People's Court in their own name.

**~~Article 34~~Article 36** If a Director or senior management violates the laws, administrative regulations or any provisions of the Articles of Association prejudicing the interests of any shareholder, such shareholder may file a lawsuit with the people's court.

**~~Article 35~~Article 37** Shareholders of the Company shall assume the following obligations:

(i) to abide by the laws, administrative regulations and the Articles of Association;

(ii) to make a capital contribution~~pay the share subscription price~~ based on the shares subscribed for by them and the method of acquiring such shares;

(iii) not to withdraw its share capital~~return shares~~ unless prescribed otherwise in the laws and regulations;

(iv) not to abuse shareholders' rights to infringe upon the interests of the Company or other shareholders; not to abuse the Company's status as an independent legal entity or the limited liability of shareholders to infringe the interests of the Company's creditors;

any shareholder of the Company who abuses shareholders' rights and causes the Company or other shareholders to suffer a loss shall be liable for making compensation in accordance with the laws;

any shareholder of the Company who abuses the status of the Company as an independent legal entity or the limited liability of shareholders to evade debts and causes severe harms to the interests of the Company's creditors shall assume joint and several liability for the Company's debts;

(v) to assume other obligations required by the laws, administrative regulations and the Articles of Association.

~~**Article 36**~~ ~~Shareholders holding 5% or more of the voting shares of the Company who pledge their shares shall submit a written report to the Company as of the date of such pledge.~~

~~**Article 37**~~**Article 38** The Controlling Shareholders and the actual controllers of the Company shall exercise their rights and perform their obligations in accordance with laws, administrative regulations and the requirements of the CSRC and stock exchanges, so as to safeguard the interests of the listed company~~not take advantage of their connected relationship to act in detriment to the interests of the Company. If they violate such provision and cause losses to the Company, they shall be liable for compensation~~.

~~The Controlling Shareholders and the actual controllers of the Company shall bear fiduciary duties towards the Company and public shareholders of the Company. The Controlling Shareholders shall exercise its rights as a contributor in strict compliance with the laws. The Controlling Shareholders shall not do harm to the legitimate rights and interests of the Company and public shareholders of the Company through means such as profit distribution, asset restructuring, external investment, possession of capital and loan guarantees, and shall not make use of its controlling status against the interests of the Company and public shareholders of the Company.~~

**Article 39** Controlling Shareholders and actual controllers of the Company shall comply with the following provisions:

(i) to exercise their rights as shareholders in accordance with the law and not abuse their control or use their affiliation to prejudice the legitimate interests of the Company or other shareholders;

(ii) to strictly fulfil the public statements and undertakings made, without unilateral alteration or waiver;

(iii) to fulfil information disclosure obligations in strict accordance with the relevant regulations, to proactively cooperate with the Company in information disclosure and to inform the Company in a timely manner of material events that have occurred or are proposed to occur;

(iv) not to appropriate the Company's funds in any way;

(v) not to order, instruct or request the Company and relevant personnel to provide guarantees in violation of laws and regulations;

(vi) not to make use of the Company's undisclosed material information for personal gain, not to disclose in any way undisclosed material information relating to the Company, and not to engage in insider trading, short-swing trading, market manipulation and other illegal and unlawful acts;

(vii) not to prejudice the legitimate rights and interests of the Company and other shareholders through unfair related-party transactions, profit distribution, asset restructuring, foreign investment or any other means;

(viii) to ensure the integrity of the Company's assets, and the independence of personnel, finance, organization and business, and not to affect the independence of the Company in any way;

(ix) other requirements of laws, administrative regulations, provisions of the CSRC, the Hong Kong Listing Rules and the Articles of Association.

Where a Controlling Shareholder or actual controller of the Company does not act as a Director of the Company but actually carries out the affairs of the Company, the provisions of the Articles of Association relating to the duties of loyalty and diligence of Directors shall apply.

Where a Controlling Shareholder or actual controller of the Company instructs a Director or a member of the senior management to engage in an act that is detrimental to the interests of the Company or the shareholders, he/she shall be jointly and severally liable with such Director or member of the senior management.

**Article 40** Where a Controlling Shareholder or actual controller pledges the shares of the Company that he/she holds or actually controls, he/she shall maintain the stability of the Company's control and production operations.

**Article 41** If a Controlling Shareholder or actual controller transfers the shares of the Company held by him/her, he/she shall comply with the restrictive provisions on the transfer of shares set out in the laws, administrative regulations, provisions of the CSRC and the Hong Kong Listing Rules and their undertakings in relation to the restriction on the transfer of shares.

**Section 2 General Provisions of the General Meeting**

~~**Article 38**~~**Article 42** The General Meeting is the organ of authority of the Company, and shall exercise the following functions and powers in accordance with the laws:

~~(i) to decide the Company's operational policies and investment plans;~~

~~(ii)~~(i) to elect and replace the Directors~~ and Supervisors~~ who are not employees' representatives and to decide on the matters relating to the remunerations of Directors~~ and Supervisors~~;

~~(iii)~~(ii) to consider and approve the reports of the Board of Directors;

~~(iv) to consider and approve the reports of the Board of Supervisors;~~

~~(v) to consider and approve the annual financial budgets and final accounts of the Company;~~

~~(vi)~~(iii) to consider and approve the profit distribution plans and loss recovery plans of the Company;

~~(vii)~~(iv) to make a resolution on the increase or reduction of the registered capital of the Company;

~~(viii)~~(v) to make a resolution on the issuance of corporate bonds;

~~(ix)~~(vi) to make a resolution on the merger, division, dissolution, liquidation or form change of the Company;

~~(x)~~(vii) to amend the Articles of Association;

~~(xi)~~(viii) to make a resolution on the Company's engagement and dismissal of an accounting firm engaged for the Company's audit services;

~~(xii)~~(ix) to consider and approve the guarantees prescribed in Article 43~~Article 39~~ of the Articles of Association;

~~(xiii)~~(x) to consider the purchase or sale of major assets of the Company in excess of 30% of the Company's latest audited total assets within one year;

~~(xiv)~~(xi) to consider and approve changes in the use of proceeds;

~~(xv)~~(xii) to consider the equity incentive plans and employee shareholding schemes;

~~(xvi)~~(xiii) to consider other matters on which decisions shall be made by the General Meeting as required by the laws, administrative regulations, departmental rules, the Hong Kong Listing Rules or the Articles of Association.

~~The aforesaid functions and powers of the General Meeting shall not be exercised by the Board of Directors or other bodies and individuals through any form of authorization.~~The General Meeting may authorize the Board of Directors to make resolutions regarding the issuance of corporate bonds.

**~~Article 39~~Article 43** The external guarantees below provided by the Company shall be submitted to the General Meeting for consideration after being reviewed and approved by the Board of Directors:

(i) any guarantee provided after the total amount of external guarantees provided by the Company and its controlled subsidiaries exceeds fifty percent of the latest audited net assets~~any single guarantee with an amount more than 10% of the Company's latest audited net assets~~;

(ii) any guarantee provided after the total amount of external guarantees provided by the Company exceeds thirty percent of the latest audited total assets~~any guarantee to be provided after the aggregate amount of external guarantees provided by the Company and its holding subsidiaries has exceeded 50% of its latest audited net assets~~;

(iii) any guarantee provided by the Company to any person within one year with an amount exceeding thirty percent of the latest audited total assets of the Company~~any guarantee to be provided after the aggregate amount of external guarantees provided by the Company has exceeded 30% of its latest audited total assets~~;

(iv) any guarantee provided to guaranteed entities with a debt-to-asset ratio exceeding seventy percent~~any guarantee provided by the Company within one year with an amount exceeding 30% of its latest audited total assets~~;

(v) any guarantee with a single guarantee amount exceeding ten percent of the latest audited net assets of the Company~~any guarantee to be provided for a party whose ratio of liabilities to assets exceeds 70%~~;

(vi) any guarantee provided to shareholder, actual controller, and their related parties~~any guarantee to be provided for shareholder, actual controller of the Company and their related parties;~~.

~~(vii) other guarantees as required by the laws, administrative regulations, rules, the Hong Kong Listing Rules and other normative documents.~~

Matters of guarantee within the authority of the Board of Directors shall be subject to the approval of two-thirds or more of the Directors attending the Board meeting, in addition to the approval by a simple majority of all Directors. The guarantee under item (iv) in the preceding paragraph shall be subject to the approval by more than two-thirds of the voting rights held by the shareholders present at the meeting.

In considering a proposal regarding the provision of any guarantee for any shareholder, actual controller and their related parties at the General Meeting, such shareholder or any shareholder subject to the direction of the actual controller shall abstain from voting on such proposal, and such proposal shall be adopted with the approval of a majority of votes held by other shareholders present at the General Meeting. Where the Company provides guarantees for its Controlling Shareholders, actual controllers and their related parties, such Controlling Shareholders, actual controllers and their related parties shall provide counter-guarantees.

~~**Article 40**~~**Article 44** The General Meetings consist of annual General Meetings and extraordinary General Meetings. The annual General Meeting shall be convened once a year and be held within six months from the end of the previous financial year.

~~**Article 41**~~**Article 45** The Company shall convene an extraordinary General Meeting within two months upon occurrence of the following events:

(i) when the number of Directors falls short of the number stipulated in the Company Law or is less than two-thirds of the number specified in the Articles of Association;

(ii) when the unrecovered losses of the Company amount to one-third of the total ~~paid-up~~ share capital;

(iii) when shareholders individually or together holding 10% or more of the shares of the Company request to hold such a meeting;

(iv) when the Board of Directors deems it necessary;

(v) when the ~~Board of Supervisors~~Audit Committee proposes to hold such a meeting;

(vi) other circumstances as stipulated by the laws, administrative regulations, departmental rules, the Hong Kong Listing Rules or the Articles of Association.

In the case of item (iii) above, the number of shares held shall be calculated based on shares of the Company held by shareholders at the date on which the shareholders submit the written request.

**~~Article 42~~Article 46**

The place where the Company convenes a General Meeting shall be the domicile of the Company or other places designated by the convener of the General Meeting. A venue shall be set for a General Meeting which shall be held onsite. The Company will also, as appropriate, provide convenience for its shareholders to participate in General Meetings through online or other means where applicable. Shareholders participating in General Meetings by any aforesaid means shall be deemed as having attended the meetings.

The time and venue chosen for the onsite General Meeting shall be appropriate to facilitate shareholders' participation. After issuing the notice of the General Meeting, the venue for convening the onsite General Meeting shall not be altered without justified reasons. If such alteration is required, the convener shall make an announcement and give reasons therefor at least 2 working days prior to the convening date of the onsite meeting.

**~~Article 43~~Article 47**

If the Company is explicitly required to engage a legal adviser to witness and issue legal opinions at the General Meeting under the laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed, when convening a General Meeting, the Company will engage a legal adviser to issue legal opinions on the following matters and publish the same:

(i) whether the procedures of convening and holding the meeting comply with the laws, administrative regulations and the Articles of Association;

(ii) whether the qualifications of the attendants and the convener are legal and valid;

(iii) whether the voting procedure and results of the meeting are legal and valid;

(iv) legal opinions on other relevant matters as requested by the Company.

**Section 3 Convening of the General Meeting**

~~**Article 44**~~**Article 48**

The General Meeting shall be convened by the Board of Directors or other conveners in accordance with the laws. The Board of Directors shall convene the General Meeting within the prescribed time limit.

With the approval of a majority of all independent non-executive Directors, Independent Directors are entitled to propose to the Board of Directors to convene extraordinary General Meetings in writing. Regarding the proposal requesting to convene extraordinary General Meetings by the Independent Directors, the Board of Directors shall give a written reply on whether to agree or not to convene an extraordinary General Meeting within 10 days upon receipt of the proposal in accordance with the requirements of the laws, administrative regulations~~, departmental rules, normative documents~~, the Hong Kong Listing Rules and the Articles of Association.

If the Board of Directors agrees to convene an extraordinary General Meeting, a notice to convene such meeting shall be issued within 5 days after the resolution of the Board of Directors is passed. If the Board of Directors does not agree to convene the extraordinary General Meeting, it shall explain the reasons and make an announcement.

~~**Article 45**~~**Article 49**

The ~~Board of Supervisors~~Audit Committee shall be entitled to propose to the Board of Directors to convene an extraordinary General Meeting in writing. The Board of Directors shall give a written reply on whether to agree or not to convene an extraordinary General Meeting within ten days upon receipt of the proposal in accordance with the laws, administrative regulations, the Hong Kong Listing Rules and the Articles of Association.

If the Board of Directors agrees to convene the extraordinary General Meeting, a notice to convene such meeting shall be issued within 5 days after the resolution of the Board of Directors is passed. Any changes to the original proposal in the notice shall be subject to the consent of the ~~Board of Supervisors~~Audit Committee.

If the Board of Directors does not agree to convene an extraordinary General Meeting or fails to give a reply within 10 days upon receipt of the proposal, it shall be deemed that the Board of Directors is unable to perform or fails to perform its duty to convene a General Meeting, and the ~~Board of Supervisors~~Audit Committee may convene and preside over the meeting on its own.

~~**Article 46**~~**Article 50**

Shareholders individually or jointly holding more than 10% of the shares of the Company shall have the right to propose to the Board of Directors to convene an extraordinary General Meeting and a written request shall be made to the Board of Directors. The Board of Directors shall give a written reply on whether to agree or not to convene such meeting within 10 days after receipt of the request according to the laws, administrative regulations, the Hong Kong Listing Rules and the Article of Association.

If the Board of Directors agrees to convene an extraordinary General Meeting, it shall issue a notice of such meeting within 5 days after passing the resolution of the Board of Directors. Any changes to the original proposal in the notice shall be subject to the consent of the relevant shareholders.

If the Board of Directors does not agree to convene an extraordinary General Meeting or does not reply in written within 10 days after receipt of the request, shareholders individually and jointly holding more than 10% of the shares of the Company shall have the right to propose to the ~~Board of Supervisors~~Audit Committee to convene an extraordinary General Meeting, and a written request shall be made to the Audit Committee~~Board of Supervisors~~.

If the Audit Committee~~Board of Supervisors~~ agrees to convene an extraordinary General Meeting, it shall issue a notice of General Meeting within 5 days after receipt of the request. Any changes to the original request in the notice shall be approved by the relevant shareholders.

If the Audit Committee~~Board of Supervisors~~ fails to give the notice of the General Meeting within the specified time limit, it shall be deemed that the Audit Committee~~Board of Supervisors~~ is not convening or presiding over the meeting, and the shareholders individually or jointly holding more than 10% of the shares of the Company for more than 90 consecutive days may convene and preside over the meeting on their own.

~~**Article 47**~~**Article 51**

Where the Audit Committee~~Board of Supervisors~~ or shareholders decide(s) to convene a General Meeting on its/their own initiative, it/they shall notify the Board of Supervisors in writing.

~~**Article 48**~~**Article 52**

For a General Meeting convened by the Audit Committee~~Board of Supervisors~~ or shareholders on its/their own initiative, the Board of Directors and the secretary to the Board of Directors shall provide cooperation. The Board of Directors shall provide the register of members as at the record date. The register of members obtained by the convener shall not be used for purposes other than convening of the General Meeting.

~~**Article 49**~~**Article 53** Expenses necessary for a General Meeting convened by the Audit Committee~~Board of Supervisors~~ or shareholders on its/their own initiative shall be borne by the Company.

**Section 4 Proposals and Notices of the General Meeting**

~~**Article 50**~~**Article 54** The contents of proposals shall fall within the scope of functions and powers of the General Meeting, have clear subjects for discussion and specific matters to be resolved and comply with relevant requirements of the laws, administrative regulations, the Hong Kong Listing Rules and the Articles of Association.

~~**Article 51**~~**Article 55** When the Company convenes a General Meeting, the Board of Directors, the Audit Committee~~Board of Supervisors~~, and shareholder(s) individually or jointly holding more than ~~3~~1% of the shares of the Company shall be entitled to put forward proposals to the Company.

Shareholders individually or jointly holding more than ~~3~~1% of shares in the Company may make a temporary proposal and submit it to the convener in writing 10 days prior to a General Meeting. The convener shall issue a supplementary notice of the General Meeting to announce the content of the temporary proposal within 2 days upon receipt of the proposal, and shall submit such temporary proposal to the General Meeting for deliberation; provided, however, that no such submission shall be required if the temporary proposal violates any laws, administrative regulations or the provisions of the Articles of Association, or falls outside the scope of authority of the General Meeting.

Except as provided in the preceding paragraph, the convener shall not make any amendments to the proposals set out in the notice of the General Meeting or add any new proposals after issuing the notice of the General Meeting.

The General Meeting shall neither vote nor make a resolution on any proposals that are not included in the notice of the General Meeting or are inconsistent with Article 54~~Article 50~~ of the Articles of Association.

~~**Article 52**~~**Article 56** The convener shall notify each shareholder of the annual General Meeting by way of announcement 21 days prior to the meeting. The convener shall notify each shareholder of the extraordinary General Meeting by way of announcement 15 days ~~or 10 working days (whichever is longer)~~ prior to the meeting. Where stipulated otherwise by laws, regulations and the securities regulatory authorities of the place where the shares of the Company are listed, such provisions shall prevail.

When calculating the starting date of the above-mentioned periods, the Company shall not include the date of the meeting, but include the date of the notice on convening the meeting.

~~**Article 53**~~**Article 57** The notice of the General Meeting should be in written form and includes the following:

(i) the time, place and duration of the meeting;

(ii) matters and proposals submitted to the meeting for deliberation;

(iii) stating with eye-catching words that all shareholders have the right to attend the General Meeting and may appoint in writing a proxy to attend and vote, and such shareholder proxy need not be a shareholder of the Company;

(iv) record date for the purpose of determining shareholders' entitlement to attend the General Meeting;

(v) name and telephone number of the permanent contact person for meeting affairs;

(vi) voting time and the voting procedures online or by other means;

(vii) other requirements prescribed by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, the Articles of Association, and others.

The notice and the supplemental notice of the General Meeting shall fully and completely disclose all the specific contents of all proposals. If the matter to be discussed needs the opinion of Independent Directors, the opinions and reasons of Independent Directors will be disclosed at the same time when the notice or supplementary notice of the General Meeting is issued.

~~**Article 54**~~**Article 58** If the election of Directors ~~or supervisors~~ is proposed to be discussed at the General Meeting, the notice of such meeting shall adequately disclose the detailed information of the candidates for Directors ~~or supervisors~~, which shall at least include the following:

(i) personal particulars, including educational background, work experience and part-time jobs;

(ii) whether one has any connected relationships with the Company or the Controlling Shareholders and actual controllers of the Company;

(iii) the number of shares of the Company they hold;

(iv) whether they have been punished by the CSRC and other relevant authorities and sanctions by any stock exchange.

Unless Directors ~~or supervisors~~ are elected via the cumulative voting system, each candidate for Directors ~~or supervisors~~ shall be nominated via a single proposal.

~~**Article 55**~~**Article 59** After the notice of the General Meeting has been issued, the General Meeting shall not be adjourned or cancelled without justifiable reasons, and no proposals stated in the notice of General Meeting shall be cancelled. Once adjournment or cancellation occurs, the convener shall make announcement at least 2 working days prior to the originally scheduled date of meeting, and explain the reason.

**Section 5 Holding of the General Meeting**

~~**Article 56**~~**Article 60** The Board of Directors and other conveners of the Company shall take necessary measures to ensure the proper order of the General Meeting. For any acts interfering with the General Meeting, provoking trouble or infringing upon the legitimate rights and interests of shareholders, measures shall be taken to stop such acts, and such acts shall be promptly reported to the relevant authority for investigation and punishment.

~~**Article 57**~~**Article 61** All shareholder registered on the register of members on the record date or their proxy(ies) shall be entitled to attend the General Meeting, and shall speak at the General Meeting and exercise their voting rights in accordance with relevant laws, regulations and the Articles of Association, unless the individual shareholders are required to abstain from voting on individual matters in accordance with the Hong Kong Listing Rules.

Any shareholder entitled to attend and vote at the General Meeting may attend the General Meeting in person or appoint a proxy or proxies (such proxy need not be a shareholder) to act as his/her proxy to attend and vote at the General Meeting on his/her behalf.

Shareholders who have appointed proxy(ies) to attend any meeting on their behalf shall be deemed to attend in person. Such proxy so appointed may exercise the following rights pursuant to the authorization from such shareholder:

(i) such shareholder's right to speak at the General Meeting;

(ii) the right to demand a poll alone or jointly with others;

A proxy may exercise the voting rights by a show of hand or by poll, but may exercise the voting rights only by poll when there is more than one proxy appointed.

~~**Article 58**~~**Article 62** Individual shareholders attending the meeting in person shall present their personal identity cards or other valid documents or proofs that can indicate their identities ~~or their stock account cards~~. An individual who attends the meeting as a proxy~~If a shareholder appoints a proxy to attend the meeting on his/her behalf, such proxy~~ shall present his/her own valid proof of identity and the authorization letter from the shareholder.

Corporate shareholders shall be represented by their legal representatives or proxies entrusted by their legal representatives to attend and vote at the meeting. Such corporate shareholders who have appointed legal representatives or proxies entrusted by their legal representatives to attend any meeting on their behalf shall be deemed to attend in person. Legal representatives attending the meeting shall present their personal identity cards and valid proofs that can prove their identities as the legal representatives. Proxies authorized to attend the meeting shall present their personal identity cards and the written authorization letter legally issued by the legal representatives of corporate shareholders.

Where a shareholder is an unincorporated organization, the person in charge of the organization or proxies authorized by the person in charge shall attend and vote at the meeting. Such unincorporated organization that has appointed the person in charge of the organization or proxies authorized by the person in charge to attend any meeting on their behalf shall be deemed to attend in person. Such person in charge of the organization attending the meeting shall present his/her personal identity card and valid proofs that can prove his/her identity as the person in charge. A proxy authorized to attend the meeting shall present his/her personal identity card and the written authorization letter legally issued by the person in charge of the organization.

If the shareholder is a recognized clearing house (or its proxy) as defined in the relevant ordinances enacted in Hong Kong from time to time, the shareholder may authorize its corporate representative or one or more persons as it thinks fit to act as its representative(s) at any General Meeting. However, if more than one person is so authorized, the authorization letter or letter of authorization shall specify the number and class of shares in respect of which each such person is authorized, and shall be executed by the authorized person of the recognized clearing house. The person so authorized may attend the meeting on behalf of the recognized clearing house (or its proxy) (without being required to present share certificate, notarized authorization and/or further evidence to prove that he/she is duly authorized) and exercise the legitimate rights equivalent to those of other shareholders (including the rights to speak and vote), as if he/she were an individual shareholder of the Company.

~~**Article 59**~~**Article 63** The authorization letter issued by shareholders to appoint others to attend the General Meeting shall state the following:

(i) name of the principal, and the class and quantity of shares of the Company held thereby;

~~(i)~~(ii) name of the proxy;

~~(ii) whether the proxy has the voting right;~~

(iii) the specific instructions of the shareholder, including instructions on vote for, against or abstain from voting on each matter to be considered at the General Meeting~~instructions to vote for, against or abstain from voting for each matter included in the agenda of the General Meeting~~;

(iv) date of issuance and validity period of the authorization letter;

(v) signature (or seal) of the appointer. If the appointer is a corporate shareholder, the seal of the legal entity shall be affixed. If the appointer is an unincorporated organization, the seal of the unincorporated organization shall be affixed.

~~**Article 60** The authorization letter shall state that in the absence of instructions from the shareholder, whether or not the proxy of shareholder may vote as he/she thinks fit.~~

~~**Article 61**~~**Article 64** If the authorization letter is signed by the authorized person of the appointer, the authorization letter or other authorization documents under which the authorization letter is signed shall be notarized. The notarized authorization letter or other authorization documents, and the authorization letter shall be placed at the domicile of the Company or other place specified in the notice of the meeting.

If the appointer is a corporation, its legal representative or the persons authorized by the Board of Directors or other governing body shall act as representative to attend the General Meeting of the Company.

If the appointer is a non-corporate organization, its person in charge or the persons authorized by the governing body shall act as representative to attend the General Meeting of the Company.

Proxy form shall be lodged at the domicile of the Company or other places specified in the notice of meeting 24 hours before the relevant meeting for voting according to the proxy form, or 24 hours before the designated time of voting.

~~**Article 62**~~**Article 65** The attendance record of a meeting shall be prepared by the Company. The attendance record shall contain, among other things, the name, identity card number~~, domicile address~~, the number of shares carrying voting rights held or represented, and the appointer name (or entity name) of each attendee.

~~**Article 63**~~**Article 66** The convener and the lawyers appointed by the Company shall jointly verify the legality of qualification of the shareholders according to the register of members provided by the securities depository and clearing institution, and register the name of each shareholder and the number of shares carrying voting rights he/she holds. The meeting registration shall be closed before the meeting chairperson declares the number of shareholders and proxies present and the total number of shares carrying voting rights they hold.

~~**Article 64**~~**Article 67** In holding a General Meeting, where the General Meeting requires the attendance of Directors or senior management of the Company, such Directors or senior management shall attend and respond to shareholders' inquiries~~all Directors, Supervisors and the secretary of the Board of Directors of the Company shall attend the meeting in person while the general manager and other senior management shall attend the meeting as observers~~.

~~**Article 65**~~**Article 68** The General Meeting shall be presided over by the chairman of the Board of Directors. Where the chairman of the Board of Directors is unable or fails to perform his duties, the meeting shall be presided over by a Director jointly elected by more than half~~half or more~~ of the Directors.

A General Meeting convened by the ~~Board of Supervisors~~Audit Committee shall be presided over by the convener of the Audit Committee~~chairman of the Board of Supervisors~~. Where the convener of the Audit Committee~~chairman of the Board of Supervisors~~ is unable or fails to perform his duties, the meeting shall be presided over by a member of Audit Committee~~Supervisor~~ jointly elected by more than half of the members of the Audit Committee~~half or more of the Supervisors~~.

A General Meeting convened by shareholders shall be presided over by the convener(s) or a representative elected by the convener(s).

In the event that the General Meeting cannot proceed due to violation of the rules of procedure by the chairperson of the meeting when a General Meeting is held, the General Meeting may appoint a person as the chairperson of the meeting with the consent of a majority of the shareholders with voting rights present at the meeting and the meeting shall continue.

**~~Article 66~~Article 69** The Company shall formulate the rules of procedure of the General Meeting, and specify the convening, holding and voting procedures of the General Meeting, including notice, registration, consideration of proposal, voting, counting of votes, announcement of voting results, formation of resolutions of the meeting, minutes of the meeting and signing and announcement thereof, as well as the principle of authorization of the General Meeting to the Board of Directors. The content of authorization shall be clear and specific. The rules of procedure of the General Meeting shall be annexed to the Articles of Association and shall be prepared by the Board of Directors and approved by the General Meeting.

**~~Article 67~~Article 70** At the annual General Meeting, the Board of Directors~~ and the Board of Supervisors~~ shall make a report on their work in the past year to the General Meeting. Each Independent Director shall also make a annual work report.

**~~Article 68~~Article 71** Except for the matters relating to the Company's business secrets that cannot be disclosed at the General Meeting, the Directors~~, Supervisors~~ and senior management shall provide explanations and statements relating to the queries and suggestions put forward by the shareholders at the General Meeting.

**~~Article 69~~Article 72** The meeting chairperson shall declare the number of shareholders and proxies present at the meeting and the total number of shares carrying voting rights they hold before voting. The number of shareholders and proxies present at the meeting and the total number of shares carrying voting rights they hold shall be subject to the register of attendance of the meeting.

~~**Article 70**~~**Article 73** Minutes shall be kept for a General Meeting by the secretary of Board of Directors.

The minutes of the meeting shall contain:

(i) the time, venue and agenda of meeting and the convener's name;

(ii) the names of the meeting chairperson and the Directors~~, Supervisors, general manager~~ and ~~other~~ senior management ~~attending the meeting or~~ attending meeting as observers;

(iii) the number of shareholders and proxies attending the meeting, the total number of voting shares held by them and the proportion of these shares to the total number of shares of the Company, including the number of the shareholders of unlisted shares (including proxies) and the H shareholders (including proxies) attending the General Meeting, the total number of voting shares held by them and their respective percentages of total number of shares of the Company;

(iv) the consideration process, key points of speech and voting results of each proposal (including the voting results of the shareholders of unlisted shares and the H shareholders on each proposal);

(v) the enquiries or suggestions of the shareholders and the corresponding replies or explanations;

(vi) the names of the lawyer and the teller and scrutineer;

(vii) other content that shall be included in the minutes of the meeting according to the Articles of Association.

~~**Article 71**~~**Article 74** The convener shall guarantee the authenticity, accuracy and integrity of the content of the minutes of the meeting. The Directors, ~~Supervisors,~~ secretary of the Board of Directors, convener or their representatives who attended the meeting or attended meeting as observers, and the chairperson of the meeting shall sign the minutes of the meeting. The minutes of the meeting shall be kept together with the register of names of the shareholders present, the authorization letter for attendance, and the valid documents for the online and other forms of voting for a period of 10 years.

~~**Article 72**~~**Article 75** The convener shall warrant that the General Meeting will proceed continuously until the final resolution is made. If the General Meeting is suspended or the resolution cannot be made due to force majeure or other special causes, necessary measures shall be taken to restore the General Meeting as soon as possible or directly terminate the General Meeting, and shall make an announcement in a timely manner.

**Section 6 Voting and Resolution at the General Meeting**

~~**Article 73**~~**Article 76** The resolutions of the General Meeting shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution shall be adopted by a simple majority of the votes held by the shareholders ~~(including proxies of shareholders)~~ attending the General Meeting.

A special resolution shall be adopted by a two-thirds or more of the votes held by the shareholders ~~(including proxies of shareholders)~~ attending the General Meeting.

~~**Article 74**~~**Article 77** The following matters shall be approved by the General Meeting through ordinary resolutions:

(i) work report of the Board of Directors ~~and the Board of Supervisors~~;

(ii) plans of profit distribution and loss recovery plans drafted by the Board of Directors;

(iii) appointment or dismissal of the members of the Board of Directors ~~and the Board of Supervisors~~, and their remuneration and payment methods;

~~(iv) annual financial budgets and final accounts of the Company;~~

~~(v) annual report of the Company;~~

~~(vi)~~(iv) other matters other than those which are required by laws, administrative regulations, the regulatory rules of the Hong Kong Listing Rules or the Articles of Association to be approved by a special resolution.

~~**Article 75**~~**Article 78** The following matters shall be approved by special resolution at the General Meeting:

(i) the increase or reduction of the registered capital of the Company;

(ii) the division, spin-off, merger, dissolution and liquidation of the Company;

(iii) the amendment to the Articles of Association;

(iv) the purchases or sales of material assets by the Company within one year or the guaranteed amount provided to others exceeding 30% of the latest audited total assets of the Company;

(v) the equity incentive plan;

(vi) other matters stipulated by laws, administrative regulations, regulatory rules of the place where the Company's shares are listed, or the Articles of Association, as well as other matters that the General Meeting determines by ordinary resolution will have a significant impact on the Company and need to be passed by special resolution.

~~Article 76~~**Article 79** Changes in the rights attached to classes of shares shall be approved by special resolution of the shareholders of the Company holding the class of shares to which the rights attach.

~~Article 77~~**Article 80** Shareholders ~~(including proxies of shareholders)~~ shall exercise their voting rights according to the number of voting shares they represent, and each share shall have one vote. On a poll taken at a meeting, a shareholder (including proxies) entitled to two or more votes does not need to cast all his/her votes in the same way.

For any issue which shareholders shall abstain from voting or can only vote either in favor of or against pursuant to Hong Kong Listing Rules, the shareholders shall abstain from voting or cast their votes according to such regulations. Any votes in violation of the relevant regulations or restrictions casted by the shareholders or their proxies will not be calculated into the voting results.

Shares of the Company held by the Company shall carry no voting rights, and be excluded from the total voting shares held by shareholders present at a General Meeting.

Resolutions made pursuant to Articles 2.2 and 2.10 under the Code on Takeovers and Mergers and Article 3.3 under the Code on Share Buy-backs issued by the Securities and Futures Commission of Hong Kong, as well as other resolutions that shall only be approved by H-share shareholders in accordance with the relevant provisions of the Hong Kong Listing Rules, the Code on Takeovers and Mergers and the Code on Share Buy-backs, as amended from time to time, shall be passed by and only by H shareholders' General Meetings.

~~**Article 78**~~**Article 81**

When the General Meeting is reviewing the relevant connect transaction, the connected shareholders shall abstain from voting on such matter, the voting shares held by such shareholder shall not be counted in the valid total voting shares, and the announcement regarding the resolutions of the General Meeting shall fully disclose the votes by non-connected shareholders (subject to requirements of the Hong Kong Stock Exchange).

The connected shareholder shall abstain from voting on relevant matters voluntarily. If the connected shareholder does not abstain voluntarily, any other shareholder who is aware of the fact may request him/her to abstain therefrom.

When a connected transaction is to be considered at a General Meeting, the chairperson of the meeting shall announce the list of connected shareholders, and the total number of voting shares held by shareholders not connected to such transaction and presenting at the meeting, and the percentage of such voting shares in relation to the total number of shares in the Company before voting.

~~**Article 79**~~**Article 82**

The Company shall provide convenience for shareholders to attend the General Meeting by whatever means, provided that the General Meeting is held legally and effectively.

~~**Article 80**~~**Article 83**

Unless the Company is in a crisis or under any other special circumstances, without the approval of a General Meeting by a special resolution, the Company shall not enter into a contract with any person other than a Director~~, the general manager~~ or ~~any other~~ officer under which the person takes charge of all or any major business of the Company.

~~**Article 81**~~**Article 84**

The list of candidates for Directors ~~or Supervisors~~ shall be submitted by way of proposal to the General Meeting for voting~~consideration~~. An accumulative voting system may be adopted when the General Meeting votes on the election of Directors ~~and Supervisors~~ pursuant to the provisions of the Articles of Association or a resolution of the General Meeting. When the General Meeting elects two or more independent non-executive Directors, the cumulative voting system shall be adopted.

The accumulative voting system described in the preceding paragraph refers to that, when the General Meeting elects Directors ~~or Supervisors~~, each share has the same voting rights as the number of Directors ~~or Supervisors~~ to be elected, and the voting rights owned by shareholders can be used collectively. The Board of Directors shall announce to the shareholders the resumes and basic information of the candidates for Directors ~~and Supervisors~~.

~~**Article 82**~~**Article 85** Except for the cumulative voting system, all proposals shall be voted item by item at a General Meeting, and if there are different proposals for the same matter, they shall be voted in the order of introduction. Unless a General Meeting is suspended or no resolution may be made thereat for a force majeure or any other special reason, no proposal may be suspended or denied voting at the General Meeting.

~~**Article 83**~~**Article 86** A proposal considered at a General Meeting shall not be modified; otherwise, the modification shall be regarded as a new proposal, which may not be voted at this General Meeting.

~~**Article 84**~~**Article 87** The same voting right can only choose one of on-site or other voting methods. In case of repeated voting with the same voting right, the first voting result shall prevail.

~~**Article 85**~~**Article 88** The General Meeting shall vote by open ballot.

~~**Article 86**~~**Article 89** Before proposals are voted at a General Meeting, two shareholder representatives shall be elected to take part in vote counting and scrutiny. Where a shareholder is connected with any matter considered, the shareholder and its proxy may not take part in vote counting and scrutiny.

When proposals are voted at a General Meeting, lawyers, shareholder representatives ~~and Supervisor representatives~~ shall be jointly responsible for the vote counting and scrutiny, announce the voting results on the spot, and record them in the minutes of the meeting.

~~**Article 87**~~**Article 90** Shareholders attending the General Meeting shall express one of the following opinions on the proposal submitted for voting: affirmative, negative or abstention. The securities registration and clearing institution shall be the nominee holder of shares under the Mainland-Hong Kong Stock Connect, or recognized clearing houses, as defined in the relevant regulations in force from time to time under the laws of Hong Kong, or their agents which serve as the nominal holders, except where declaration is made in accordance with the actual holder's intent.

Where any ballot is not completed in full, is completed incorrectly or unintelligibly, or has no vote recorded, the voter shall be deemed to have waived his voting rights and the voting result for his/her shares shall be deemed as an "abstention".

~~**Article 88**~~**Article 91** Where the meeting chairperson has any doubt on the voting result of a resolution submitted for voting, he/she may organize a recount of the number of votes; where the meeting chairperson fails to recount votes, and any shareholder or shareholder's proxy attending the meeting raises any objection to the result announced by the meeting chairperson, the shareholder or shareholder's proxy shall have the right to require a recount immediately after the voting result is announced, and the meeting chairperson shall immediately organize a recount.

~~**Article 89**~~**Article 92** Resolutions passed at the meeting shall be promptly announced in accordance with the listing rules of the place where the Company's shares are listed. The announcement should list the number of shareholders or their proxies appearing at the meeting, the total number of voting shares of such shareholders or proxies, the ratio of such voting shares to total voting shares at the Company, the means by which votes were cast, the voting result for each proposal, and the particulars of each resolution passed. The attendance and voting of shareholders of unlisted shares and the H shareholders shall be analyzed statistically and announced respectively.

~~**Article 90**~~**Article 93** Where a proposal is not passed, or the General Meeting modifies a resolution made at a previous General Meeting, a special reminder shall be placed in the announcement of the resolutions of the General Meeting.

~~**Article 91**~~**Article 94** Where proposed resolutions in relation to the election of Directors ~~or Supervisors~~ are passed at a General Meeting, the term of office of the newly appointed Directors ~~and Supervisors~~ shall commence from the date of adoption of the relevant resolutions at the General Meeting.

~~**Article 92**~~**Article 95** Where a proposal on the distribution of cash dividends or stock dividends or conversion of reserve fund to share capital is passed at a General Meeting, the Company shall implement the specific plan within 2 months after the end of the General Meeting.

## CHAPTER 5 BOARD OF DIRECTORS

### Section 1 General Provisions for Directors

~~Article 93~~Article 96 Directors of the Company shall be natural persons. None of the following persons shall serve as a Director of the Company:

(i) a person who has no civil capacity or has limited civil capacity;

(ii) a person who has committed an offence of corruption, bribery, infringement of property, misappropriation of property or sabotaging the socialist market economic order and has been punished because of committing such offence; or who has been deprived of his political rights, where less than five years have elapsed since the date of the completion of implementation of such punishment or deprivation; or who having been given a suspended sentence, where less than two years have elapsed since the completion of the probation period;~~a person who has been sentenced to a term of imprisonment for any of the following crimes and 5 years have not elapsed since the date on which execution of the sentence was completed: embezzlement, bribery, conversion of property, misappropriation of property, or sabotaging the socialist economic order; or has been deprived of his/her political rights as a result of a criminal conviction and 5 years have not elapsed since the date on which execution of the sentence was completed;~~

(iii) a person who has served as a Director, the factory chief, or the manager of an insolvent and liquidated company or enterprise and is held personally liable for such bankruptcy, and 3 years have not elapsed since the date when the bankruptcy and liquidation of the company or enterprise are completed;

(iv) a person who has served as the legal representative of a company or enterprise whose business license was revoked or which is ordered to close down due to any violation of law, and is held personally liable for the revocation, and three years have not elapsed since the date when the revocation or closure order occurs;

(v) a person who has been subject to court-ordered enforcement as a judgment defaulter due to significant personal debts remaining unpaid upon maturity;~~a person who has a relatively large sum of debt, which was not paid at maturity;~~

(vi) a person who has been banned from entering the securities market by the CSRC and whose term has not expired;

(vii) persons who have been publicly determined by a stock exchange to be unsuitable to serve as a director or senior management of a listed company, where the specified period of disqualification has not yet expired;

~~(vii)~~(viii) other contents stipulated by laws, administrative regulations, departmental rules or Hong Kong Listing Rules.

The election or appointment of the Directors shall be invalid if such election or appointment is against this Article. If the Directors fall into any of the circumstances mentioned in this Article during their term of office, they would be dismissed and suspend their duties by the Company.

**~~Article 94~~Article 97** The Director shall be elected or replaced by the General Meeting, and may be dismissed by the General Meeting before the expiration of his/her term of office. The term of office of the Directors is 3 years and they are eligible for re-election at the end of the term.

The term of office of a Director shall be calculated from the date of appointment until the expiration of the term of office of the current Board of Directors. If the term of office of a Director expires without timely re-election, the original Director shall still perform the duties of a Director in accordance with laws, administrative regulations, departmental rules, and the provisions of the Articles of Association before the newly elected Director takes office.

The ~~general manager or other~~ senior management may concurrently serve as Directors of the Company. However, the total number of Directors concurrently serving as the ~~general manager or other~~ senior management and Directors represented by employees shall not exceed half of the total number of Directors of the Company.

Any person appointed as Director by the Board of Directors with the approval of the General Meeting to fill a casual vacancy or as an addition to the Board of Directors shall only serve until the first annual General Meeting of the Company after his/her appointment, and the said person is eligible for re-election.

Unless otherwise required by laws, regulations, or regulatory rules in the place where the Company's shares are listed, the shareholders may remove any Director (including the general manager concurrently serving as a Director and other executive Directors) before the expiration of his/her term of office by way of an ordinary resolution at the General Meeting, without prejudice to claims for damages made by the Director pursuant to any contract.

~~**Article 95**~~**Article 98**

Directors shall abide by laws, administrative regulations and the Articles of Association, and shall faithfully perform their obligations to the Company and shall take measures to avoid conflicts of interest between their personal interests and the interests of the Company, and shall not use their authority to seek improper benefits.

The Directors shall have the following duty of loyalty to the Company:

(i) ~~shall not abuse their authority by accepting bribes or other illegal income, and~~ shall not encroach on the Company's property;

(ii) shall not misappropriate the Company's funds;

(iii) shall not deposit the Company's ~~assets or~~ funds into accounts held in their own names or in the name of any other individual;

(iv) shall not to use their authority to bribe or accept other illegal gains;

(v) shall not to directly or indirectly enter into contracts or conduct transactions with the Company without reporting to the Board of Directors or in the General Meeting, and without being passed by the Board of Directors or the General Meeting by way of resolutions in accordance with the Articles of Association;

(vi) shall not to take advantage of his/her position to seek business opportunities that shall belong to the Company for himself/herself or others, but except those which have been reported to the Board of Directors or in General Meeting and passed by way of resolutions of the General Meeting, or the Company shall not use the business opportunity in accordance with the provisions of laws, administrative regulations or the Articles of Association;

(vii) shall not to operate business similar to the Company for himself/herself or for others without reporting to the Board of Directors or in the General Meeting and being passed by resolutions of the General Meeting;

~~(iv) shall not, in violation of the Articles of Association, loan the Company's funds to any other person or use the Company's assets as security for the debt of any other person without the approval of the General Meeting or the Board of Directors;~~

~~(v) shall not conclude any contract or engage in any transaction with the Company either in violation of the Articles of Association or without the approval of the General Meeting;~~

~~(vi) shall not use the advantages provided by their own positions to pursue business opportunities that properly belong to the Company or to engage in the same business as the Company either for their own account or for the account of any other person without the approval of the General Meeting;~~

~~(vii)~~(viii) shall not accept commissions paid by others for transactions conducted with the Company as their own;

~~(viii)~~(ix) shall not disclose the Company's confidential information without authorization;

~~(ix)~~(x) shall not abuse their connected relationships to damage the Company's interests;

~~(x)~~(xi) other duties of loyalty stipulated in laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and the Articles of Association.

The income obtained by a Director in violation of this Article shall belong to the Company. If losses are caused to the Company, he/she shall be liable for compensation. The provisions of item (v) in subparagraph 2 of this Article shall apply to contracts or transactions entered into by the close relatives of Directors and senior management, enterprises directly or indirectly controlled by Directors, senior management, or their close relatives, and related persons with other related relationships with Directors and senior management.

**~~Article 96~~Article 99** Directors shall abide by laws, administrative regulations and the Articles of Association, and shall owe duties of diligence to the Company. In the performance of their duties, they shall exercise the reasonable care that would ordinarily be expected of persons managing the Company's affairs for its optimal benefit.

The Directors shall have the following duties of diligence to the Company:

(i) shall prudently, earnestly and diligently exercise the rights the Company grants to them to ensure that the Company conducts its commercial activities in a manner that complies with the requirements of state laws, administrative regulations and state economic policies, and that the Company's commercial activities do not go beyond the scope of the business activities stipulated in the Company's business license;

(ii) shall treat all shareholders fairly;

(iii) shall maintain a timely awareness of the operation and management of the Company;

(iv) shall sign written statements confirming the regular reports of the Company, and ensure that the information disclosed by the Company is true, accurate and complete;

(v) shall provide accurate information and materials to the ~~Board of Supervisors~~Audit Committee and shall not obstruct the ~~Board of Supervisors or individual Supervisors~~Audit Committee or its members from performing its or their duties;

(vi) any other duties of diligence stipulated in the laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and the Articles of Association.

**~~Article 97~~Article 100** A Director who fails to attend the meetings of the Board of Directors twice consecutively in person or by authorizing another Director to attend such meetings on his/her behalf shall be deemed unable to perform his/her duties, and the Board of Directors shall propose removal of such Director to the General Meeting.

**~~Article 98~~Article 101** A Director may resign before the expiry of his/her term of office. In resigning his/her duties, the Director shall submit a written resignation report to the ~~Board of Directors~~Company. The Board of Directors shall disclose the relevant information within 2 trading days.

Where, as a result of a Director's resignation, the quorum requirement for members of the Board of Directors is no longer met, before the newly elected Director assumes office, the outgoing Director shall continue to perform a Director's functions in accordance with laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and the Articles of Association.

Except under the circumstance in the preceding paragraph, a Director's resignation shall take effect once his/her resignation report is received by the Board of Directors.

**~~Article 99~~Article 102** The Company shall establish a director resignation management system to specify the safeguarding measures for pursuing liability and compensation for unfulfilled public commitments and other outstanding matters. When the resignation of a Director takes effect or the term of office of a Director expires, he/she shall complete all handover procedures with the Board of Directors. In this case, his/her duty of loyalty to the Company and shareholders shall not be automatically relieved after the end of his/her term of office and shall remain valid within 12 months after his/her resignation takes effect or the term of office expires. The duration of other duties shall be determined based on the principle of fairness, taking into account factors such as the nature, importance, time of impact of the relevant matters and relationship with such Director. A director's liability for actions taken in the performance of his/her duties during his/her term of office shall not be waived or terminated upon termination of tenure.

**Article 103** The General Meeting may resolve to remove a Director, and the removal shall take effect on the date the resolution is passed. If a Director is removed without just cause before the expiration of his/her term of office, the Director may demand compensation from the Company.

**~~Article 100~~Article 104** Unless permitted by the Articles of Association or legally authorized by the Board of Directors, no Director shall act in his/her own name on behalf of the Company or the Board of Directors. When a Director acts in his/her own name, the Director shall declare his/her position and identity in advance if the third-party reasonably believes that the Director is acting on behalf of the Company or the Board of Directors.

**~~Article 101~~Article 105** Where a Director causes damage to others in the performance of the Company's duties, the Company shall be liable for compensation; if the Director acted with intent or gross negligence, he/she shall also be liable for compensation. Where a Director violates law, administrative regulations, departmental rules or the provisions of the Articles of Association while performing his/her duty, causing losses to the Company, he/she shall be liable for compensation.

**~~Article 102~~Article 106** Independent Directors shall act in accordance with laws, administrative regulations, and the relevant provisions of the CSRC and the Hong Kong Stock Exchange.

**Section 2 Board of Directors**

~~**Article 103**~~**Article 107** The Company shall have a Board of Directors, which is accountable to the General Meeting.

~~**Article 104**~~**Article 108** The Board of Directors is comprised of 9 Directors, including 3 Independent Directors.

~~**Article 105**~~**Article 109** The Board of Directors shall exercise the following functions and powers:

(i) to convene General Meetings and report work to the General Meetings;

(ii) to implement resolutions of the General Meetings;

(iii) to decide on the Company's business plans and investment plans;

~~(iv) to formulate the annual financial budgets and final accounts of the Company;~~

~~(v)~~(iv) to formulate the Company's profit distribution plans and loss recovery plans of the Company;

~~(vi)~~(v) to formulate proposals for the increase or reduction of registered capital, the issuance of bonds or other securities and the listing plan of the Company;

~~(vii)~~(vi) to formulate plans for the Company's major acquisition, acquisition of the Company's shares ~~due to the circumstances specified in (i) and (ii) of Article 22 of the Articles of Association~~, or merger, division, dissolution or change of corporate form of the Company;

~~(viii)~~(vii) to decide on matters such as external investments, purchase and sale of assets, pledge of assets, external guarantee, entrustment of financial management, connected transactions and donations of the Company within the scope of authorization by the General Meeting;

~~(ix)~~(viii) to decide on establishment of internal management organs of the Company;

~~(x)~~(ix) to decide on the appointment or dismissal of the Company's general manager, secretary of the Board of Directors and other members of the senior management and decide on matters of their remuneration, rewards and punishments. According to the nomination of the general manager, decide to appoint or dismiss the Company's financial director and other senior management personnel, and decide on matters of their remuneration, rewards and punishments;

~~(xi)~~(x) to formulate the basic management system of the Company;

~~(xii)~~(xi) to formulate proposals to amend the Articles of Association;

~~(xiii)~~(xii) to manage the Company's disclosures;

~~(xiv)~~(xiii) to propose to the General Meeting the appointment or replacement of the accounting firm that provides audit service to the Company;

~~(xv)~~(xiv) to listen to the work report of the general manager of the Company and to inspect the work of the general manager of the Company;

~~(xvi)~~(xv) to make a resolution on the Company's acquisition of the Company's shares due to the circumstances stipulated in Article 23~~Article 22~~ (iii), (v) and (vi) of the Articles of Association;

~~(xvii)~~(xvi) other functions and powers provided for in laws, administrative regulations, departmental rules, the Hong Kong Listing Rules or the Articles of Association and authorized by the General Meetings.

The Board of Directors of the Company shall establish an Audit Committee to exercise functions and powers of the Board of Supervisors stipulated under the Company Law, and may establish~~The Board of Directors the Company shall have an Audit Committee and~~ other special committees on strategy, nomination, remuneration and assessment as needed. The special committees shall be accountable to the Board of Directors and fulfill duties as specified in the Articles of Association and as authorized by the Board of Directors, and proposals of the committees shall be submitted to the Board of Directors for approval. The special committees shall all consist of Directors. In the Audit Committee, Nomination Committee, and Remuneration and Assessment Committee, Independent Directors shall be the majority and shall act as conveners, and the convener of the Audit Committee shall be accounting professional. The Board of Directors shall be responsible for formulating the procedures governing the work of the special committees to regulate their operations.

Matters beyond the scope of authorization of the General Meeting shall be submitted to the General Meeting for deliberation.

~~Article 106~~Article 110 The Board of Directors of the Company shall provide an explanation to the General Meeting in respect of a non-standard opinion issued by a certified public accountant on the financial statements of the Company.

~~Article 107~~Article 111 The Board of Directors shall establish its rules of procedure to ensure the implementation of the resolutions of the General Meeting, improve its efficiency and guarantee scientific decision-making.

The rules of procedure for the Board of Directors shall be annexed to the Articles of Association and shall be prepared by the Board of Directors and approved by the General Meeting.

~~Article 108~~Article 112 The Board of Directors shall determine the authority of external investment, acquisition and sale of assets, asset mortgage, external guarantee matters, entrusted financial management, connected transactions and donations, and establish strict review and decision-making procedures; major investment projects shall be reviewed by relevant experts and professionals and reported to the General Meeting for approval.

~~Article 109~~Article 113 Transactions subject to the Board of Director's approval are as follows:

(i) the decision on borrowings or any loans beyond the annual budget and exceed the borrowing balance of RMB50 million or above, except for those within the daily business scope of the Company;

(ii) approval of the expenditures and expenses beyond the monthly budget, and exceed RMB50 million per month in accumulation;

(iii) formulating any external investments (including external investments of the holding subsidiaries), joint ventures, cooperation, etc. exceeding RMB50 million and representing more than 10% of the Company's latest audited net asset value, except for those are necessary for the normal business scope of the Company;

(iv) the decision to provide borrowings or prepayments exceeding RMB50 million to any entities (except those wholly owned by the Company) or individuals (including employees and Directors of the Company) other than the Company, except for prepayments or similar payments in the ordinary course of the operations of the Company;

(v) the decision on disposal of the important assets of the Company, including properties, land use rights, intellectual property rights or other important assets, or directly or indirectly disposing of or diluting the interests of the Company in its holding subsidiaries.

~~**Article 110**~~**Article 114** Subject to the requirements of the Hong Kong Listing Rules, any~~Any~~ connected transactions exceeding RMB50 million shall be approved by the Board of Directors.~~, except for those necessary for the normal business scope of the Company;~~

~~**Article 111**~~**Article 115** The Board of Directors shall have the right to examine and approve other external guarantee matters other than those should be approved by the General Meeting as stipulated in Article 43~~Article 39~~ of the Articles of Association.

When the Board of Directors decides to provide external guarantees, it shall obtain the consent of more than two-thirds of the Directors present at the Board meeting or the approval by the General Meeting. The Company shall not provide external guarantees without the approval of the Board of Directors or the General Meeting with the approval authority.

~~**Article 112**~~**Article 116** The Board of Directors has one chairman. The chairman of the Board of Directors shall be elected by more than half of all Directors.

~~**Article 113**~~**Article 117** The chairman of the Board of Directors shall exercise the following functions and powers:

(i) to preside the General Meeting and convene and preside the Board meeting;

(ii) to supervise and examine the implementation of the resolutions of the Board of Directors;

(iii) other functions and powers conferred by the Board of Directors.

~~**Article 114**~~**Article 118** If the chairman of the Board of Directors is unable or fails to perform his duties, more than half of the Directors shall jointly elect a Director to perform his duties.

~~**Article 115**~~**Article 119** The Board of Directors shall hold at least two meetings every year, which shall be convened by the chairman of the Board of Directors, and a written notice shall be given to all Directors~~ and Supervisors~~ 10 days prior to the meeting.

~~**Article 116**~~**Article 120** Shareholders representing one-tenth or more of all voting rights, one-third or more of all Directors, or the Audit Committee~~Board of Supervisors~~ may propose an extraordinary Board meeting. The chairman of the Board of Directors shall convene and preside the Board meeting within 10 days after receiving the proposal.

~~**Article 117**~~**Article 121** The notice of an extraordinary Board meeting shall be given in writing, by facsimile, email, telephone or text message; the notice time limit shall be 5 days prior to the extraordinary Board meeting.

With the consent of all Directors of the Company, the notice time limit specified in the preceding paragraph could be exempted.

~~**Article 118**~~**Article 122** The notice of a Board meeting shall include the following:

(i) the date and place of the meeting;

(ii) duration of the meeting;

(iii) reasons and matters;

(iv) issuance date of the notice.

~~**Article 119**~~**Article 123** A Board meeting may not be held without more than half of Directors being present. Resolutions made by the Board of Directors must be approved by more than half of all Directors. The voting on resolutions of the Board of Directors shall be based on one person, one vote.

~~**Article 120**~~**Article 124** If a Director is connected to enterprises that are involved in the matters to be resolved at the Board meeting, such Director shall promptly submit a written report to the Board. A Director with such connected relationship~~he~~ shall not exercise his voting rights for such matters, nor shall such Director exercise voting rights on behalf of other Directors. Such Board meeting shall be held by a majority of the Directors present thereat who are not connected. Resolutions made at the Board meeting shall be passed by more than half of the non-connected Directors. If less than 3 non-connected Directors attend the Board meeting, such matters shall be submitted to the General Meeting for deliberation.

~~**Article 121**~~**Article 125** Any resolution put to vote at the Board meeting shall be decided by a registered vote. The Board meeting shall be convened by means of written materials, video conference, telephone conference, facsimile or through the communication devices with which all the Directors can communicate under the premise of safeguarding the full expression of the opinions of the Directors, and shall be signed by the attending Directors.

~~**Article 122**~~**Article 126** Directors shall attend Board meetings in person. If any Director cannot attend the meeting for any reason, he/she may issue a written authorization letter to authorize another Director to attend the meeting on behalf thereof, and the authorization letter shall specify the name of the proxy, the matters to be handled in proxy, the scope of authorization and validity period, and shall bear the signature or seal of the principal. The Director attending the meeting on behalf of another Director shall exercise the rights of Director within the scope of authorization. If a Director fails to attend a Board meeting and does not appoint a proxy to attend on his/her behalf, such Director shall be deemed to have waived his/her right to vote at such meeting.

~~**Article 123**~~**Article 127** The Board of Directors shall cause minutes to be made in respect of its decisions on the matters discussed at each meeting, which shall be signed by the attending Directors. Any attending Director shall be entitled to have an explanatory note made in the minutes regarding his/her speech at the meeting.

The minutes of the Board meeting shall be kept as the Company's archives for a period of 10 years.

~~**Article 124**~~**Article 128** The minutes of the Board meeting shall include the following:

(i) the date, place and name of the convener of the meeting;

(ii) the names of the Directors attending the meeting and names of the Directors (proxies) appointed by others to attend the Board meeting;

(iii) the agenda of the meeting;

(iv) the main points of the speeches of the Directors;

(v) the methods and results of the voting for each resolution (the voting results shall contain the number of votes for, against or abstain the resolution).

**Section 3 Independent Directors**

**Article 129** The Independent Directors shall diligently perform their duties in accordance with the laws, administrative regulations, provisions of the CSRC, the Hong Kong Listing Rules and the Articles of Association, play a role in participating in decision-making, supervision, check and balance and providing professional advice in the Board of Directors, safeguard the overall interests of the Company, and protect the legitimate rights and interests of minority shareholders.

**Article 130**

Independent Directors shall remain independent. The following individuals may not serve as a Independent Director:

(i) the person holding office in the Company or its affiliates and their spouses, parents, children or the person who have important social relationship with him/her;

(ii) a natural person shareholders directly or indirectly holding more than 1% of issued shares of the Company or among top ten shareholders of the Company and his/her spouses, parents and children;

(iii) the person holding office in any shareholder directly or indirectly holding more than 5% of issued shares of the Company or in the top five shareholders of the Company and his/her spouses, parents and children;

(iv) the person holding office in any affiliate of the Controlling Shareholders or actual controllers of the Company and his/her spouses, parents and children;

(v) the person who has material business dealings with the Company and its Controlling Shareholders or actual controllers or their respective affiliates or who holds office in any entity having material business dealings or its Controlling Shareholders or actual controllers;

(vi) the person providing financial, legal, consulting, sponsoring or other services to the Company and its Controlling Shareholders, actual controllers or his/her respective affiliates, including but not limited to all members of the project team of an intermediary providing services, reviewer at all levels, person signing reports, partner, director, senior management and principal;

(vii) the person who has been in the situations listed in the items i to vi hereof within the last twelve months;

(viii) other persons who are not independent as stipulated by the laws, administrative regulations, provisions of the CSRC, the Hong Kong Listing Rules and the Articles of Association.

Independent Directors shall conduct self-examination of their independence each year and submit the results of self-examination to the Board of Directors. The Board of Directors shall assess the independence of incumbent Independent Directors, issue special opinions thereon each year and disclose simultaneously with annual report.

**Article 131**

A person who serves as an Independent Director of the Company shall meet the following conditions:

(i) being qualified to serve as a Director of the Company according to the laws, administrative regulations and other relevant provisions;

(ii) meeting the independence requirements stipulated in the Articles of Association;

(iii) possessing basic knowledge of the operation of the Company and being familiar with relevant laws, regulations and rules;

(iv) possessing more than five years legal, accounting or economic work experience necessary to perform the duties of an Independent Director;

(v) possessing good personal morality, with no bad records such as major dishonesty, etc.;

(vi) other conditions stipulated by the laws, administrative regulations, provisions of the CSRC, the Hong Kong Listing Rules and the Articles of Association.

**Article 132**

As members of the Board of Directors, the Independent Directors owe fiduciary duties and diligence to the Company and all shareholders and shall prudently perform the following duties:

(i) to participate in the decision-making of the Board of Directors and provide explicit opinions on the matters discussed;

(ii) to supervise matters that indicate potential material conflict of interest between the Company and its Controlling Shareholders, actual controllers, Directors and senior management to protect legitimate rights and interests of minority shareholders;

(iii) to provide professional and objective advice on the Company's operations and development, thereby facilitating improvement in the standard of the decision-making of the Board of Directors;

(iv) other duties stipulated by the laws, administrative regulations, provisions of the CSRC, the Hong Kong Listing Rules and the Articles of Association.

**Article 133**

Independent Directors shall exercise the following special functions and powers:

(i) to independently engage intermediaries to audit, provide consultation on or verify specific matters of the Company;

(ii) to propose the convening of extraordinary General Meeting to the Board of Directors;

(iii) to propose the convening of Board meetings;

(iv) to express independent opinions on matters potentially detrimental to interests of the Company or its minority shareholders;

(v) other duties stipulated by the laws, administrative regulations, provisions of the CSRC, the Hong Kong Listing Rules and the Articles of Association.

Any exercise of the functions and powers as referred to in items i to iii of the preceding paragraph by the Independent Directors shall be approved by more than half of all Independent Directors.

The Company shall disclose in a timely manner any exercise of the functions and powers set out in item i by the Independent Directors. If any of the aforesaid functions and powers could not be exercised properly, the Company shall disclose the specific circumstances and reasons thereof.

**Article 134**

The following matters shall be approved by a majority of all the Independent Directors of the Company before being submitted to the Board of Directors for consideration:

(i) discloseable connected transactions;

(ii) proposed changes or waivers of undertakings by the Company and the relevant parties;

(iii) decisions made and measures taken by the Board of Directors of the Company in relation to the acquisition of the Company;

(iv) other matters as provided for by laws, administrative regulations, requirements of the CSRC, the Hong Kong Listing Rules and the Articles of Association.

**Article 135** The Company shall establish a mechanism for special meetings which will be attended by Independent Directors only. Matters such as connected transactions are subject to approval by a special meeting of the Independent Directors before being submitted to the Board of Directors for consideration.

The Company shall convene special meetings of the Independent Directors on a regular or ad hoc basis. Matters listed in items (i) to (iii) of paragraph 1 of Article 133 and in Article 134 of the Articles of Association shall be considered by a special meeting of the Independent Directors.

The special meetings of the Independent Directors may consider and discuss other matters of the Company when necessary.

The special meetings of the Independent Directors shall be convened and chaired by an Independent Director jointly elected by a majority of the Independent Directors; in the event that the convener fails to or is unable to perform his/her duties, two and more Independent Directors may convene a meeting on their own and elect one among them to preside over the meeting.

Minutes of special meetings of Independent Directors shall be prepared in accordance with the regulations and the opinions of Independent Directors shall be recorded in the minutes. The Independent Director shall sign to confirm the minutes of the meeting.

The Company shall facilitate and support the convention of the special meetings of the Independent Directors.

**Section 4 Special Committees under the Board of Directors**

**Article 136** The Board of Directors of the Company shall establish an Audit Committee to exercise functions and powers of the Board of Supervisors stipulated under the Company Law.

**Article 137** The Audit Committee shall consist of three members, who shall be Directors that do not hold senior management positions in the Company, including two Independent Directors. The convener shall be an accounting professional among the Independent Directors.

**Article 138** The Audit Committee is responsible for reviewing the Company''s financial information and its disclosures, supervising and evaluating the internal and external audits and internal controls. The following matters are subject to approval by a majority of all members of the Audit Committee before being submitted to the Board of Directors for consideration:

(i) disclosure of financial information in financial accounting reports and periodic reports, and internal control evaluation reports;

(ii) appointment or dismissal of the accounting firm that performs audit for the Company;

(iii) appointment or dismissal of the Company's financial director;

(iv) changes in accounting policies, accounting estimates or correction of material accounting errors for reasons other than changes in accounting standards;

(v) other matters as provided for by laws, administrative regulations, requirements of the CSRC and the Articles of Association.

**Article 139** The Audit Committee shall meet at least quarterly, and may hold an extraordinary meeting when two or more members propose, or when the convenor deems it necessary. A meeting of the Audit Committee shall only be held with the attendance of more than two-thirds of the members.

Resolutions made by the Audit Committee shall be approved by a majority of its members.

The voting on the resolution of the Audit Committee shall be based on one person one vote.

The Audit Committee shall cause minutes to be made in respect of its resolutions in accordance with the regulations, and the members of the Audit Committee attending the meeting shall sign on the meeting minutes.

The Board of Directors shall be responsible for formulating the procedures governing the work of the Audit Committee.

**Article 140** The Board of Directors of the Company shall establish special committees including the strategy, nomination, remuneration and assessment committees to fulfill duties as specified in the Articles of Association and as authorized by the Board of Directors, and proposals of the special committees shall be submitted to the Board of Directors for approval. The Board of Directors shall be responsible for formulating the procedures governing the work of the special committees.

**Article 141** The Nomination Committee is responsible for formulating the standards and procedures for the selection of Directors and senior management members, selecting and reviewing the candidates for Directors and senior management members and their qualifications for office, and making recommendations to the Board of Directors on the following matters:

(i) nomination or removal of Directors;

(ii) appointment or dismissal of senior management members;

(iv) other matters as provided for by laws, administrative regulations, requirements of the CSRC and the Articles of Association.

If the Board of Directors does not adopt or does not fully adopt the recommendations of the Nomination Committee, it shall record the opinion of the Nomination Committee and the specific reasons for not adopting in the resolution of the Board of Directors and disclose the same.

**Article 142**

The Remuneration and Assessment Committee is responsible for formulating the evaluation criteria for Directors and senior management members and conducting the evaluation, preparing and reviewing the remuneration policies and programs for Directors and senior management members such as the mechanism for determining their remuneration, the decision-making process, and the arrangements for the payment and stoppage of recourse, and making recommendations to the Board of Directors on the following matters:

(i) the remuneration of Directors and senior management members;

(ii) formulating or changing the equity incentive scheme and employee shareholding scheme, granting of rights and benefits to the targets of the incentives and fulfillment of the conditions for exercising the rights and benefits;

(iii) arranging shareholding schemes for Directors and senior management members in the subsidiaries proposed to be spun off;

(iv) other matters as provided for by laws, administrative regulations, requirements of the CSRC and the Articles of Association.

If the Board of Directors does not adopt or does not fully adopt the recommendations of the Remuneration and Assessment Committee, it shall record the opinion of the Remuneration and Appraisal Committee and the specific reasons for not adopting in the resolution of the Board of Directors and disclose the same.

**Article 143**

The Strategy Committee is responsible for the Company's long-term development strategy, major investment decisions, sustainable development, and environmental, social and governance (ESG) related matters, and shall perform the following duties:

(i) to review the overall development strategy plan and the development strategy plan for projects of the Company and make recommendations to the Board of Directors;

(ii) to evaluate the overall development condition of various businesses of the Company and make recommendations on the adjustment of development strategy plan to the Board of Directors in a timely manner;

(iii) to review the operation plan, investment and financing plans of the Company and make recommendations to the Board of Directors;

(iv) to review the annual financial budget and final account statement and make recommendations to the Board of Directors;

(v) to supervise and inspect the implementation of the operation plan and investment plans of the Company;

(vi) to evaluate the corporate governance of the Company and make recommendations to the Board of Directors;

(vii) Conducting research on the Company's sustainable development and ESG-related matters, summarize relevant policy requirements, and make recommendations to the Board of Directors;

(viii) to formulate the Company's sustainable development and ESG strategies, review and supervise the Company's sustainable development and ESG initiatives, and make recommendations or reports to the Board of Directors;

(ix) to review reports and other documents on the Company's sustainable development and ESG-related matters and make recommendations to the Board of Directors;

(x) to perform other duties as provided for by laws, regulations, rules, regulatory documents and the Articles of Association, and as authorized by the Board of Directors.

**CHAPTER 6 GENERAL MANAGER AND OTHER SENIOR MANAGEMENT**

**~~Article 125~~Article 144** The Company has one general manager who shall be appointed or dismissed by the Board of Directors.

The Company's general manager, financial Director and secretary of the Board of Directors are senior management of the Company.

**~~Article 126~~Article 145** The circumstances ~~in Article 93~~ hereof under which a person may not serve as a Director shall also apply to senior management.

The Directors' duty of loyalty ~~in Article 95~~ hereof and the Directors' duties of diligence ~~in items (iv), (v) and (vi) of Article 96~~ hereof shall also apply to senior management.

~~**Article 127**~~**Article 146** Any person who takes administrative position other than a Director or Supervisor in the Controlling Shareholder of the Company shall not act as senior management of the Company.

The Company's senior management are only paid by the Company and are not paid by the Controlling Shareholder on behalf of the Company.

~~**Article 128**~~**Article 147** The general manager serves three-year terms, and may serve consecutive terms upon reappointment.

~~**Article 129**~~**Article 148** The general manager shall be accountable to the Board of Directors and exercise the following functions and powers:

(i) to be in charge of the production, operation and management of the Company, to organize the implementation of the resolutions of the Board of Directors, and to report to the Board of Directors;

(ii) to organize the implementation of the Company's annual business plans and investment plans;

(iii) to draft plans for the establishment of the Company's internal management bodies;

(iv) to draft the basic management system of the Company;

(v) to formulate the specific rules and regulations of the Company;

(vi) to propose to the Board of Directors to appoint or dismiss financial manager of the Company;

(vii) to decide to appoint or dismiss management personnel other than those required to be appointed or dismissed by the Board of Directors;

(viii) such other functions and powers conferred by the Articles of Association or the Board of Directors.

The general manager may attend the Board meeting as an observer.

~~**Article 130**~~**Article 149** The Company shall formulate the working rules of the general manager and submit them to the Board of Directors for approval before implementation.

~~Article 131~~**Article 150** The working rules of the general manager shall include the following:

(i) the conditions and procedures for convening, and the participants of the general manager meetings;

(ii) the duties and responsibilities of the general manager and other senior management;

(iii) the use of funds and assets of the Company, the authority to enter into material contracts and the systems for reporting to the Board of Directors ~~and the Board of Supervisors~~;

(iv) other matters deemed necessary by the Board of Directors.

~~Article 132~~**Article 151** The general manager may resign prior to the expiration of his/her term of office, subject to the specific procedures and method of resignation set forth in his/her contract with the Company.

~~Article 133~~**Article 152** If the general manager is unable or fails to perform his duties, the Director or other senior management designated by the Board of Directors shall perform his/her functions and powers on his/her behalf.

~~Article 134~~**Article 153** The Company has a secretary of the Board of Directors, who shall be responsible for preparing for the Company's General Meetings and meetings of the Board of Directors, safekeeping documents, the management of the Company's shareholder information, and handling information disclosure, etc.

Secretary of the Board of Directors shall abide by the relevant provisions of laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and the Articles of Association.

~~Article 135~~**Article 154** If the general manager and other senior management violate the provisions of laws, administrative regulations, departmental rules, the Hong Kong Listing Rules or the Articles of Association while performing their duties and cause losses to the Company, he/she shall be liable for compensation.

~~Article 136~~**Article 155** Senior management of the Company shall faithfully perform their duties and safeguard the best interests of the Company and all Shareholders. Where a member of the senior management of the Company fails to perform his/her duties faithfully or violates the fiduciary duty, causing damage to the interests of the Company and the public shareholders, he/she shall be liable for compensation in accordance with the law.

~~**CHAPTER 7 BOARD OF SUPERVISORS**~~

~~**Section 1 Supervisors**~~

~~**Article 137**~~ ~~The circumstances in Article 93 hereof under which a person may not serve as a Director shall also apply to Supervisors.~~

~~Directors, the general manager and other senior management shall not concurrently act as Supervisors.~~

~~**Article 138**~~ ~~Supervisors shall abide by the provisions of laws, administrative regulations, the Hong Kong Listing Rules and the Articles of Association, and carry out their duties of loyalty and duties of diligence to the Company, and shall not take advantage of his/her powers to accept bribes or other illegal income or encroach on the properties of the Company.~~

~~**Article 139**~~ ~~The Supervisors serve three-year terms, and they are eligible for re-election reappointed at the end of the term.~~

~~**Article 140**~~ ~~If the term of office of a Supervisor expires without timely re-election or a Supervisor resigns office prior to the expiration of his/her term of office, which causes the number of members of the Board of Supervisors to be less than the quorum, the original Supervisor shall still perform the duties of a Supervisor in accordance with laws, administrative regulations and the provisions of the Articles of Association before the newly elected Supervisor takes office.~~

~~**Article 141**~~ ~~The Supervisors shall ensure the authenticity, accuracy and integrity of the information disclosed by the Company, and sign to confirm the regular reports of the Company in writing.~~

~~**Article 142**~~ ~~The Supervisors may attend the Board Meetings as observers and inquire about or put forward suggestions on any resolutions of the Board of Directors.~~

~~**Article 143**~~ ~~Supervisors shall not use their affiliated relationships to harm the interests of the Company, and those who cause losses to the Company shall be liable for compensation.~~

~~**Article 144**~~ ~~If a Supervisor violate the provisions of these laws, administrative regulations, departmental rules or the Articles of Association while performing their duties and cause losses to the Company, he/she shall be liable for compensation.~~

~~**Section 2 Board of Supervisors**~~

~~**Article 145**~~ ~~The Company shall set up a Board of Supervisors. The Board of Supervisors consists of 3 Supervisors, and the Board of Supervisors has a chairman. The chairman of the Board of Supervisors shall be elected by a majority of all Supervisors. The chairman of the Board of Supervisors shall convene and preside over the meeting of the Board of Supervisors. If the chairman of the Board of Supervisors is unable or fails to perform his duties, more than half of the Supervisors shall jointly elect a Supervisor to convene and preside over the meeting of the Board of Supervisors.~~

~~The Board of Supervisors shall be composed of Shareholder representatives and an appropriate proportion of company employee representatives, with the proportion of employee representatives no less than one-third of the Board. Employee representatives on the Board of Supervisors shall be democratically elected by employees through the employee representative congress, the employee congress, or any other means.~~

~~**Article 146**~~ ~~The Board of Supervisors shall exercise the following functions and powers:~~

~~(i) to review and give written opinions on the periodic reports of the Company prepared by the Board of Directors;~~

~~(ii) to examine the Company's financial matters;~~

~~(iii) to supervise the performance by the Directors and senior management of their duties to the Company and propose the dismissal of the Directors and senior management personnel who violates laws, administrative regulations, the Articles of Association or the resolutions of the General Meeting;~~

~~(iv) to demand rectification from the Directors and senior management when the acts of such persons are harmful to the Company's interests;~~

~~(v) to propose the convening of extraordinary General Meetings; to convene and preside the General Meetings in the event that the Board of Directors fails to perform its duties to convene and preside the General Meetings in accordance with the Company Law;~~

~~(vi) to submit proposals to the General Meeting;~~

~~(vii) to file lawsuits against Directors or senior management in accordance with relevant provisions of the Company Law;~~

~~(viii) in case of any irregularities identified in the operation of the Company, an investigation can be conducted, and if necessary, to engage professionals such as accounting firms or law firms to assist its work, with expenses being borne by the Company;~~

~~(ix) any other powers stipulated in the Articles of Association or granted by the General Meeting.~~

~~**Article 147**~~ ~~The Board of Supervisors shall hold at least one meeting every 6 months. Supervisors may propose to convene an extraordinary meeting of the Board of Supervisors.~~

~~Resolutions of the Board of Supervisors shall be passed by more than half of the Supervisors.~~

~~**Article 148**~~ ~~The Board of Supervisors shall establish its rules of procedure, defining its method of discussion and voting procedures, to ensure its efficiency and make scientific decisions. The rules of procedure of the Board of Supervisors shall be annexed to the Articles of Association, and shall be subject to the approval of the General Meeting as prepared by the Board of Supervisors.~~

~~**Article 149**~~ ~~The Board of Supervisors shall cause minutes to be made in respect of its decisions on the matters discussed at each meeting, which shall be signed by the attending Supervisors.~~

~~Supervisors shall be entitled to have an explanatory note made in the minutes regarding their speech at the meeting. The minutes of the meeting of the Board of Supervisors shall be kept as the Company's archives for a period of 10 years.~~

~~**Article 150**~~ ~~Where a regular meeting of the Board of Supervisors is convened, a written notice of a meeting shall be given to all Supervisors 10 days prior to the meeting.~~

~~**Article 151**~~ ~~A notice of a meeting of the Board of Supervisors shall include the following:~~

~~(i) the date, place and duration of the meeting;~~

~~(ii) subject matter and topics of the meeting;~~

~~(iii) date of issuance of the notice.~~

## CHAPTER 8~~7~~ FINANCIAL AND ACCOUNTING SYSTEM, PROFIT DISTRIBUTION AND AUDIT

### Section 1 Financial and Accounting System

~~**Article 152**~~**Article 156** The Company formulates its financial and accounting system in accordance with the laws, administrative regulations, departmental rules and the requirements of the relevant state departments. Where the Hong Kong Listing Rules provide otherwise, such provisions shall prevail.

~~**Article 153**~~**Article 157** The Company prepares its interim financial reports and annual financial reports in accordance with relevant laws, administrative regulations and rules.

~~**Article 154**~~**Article 158** The Company shall not establish separate accounting books except for statutory accounting book. The assets of the Company shall not be deposited in any account opened in the name of any individual.

~~**Article 155**~~**Article 159** In distributing its current-year after-tax profits, the Company shall allocate 10% of its profit to its statutory reserve fund. Allocations to the Company's statutory reserve fund may be waived once the cumulative amount of funds therein exceeds 50% of the Company's registered capital.

Where the statutory reserve fund is not sufficient to cover any loss made by the Company in the previous year, the current year's profit shall be used to cover such loss before any allocation is made to the statutory reserve fund pursuant to the preceding paragraph.

After an allocation to the statutory reserve fund has been made from the after-tax profits, by resolution by the General Meeting, further allocation may be made to the reserve fund from the after-tax profits.

After the Company has covered its losses and made allocations to the reserve fund, any remaining after-tax profit shall be distributed to the shareholders in proportion to their respective shareholdings, unless otherwise stipulated in the Articles of Association.

Where the General Meeting~~,~~ distributes profits to shareholders in violation of the preceding paragraph, distributes profits to the shareholders before covering Company's losses and making an allocation to the Company statutory reserve fund, the profits so distributed must be returned to the Company; where such distribution causes losses to the Company, the shareholders and responsible Directors, senior management members shall be liable for compensation.

The shares held by the Company shall not involve any profit distribution.

~~**Article 156**~~**Article 160** Company's reserve fund shall be used to cover Company's losses, expand production and operations, or be converted to increase the Company's registered capital.

When the Company uses its surplus reserves to cover losses, it shall first utilize the discretionary surplus reserve and statutory surplus reserve; if the losses cannot be fully covered thereafter, the capital surplus reserve may be used in accordance with relevant regulations.~~However, the capital reserve shall not be used to cover Company's losses.~~

Upon conversion of statutory reserve fund into share capital, the remaining balance of the reserve fund shall be no less than 25% of the Company's registered capital prior to the conversion.

~~**Article 157**~~**Article 161** After the General Meeting of the Company makes a resolution on profit distribution plan, the Board of Directors of the Company shall complete the distribution of dividends (or shares) within 2 months after the General Meeting is held.

~~**Article 158**~~ ~~The investors shareholders (representing all shareholders of the company except Zhuhai Enyuan Technology Partnership (Limited Partnership) and Zhuhai Fuqian Technology Partnership (Limited Partnership), the same below) shall have the right to know and supervise the business management of the Company and its subsidiaries, and the Company and its subsidiaries shall provide the following materials and information to the investors shareholders on a timely basis:~~

~~(i) provide quarterly consolidated management accounts prepared in accordance with Chinese Accounting Standards, including income statement, balance sheet and cash flow statement within forty-five (45) days from the last day of each calendar quarter;~~

~~(ii) submit the annual consolidated financial statements and annual audit report audited by the accounting firm within three (3) months after the end of each calendar year;~~

~~(iii) The investor shareholders may make requests other than annual audits based on their needs, and shall have the right to know and check all the financial statements, financial vouchers, original documents and other information of the Company. The total number of such audits shall not exceed once a year, and shall not affect the normal business operations of the Company. The Company shall provide necessary preparations for such audits. In order to maintain the principle of consistency of information and interests obtained by the investor shareholders, such audit and/or requirements shall be submitted to the General Meeting of the Company for consideration in advance and shall be subject to the unanimous consent of the investor shareholders of the Company. Such audit, as considered and approved at the General Meeting of the Company, shall be uniformly coordinated and disclosed by the board of Directors of Company.~~

~~(iv) The Company becomes aware of any information that may have a material adverse effect on its business, operations, financial or development prospects.~~

**Section 2 Internal Audit**

~~**Article 159**~~**Article 162** The Company shall implement an internal audit system to clarify the leadership structure, duties and authorities, personnel allocation, funding guarantee, application of audit results, and accountability of the internal audit work. The internal audit system of the Company shall be implemented after being approved by the Board of Directors, and shall be disclosed to the public.~~The Company implements an internal audit system and has dedicated auditors to conduct internal audit and supervision on the Company's financial income and expenditure and economic activities.~~

**Article 163** The Company's internal audit institution shall supervise and inspect the Company's business activities, risk management, internal controls, financial information, and other matters.

**Article 164** The internal audit institution shall be accountable to the Board of Directors. During the supervision and inspection of the Company's business activities, risk management, internal controls, and financial information, the internal audit institution shall accept the supervision and guidance of the Audit Committee. If the internal audit institution discovers relevant major issues or clues, it shall immediately report directly to the Audit Committee.

**Article 165** The specific organization and implementation of the Company's internal control evaluation shall be the responsibility of the internal audit institution. The Company shall issue an annual internal control evaluation report based on the evaluation report and relevant materials issued by the internal audit institution and reviewed by the Audit Committee.

**Article 166** When the Audit Committee communicates with external audit units such as accounting firms and national audit institutions, the internal audit institution shall actively cooperate and provide necessary support and collaboration.

**~~Article 160~~Article 167** The Audit Committee shall participate in the evaluation of the person in charge of internal audit.~~The internal audit system and the duties of the internal auditors of the Company shall be implemented after being approved by the Board of Directors. The audit leader shall be accountable to and reports to the Board of Directors.~~

**Section 3 Appointment of Accounting Firms**

**~~Article 161~~Article 168** The Company employs accounting firms that comply with the provisions of the Securities Law and the Hong Kong Listing Rules to conduct accounting statement auditing, net asset verification, and other related consulting services. The term of employment is one year and can be renewed.

**~~Article 162~~Article 169** The appointment, dismissal and renewal of an accounting firm by the Company must be decided by a majority of Shareholders at the General Meeting, and the Board of Directors shall not appoint, dismiss or renew an accounting firm before the decision is made at the General Meeting.

**~~Article 163~~Article 170** The Company guarantees to provide the hired accounting firm with true and complete accounting vouchers, accounting books, financial accounting reports, and other accounting materials, and shall not refuse, conceal, or falsely report.

**~~Article 164~~Article 171** The remuneration of an accounting firm or the method of determining the remuneration shall be determined by the General Meeting.

**~~Article 165~~Article 172** When the Company dismisses or no longer renews the appointment of an accounting firm, the General Meeting shall make a decision and notify the accounting firm 10 days in advance. When the Company's General Meeting votes on the dismissal of an accounting firm, the accounting firm shall be allowed to state its opinions.

If the accounting firm proposes to resign, it shall explain to the General Meeting whether the Company has any inappropriate circumstances.

**CHAPTER ~~9~~8 NOTICE AND ANNOUNCEMENT**

**~~Article 166~~Article 173** Notices of the Company may be delivered through the following means:

(i) by way of announcement;

(ii) by hand;

(iii) by express delivery;

(iv) by e-mail;

(v) by facsimile;

(vi) by any other means as agreed by the Company or the recipient or as accepted by the recipient after the notice is received;

(vii) by way of publishing information on websites designated by the securities regulatory authority or the stock exchange of the place(s) where the shares of the Company are listed, subject to the laws, administrative regulations and the Hong Kong Listing Rules;

(viii) by other forms as prescribed by laws, administrative regulations, the Hong Kong Listing Rules or other normative documents and the Articles of Association.

**~~Article 167~~Article 174** If the notice is published by way of announcement by the Company, the notice shall be deemed to have been received by all the persons concerned once the announcement is published.

**~~Article 168~~Article 175** The notice of the Company's General Meeting shall be delivered by way of announcement according to the name (or name of the entity) and address as recorded in the register of members, or by hand or express delivery, or by facsimile, e-mail or any other ways.

**~~Article 169~~Article 176** The notice of the Company's meeting of the Board of Directors shall be delivered by hand or express delivery, or sent by facsimile, e-mail, telephone, text message or other ways.

**~~Article 170~~** ~~The notice of the Company's meeting of the Board of Supervisors shall be delivered by hand or express delivery, or sent by facsimile, e-mail, telephone, text message or other ways.~~

~~**Article 171**~~**Article 177** For a notice of the Company delivered by hand, the notice shall be deemed to be received upon signing (or affixing the seal) by the recipient on the note of receipt and the receipt date shall be the date of serving; If the Company's notice is served by express delivery, the fifth working day from the date of delivery to the delivery party shall be the date of serving; If the Company's notice is served by e-mail, the second working day will be deemed as the date of serving from the date the e-mail reaches the recipient's information system; If the Company's notice is served by facsimile, the second working day will be deemed as the date of serving from the date the facsimile reaches the recipient's information system; If the Company's notice is served by way of announcement, the date of publication of the first announcement shall be the date of serving.

~~**Article 172**~~**Article 178** Where a notice of a meeting is not issued to a person entitled to the notice or such person fails to receive the notice for any accidental omission, the validity of the meeting and the resolutions of the meeting shall not be affected.

~~**Article 173**~~**Article 179** In the event that relevant provisions of the securities regulatory authority of the place where the Company's shares are listed stipulate that the Company shall send, post, distribute, issue, announce or otherwise provide relevant documents of the Company in English and Chinese, and if the Company has made appropriate arrangement to confirm whether the shareholders intend to receive either the English or the Chinese version, the Company may (as per the preference stated by the shareholders) only send the English version or the Chinese version to the shareholders concerned to the extent permitted by applicable laws and regulations and pursuant to the applicable laws and regulations.

~~**Article 174**~~**Article 180** The Company shall issue announcements and discloses information to shareholders of unlisted shares through information disclosure newspapers and websites designated by laws, administrative regulations or relevant domestic regulatory agencies. If an announcement is required to be made to the H Shareholders pursuant to the Articles of Association, such announcement shall also be made in accordance with the method prescribed by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited. All notices or other documents required to be submitted by the Company to the Hong Kong Stock Exchange under Chapter 13 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited shall be prepared in English or accompanied by a signed and certified English translation.

## CHAPTER ~~10~~9 MERGER, DIVISION, CAPITAL INCREASE, CAPITAL REDUCTION, DISSOLUTION AND LIQUIDATION

### Section 1 Merger, Division, Capital Increase and Capital Reduction

**~~Article 175~~Article 181** The merger of the Company may take the form of either merger by absorption or merger by establishment of a new entity.

One company absorbing another company is merger by absorption, and the company being absorbed shall be dissolved. Merger of two or more companies through establishment of a new company is merger by establishment of a new entity, and the pre-merger companies shall be dissolved.

If the consideration paid for the merger does not exceed ten percent of the Company's net assets, it may be implemented without a resolution of the General Meeting, except as otherwise provided in the Articles of Association. Where a merger is effected without a general meeting resolution in accordance with the preceding paragraph, it shall be subject to a resolution of the Board of Directors.

**~~Article 176~~Article 182** A merger agreement shall be signed by the parties of the merger and the balance sheets and inventory of assets shall be prepared. The Company shall notify their creditors within 10 days of the date of passing the resolution approving the merger and publicly announce the merger in newspapers or on the National Enterprise Credit Information Publicity System within 30 days. A creditor may, within 30 days of receipt of the notification, or within 45 days of the date of the announcement if he/she has not received the notification, request the Company to settle any outstanding debts or provide relevant guarantees.

**~~Article 177~~Article 183** In case of a merger, the claims and debts of the merging parties shall be assumed by the surviving or the new company.

**~~Article 178~~Article 184** In case of a division, the Company's assets shall be divided accordingly.

In case of a division, a balance sheet and an inventory of assets shall be prepared. When a resolution regarding the company's division is approved, the Company should notify all its creditors within 10 days of the date of passing such resolution and publicly announce the division in newspapers or on the National Enterprise Credit Information Publicity System within 30 days.

~~**Article 179**~~**Article 185** The liabilities of the Company which have accrued prior to the division shall be jointly borne by the divided companies, unless an agreement in writing is reached with creditors before the Company's division in respect of the settlement of debts.

~~**Article 180**~~**Article 186** The Company shall prepare a balance sheet and an inventory of assets when it needs to reduce its registered capital.

The Company shall, within 10 days of the date of passing the resolution approving the reduction of the registered capital, notify its creditors and publicly announce the reduction in newspapers or on the National Enterprise Credit Information Publicity System within 30 days. A creditor may, within 30 days of receipt of the notification, or within 45 days of the date of the announcement if he/she has not received the notification, request the Company to settle any outstanding debts or provide relevant guarantees.

When reducing its registered capital, the Company shall correspondingly reduce the capital contributions or shares held by shareholders in proportion to their shareholdings, except as otherwise provided by law or in the Articles of Association.~~The registered capital of the Company after the capital reduction shall not be lower than the statutory minimum.~~

**Article 187** After making up losses in accordance with Paragraph 2 of Article 160 of the Articles of Association, if the Company still has losses, it may reduce its registered capital to make up the losses. When reducing registered capital to make up losses, the Company shall not distribute profits to shareholders, nor may it exempt shareholders from their obligation to contribute capital or share payments.

Where the registered capital is reduced in accordance with the provisions of the preceding paragraph, the provisions of Paragraph 2 of Article 186 of the Articles of Association shall not apply, but an announcement shall be made in the media that comply with the conditions set out by the securities regulatory authority of the State Council or on the National Enterprise Credit Information Publicity System within thirty days after the resolution approving the reduction has been passed by the General Meeting.

After reducing its registered capital in accordance with the preceding two paragraphs, the Company shall not distribute profits until the cumulative amount of its statutory reserve fund and discretionary reserve fund reaches fifty percent of its registered capital.

**Article 188** Where the reduction of registered capital violates the Company Law or other relevant regulations, shareholders shall return the funds they have received, and any exemption from shareholders' capital contributions shall be restored to the original state; if any loss is caused to the Company, the shareholders and the responsible directors and senior management shall be liable for compensation.

**~~Article 181~~Article 189** Changes in the business registration of the companies as a result of the merger or division shall be registered with the company registration authority according to law. In accordance with law, cancelation of a company shall be registered when a company is dissolved, and incorporation of a company shall be registered when a new company is incorporated.

**Article 190** When the Company issues new shares to increase its registered capital, shareholders shall not have pre-emptive subscription rights, except as otherwise provided in the Articles of Association or as resolved by the General Meeting.

**~~Article 182~~Article 191** Increase or reduction of the registered capital of the Company shall be registered with the company registration authority according to law.

**Section 2 Dissolution and Liquidation**

**~~Article 183~~Article 192** The Company shall be dissolved for the following reasons:

(i) the business term specified in the Articles of Association expires or other dissolution causes stipulated herein occur;~~events of dissolution specified in the Articles of Association have occurred;~~

(ii) the General Meeting resolves to dissolve the Company;

(iii) necessary dissolution due to a merger or division of the Company;

(iv) the Company's business license is revoked, the Company is ordered to close down or be revoked in accordance with the law;

(v) where the Company encounters serious difficulties in its operation and management and its continuous existence will cause significant losses to the interests of shareholders, and such difficulties cannot be resolved through other means, shareholders holding 10% or more of the voting rights of all shareholders of the Company may request the people's court to dissolve the Company.

Where the Company encounters any dissolution cause specified in the preceding paragraph, it shall publicize such dissolution cause through the National Enterprise Credit Information Publicity System within ten days.

~~**Article 184**~~**Article 193**

Where the Company falls under circumstances specified in items (i) or (ii) of Article 192 of the Articles of Association and has not yet distributed assets to shareholders, it may continue to exist by amending the Articles of Association or through a resolution of the General Meeting.~~The Company may continue in existence by amending the Articles of Association under any of the circumstances prescribed in item (i) of Article 183 hereof.~~

Any amendment to the Articles of Association in accordance with the provisions of the preceding paragraph shall be subject to the consent of shareholders with two-thirds or more of the voting rights present at the General Meeting.

~~**Article 185**~~**Article 194**

Where the Company is dissolved pursuant to the provisions of items (i), (ii), (iv) and (v) of Article 192~~Article 183~~ of the Articles of Association, it should be liquidated. Directors are the liquidation obligors of the Company and a liquidation committee shall be established, and the liquidation shall commence within 15 days after the occurrence of the cause of dissolution. The liquidation committee shall be composed of Directors, unless otherwise stipulated in the Articles of Association or the General Meeting resolves to elect another person. If the liquidation obligor fails to perform the liquidation obligation in a timely manner and causes losses to the Company or creditors, it shall bear the liability for compensation.~~or persons determined by the General Meeting. If a liquidation committee is not established within the time limit, the creditors may apply to the people's court to designate relevant personnel to form a liquidation committee to carry out liquidation.~~

~~**Article 186**~~**Article 195**

During the liquidation period, the liquidation committee shall exercise the following functions and powers:

(i) to issue to creditors the notice or announcements;

(ii) to sort out the Company's assets and prepare a balance sheet and a list of property;

(iii) to deal with any outstanding businesses of the Company relating to the Company's liquidation;

(iv) to pay outstanding taxes as well as taxes arising in the course of liquidation;

(v) to settle claims and debts;

(vi) to allocate~~dispose of~~ the remaining assets of the Company after the repayment of debts;

(vii) to represent the Company in any civil proceedings.

~~Article 187~~**Article 196** The liquidation committee shall notify the creditors within 10 days after its establishment, and publish announcements in the newspaper(s) within 60 days. Creditors shall, within 30 days from the date of receiving the notice; or for creditors who do not receive the notice, within 45 days from the date of the public announcement, declare their claims to the liquidation committee.

The creditor shall provide a description and supporting evidence of the matters relating to their claims. The liquidation committee shall register the claims.

The liquidation committee shall not make any debt settlement during the period of declaration of claims.

~~Article 188~~**Article 197** A liquidation plan shall be formulated by the liquidation committee after the stocktaking of the Company's assets has been carried out and the balance sheet and a detailed inventory of assets have been formulated, and shall be submitted to the General Meeting or the People's Court for confirmation.

After the Company pays the liquidation expenses, staff wages, social insurance expenses and statutory compensation, pays outstanding taxes, and pays off its debts, the remaining assets shall be distributed to the shareholders in proportion to their respective shareholdings.

During the liquidation period, the Company shall continue to exist, but shall not carry out business activities irrelevant to the liquidation.

The assets of the Company shall not be distributed to shareholders before full payments have been made out of the assets according to the aforesaid provisions of the preceding paragraph.

~~Article 189~~**Article 198** Where the liquidation committee, after stocktaking the Company's assets and preparing the balance sheet and an inventory of assets, discovers that the Company does not have sufficient assets to repay its debts, the liquidation committee shall apply to the people's court for a declaration of insolvency in accordance with the law.

After the Company is declared bankrupt by ruling of the people's court, the liquidation committee shall transfer the matters regarding the liquidation to the people's court.

~~Article 190~~**Article 199** Following the completion of liquidation, the liquidation committee shall formulate a report on liquidation, which shall be submitted to the General Meeting or the People's Court for confirmation, and shall submit the same to the company registration authority, apply for cancelation of registration of the Company, and publish an announcement relating to the termination of the Company.

~~Article 191~~**Article 200** Members of the liquidation committee shall, in performing their duties of liquidation, have duties of loyalty and diligence.~~Any member of the liquidation committee shall dutifully and lawfully fulfill the liquidation obligation.~~

Members of the liquidation committee are prohibited from abusing their authority in accepting bribes or other unlawful income and from encroaching on the Company's property.

If any member of the liquidation committee fails to perform his/her liquidation duties and causes losses to the Company, such member shall be liable for compensation; where losses are caused~~Where any member of the liquidation committee causes any loss~~ to the Company or the creditors due to will or gross negligence, such member shall be liable for compensation.

~~Article 192~~**Article 201** Where the Company is declared bankrupt according to law, bankruptcy liquidation shall be conducted pursuant to the laws on bankruptcy of enterprises.

## CHAPTER ~~11~~10 AMENDMENTS OF THE ARTICLES OF ASSOCIATION

~~Article 193~~**Article 202** In any of the following circumstances, the Company shall amend the Articles of Association:

(i) after the Company Law or any other relevant law or administrative regulations is amended, the provisions of the Articles of Association are in conflict with the provisions in the amended law and administrative rules;

(ii) the conditions of the Company have changed, and such change is covered in the Articles of Association;

(iii) the General Meeting has resolved to amend the Articles of Association.

~~Article 194~~**Article 203** The amendments to the Articles of Association adopted by the General Meeting shall be submitted to the competent authorities for approval if they are subject to approval by the competent authorities. If there is any change relating to the registered particulars of the Company, registration of the changes shall be made in accordance with the laws.

~~Article 195~~**Article 204** The Board of Directors shall modify the Articles of Association in accordance with the resolution of the General Meeting to modify the Articles of Association and the approval opinions of relevant competent authorities.

~~**Article 196**~~**Article 205** Where the amendment of the Articles of Association belongs to the information required to be disclosed by laws and regulations, the Company shall announce the amendment in accordance with regulations.

**CHAPTER ~~12~~11 SUPPLEMENTARY PROVISIONS**

~~**Article 197**~~**Article 206** Definitions:

(i) A Controlling Shareholder means a shareholder who holds 50% or more of the total shares of the Company or a shareholder who holds less than 50% of the total shares but holds voting rights sufficient to have a significant influence on resolutions of the General Meeting.

(ii) An actual controller means a natural person, legal person or other organization~~person~~ which~~, though not a shareholder of the Company,~~ is able to effectively direct the activities of the Company by virtue of investment relationship, agreement or other arrangements.

(iii) The term "connected transaction" shall have the meanings ascribed thereto in the Hong Kong Listing Rules.

(iv) "Connected relationship" refers to the relationship between the Company's Controlling Shareholders, actual controllers, Directors, ~~Supervisors,~~ and senior management personnel and the enterprises directly or indirectly controlled by them, as well as other relationships that may lead to the transfer of interests of the Company. However, state-controlled enterprises are connected not only due to the reason they are controlled by the state.

~~**Article 198**~~**Article 207** The Board may formulate detailed rules for the Articles of Association in accordance with the provisions of the Articles. The detailed rules for the Articles of Association shall not contravene the provisions hereof.

~~**Article 199**~~**Article 208** The matters not covered in this Articles of Association shall be governed by the relevant laws, regulations, normative documents of the state and the regulatory rules of the place(s) where the shares of the Company are listed. In case of any discrepancy between the Articles of Association and the relevant laws, regulations, normative documents as well as the regulatory rules of the place(s) where the shares of the Company are listed, the relevant laws, regulations, normative documents as well as the regulatory rules of the place(s) where the shares of the Company are listed shall prevail.

~~**Article 200**~~**Article 209** The Articles of Association are written in Chinese. In case there is any discrepancy between the Articles of Association and those in any other language or of different version, the Chinese version of Articles of Association after the latest approval and registration by Shenzhen Administration for Market Regulation shall prevail.

~~**Article 201**~~**Article 210** The terms "or more"~~,~~ and "within"~~ and "below"~~ referred to herein shall include the given figure; and the terms "beyond", "less than", "exceed" shall not include the given figure; the relevant audited data as mentioned herein is the data in consolidated statements.

~~**Article 202**~~**Article 211** The power of interpretation of the Articles of Association shall be vested in the Board of Directors of the Company.

~~**Article 203**~~**Article 212** The annexes hereto shall include the rules of procedure of the General Meeting~~,~~ and the rules of procedure for the Board of Directors~~ and the rules of procedure of the Board of Supervisors~~.

~~**Article 204**~~**Article 213** The Articles of Association shall, after being considered and passed at the General Meeting of the Company, become effective and come into force ~~on the day when the Company completes its initial public offering of H shares and list on the Hong Kong Stock Exchange~~. The original Articles of Association shall be automatically invalidated from the date when the Articles of Association takes effect.

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Shenzhen Xunce Technology Co., Ltd. (Seal or Signature)

Legal Representative (Signature):
yyyy/mm/dd

# Shenzhen Xunce Technology Co., Ltd.
# THE RULES OF PROCEDURE FOR GENERAL MEETINGS

## CHAPTER 1 GENERAL PROVISIONS

**Article 1** In order to regulate the corporate governance structure of Shenzhen Xunce Technology Co., Ltd. (the "**Company**"), ensure that the shareholders exercise their rights in accordance with the law, and guarantee the efficient, smooth, orderly and regulated operation of the General Meeting, these Rules are formulated pursuant to the Company Law of the People's Republic of China ("Company Law"), the Securities Law of the People's Republic of China, the Guidelines for the Articles of Association of Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereafter referred to as the "**Hong Kong Listing Rules**") and other relevant provisions, as well as the Articles of Association of Shenzhen Xunce Technology Co., Ltd. (hereafter referred to as the "Articles of Association").

~~**Article 1**~~**Article 2** These Rules shall apply to the convening, proposing, notifying and holding of the General Meeting of the Company.

~~**Article 2**~~**Article 3** The Company shall hold the General Meeting strictly in accordance with the provisions of laws, administrative regulations, the Articles of Association and these Rules so as to ensure that the shareholders can exercise their rights in accordance with the laws.

The Board of Directors of the Company shall duly perform its duties and organise the General Meeting prudently and as scheduled. ~~The Board of Supervisors of the Company shall duly perform its duties, and convene and preside over extraordinary General Meetings when necessary.~~ All the Directors ~~and Supervisors~~ of the Company shall be diligent and responsible so as to ensure that General Meeting are held in an orderly manner and the functions and powers are exercised in accordance with the laws.

~~**Article 3**~~**Article 4** The General Meeting shall perform its functions and powers to the extent as provided by the Company Law and the Articles of Association.

~~**Article 4**~~**Article 5** The General Meetings consist of annual General Meetings and extraordinary General Meetings. The annual General Meeting shall be convened once a year and be held within six months from the end of the previous financial year. The extraordinary General Meeting may be held from time to time and shall be held within two months where any of the circumstances as set forth in Article ~~100~~113 of the Company Law for holding such a meeting occurs.

In case the Company is unable to hold a General Meeting within the aforesaid time frame, it shall explain the reasons and make an announcement.

~~**Article 5**~~**Article 6** If the Company is explicitly required to engage a legal adviser to witness and issue legal opinions at the General Meeting under the laws, administrative regulations, departmental rules, the Hong Kong Listing Rules and other securities regulatory rules of the place where the Company's shares are listed, when~~When~~ convening a General Meeting, the Company will~~shall~~ engage a legal adviser to issue legal opinions on the following matters and publish the same:

(i) whether the procedures of convening and holding the meeting comply with the requirements of the laws, administrative regulations, these Rules and the Articles of Association;

(ii) whether the qualifications of the attendants and the convener are legal and valid;

(iii) whether the voting procedure and results of the meeting are legal and valid;

(iv) legal opinions on other relevant matters as requested by the Company.

## CHAPTER 2 CONVENING OF THE GENERAL MEETING

~~**Article 6**~~**Article 7** ~~The General Meeting shall be convened by the Board of Directors in accordance with the laws and presided over by the chairman of the Board of Directors.~~ The Board of Directors shall convene the General Meeting on time within the time limit specified in these Rules.

With the approval of a majority of all independent Directors, independent Directors are entitled to propose to the Board of Directors to convene extraordinary General Meetings.~~Where the Board of Directors is unable or fails to perform its duty in convening a General Meeting, the Board of Supervisors shall timely convene and preside over such meeting. Where the Board of Supervisors fails to convene and preside over such meeting, shareholders individually or jointly holding more than 10% of the shares of the Company for more than 90 consecutive days may convene and preside over the meeting on their own.~~

~~**Article 7**~~**Article 8** ~~Independent Directors (if any) are entitled to propose to the Board of Directors to convene extraordinary General Meetings.~~ Regarding the proposal requesting to convene extraordinary General Meetings by the independent Directors (if any), the Board of Directors shall give a written reply on whether to agree or not to convene an extraordinary General Meeting within 10 days upon receipt of the proposal in accordance with the requirements of the laws, administrative regulations and the Articles of Association.

If the Board of Directors agrees to convene an extraordinary General Meeting, a notice to convene such meeting shall be issued within 5 days after the resolution of the Board of Directors is passed. If the Board of Directors does not agree to convene the extraordinary General Meeting, it shall explain the reasons and make an announcement.

~~**Article 8**~~**Article 9** The ~~Board of Supervisors~~Audit Committee shall be entitled to propose to the Board of Directors to convene an extraordinary General Meeting. The Board of Directors shall give a written reply on whether to agree or not to convene an extraordinary General Meeting within ten days upon receipt of the proposal in accordance with the laws, administrative regulations and the Articles of Association.

If the Board of Directors agrees to convene the extraordinary General Meeting, a notice to convene such meeting shall be issued within 5 days after the resolution of the Board of Directors is passed. Any changes to the original proposal in the notice shall be subject to the consent of the ~~Board of Supervisors~~Audit Committee.

If the Board of Directors does not agree to convene an extraordinary General Meeting or fails to give a written reply within 10 days upon receipt of the proposal, it shall be deemed that the Board of Directors is unable to perform or fails to perform its duty to convene a General Meeting, and the ~~Board of Supervisors~~Audit Committee may convene and preside over the meeting on its own.

**~~Article 9~~Article 10** Shareholders individually or jointly holding more than 10% of the shares of the Company shall have the right to propose to the Board of Directors to convene an extraordinary General Meeting and a written request shall be made to the Board of Directors. The Board of Directors shall give a written reply on whether to agree or not to convene such meeting within 10 days after receipt of the request according to the laws, administrative regulations and the Article of Association.

If the Board of Directors agrees to convene an extraordinary General Meeting, it shall issue a notice of such meeting within 5 days after passing the resolution of the Board of Directors. Any changes to the original proposal in the notice shall be subject to the consent of the relevant shareholders.

If the Board of Directors does not agree to convene an extraordinary General Meeting or does not reply within 10 days after receipt of the request, shareholders individually or jointly holding more than 10% of the shares of the Company shall have the right to propose to the ~~Board of Supervisors~~Audit Committee to convene an extraordinary General Meeting, and a written request shall be made to the ~~Board of Supervisors~~Audit Committee.

If the ~~Board of Supervisors~~Audit Committee agrees to convene an extraordinary General Meeting, it shall issue a notice of the meeting within 5 days after receipt of the request. Any changes to the original request in the notice shall be approved by the relevant shareholders.

If the ~~Board of Supervisors~~Audit Committee fails to give the notice of General Meeting within the specified time limit, it shall be deemed that the ~~Board of Supervisors~~Audit Committee is not convening or presiding over the meeting, and the shareholders individually or jointly holding more than 10% of the shares of the Company for more than 90 consecutive days may convene and preside over the meeting on their own.

**~~Article 10~~Article 11** Where the ~~Board of Supervisors~~Audit Committee or shareholders decide(s) to convene a General Meeting on its/their own initiative, it/they shall notify the Board of Directors in writing.

Before announcing the resolutions of the General Meeting in accordance with applicable laws, administrative regulations or rules, the convening shareholders should not hold less than 10% of the shares.

**~~Article 11~~Article 12** For a General Meeting convened by the ~~Board of Supervisors~~Audit Committee or shareholders on its/their own initiative, the Board of Directors and the secretary to the Board of Directors shall provide cooperation. The Board of Directors shall provide the register of members as at the record date. In the event that the Board of Directors fails to provide the register of members, the convener may apply to the Securities Depository and Clearing Institutions for obtaining the register of members with the relevant announcement on the convening of the General Meeting. The register of members obtained by the convener shall not be used for purposes other than convening of the General Meeting.

~~**Article 12**~~**Article 13** Expenses necessary for a General Meeting convened by the ~~Board of Supervisors~~Audit Committee or shareholders on its/their own initiative shall be borne by the Company.

## CHAPTER 3 PROPOSALS AND NOTICES OF THE GENERAL MEETING

~~**Article 13**~~**Article 14** The contents of proposals of the General Meeting shall fall within the scope of functions and powers of the General Meeting, have clear subjects for discussion and specific matters to be resolved and comply with relevant requirements of the laws, administrative regulations, the Hong Kong Listing Rules and the Articles of Association. ~~The proposals submitted or delivered to the Board of Directors of the Company shall be made in writing.~~

~~**Article 14**~~**Article 15** When the Company convenes a General Meeting, the Board of Directors, the ~~Board of Supervisors~~Audit Committee, and shareholder(s) individually or jointly holding more than ~~3~~1% of the shares of the Company shall be entitled to put forward proposals to the Company.

Shareholders individually or jointly holding more than ~~3~~1% of shares in the Company may make a temporary proposal and submit it to the convener in writing 10 days prior to a General Meeting. The convener shall issue a supplementary notice of the General Meeting to announce the content of the temporary proposal within 2 days upon receipt of the proposal, and shall submit such temporary proposal to the General Meeting for deliberation; provided, however, that no such submission shall be required if the temporary proposal violates any laws, administrative regulations or the provisions of the Articles of Association, or falls outside the scope of authority of the General Meeting. The Company shall not increase the shareholding ratio of shareholders who submit temporary proposals.

Except ~~for the circumstances~~ as provided in the preceding paragraph, the convener shall not make any amendments to the proposals set out in the notice of the General Meeting or add any new proposals after issuing the notice of the General Meeting.

The General Meeting shall neither vote nor make a resolution on any proposals that are not included in the notice of the General Meeting ~~and supplementary notice~~ or are inconsistent with Article 14~~Article 13~~ of these Rules.

~~**Article 15**~~**Article 16** The convener shall notify each shareholder of the annual General Meeting by way of announcement 21 days prior to the meeting. The convener shall notify each shareholder of the extraordinary General Meeting by way of announcement 15 days ~~or 10 working days (whichever is longer)~~ prior to the meeting. Where stipulated otherwise by laws, regulations and the securities regulatory authorities of the place where the shares of the Company are listed, such provisions shall prevail.

~~When calculating the starting date of 21 days and 15 days, the Company shall not include the date of the meeting, but include the date of the notice on convening the meeting.~~

~~**Article 16**~~**Article 17** The notice and the supplemental notice of the General Meeting shall fully and completely contain or disclose the specific contents of all proposals, and all information or explanations necessary to enable the shareholders to make a reasonable judgment as to the matters to be discussed.

~~If the matter to be discussed needs the opinion of Independent Directors (if any), the opinions and reasons of Independent Directors (if any) will be disclosed at the same time when the notice or supplementary notice of the General Meeting is issued.~~

**~~Article 17~~Article 18** If the election of Directors~~ or supervisors~~ is proposed to be discussed at the General Meeting, the notice of such meeting shall adequately disclose the detailed information of the candidates for Directors~~ or supervisors~~, which shall at least include the following:

(i) personal particulars, including educational background, work experience and part-time jobs;

(ii) whether one has any connected relationships with the Company or the Controlling Shareholders and actual controllers of the Company;

(iii) the number of shares of the Company they hold;

(iv) whether they have been punished by the CSRC and other relevant authorities and sanctions by any stock exchange.

Unless Directors~~ or supervisors~~ are elected via the cumulative voting system, each candidate for Directors~~ or supervisors~~ shall be nominated via a single proposal.

**~~Article 18~~Article 19** The notice of the General Meeting includes the following:

(i) the time, place and duration of the meeting;

(ii) matters and proposals submitted to the meeting for deliberation;

(iii) stating with eye-catching words that all shareholders have the right to attend the General Meeting and may appoint in writing a proxy to attend and vote, and such shareholder proxy need not be a shareholder of the Company;

(iv) record date for the purpose of determining shareholders' entitlement to attend the General Meeting (the interval between the record date and the meeting date shall be no more than 7 working days. Once the record date is confirmed, it shall not be changed);

(v) name and telephone number of the permanent contact person for meeting affairs;

(vi) voting time and the voting procedures online or by other means;

(vii) other requirements prescribed by laws, administrative regulations, departmental rules, the Hong Kong Listing Rules, the Articles of Association, and others.

~~**Article 19**~~**Article 20** After the notice of the General Meeting has been issued, the General Meeting shall not be adjourned or cancelled without justifiable reasons, and no proposals stated in the notice of General Meeting shall be cancelled. Once adjournment or cancellation occurs, the convener shall make announcement at least 2 working days prior to the originally scheduled date of meeting, and explain the reason. If the Hong Kong Listing Rules have special provisions on the procedures for adjourning or cancelling the General Meeting, such provisions shall prevail, provided that they do not violate the domestic regulatory requirements.

## CHAPTER 4 HOLDING OF THE GENERAL MEETING

~~**Article 20**~~**Article 21** The Company shall convene the General Meeting at its domicile or at the place specified in the Articles of Association~~The place where the Company convenes a General Meeting shall be the domicile of the Company or other places designated by the convener of the General Meeting~~.

A venue shall be set for a General Meeting which shall be held onsite and shall adopt safe, economical and convenient means such as online and other methods to provide convenience for shareholders in accordance with the provisions of laws, administrative regulations, the CSRC or the Articles of Association. ~~The Company will also, as appropriate, provide convenience for its shareholders to participate in General Meetings through other means where applicable. Shareholders participating in General Meetings by any aforesaid means shall be deemed as having attended the meetings. After issuing the notice of the General Meeting, the venue for convening the onsite General Meeting shall not be altered without justified reasons. If such alteration is required, the convener shall make an announcement and give reasons therefor at least 2 working days prior to the convening date of the onsite meeting.~~

Shareholders may attend the General Meeting in person and exercise their voting rights, or appoint proxies to attend on their behalf and exercise their voting rights within the scope of authorization.

~~**Article 21**~~**Article 22** The Board of Directors and other conveners shall take necessary measures to ensure the proper order of the General Meeting. For any acts interfering with the General Meeting, provoking trouble or infringing upon the legitimate rights and interests of shareholders, measures shall be taken to stop such acts, and such acts shall be promptly reported to the relevant authority for investigation and punishment.

~~**Article 22**~~**Article 23** All shareholder registered on the register of members on the record date or their proxy(ies) shall be entitled to attend the General Meeting, which shall not be refused by the Company ~~or~~and the convenor(s) for whatever reasons, and shall be entitled to exercise their voting rights in accordance with the relevant laws, administrative regulations, rules and the Articles of Association.

~~**Article 23**~~**Article 24** Individual shareholders attending the meeting in person shall present their ~~stock account cards and~~ personal identity cards or other valid documents or proofs that can indicate their identities to attend the General Meeting. An individual who attends the meeting as a~~A~~ proxy shall ~~also~~ present the authorization letter from the shareholder and his/her own valid proof of identity.

Corporate shareholders shall be represented by their legal representatives or proxies entrusted by their legal representatives to attend the meeting. Legal representatives attending the meeting shall present their personal identity cards and valid proofs that can prove their identities as the legal representatives. Proxies authorised to attend the meeting shall present their personal identity cards and the written authorization letter legally issued by the legal representatives of corporate shareholders.

Where a shareholder is an unincorporated organization, the person in charge of the organization or proxies authorised by the person in charge shall attend the meeting. Such person in charge of the organization attending the meeting shall present his/her personal identity card and valid proofs that can prove his/her identity as the person in charge. A proxy authorised to attend the meeting shall present his/her personal identity card and the written authorization letter legally issued by the person in charge of the organization.

~~**Article 24**~~**Article 25** The authorization letter issued by shareholders to appoint others to attend the General Meeting shall state the following:

(i) name of the principal, and the class and quantity of shares of the Company held thereby~~name of the proxy~~;

(ii) name of the proxy~~whether the proxy has the voting right~~;

(iii) the specific instructions of the shareholder, including instructions on vote for, against or abstain from voting on each matter to be considered at the General Meeting~~instructions to vote for, against or abstain from voting for each matter included in the agenda of the General Meeting~~;

(iv) date of issuance and validity period of the authorization letter;

(v) signature (or seal) of the appointer. If the appointer is a corporate shareholder, the seal of the legal entity shall be affixed. If the appointer is an unincorporated organization, the seal of the unincorporated organization shall be affixed.

~~The authorization letter shall state that in the absence of instructions from the shareholder, whether or not the proxy of shareholder may vote as he/she thinks fit.~~

If the authorization letter is signed by the authorised person of the appointer, the authorization letter or other authorization documents under which the authorization letter is signed shall be notarized. The notarised authorization letter or other authorization documents, and the authorization letter shall be placed at the domicile of the Company or other place specified in the notice of the meeting.

If the appointer is a corporation, its legal representative or the persons authorised by the Board of Directors or other governing body shall act as representative to attend the General Meeting of the Company.

If the appointer is a non-corporate organization, its person in charge or the persons authorised by the governing body shall act as representative to attend the General Meeting of the Company.

~~**Article 25**~~**Article 26** The attendance record of a meeting shall be prepared by the Company. The attendance record shall contain, among other things, the name, identity card number, ~~domicile address,~~ the number of shares carrying voting rights held or represented, and the appointer name (or entity name) of each attendee.

~~**Article 26**~~**Article 27** The convener and the lawyers shall jointly verify the legality of qualification of the shareholders according to the register of members provided by the securities depository and clearing institution, and register the name of each shareholder and the number of shares carrying voting rights he/she holds. The meeting registration shall be closed before the meeting chairperson declares the number of shareholders and proxies present and the total number of shares carrying voting rights they hold.

~~**Article 27**~~**Article 28** Where the General Meeting requires the attendance of Directors or senior management, such Directors or senior management shall attend and respond to shareholders' inquiries~~In holding a General Meeting, all Directors, Supervisors and the secretary of the Board of Directors shall attend the meeting while the general manager and other senior management shall attend the meeting as observers~~.

~~**Article 28**~~**Article 29** The General Meeting shall be presided over by the chairman of the Board of Directors. Where the chairman of the Board of Directors is unable or fails to perform his duties, the meeting shall be presided over by a Director jointly elected by more than half~~half or more~~ of the Directors.

A General Meeting convened by the Audit Committee~~Board of Supervisors~~ shall be presided over by the convener of the Audit Committee~~chairman of the Board of Supervisors~~. Where the convener of the Audit Committee~~chairman of the Board of Supervisors~~ is unable or fails to perform his duties, the meeting shall be presided over by a member of Audit Committee~~Supervisor~~ jointly elected by more than half of the members of the Audit Committee~~half or more of the Supervisors~~.

A General Meeting convened by shareholders shall be presided over by a representative elected by the convener(s).

In the event that the General Meeting cannot proceed due to violation of these Rules by the chairperson of the meeting when a General Meeting is held, the General Meeting may appoint a person as the chairperson of the meeting with the consent of a majority of the shareholders with voting rights present at the meeting and the meeting shall continue.

~~**Article 29**~~**Article 30** At the annual General Meeting, the Board of Directors~~ and the Board of Supervisors~~ shall make a report on their work in the past year to the General Meeting. Each independent Director ~~(if any)~~ shall also make a work report~~ on the performance of duties in the past year~~.

~~**Article 30**~~**Article 31** Except for the matters relating to the Company's business secrets that cannot be disclosed at the General Meeting, the Directors~~, Supervisors~~ and senior management shall provide explanations and statements relating to the queries and suggestions put forward by the shareholders at the General Meeting.

~~**Article 31**~~**Article 32** The meeting chairperson shall declare the number of shareholders and proxies present at the meeting and the total number of shares carrying voting rights they hold before voting. The number of shareholders and proxies present at the meeting and the total number of shares carrying voting rights they hold shall be subject to the register of attendance of the meeting.

~~**Article 32**~~**Article 33** Shareholders (including proxies of shareholders) shall exercise their voting rights according to the number of voting shares they represent, and each share shall have one vote.

In the event of a shareholder being connected with the matter to be considered at a General Meeting, he/she shall abstain from voting and the shares with voting rights held by him/her shall not be counted the total number of shares with voting rights present at the General Meeting.

Shares of the Company held by the Company shall carry no voting rights, and be excluded from the total voting shares held by shareholders present at a General Meeting.

~~**Article 33**~~**Article 34** An accumulative voting system may be adopted when the General Meeting votes on the election of Directors ~~and Supervisors~~ pursuant to the provisions of the Articles of Association or a resolution of the General Meeting.

~~The accumulative voting system described in the preceding paragraph refers to that, when the General Meeting elects Directors or Supervisors, each share has the same voting rights as the number of Directors or Supervisors to be elected, and the voting rights owned by shareholders can be used collectively.~~

If the General Meeting elects Directors by accumulative voting, the votes on electing independent Directors ~~(if any)~~ and non-independent Directors (if any) shall be conducted separately. The Board of Directors shall announce to the shareholders the resumes and basic information of the candidates for Directors ~~and Supervisors~~.

~~**Article 34**~~**Article 35** Except for the cumulative voting system, all proposals shall be voted item by item at a General Meeting, and if there are different proposals for the same matter, they shall be voted in the order of introduction. Unless a General Meeting is suspended or no resolution may be made thereat for a force majeure or any other special reason, no proposal may be suspended or denied voting at the General Meeting.

~~**Article 35**~~**Article 36** A proposal considered at a General Meeting shall not be modified; otherwise, the modification shall be regarded as a new proposal, which may not be voted at this General Meeting.

~~**Article 36**~~**Article 37** The same voting right can only choose one of on-site or other voting methods. In case of repeated voting with the same voting right, the first voting result shall prevail.

~~**Article 37**~~**Article 38** The General Meeting shall vote by open ballot.

Shareholders attending the General Meeting shall express one of the following opinions on the proposal submitted for voting: affirmative, negative or abstention. The securities registration and clearing institution shall be the nominee holder of shares under the Mainland-Hong Kong Stock Connect, or recognized clearing houses, as defined in the relevant regulations in force from time to time under the laws of Hong Kong, or their agents which serve as the nominal holders, except where declaration is made in accordance with the actual holder's intent.

Where any ballot is not completed in full, is completed incorrectly or unintelligibly, or has no vote recorded, the voter shall be deemed to have waived his/her voting rights and the voting result for his/her shares shall be deemed as an "abstention".

~~**Article 38**~~**Article 39** Before proposals are voted at a General Meeting, two shareholder representatives shall be elected to take part in vote counting and scrutiny. Where a shareholder is connected with any matter considered, the shareholder and its proxy may not take part in vote counting and scrutiny.

When proposals are voted at a General Meeting, ~~lawyers,~~ shareholder representatives, lawyers or share registrar (or other qualified personnel such as auditors of the Company and external accountants with auditor qualifications) ~~and Supervisor representatives~~ shall be ~~jointly~~ responsible for the vote counting and scrutiny, and announce the voting results on the spot.

~~**Article 39**~~**Article 40** The on-site General Meeting shall not be concluded earlier than the online meeting or meeting held by other means. The meeting chairperson shall announce the voting results of each proposal at the meeting venue, and whether a proposal is passed according to the voting results.

Before the official announcement of the voting results, the Company, the persons responsible for counting and scrutinizing the votes, shareholders and other relevant parties involved in the onsite of the General Meeting or that held by other means shall be under an obligation to keep the voting results strictly confidential.

~~**Article 40**~~**Article 41** Where the meeting chairperson has any doubt on the voting result of a resolution submitted for voting, he/she may organize a recount of the number of votes; where the meeting chairperson fails to recount votes, and any shareholder or shareholder's proxy attending the meeting raises any objection to the result announced by the meeting chairperson, the shareholder or shareholder's proxy shall have the right to require a recount immediately after the voting result is announced, and the meeting chairperson shall immediately organize a recount.

~~Counting of votes shall be conducted jointly by the meeting chairperson, lawyers, Supervisors' representatives and shareholders' representatives.~~

~~**Article 41** The resolutions of a General Meeting shall specify the number of shareholders and proxies attending the meeting, the number of voting shares held by them and the percentage of such shares to the total number of voting shares of the Company, voting methods, the voting result of each proposal and the details of the resolutions passed.~~

**Article 42** Where a proposal is not passed, or the General Meeting modifies a resolution made at a previous General Meeting, a special reminder shall be placed in the announcement of the resolutions of the General Meeting.

**Article 43** Minutes shall be kept for a General Meeting by the secretary of Board of Directors. The minutes of the meeting shall contain:

(i) the time, venue and agenda of meeting and the convener's name;

(ii) the names of the meeting chairperson and the Directors~~, Supervisors, secretary of Board of Directors, general manager~~ and ~~other~~ senior management ~~attending the meeting or~~ attending meeting as observers;

(iii) the number of shareholders and proxies attending the meeting, the total number of voting shares held by them and the proportion of these shares to the total number of shares of the Company, including the number of the shareholders of domestic shares (including proxies) and the H shareholders (including proxies) attending the General Meeting, the total number of voting shares held by them and their respective percentages of total number of shares of the Company;

(iv) the consideration process, key points of speech and voting results of each proposal (including the voting results of the shareholders of domestic shares and the H shareholders on each proposal);

(v) the enquiries or suggestions of the shareholders and the corresponding replies or explanations;

(vi) the names of the lawyer and the teller and scrutineer;

(vii) other content that shall be included in the minutes of the meeting according to the Articles of Association.

The Directors, ~~Supervisors,~~ secretary of the Board of Directors, convener or their representatives who attended the meeting or attended meeting as observers, and the chairperson of the meeting shall sign the minutes of the meeting and guarantee the authenticity, accuracy and integrity of the content of the minutes of the meeting. The minutes of the meeting shall be kept together with the register of names of the shareholders present, the authorization letter for attendance, and the valid documents for the online and other forms of voting for a period of 10 years.

**Article 44** The convener shall warrant that the General Meeting will proceed continuously until the final resolution is made. If the General Meeting is suspended or the resolution cannot be made due to force majeure or other special causes, necessary measures shall be taken to restore the General Meeting as soon as possible or directly terminate the General Meeting, and shall make an announcement in a timely manner.

**Article 45** The resolutions of the General Meeting shall be divided into ordinary resolutions and special resolutions.

An ordinary resolution shall be adopted by a simple majority of the votes held by the shareholders (including proxies of shareholders) attending the General Meeting.

A special resolution shall be adopted by a two-thirds or more of the votes held by the shareholders (including proxies of shareholders) attending the General Meeting.

**Article 46** The following matters shall be approved by the General Meeting through ordinary resolutions:

(i) work report of the Board of Directors ~~and the Board of Supervisors~~;

(ii) plans of profit distribution and loss recovery plans drafted by the Board of Directors;

(iii) appointment or dismissal of the members of the Board of Directors ~~and the Board of Supervisors~~, and their remuneration and payment methods;

(iv) ~~annual financial budgets and final accounts of the Company;~~

~~(v) annual report of the Company;~~

~~(vi)~~ other matters other than those which are required by laws, administrative regulations, the regulatory rules of the Hong Kong Listing Rules or the Articles of Association to be approved by a special resolution.

**Article 47** The following matters shall be approved by special resolution at the General Meeting:

(i) the increase or reduction of the registered capital of the Company;

(ii) the division, spin-off, merger~~,~~ and dissolution ~~or any change in the form of the Company~~;

(iii) the amendment to the Articles of Association;

(iv) the purchases or sales of material assets by the Company within one year or the guaranteed amount provided to others exceeding 30% of the latest audited total assets of the Company;

(v) the equity incentive plan;

(vi) other matters stipulated by laws, administrative regulations, regulatory rules of the place where the Company's shares are listed or the Articles of Association, as well as other matters that the General Meeting determines by ordinary resolution will have a significant impact on the Company and need to be passed by special resolution.

**Article 48** Where resolutions in relation to the election of Directors ~~or Supervisors~~ are passed at a General Meeting, the newly appointed Directors ~~or Supervisors~~ shall assume their positions immediately upon the conclusion of the General Meeting, unless the resolution explicitly stipulates otherwise regarding the effective date of their appointment.

**Article 49** Where a proposal on the distribution of cash dividends or stock dividends or conversion of reserve fund to share capital is passed at a General Meeting, the Company shall implement the specific plan within 2 months after the end of the General Meeting.

**Article 50** A resolution of the General Meeting of the Company shall be invalid if its content violates laws and administrative regulations.

The controlling shareholder(s) or the actual controller(s) of the Company shall not restrict or impede minority investors from exercising their voting rights in accordance with relevant laws, and shall not impair the legitimate rights and interests of the Company and minority investors.

If the convening procedure or voting method of the General Meeting contravenes the laws, administrative regulations or the Articles of Association, or if the content of the resolutions of such meeting contravenes the Articles of Association, the shareholders may request the people's court to revoke the resolution within 60 days of the resolution. However, this shall not apply to cases where the convening procedure or voting method of the General Meeting have only minor defects and have not had a material impact on the resolution.

Where there is a dispute among the Board, shareholders, or other relevant parties regarding the qualifications of the convener, the convening procedure, the legality of the proposal content, and the effectiveness of the General Meeting resolution, they shall promptly initiate a lawsuit with the People's Court. Before the People's Court renders a judgment or ruling to revoke the resolution, the relevant parties shall implement the General Meeting resolution. The Company, Directors, and senior management shall earnestly perform their duties and implement the resolutions of the General meeting immediately to ensure the normal operation of the Company.

Upon the People's Court rendering a judgment or ruling on relevant matters, the Company shall fulfil its information disclosure obligations in accordance with laws, administrative regulations and the rules of the stock exchange, fully explain the impact, and actively cooperate with the enforcement after the judgment or ruling takes effect. Where it involves correcting prior matters, the Company shall promptly process and fulfil the corresponding information disclosure obligations.

**Article 51** Resolutions passed at the General Meeting shall be promptly announced in accordance with the listing rules of the place where the Company's shares are listed. The announcement should list the number of shareholders or their proxies appearing at the meeting, the total number of voting shares of such shareholders or proxies, the percentage of such voting shares to total voting shares at the Company, the means by which votes were cast, the voting result for each proposal, and the particulars of each resolution passed. The attendance and voting of shareholders of domestic shares and the H shareholders shall be analyzed statistically and announced respectively.

## CHAPTER 5 SUPPLEMENTARY PROVISIONS

**Article 52** The terms "or more" and "within" referred to herein shall include the given figure; and the terms "exceed", "less than" and "more than" shall not include the given figure.

**Article 53** The matters not covered in these Rules shall be governed by the relevant laws, regulations, normative documents of the state, the regulatory rules of the place(s) where the shares of the Company are listed and the Articles of Association. In case of any discrepancy between these Rules and the relevant laws, regulations, normative documents, the regulatory rules of the place(s) where the shares of the Company and the Articles of Association, the relevant laws, regulations, normative documents, the regulatory rules of the place(s) where the shares of the Company are listed and the Articles of Association shall prevail.

**Article 54** These Rules shall be annexed to the Articles of Association and shall be prepared by the Board of Directors and approved by the General Meeting. The same applies to any modifications made.

**Article 55** These Rules shall come into effect from the date of approval by the Company's General Meeting. ~~The content related to the Company's public issuance of H shares and listing on the Main Board of the Hong Kong Stock Exchange shall take effect from the date of the Company's public issuance of H shares and listing on the Main Board of the Hong Kong Stock Exchange.~~

**Article 56** As authorised by the General Meeting, the power of interpretation of these Rules shall be vested in the Board of Directors.

**Shenzhen Xunce Technology Co., Ltd.**

# Shenzhen Xunce Technology Co., Ltd.
# THE RULES OF PROCEDURE FOR THE BOARD OF DIRECTORS

## CHAPTER 1 GENERAL PROVISIONS

**Article 1** In order to regulate the contents, measures and procedures of proceedings of the Board of Directors of Shenzhen Xunce Technology Co., Ltd. (the "**Company**"), ensure the proper exercise of its functions and powers and continuously enhance the scientificity, correctness and compliance of its decision-making process, these Rules are formulated pursuant to the Company Law of the People's Republic of China ("Company Law"), the Securities Law of the People's Republic of China, the Guidelines for the Articles of Association of Listed Companies, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereafter referred to as the "**Hong Kong Listing Rules**"), the Articles of Association of Shenzhen Xunce Technology Co., Ltd. (hereafter referred to as the "Articles of Association") and other relevant provisions.

**Article 2** The Board of Directors is the standing decision-making body of the Company, responsible for the General Meeting, exercising its functions and powers within the terms of reference as stipulated under the laws and regulations, the Articles of Association and the General Meeting, and safeguarding the legitimate rights and interests of the Company and its shareholders.

**Article 3** The Board of Directors shall have a Board office for handling the daily affairs of the Board of Directors.

## CHAPTER 2 NOTIFICATION OF MEETINGS OF THE BOARD OF DIRECTORS

**Article 4** The Board meetings shall be divided into regular meetings and extraordinary meetings. The regular meetings shall be held at least four times every year, and Board meetings shall be held at least four times every year (roughly on a quarterly basis).

**Article 5** All Directors ~~and supervisors~~ shall be informed 14 days before convening a regular Board meeting, and 5 days before convening an extraordinary Board meeting. In case of an emergency, the notice convening an extraordinary Board meeting is not subject to the above-mentioned time limits, provided that the convener shall make necessary explanations at the meeting.

**Article 6** Notices of the Board meetings shall be served by any of the following means:

(i) a notice of regular meeting shall be made in writing, including delivery by hand, registered mail, fax, telegram or e-mail;

(ii) a notice of extraordinary meeting shall be made, in principle, in writing; in case of emergency, however, such notice may be made by phone or orally.

**Article 7** The written notice of a Board meeting shall include the following:

(i) the date and place of the meeting;

(ii) duration of the meeting;

(iii) reasons and matters;

(iv) issuance date of the notice.

The oral notice of the Board meeting shall, at least, include the details of items (i) and (ii) above and the explanation for convening an extraordinary Board meeting as soon as practicable in case of emergencies.

**Article 8** If, after the written notice of a regular Board meeting is issued, it is necessary to change the time, venue and other matters of the meeting or addition, change or cancellation proposals, a written notice of change shall be issued 3~~three~~ days prior to the original scheduled date for convening the meeting, explaining the reason and providing contents and documents relating to the new proposals. Where the notice is issued in less than 3~~three~~ days, the date of the meeting shall be postponed accordingly or remain unchanged if approved by all attending Directors.

After a notice of an extraordinary Board meeting is issued, any change in the matters such as time, venue of the meeting or addition, change or cancellation of proposals shall be approved by all attending Directors in advance and relevant records shall be made.

**Article 9** Shareholders representing more than one-tenth of the voting right, one-third or more of the Directors or the ~~Board of Supervisors~~Audit Committee may propose to convene an extraordinary Board meeting. A Board meeting shall be convened and presided over by the chairman of the Board of Directors within 10 days upon receipt of the proposal. Each person required to attend the meeting shall reply as soon as possible upon receipt of the notice of the meeting, as to whether or not he/she will attend.

**Article 10** Directors shall attend the Board meetings in person. Where a Director is unable to attend such a meeting in person for any reason, he/she shall prudently select and appoint another Director in writing to attend on his/her behalf.

The authorization letter shall specify the name of the proxy, the matters to be handled in proxy, the scope of authorization and validity period, and shall bear the signature or seal of the principal. The Director attending the meeting on behalf of another Director shall exercise the rights of Director within the scope of authorization. If a Director fails to attend a Board meeting and does not appoint a proxy to attend on his/her behalf, such Director shall be deemed to have waived his/her right to vote at such meeting.

**Article 11** When a Director authorises another Director or is authorised to attend the Board meeting, the following principles shall be followed:

(i) non-connected Directors shall not appoint connected Directors to attend on their behalf; nor shall connected directors accept the appointment of non-connected Directors in the case of reviewing connected transactions;

(ii) the Directors shall not fully appoint other Directors to attend the meeting on their behalf without giving their personal opinions and voting intentions on the proposal, while the relevant Directors shall not accept the appointment without voting intentions, full appointment or~~and~~ appointment with unclear scopes~~.~~;

(iii) one Director shall not accept appointment by more than two Directors to attend one Board meeting on his/her behalf. Independent Director cannot appoint a non-independent Director to attend the meeting on his/her behalf. ~~A Director shall also not appoint any other Director who has been appointed by two other Directors to attend the meeting on his/her behalf.~~

Directors' liability in respect of matters to be voted shall not be waived by the appointment of another Directors.

If any Director fails to attend Board meetings in person or by appointing another Directors two consecutive times, the said Director shall be deemed incapable of performing his/her duties and the Board of Directors and the ~~Board of Supervisors~~Audit Committee shall recommend the removal of the said Director by the General Meeting.

**Article 12** The Board meeting must adopt a sign-in system, whereby all persons who are present at the meeting must sign in on their own, and it is not allowed to do the sign-in by another person. The attendance book of the meeting and other written materials of the meeting shall be kept in file.

**Article 13** In principle, the Board meeting shall be convened by way of on-site meetings. The Board meeting may also be convened through telephone, video and other methods on such a premise that Directors may fully give their opinions and communicate smoothly. In respect of resolutions that need to be approved by way of Board resolutions but do not require intensive communications or discussion among the Directors, written signatures may be adopted, but the signed documents and related information shall be served on all Directors. ~~If a substantial shareholder or a Director is deemed to have material conflict of interests in the matter to be considered by the Board of Directors, the matter shall be dealt with in a Board meeting rather than by a written resolution. The independent non-executive Directors who and whose associates have no material interest in the transaction shall be present at that Board meeting.~~

## CHAPTER 3 PROPOSALS TO THE BOARD MEETING

**Article 14** Proposals of the Company's Directors~~, Supervisors~~ and general managers need to present for study, discussion and resolution at the Board meeting shall be submitted to the Board office in advance. Upon collection, classification and sorting by the Board office, such proposals shall be forwarded to the chairman of the Board of Directors for review, and the chairman of the Board of Directors shall decide whether or not to include them in the agenda.

**Article 15** Proposals to the Board shall meet the following requirements:

(i) the contents of the proposals shall not be in conflict with the provisions of laws, regulations, normative documents and the Articles of Association, and shall fall within the scope of the operating activities of the Company and the scope of functions and powers of the Board;

(ii) the proposals shall be in the interests of the Company and its shareholders;

(iii) the proposals shall contain clear subjects for discussion together and specific matters;

(iv) the proposals shall be made in writing.

## CHAPTER 4 BOARD MEETING PROCEEDINGS AND RESOLUTIONS

**Article 16** A Board meeting may not be held without more than half of Directors being present. Resolutions made by the Board of Directors must be approved by more than half of all Directors. Where the laws, administrative regulations and the Articles of Association provide otherwise, such provisions shall prevail.

**Article 17** The Board meeting shall be presided over by the chairman of the Board of Directors. Where the chairman of the Board of Directors is unable to preside over the meeting for any reason, the Board meeting shall be convened and presided over by a Director jointly elected by more than half of all Directors.

**Article 18** Board meetings shall fully adopt democratic discussions, respect the opinions of each Director, and allow the Directors to reserve their different personal opinions when making resolutions.

**Article 19** Except for obtaining the unanimous consent from all the attending Directors, any proposal not included in the notice of the meeting shall not be voted at the Board meeting. Directors who accept other Directors' appointment to attend the Board meeting on their behalf shall not vote on the proposals not included in the notice of the meeting on behalf of other Directors.

**Article 20** If any Director as an individual or any other enterprises for which he/she serves is directly or indirectly connected with any existing or scheduled contracts, transactions or arrangement with the Company (excluding appointment contracts), the Director shall disclose to the Board of Directors the nature and extent of his/her connected relationship as soon as practicable, whether or not such matters require approval from the Board of Directors under normal circumstances.

Unless the Director with a connected relationship makes a disclosure to the Board of Directors as required by the preceding paragraph of this article, and the Board of Directors approves the matter at the meeting, at which the Director is not counted into the quorum and has not voted, the Company is entitled to revoke such contract, transaction or arrangement, except where the counterparty is a bona fide third party.

When the Board of Directors is considering and voting on the connected transactions, the avoidance and voting procedures of the connected Directors are as follows:

(i) a matter considered by the Board of Directors connects to a Director, the connected Director shall disclose his/her connected relationship to the Board of Directors of the Company before convening the Board meeting;

(ii) when the Board of Directors is considering the connected transactions, the chairperson of the meeting announces expressly the relationships between the connected Directors and the connected transactions, and requires the connected Directors to avoid (the Board meeting can be held with the attendance of more than half of the non-connected Directors), and the connected transactions shall be considered and voted by the non-connected Directors;

(iii) a Board resolution on connected matters shall be passed by a majority of all non-connected Directors. If less than 3 non-connected Directors attend the Board meeting, such matters shall be submitted to the General Meeting for deliberation;

(iv) if connected Directors fail to disclose the connected information or avoid in accordance with the above procedures regarding connected matters, the Board of Directors shall have the right to revoke all resolutions in relation to such connected transaction matters.

**Article 21** Other observers, other than ~~the Supervisors,~~ the general manager and other senior management members who are required to attend the Board meetings pursuant to the Company Law, shall attend the meetings only during the discussion of the related proposals, and shall avoid during other moments.

All observers may have the right to speak but have no right to vote. The Board of Directors shall take full consideration of the opinions given by the observers before making any decision.

**Article 22** The voting on the resolution of the Board of Directors shall be based on one person one vote.

Any resolution put to vote at the Board meeting shall be decided by a registered vote. The Board meeting shall be convened by means of written materials, video conference, telephone conference, facsimile or through the communication devices with which all the Directors can communicate under the premise of safeguarding the full expression of the opinions of the Directors, and shall be signed by the attending Directors.

**Article 23** Each of the resolutions on the agenda shall be resolved in writing by the Board of Directors.

**Article 24** When more than half of the attending Directors consider that they cannot make a judgment on relevant matters because the proposal is unclear or unspecific, or the meeting materials are insufficient or because of other reasons, the chairman of the meeting shall ask for suspension of voting on the proposal in the meeting.

The Directors proposing suspension of voting shall provide definite requirements for the conditions to be met for resubmitting the said proposal for deliberation.

**Article 25** Directors shall be responsible for the Board resolutions. If the Board resolutions violate the laws, regulations, the Articles of Association or resolutions of the General Meeting thus causing losses to the Company, the Directors participating in the resolutions shall be liable to compensate the Company for the losses. However, on verification that a Director had stated his/her objection when voting and the same was recorded in the minutes, such Director may be exempted from such liability. Nevertheless, the Director's responsibility to ensure the truthfulness, accuracy and completeness of the contents of regular reports shall not be automatically exempted only by the issuance of opinions.

**Article 26** The Board meeting shall be recorded by a minute-taker appointed by the Board office. The Board office shall inform the minute-taker in detail of the requirements for recording and the confidentiality obligations to be fulfilled. The minutes of the Board meeting shall be true, accurate and complete, and the attending Directors, secretary of the Board of Directors and the minute-taker shall sign on the minutes for confirmation. If a Director has different opinions on the minutes, he/she may attach an explanation to his/her confirmation. The minutes of the Board meeting shall be properly preserved as important files of the Company.

**Article 27** The minutes of the Board meeting shall include the following:

(i) the date, place, the convener and chairperson of the meeting;

(ii) the names of the Directors attending the meeting and names of the Directors (proxies) appointed by others to attend the Board meeting;

(iii) the agenda of the meeting;

(iv) the main points of the speeches of the Directors that any Director shall be entitled to have an explanatory note made in the minutes regarding his/her speech at the meeting;

(v) the methods and results of the voting for each resolution (the voting results shall contain the number of votes for, against or abstain the resolution);

(vi) such other matters to be recorded as the attending Directors consider appropriate.

~~(vii) drafts and final versions of minutes of meetings should be sent to all Directors for their comments and records respectively, in both cases within a reasonable time after the Board meeting is held.~~

## CHAPTER 5 POST-MEETING MATTERS

**Article 28** The Board office shall be responsible for keeping the meeting attendance book, authorization letter, records, resolutions and other written materials of the meetings for a period of 10 years.

**Article 29** The Board office is responsible for reporting meeting minutes, resolutions, and other relevant materials to the relevant regulatory authorities after the meeting, and handling information disclosure matters after the meeting on designated media.

**Article 30** Prior to the disclosure of the Board resolutions through normal channels, all persons present at the meetings shall not leak in any way or make use of the confidential information for his/her benefit. In the occurrence of such act, the relevant person shall be responsible for all the consequences thereof and be accountable for the legal liabilities (as appropriate).

## CHAPTER 6 SUPPLEMENTARY PROVISIONS

**Article 31** The terms "or more" and "within" referred to herein shall include the given figure; and the term "exceed" shall not include the given figure.

**Article 32** The matters not covered in these Rules shall be governed by the relevant laws, regulations, normative documents of the state, the ~~regulatory rules of the place(s) where the shares of the Company are listed~~Hong Kong Listing Rules and the Articles of Association. In case of any discrepancy between these Rules and the relevant laws, regulations, normative documents, the ~~regulatory rules of the place(s) where the shares of the Company~~Hong Kong Listing Rules and the Articles of Association, the relevant laws, regulations, normative documents, the regulatory rules of the place(s) where the shares of the Company are listed and the Articles of Association shall prevail.

**Article 33** These Rules shall be annexed to the Articles of Association and shall be prepared by the Board of Directors and approved by the General Meeting. The same applies to any modifications made.

**Article 34** These Rules shall come into effect from the date of approval by the Company's General Meeting. ~~The content related to the Company's public issuance of H shares and listing on the Main Board of the Hong Kong Stock Exchange shall take effect from the date of the Company's public issuance of H shares and listing on the Main Board of the Hong Kong Stock Exchange.~~

**Article 35** The power of interpretation of these Rules shall be vested in the Board of Directors.

**Shenzhen Xunce Technology Co., Ltd.**

# Shenzhen Xunce Technology Co., Ltd.
# 深圳迅策科技股份有限公司

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

**(Stock Code: 3317)**

## NOTICE OF 2025 ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN** that the 2025 annual general meeting (the "**AGM**") of Shenzhen Xunce Technology Co., Ltd. (the "**Company**") will be held at Conference Room, 66/F, Tower A, Building 2, Shenzhen Bay Innovation Technology Center, No. 3156 Keyuan South Road, Gaoxin Community, Yuehai Street, Nanshan District, Shenzhen, the People's Republic of China (the "**PRC**") on Friday, 26 June 2026 at 10:00 a.m. for the purposes of considering and, if thought fit, approving the following resolutions. Unless defined otherwise, capitalized terms used in this notice shall have the same meanings as those defined in the circular of the Company dated 5 June 2026.

### ORDINARY RESOLUTIONS

1. To consider and approve the annual financial report of the Company for 2025.

2. To consider and approve the report of the Board for 2025.

3. To consider and approve the report of the Supervisory Committee for 2025.

4. To consider and approve the 2025 Annual Report.

5. To consider and approve the appointment of a non-executive Director.

6. To consider and approve the remuneration for the Directors and the Supervisors.

7. To consider and approve the re-appointment of auditor for 2026.

**SPECIAL RESOLUTIONS**

8. To consider and approve the proposed abolishment of the Supervisory Committee and amendments to the Articles of Association and related corporate governance systems.

9. To consider and approve the proposed adoption of the Share Award Scheme as follows:

"**THAT**:

(a) the rules of the share award scheme of the Company (the "**Share Award Scheme**") (a copy of which has been produced to the meeting marked "A" and signed by the chairman of the meeting for identification purpose) be and are hereby approved and adopted as the share award scheme of the Company, subject to the terms and conditions set out therein; AND THAT the directors of the Company (the "**Directors**") be and are hereby authorised to do such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the Share Award Scheme, notwithstanding that they or any of them may be interested in the same, including without limitation:

(i) implement the Share Award Scheme and to grant awards (whether satisfied by H shares of the Company ("**H Shares**") or cash) to persons eligible under the Share Award Scheme in accordance with the terms of the Share Award Scheme;

(ii) modify and/or amend the Share Award Scheme from time to time provided that such modification and/or amendment is effected in accordance with the terms of the Share Award Scheme and the requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**");

(iii) allot, issue (or transfer, in the case of treasury shares of the Company ("**Treasury Shares**")) and deal with from time to time such number of new H Shares (including Treasury Shares) as may be required to be allotted, issued or transferred pursuant to the Share Award Scheme, in accordance with the terms thereof and in compliance with the Listing Rules; and

(iv) make application at the appropriate time or times to The Stock Exchange of Hong Kong Limited and any other stock exchanges (if appropriate) for the listing of, and permission to deal in, any new H Shares (including Treasury Shares) or any part thereof that may hereafter from time to time be allotted and issued (or transferred in the case of Treasury Shares) pursuant to the Share Award Scheme.

(b) subject to the passing of resolution in the sub-paragraph (a) above, the total number of new H Shares (including Treasury Shares) that may be allotted and issued (or transferred, in the case of Treasury Shares) by the Company in respect of the awards under the Share Award Scheme; and other share awards and/or options over new H Shares (including Treasury Shares) under other share option/award schemes of the Company or its subsidiaries governed by Chapter 17 of the Listing Rules, shall be 10% of the total number of Shares in issue (excluding Treasury Shares) as at the date of passing of this resolution."

10. To consider and approve the service provider sublimit as follows:

"**THAT**: subject to the passing of resolution no. 9 above, the total number of new H Shares (including Treasury Shares) that may be allotted and issued (or transferred, in the case of Treasury Shares) by the Company in respect of the awards under the Share Award Scheme; and other share awards and/or options over new H Shares (including Treasury Shares) under other share option/award schemes of the Company or its subsidiaries governed by Chapter 17 of the Listing Rules, to any eligible service providers of the Company under the Share Award Scheme shall be 3% of the total number of Shares in issue (excluding Treasury Shares) as at the date of passing of this resolution."

11. To consider and approve the granting of general mandate to the Board to, during the Relevant Period, allot, issue and deal with additional Shares (including securities convertible into such Shares) and/or sell treasury shares of the Company not exceeding 20% of the total issued Shares (excluding treasury shares) of the Company as at the date of passing this resolution, and to authorize the Board to (1) make corresponding amendments to the Articles of Association as it thinks fit so as to reflect the new share capital structure upon the allotment or issuance of shares; and (2) formulate and implement any detailed share issuance proposal pursuant to any exercise of the general mandate:

"**THAT**:

(A) (a) subject to paragraph (c) below and in accordance with the relevant requirements of the Listing Rules, the Articles of Association and the applicable laws, rules and regulations of the PRC, the exercise by the Board during the Relevant Period of all the powers of the Company, either separately or concurrently, to allot, issue and deal with additional Shares (including securities convertible into such Shares) and/or sell treasury shares, and to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers be hereby generally and unconditionally approved;

(b) the approval in paragraph (a) above shall authorize the Board during the Relevant Period to make or grant offers, agreements, options and rights of exchange or conversion which might require the exercise of such powers after the end of the Relevant Period;

(c) the aggregate number of Shares allotted, issued and dealt with, or agreed conditionally or unconditionally to be allotted, issued and dealt with (whether pursuant to an option or otherwise) and the number of treasury shares to be sold by the Board pursuant to the approval granted in paragraph (a) shall not exceed 20% of the aggregate number of the issued Shares (excluding treasury shares) as at the date of passing this resolution, other than pursuant to (i) a Rights Issue; or (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; and

(d) for the purposes of this resolution:

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

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of a period of 12 months from the date of passing the relevant resolution at the AGM; or

(iii) the revocation or variation of the authority given under this resolution by a special resolution of the Shareholders of the Company at a general meeting,

"**Rights Issue**" means an offer of Shares open for a period fixed by the Directors to holders of Shares on the register on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions 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 or the requirements of any recognized regulatory body or any stock exchange in any territory outside Hong Kong) and an offer, allotment or issue of Shares by way of rights shall be construed accordingly.

(B) the Board is authorized to (1) make corresponding amendments to the Articles of Association as it thinks fit so as to reflect the new share capital structure upon; and (2) formulate and implement any detailed Share issuance proposal pursuant to, the allotment or issuance of Shares (including securities convertible into such Shares) as provided in sub-paragraph (a) of paragraph (A) of this resolution."

12. To consider and approve the granting of general mandate to the Board to, during the Relevant Period, repurchase issued Shares not exceeding 10% of the total issued H Shares (excluding treasury shares) of the Company as at the date of passing this resolution.

"**THAT**:

(a) By reference to market conditions and in accordance with needs of the Company, repurchase issued H Shares not exceeding 10% of the total number of H Shares (excluding treasury shares) in issue as at the date when this resolution is passed;

(b) the Board be authorised to (including but not limited to the following):

(i) determine detailed repurchase plan(s), including but not limited to repurchase price, number of Shares to be repurchased, timing of repurchase and period of repurchase, etc.;

(ii) open overseas share accounts and carry out the foreign exchange approval and the foreign exchange change registration procedures in relation to transmission of repurchase fund overseas; and

(iii) carry out cancellation procedures for repurchased Shares not held by the Company as treasury shares, reduce registered capital of the Company in order to reflect the amount of Shares repurchased in accordance with the authorization received by the Board under paragraph (a) of this special resolution and make corresponding amendments to the Articles of Association as it thought fit and necessary in order to reflect the reduction of the registered capital of the Company and carry out any other necessary actions and deal with any necessary matters in order to repurchase relevant Shares in accordance with paragraph (a) of this special resolution.

(c) For the purposes of this special resolution, "**Relevant Period**" means the period from the passing of this special resolution until the earliest of:

(i) the conclusion of the next annual general meeting of the Company following the passing of this resolution;

(ii) the expiration of a period of 12 months from the date of passing the relevant resolution at the AGM; or

(iii) the date on which the authority conferred to the Board set out in this resolution is revoked or varied by a special resolution of the Shareholders of the Company at a shareholders' general meeting."

By order of the Board
**Shenzhen Xunce Technology Co., Ltd.**
**Mr. Liu Zhijian**
*Chairperson, Executive Director and Chief Executive Officer*

The PRC, 5 June 2026

*Notes:*

**1. CLOSURE OF REGISTER OF MEMBERS**

For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 23 June 2026 to Friday, 26 June 2026, both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company's H share registrar, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong (for holders of H Shares) not later than 4:30 p.m. on Monday, 22 June 2026 for registration. The record date will be Friday, 26 June 2026.

**2. PROXY**

Shareholders entitled to attend and vote at the AGM may appoint one or more proxies to attend and vote on their behalves. A proxy need not be a Shareholder of the Company.

The instrument appointing a proxy must be in writing under the hand of a Shareholder or his/her attorney duly authorized in writing. If the Shareholder is a corporate body, the form of proxy must be either executed under its common seal or under the hand of its legal representative(s) or director(s) or duly authorized attorney(s). If the form of proxy is signed by the attorney of the Shareholder, the power of attorney or other authorization document authorizing the attorney to sign the proxy form must be notarized.

In order to be valid, the form of proxy together with the power of attorney or other authorization documents (if any) must be lodged at the Company's headquarters and principal place of business in the PRC at 66/F, Tower A, Building 2, Shenzhen Bay Innovation Technology Center, No. 3156 Keyuan South Road, Gaoxin Community, Yuehai Street, Nanshan District, Shenzhen, Guangdong Province, the PRC (for holders of Unlisted Shares) or the Company's H share registrar, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong (for holders of H Shares) not less than 24 hours before the time appointed for the holding of the AGM (i.e. not later than 10:00 a.m. on Thursday, 25 June 2026) or any adjournment thereof (as the case may be). Completion and return of the form of proxy shall not preclude you from attending and voting in person at the AGM should you so wish.

**3. CONTACT DETAILS OF THE COMPANY:**

Address: 66/F, Tower A, Building 2, Shenzhen Bay Innovation Technology Center, No. 3156 Keyuan South Road, Gaoxin Community, Yuehai Street, Nanshan District, Shenzhen, Guangdong Province, the PRC
Liaison: Investor Relations Ms. Chen
Telephone: 0755-86667844
Email: ir@xunctech.com

**4. VOTING BY POLL**

Pursuant to Rule 13.39(4) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, any vote of Shareholders at the AGM must be taken by poll.

**5. OTHER BUSINESS**

The AGM is expected to last for approximately half a day. Shareholders (in person or by proxy) attending the AGM are responsible for their own transportation and accommodation expenses.

References to time and dates in this notice are to Hong Kong time and dates.

The details of the aforesaid resolutions proposed at the AGM are set out in the circular of the Company dated 5 June 2026.

*As at the date of this notice, the Board comprises Mr. Liu Zhijian, Mr. Geng Dawei, Mr. Yang Yang; Mr. Xuan Ran and Mr. Jiang Chunfei as executive Directors; Mr. Cai Xiang as a non-executive Director, and Mr. Wong Ti, Mr. Jiang Changjian and Ms. Tian Jiangchuan as independent non-executive Directors.*