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

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

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COOLPAD GROUP LIMITED
酷派集團有限公司
(incorporated in the Cayman Islands with limited liability)
(Stock Code: 2369)

PROPOSALS FOR
(I) GRANT OF ISSUE MANDATE AND REPURCHASE MANDATE;
(II) RE-ELECTION OF RETIRING DIRECTORS;
(III) RE-APPOINTMENT OF AUDITOR;
(IV) PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME;
(V) PROPOSED AMENDMENTS TO EXISTING ARTICLES;
(VI) PROPOSED CAPITAL REORGANISATION
AND
NOTICE OF 2024 AND 2025 ANNUAL GENERAL MEETINGS

A notice convening the 2024 and 2025 annual general meetings (“AGM”) of the Company to be held at 20th Floor, Block C, Coolpad Building, No. 8 of Gaoxin North 1st Road, North of Hi-tech Park, Nanshan District, Shenzhen, the People’s Republic of China on Friday, 6 June 2025 at 3:00 p.m. is set out on pages 74 to 82 of this circular.

Whether or not you intend to attend and vote at the AGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon to the office of the Company’s branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong as soon as possible and in any event not later than 48 hours before the time of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjourned meeting should you so wish.

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Accompanying: Form of proxy for AGM

DEFINITIONS

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

“2014 Share Option(s)”	the option(s) granted or to be granted under the 2014 Share Option Scheme
“2014 Share Option Scheme”	the share option scheme adopted by the Company on 23 May 2014
“Adoption Date”	the date on which the New Share Option Scheme is adopted by the Shareholders at the AGM
“AGM”	collectively, the 2024 and 2025 annual general meetings of the Company to be convened and held at 20th Floor, Block C, Coolpad Building, No. 8 of Gaoxin North 1st Road, North of Hi-tech Park, Nanshan District, Shenzhen, People’s Republic of China on Friday, 6 June 2025 at 3:00 p.m., the notice of which is set out on pages 74 to 82 of this circular
“Announcement”	the announcement of the Company dated 23 April 2025 in relation to among other things, the proposed Capital Reorganisation and the Proposed Amendments
“Articles” or “Existing Articles”	the amended and restated articles of association of the Company published on 16 June 2022 on the website of the Stock Exchange at www.hkexnews.hk
“associate(s)”	has the same meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	any day on which the Stock Exchange is open for the business of dealing in securities listed thereon
“Capital Reduction”	the proposed reduction of the issued share capital of the Company whereby (a) the par value of each of the issued Consolidated Shares will be reduced from HK\$0.4 to HK\$0.1 by cancelling the paid-up capital to the extent of HK\$0.3 on each issued Consolidated Share and (b) any fractional Consolidated Share in the issued share capital of the Company arising from the Share Consolidation will be cancelled

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“Capital Reorganisation”	collectively, the Share Consolidation, the Capital Reduction and the Share Sub-division
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“CCASS Operational Procedures”	the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as amended from time to time
“Companies Act”	the Companies Act (2025 Revision) of the Cayman Islands, as consolidated and revised
“Company”	Coolpad Group Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the main board of the Stock Exchange
“connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Consolidated Share(s)”	ordinary share(s) of par value of HK\$0.4 each in the share capital of the Company after the Share Consolidation becoming effective
“core connected person(s)”	has the same meaning ascribed to it under the Listing Rules
“Court”	the Grand Court of the Cayman Islands
“Directors”	the directors of the Company
“Eligible Participants”	any Employee Participant, any Related Entity Participant and any Service Provider
“Employee Participants”	the directors (including independent non-executive directors), officers (who are also directors and/or employees) and employees (whether full-time or part-time) of any member of the Group (including persons who are granted Options under the New Share Option Scheme as inducement to enter into employment contracts with any member of the Group)

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“Existing Share(s)”	ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company before the Share Consolidation becoming effective
“General Rules of CCASS”	the terms and conditions regulating the use of CCASS as amended from time to time, and where the context so permits, shall include the CCASS Operational Procedures
“Grantee”	any Eligible Participant who accepts the Offer in accordance with the terms of the New Share Option Scheme
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	the proposed general mandate to be granted to the Directors at the AGM to allot, issue and deal with new Shares up to 20% of the number of Shares in issue as at the date of passing of an ordinary resolution granting such mandate
“Latest Practicable Date”	13 May 2025, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“New Articles”	the Existing Articles incorporating and consolidating all the Proposed Amendments
“New Share Option(s)”	any option(s) to subscribe for Shares pursuant to the New Share Option Scheme
“New Share Option Scheme”	the share option scheme of the Company proposed to be approved and adopted by the Shareholders at the AGM

DEFINITIONS

“New Shares”	ordinary share(s) of par value of HK\$0.1 each in the share capital of the Company upon the Capital Reorganisation becoming effective
“Offer”	an offer to an Eligible Participant for the grant of a New Share Option
“Offer Date”	the date on which a New Share Offer is made to an Eligible Participant
“Option Period”	in respect of any particular New Share Option, the period to be determined and notified by the Company to the Grantee thereof at the time of making a New Share Offer provided that such period shall not go beyond the day immediately prior to the tenth anniversary of the Offer Date with respect to the relevant New Share Option
“PRC”	the People’s Republic of China and for the purpose of this circular, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Proposed Amendments”	the proposed amendments to the Existing Articles set out in Appendix IV to this circular
“Related Entity”	the holding companies, fellow subsidiaries or associated companies of the Company
“Related Entity Participants”	any director, chief executive (who are also directors and/or employees) and employee of the Related Entity
“Remuneration Committee”	remuneration committee of the Board
“Repurchase Code”	the Code on Share Buy-backs of Hong Kong
“Repurchase Mandate”	the proposed general mandate to be granted to the Directors at the AGM to exercise the powers of the Company to buy back the fully paid up Shares up to 10% of the number of Shares in issue as at the date of passing of the ordinary resolution granting such mandate
“Scheme Mandate Limit”	has the meaning defined in the section headed “9. Maximum number of Shares available for issue” in Appendix III

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“Senior Manager”	has the meaning as defined in Rule 17.01A of the Listing Rules
“Service Provider Sub-Limit”	has the meaning defined in the section headed “9. Maximum number of Shares available for issue” in Appendix III
“Service Providers”	any person (other than an Employee Participant or a Related Entity Participant, solely with respect to rendering services in such person’s capacity as an employee or director) providing services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group as determined by the Board pursuant to the criteria set out in the sections headed “4. Eligible Participants and eligibility” in Appendix III. Service Providers may include persons who work for the Group as independent contractors where the continuity and frequency of their services are akin to those of employees. For the avoidance of doubt, (i) placing agents or financial advisors providing advisory services for fundraising or mergers or acquisitions; or (ii) professional service providers including auditors or valuers, legal advisors and all other similar roles, who provide assurance or are required to perform their services with impartiality and objectivity shall not be Service Provider Participants for the purposes of the New Share Option Scheme
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the Existing Share(s), the Consolidated Share(s) and/or the New Share(s) (as the case may be)
“Share Consolidation”	the proposed consolidation of every forty (40) issued and unissued Existing Shares of par value of HK\$0.01 each into one (1) Consolidated Share of par value of HK\$0.4 each in the share capital of the Company
“Share Registrar”	the Company’s Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Shops 1712–16, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong

DEFINITIONS

“Share Sub-division”	the proposed sub-division of each authorised but unissued Consolidated Share of par value of HK\$0.4 each into four (4) authorised and unissued New Shares of par value of HK\$0.1 each
“Shareholders”	the holder(s) of the Share(s)
“SIG”	SAI Growth Fund I, LLLP, a limited liability limited partnership formed in the State of Delaware, the United States of America
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers
“Termination Date”	close of business of the Company on the date which falls on the date immediately prior to the tenth anniversary of the Adoption Date
“Warrant(s)”	the warrant(s) subscribed or to be subscribed under the Warrant Subscription Agreement
“Warrant Subscription Agreement”	the warrant subscription agreement dated 4 October 2021 entered into between the Company and SIG, under which the Company conditionally agreed to issue to SIG the Warrants conferring the rights to subscribe for a maximum number of 800,000,000 Existing Shares
“%”	per cent.



COOLPAD GROUP LIMITED

酷派集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2369)

Executive Directors:

Mr. Chen Jiajun (*Chairman and Chief Executive Officer*)

Mr. Ma Fei

Ms. Liu Juan

Non-executive Directors:

Mr. Ng Wai Hung

Mr. Liang Rui

Mr. Xu Yibo

Independent non-executive Directors:

Mr. Cheuk Ho Kan

Ms. Wang Guan

Mr. Guo Jinghui

Registered office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

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

Coolpad Information Harbor

No. 8 of Gaoxin North 1st Road

Hi-Tech Industry Park (Northern)

Nanshan District

Shenzhen

*Principal place of business
in Hong Kong:*

Room 1506, 15/F.

Wing On Centre

111 Connaught Road Central

Hong Kong

14 May 2025

To the Shareholders

Dear Sir/Madam,

PROPOSALS FOR
(I) GRANT OF ISSUE MANDATE AND REPURCHASE MANDATE;
(II) RE-ELECTION OF RETIRING DIRECTORS;
(III) RE-APPOINTMENT OF AUDITOR;
(IV) PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME;
(V) PROPOSED AMENDMENTS TO EXISTING ARTICLES;
(VI) PROPOSED CAPITAL REORGANISATION
AND
NOTICE OF 2024 AND 2025 ANNUAL GENERAL MEETINGS

LETTER FROM THE BOARD

INTRODUCTION

The purpose of this circular is to provide you with information regarding certain resolutions to be proposed at the AGM to enable you to make an informed decision on whether to vote for or against those resolutions.

At the AGM, resolutions will be proposed for the Shareholders to approve, if thought fit among other things, (i) the grant of the proposed Issue Mandate, the proposed Repurchase Mandate and the extension of the Issue Mandate; (ii) the proposed re-election of retiring Directors pursuant to Article 83(3) and 84(1) of the Articles; (iii) re-appointment of auditor; (iv) proposed adoption of New Share Option Scheme; (v) proposed amendments to Existing Articles; and (vi) the proposed Capital Reorganisation.

1. 2024 AND 2025 ANNUAL GENERAL MEETINGS

The last annual general meeting of the Company was held on 21 June 2023. Since there was a delay in completing the audit of the Group's annual results for the year ended 31 December 2023 following the resignation of the Company's former auditor, Ernst & Young, on 28 March 2024, the AGM of the Company was not held in 2024. The Board proposes that the annual general meeting for the years 2024 and 2025 be held concurrently.

2. PROPOSED ISSUE MANDATE AND REPURCHASE MANDATE

At the AGM, amongst others, the following ordinary resolutions will be proposed:

- (a) to grant the Issue Mandate to the Directors to allot, issue and otherwise deal with new Shares up to 20% of the number of Shares in issue as at the date of passing of the ordinary resolution granting such mandate;
- (b) to grant the Repurchase Mandate to the Directors to exercise the powers of the Company to repurchase Shares up to a maximum of 10% of the number of Shares in issue as at the date of passing of the ordinary resolution granting such mandate; and
- (c) to extend the Issue Mandate by an amount representing the number of Shares repurchased by the Company pursuant to and in accordance with the Repurchase Mandate.

As at the Latest Practicable Date, the number of Shares in issue was 16,381,007,955 Shares. Accordingly, the exercise of the Issue Mandate in full would enable the Company to issue a maximum of 3,276,201,591 new Shares (assuming no Share is issued or repurchased after the Latest Practicable Date and up to the passing of the relevant resolution). The Directors believe that the granting of the Issue Mandate will provide flexibility and discretion to the Directors in the event that the Company becomes desirable to issue new Shares to raise capital, and it is in the best interests of the Company and the Shareholders to continue to have a general authority from the Shareholders to enable the Directors to repurchase Shares on the market. Such

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

An explanatory statement, required by the Listing Rules, on the Repurchase Mandate is set out in Appendix I to this circular. It contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolutions.

3. PROPOSED RE-ELECTION OF RETIRING DIRECTORS

As at the Latest Practicable Date, the executive Directors were Mr. Chen Jiajun, Mr. Ma Fei and Ms. Liu Juan, the non-executive Directors were Mr. Liang Rui, Mr. Ng Wai Hung and Mr. Xu Yibo and the independent non-executive Directors were Mr. Guo Jinghui, Ms. Wang Guan and Mr. Cheuk Ho Kan.

Ms. Wang Guan has been appointed by the Board as an independent non-executive Director with effect from 11 October 2023. Mr. Cheuk Ho Kan has been appointed by the Board as an independent non-executive Director with effect from 8 January 2024. Ms. Liu Juan has been appointed as an executive Director with effect from 2 August 2024. Pursuant to Article 83(3) of the Articles, Ms. Wang Guan, Mr. Cheuk Ho Kan and Ms. Liu Juan shall hold office until the AGM and shall then be eligible for re-election. Ms. Wang Guan, Mr. Cheuk Ho Kan and Ms. Liu Juan will offer themselves for re-election at the AGM.

Pursuant to Article 84(1) of the Articles, Mr. Guo Jinghui, Mr. Liang Rui and Mr. Xu Yibo shall retire from their respective offices at the AGM, and, being eligible, will offer themselves for re-election.

Details of the Directors proposed to be re-elected at the AGM are set out in Appendix II to this circular.

4. RE-APPOINTMENT OF AUDITOR

Zhonghui Anda CPA Limited was appointed by the Board as the auditor of the Company with effect from 16 April 2024 to fill the vacancy following the resignation of Ernst & Young on 28 March 2024. Zhonghui Anda CPA Limited will retire as the auditor of the Company at the AGM and, being eligible, offer itself for re-appointment as the auditor of the Company.

The Board proposed to re-appoint Zhonghui Anda CPA Limited as the auditor of the Company and to hold office until the conclusion of the next annual general meeting of the Company, subject to the approval of the Shareholders at the AGM.

An amount of (i) approximately HK\$2.42 million was charged by Zhonghui Anda CPA Limited for providing audit services in relation to the Group's financial statements for the year

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ended December 31, 2023; and (ii) approximately HK\$2.30 million was charged by Zhonghui Anda CPA Limited for providing audit services in relation to the Group's financial statements for the year ended December 31, 2024.

5. PROPOSED ADOPTION OF NEW SHARE OPTION SCHEME

2014 Share Option Scheme

The Company adopted the 2014 Share Option Scheme pursuant to the resolution passed by the Shareholders at the annual general meeting held on 23 May 2014. The 2014 Share Option Scheme has a term of ten (10) years and has expired on 22 May 2024. Upon the expiry of the 2014 Share Option Scheme, no further 2014 Share Options can be granted thereunder, but its provisions shall remain in full force and effect to the extent necessary to give effect to the exercise of any options granted thereunder prior to its expiry which remain outstanding, and the exercise of such 2014 Share Options shall be subject to and in accordance with the terms on which they were granted, the provisions of the 2014 Share Option Scheme and the Listing Rules.

In order to continue to provide the Company with a flexible means of giving incentive or rewards to Eligible Participants for their retention and contribution or potential contribution to the Group, the Board proposes that the New Share Option Scheme be approved and adopted by the Shareholders at the AGM.

Apart from the 2014 Share Option Scheme, the Company had no other subsisting share schemes as at the Latest Practicable Date.

As at the Latest Practicable Date, the Company had 553,943,382 outstanding 2014 Share Options granted under the 2014 Share Option Scheme, the details of which are set out below:

Category of the participants	Number of options as at the Latest Practicable		Date of grant	Exercise period	Exercise price of the option (HK\$ per share)
	Date				
Directors (in aggregate)	10,882,352		8 April 2021	9 April 2022 to 8 April 2026	0.4686
Sub-total	<u>10,882,352</u>				

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Category of the participants	Number of options as at the Latest Practicable Date	Date of grant	Exercise period	Exercise price of the option (HK\$ per share)
Employees (in aggregate)	223,061,030	8 April 2021	9 April 2022 to 8 April 2026	0.4686
Employees (in aggregate)	320,000,000	27 December 2023	28 December 2024 to 27 June 2027	0.075
Sub-total	<u>547,005,884</u>			
Total	<u><u>553,943,382</u></u>			

The outstanding 2014 Share Options shall continue to be valid and exercisable during the prescribed exercisable period in accordance with the 2014 Share Option Scheme.

Adoption of the New Share Option Scheme

To enable the Company to continue to grant share options as incentive or rewards to the Eligible Participants, the Board proposes to recommend to the Shareholders at the AGM to approve and adopt the New Share Option Scheme. After adoption of the New Share Option Scheme and prior to grant of any New Share Options to the Eligible Participants, the Company will apply to the Listing Committee of the Stock Exchange for the listing of and permission to deal in the new Shares to be issued upon exercise of the New Share Options to be granted.

A summary of the principal terms of the New Share Option Scheme is set out in Appendix III to this circular.

Purpose of the New Share Option Scheme

The purpose of the New Share Option Scheme is set out in the section headed “1. Purpose and duration” in Appendix III.

Conditions

The conditions for the adoption of the New Share Option Scheme are set out in the section headed “2. Conditions precedent” in Appendix III.

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Eligible Participants

The Eligible Participants and the criteria for determination of their eligibility are set out in the section headed “4. Eligible Participants and eligibility” in Appendix III.

Eligible Participants include any Employee Participant, Related Entity Participant or Service Provider who the Board or the Remuneration Committee considers, in their sole discretion, to have contributed or will contribute to the Group.

In assessing the eligibility of Employee Participants, the Board will consider, among others, their performance; time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; the length of employment or office with the Group; and the contribution or potential contribution to the development and growth of the Group. The Directors are of the view that the criteria for the selection of Employee Participant aligns with the market practice of providing incentives to Employee Participants to work towards achieving the long-term objectives for the benefit of the Group as a whole.

In assessing the eligibility of Related Entity Participants, the Board will consider, among others, their participation and contribution to the development of the Group and/or the extent of benefits and synergies brought to the Group.

The Board will consider the following in determining the eligibility of each category of the Service Providers:

(i) Suppliers of products or services

Service Providers under this category comprises (a) suppliers of products or services, including suppliers of mobile phones and accessories and wireless application services within the principal activities of the Group; (b) agents in relation to the marketing, promotion and/or distribution of mobile phones and accessories; and (c) technical consultants who will only providing technical consultancy and services in relation to the Group’s mobile phones and accessories business, mobile internet services and supporting the development of new market opportunities. For the avoidance of doubt, (i) placing agents or financial advisors providing advisory services for fundraising, mergers or acquisitions; or (ii) professional service providers including auditors or valuers, legal advisors and all other similar roles, who provide assurance or are required to perform their services with impartiality and objectivity shall not be Service Provider Participants for the purposes of the New Share Option Scheme. The inclusion of the proposed categories of Service Providers as non-employee participants are in line with the Group’s business needs and the industry norm of providing equity based payment to stakeholders instead of cash in order to align interests, and incentivise performance and contribution, as it is desirable and necessary to sustain and foster these business relationships on a long-term basis. When considering eligibility of, and the terms of grant to the Service Providers under this

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category, the Board will consider, among others: (a) the nature, scope and frequency of products and/or services supplied; (b) the reliability and quality of products and/or services supplied; and (c) their potential and/or actual contribution or significance to the financial performance and business development of the Group, evaluated in terms of the revenue generated from such supply, the aggregate supply volume, the procurement cost and the contract value.

(ii) *Business partners*

Service Providers under this category comprises business partners, including distributors, joint venture partners or other contractual parties, which may be entities in the mobile phone, property investment and other business industries in which the Group operates from time to time that collaborate with the Group on continuing or discrete projects. When considering eligibility of, and the terms of grant to the Service Providers under this category, the Board will consider, among others: (a) the nature and scope of the collaborating projects; (b) their knowledge, expertise, know-how and network in the industry; and (c) their potential and/or actual contribution or significance to the financial performance and business development of the Group, evaluated in terms of the revenue generated from such engagement, the expenses in establishing and maintaining collaboration and the contract value.

Aligning with the purpose of the New Share Option Scheme (and other share scheme(s), where applicable), remunerating the Related Entity Participants and Service Providers of the Group with equity incentives can serve as a recognition of their know-how and expertise that has contributed and/or will contribute to the development of the Group. The Directors (including the independent non-executive Directors) consider that granting New Share Options to the Related Entity Participants and Service Providers will align their long-term interests with those of the Group and the Shareholders, whilst maintaining the necessary flexibility for the Board or the Remuneration Committee to exercise their discretion in determining which individuals or entities have provided or will provide significant value to, or have or will have an important role in the Group's long-term growth.

The Directors consider that, notwithstanding that the Company did not grant any share options or award shares to its Related Entity Participants and Service Providers in the past, the inclusion of each of the Related Entity Participants and proposed categories of Service Providers are in line with the Company's business needs in its principal business activities in the mobile phone, property investment and other business industries, the industry norm of offering equity-based compensation to stakeholders, desirable and necessary from a commercial perspective and help maintain or enhance the competitiveness of the Group,

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and the criteria for the election of Eligible Participants (including both Related Entity Participants and Service Providers) and the terms of the Grant align with the purpose of the New Share Option Scheme, based on the following reasons:

- (i) Although Related Entity Participants may not be directly appointed or employed by the members of the Group (who would otherwise be categorised as Employee Participants), they are nonetheless valuable assets to the Group given their close corporate and collaborative relationships with the Group, as well as involvement in joint work projects in close connection with the Group's business. In particular, for those Related Entities in which the Group has significant interest, their growth and development would contribute to the financial performance of the Group, thereby allowing the Group to share and benefit from the positive results of these companies. As such, the Company recognises the importance of their past or future contribution and wishes to incentivise them by including them as Eligible Participants and granting Options to them accordingly based on their performance, taking into account, among others, (a) the contribution to the returns and benefits of the Group's investment and/or interest in the Related Entity; (ii) the business synergy and opportunities brought by them to the Group and/or the Related Entity; and (iii) whether they should be rewarded to further motivate their performance for the benefit of the Group and/or the Related Entity, which may in turn further strengthen the collaboration and ties with Group. It is therefore in the interest of the Company and the Shareholders, and is in line with the objectives of the New Share Option Scheme to include the Related Entity Participants in recognition of their contribution to the Company, even though they may not be directly working as an employee or officer of the Group.
- (ii) The Group has collaborated with suppliers, technical consultants and agents in the Group's principal business activities in development, marketing, promotion and/or distribution of mobile phones and accessories, and the provision of wireless application services. This category of Service Providers possesses industry-specific resources, knowledge and expertise with extensive understanding and experience of the market. They assist the Group in formulating appropriate business and product strategies and plans, carrying out the production, launch and promotion of mobile phones and accessories and enhancing its overall competitiveness, the actual or potential degree or scope of cooperation with the Group which is or likely to be beneficial to the operation of the Group's ordinary and usual course of business. It is believed that a sustainable and collaborative working relationship with these Service Providers is vital for the smooth and efficient business operation and the long-term development of the Group.

Such suppliers, technical consultants and agents may not be able to serve as full-time or part-time employees, directors or officers of the Group for various reasons, including their preference or compliance with legal requirements to be engaged on self-employment basis, and/or their industry experience which is

LETTER FROM THE BOARD

highly regarded by comparable companies and thus unwillingness to serve the Group exclusively. The Board considers that it is in line with industry norm to co-operate with such seasoned professionals by engaging them as service providers instead of employing them as full-time or part-time employees. Taking into account the nature and norm of the mobile phone industry, the Group values these Service Providers' expertise, familiarity with the businesses and operation of the Group and the industry in general and their deep understanding of the Group, and considers that their contribution to the Group is similar to those of the employees of the Group. The Board is of the view that apart from the contributions from employees and directors of the Group, the success of the Group also requires the co-operation and contribution from such kind of suppliers, technical consultants and agents who provide or will provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business. The grant of New Share Options to the Service Providers will incentivise such Service Providers to provide quality services and/or products to the Group on a long-term basis, strengthen their loyalty to the Group and thus maximise their performance efficiency.

- (iii) The Group also collaborates with business partners, including distributors, joint venture partners or other contractual parties, which may be entities in the mobile phone, property investment and other business industries in which the Group operates from time to time on continuing or discrete projects. This category of Service Providers possesses expertise, resources and external business connections in the key business areas of the Group and allows the Group to more effectively plan and implement its future strategies for long-term growth. They can assist the Group to develop and tap into new markets and/or increase the market share, and create business opportunities for and contribute financially to the Group on a continuing basis. It is beneficial to allow flexibility in granting New Share Options to these business partners of the Group as additional reward such that they can be encouraged to continue to support the business development of the Group and participate in enhancing the future prospects of the Group to a greater extent, for example, by offering industry-specific advice to the Group, making referrals of external business opportunities to the Group, and/or acting as a bridge between the Group and other businesses and brands in regions where the Group has operations which may bring collaboration opportunities.
- (iv) Taking into account that (a) it is not always easy to find and engage experienced and resourceful qualified Service Providers; (b) lengthy period of time may be required to carry out and complete a mobile phone project; and (c) change of Service Provider(s) during the course of project may have detrimental impact to the business, the Board considers that it is appropriate to have the flexibility in granting New Share Options instead of cash reward or other settlement to the Service Providers since the grant of New Share Options will offer incentives that are more long-lasting and promising than one-off payments and allow the Group

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to more efficiently allocate its financial resources by retaining more cash. Further, the inclusion of the proposed categories of Service Providers as non-employee participants are in line with the Group's business needs and the industry norm of providing equity based payment to stakeholders (such as TCL Electronics Holdings Limited (stock code: 1070), Xiaomi Group (stock code: 1810) and Kingsoft Corporation (stock code: 3888)) in order to align interests and incentivise performance and contribution, as it is desirable and necessary to sustain and foster these business relationships on a long-term basis, with a view that, having their contribution recognised and their interests aligned with the Group's, the Service Providers will be better motivated to maintain a long term stable cooperation relationship with the Group and support the development of the Group in a sustainable manner.

- (v) As mentioned above, the Board will take into account of numerous qualitative and quantitative factors when assessing the eligibility of and contribution (or potential contribution) made or to be made by the different categories of non-employee Eligible Participants on a case-by-case basis and, in particular, each category of Service Providers will be evaluated against additional aspects. As further explained below, the Board also has the discretion to impose different terms and conditions (including but not limited to vesting conditions) on New Share Options to be granted to these Eligible Participants, which allows the Board to have great flexibility to impose appropriate conditions in light of the particular circumstances of each grant such that the Group can attract and retain valuable human resources.

Apart from the invaluable contributions from employees of the Group, the success of the Group also requires the co-operation and contribution from the Service Providers as stated above, who provide or will provide services to the Group on a continuing and recurring basis in its ordinary and usual course of business. The Board considers that the inclusion of the Service Providers to participate in the New Share Option Scheme is consistent with the purpose of the scheme, as it enables the Company to grant New Share Options as incentives or rewards to attract personnel outside the Group to promote the sustainable development of the Group and align the mutual interests of each party, as both the Company and the Service Providers have a common goal in the growth and development of the Group's business and share the additional reward through their continuous contribution.

The independent non-executive Directors reviewed and considered the terms of the New Share Option Scheme and the proposed categories of Service Providers and Related Entity Participants. The independent non-executive Directors are of the view that for all the reasons set out in this circular, (i) the inclusion of the Service Providers and Related Entity Participants aligns with the purpose of the New Scheme Option Scheme and the long term interests of the Company and its shareholders; and (ii) the proposed categories of Service Providers and Related Entity Participants are in line with the Company's business needs or the industry norm; and (iii) the criteria for the selection of Eligible Participants and the

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terms of the grants (such as vesting requirements and performance targets, if any) align with the purpose of the New Share Option Scheme.

While the Eligible Participants include independent non-executive Directors, the Company is of the view that the independence and impartiality of the independent non-executive Directors would not be affected by any possible grant of the New Share Options as (a) the independent non-executive Directors must continue to comply with the independence requirement under Rule 3.13 of the Listing Rules; (b) as set out in the section headed “10. Grant of Options to a director, chief executive or substantial shareholder of the Company or any of their associates” in Appendix III, certain grants to them will require approval by the independent Shareholders; and (c) before making any grants to any independent non-executive Director, the Board will always be mindful of the recommended best practice E.1.9 of the Corporate Governance Code in Appendix C1 to the Listing Rules which recommends that issuers should generally not grant equity-based remuneration with performance-related elements to independent non-executive directors.

Scheme Mandate Limit and Service Provider Sub-limit

The total number of Shares which may be issued in respect of all New Share Options which may be granted under the New Share Option Scheme is set out in the section headed “9. Maximum number of Shares available for issue” in Appendix III.

As at the Latest Practicable Date, the number of issued Shares was 16,381,007,955 Shares. Assuming that there will be no change in the number of issued Shares between the Latest Practicable Date and the Adoption Date, (a) the total number of Shares which may be issued upon exercise of all New Share Options to be granted under the New Share Option Scheme together with all options and awards which may be granted under any other share schemes for the time being of the Company would be 1,638,100,795 Shares, representing approximately 10% of the Shares in issue as at the Adoption Date; and (b) the total number of Shares that may be issued under the New Share Option Scheme together with all options and awards which may be granted under any other share schemes of the Company to the Service Providers would be no more than 163,810,079 Shares, representing no more than approximately 1% of the total number of Shares in issue as at the Adoption Date.

The Service Provider Sub-limit is determined based on the maximum possible number of New Share Options that the Company intends to grant to Service Provider Participants and the Company’s future business and development plan.

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The Board is of the view that the Service Provider Sub-limit is appropriate and reasonable given the nature of the industries in which the Group operates and the Group's current and future business needs, taking into account the following factors:

- (i) the potential dilution effect arising from grants to Service Providers, the importance of striking a balance between achieving the purpose of the New Share Option Scheme and protecting Shareholders from the dilution effect from granting the New Share Options to the Service Providers;
- (ii) the rationale behind the scope and eligibility criteria of Service Provider Participants, and the importance and significance of Service Providers to facilitate the long-term and sustainable growth of the Group;
- (iii) the valuable and commercially irreplaceable services provided and to be provided by the Service Providers;
- (iv) the business expansion and development needs of the Group, which may require further engagement of Service Providers;
- (v) there are no other share schemes involving grant of options over new Shares of the Company;
- (vi) the Service Providers have contributed to the long-term growth of the Company's business, and that the Scheme could provide incentives to the Service Providers which supply reliable and high-quality services to the Group on a long-term basis;
- (vii) the fact that the Service Provider Sub-limit represents a maximum limit and that the Company retains the flexibility to New Share Options from the Service Provider Sub-limit to satisfy New Share Options to other Eligible Participants depending on business growth and needs in the future as and when appropriate. Where the Company considers that the business needs of the Group at a future point in time suggests that the full Service Provider Sub-limit is no longer needed for Service Provider Participants and that it would be more appropriate and beneficial to serve the purpose of the New Share Option Scheme to allocate a portion of the New Share Options under this sub-limit to other Eligible Participants; and
- (viii) the service provider sub-limits (as a percentage of the scheme mandate limit) proposed or adopted by other companies listed on the Stock Exchange.

Each of the Scheme Mandate Limit and Service Provider Sub-limit is subject to separate approval by the Shareholders at the AGM.

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Vesting Period

The vesting period of the New Share Options is set out in the section headed “6. Vesting period” in Appendix III. The same section also sets out circumstances in which the Board may grant New Share Options with a vesting period shorter than 12 months.

Save for the circumstances prescribed below, a New Share Option must be held by the Grantee for at least twelve (12) months before the New Share Option can be exercised.

The Vesting Period in respect of any New Share Option granted to any Eligible Participant shall not be less than 12 months from the date of acceptance of the Offer, provided that where the Eligible Participant is:

- (i) an Employee Participant who is a Director or a Senior Manager, the Remuneration Committee may; or
- (ii) an Employee Participant who is not a Director or a Senior Manager, the Board may,

in its absolute discretion, determine a vesting period shorter than twelve (12) months in the following circumstances:

- (a) grants of “make-whole” New Share Options to new joiners to replace the share options they forfeited when leaving the previous employers;
- (b) grants to a participant whose employment is terminated due to death or occurrence of any out of control event;
- (c) grants that are made in batches during a year for administrative and compliance reasons, which include New Share Options that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. These may include cases where employees with different employment terms may be entitled to grants at different time periods, or such period may fall under the restriction period for grant under the Listing Rules which include options that should have been granted earlier but had to wait for subsequent batch. In such cases, the vesting periods may be shorter to reflect the time from which an award would have been granted;
- (d) grants of New Share Options with a mixed or accelerated vesting schedule such as where the New Share Options may vest evenly over a period of twelve (12) months. These may include cases to reward or motivate exceptional performers by using a mixed vesting schedule which combines time-based, performance-based and/or event-based vesting conditions, or using an accelerated

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vesting schedule which allows options to be vested earlier than planned upon specific trigger events (such as early achievement of performance target or completion of a project); or

- (e) grants with performance-based vesting conditions in lieu of time-based vesting criteria. The Board shall have the discretion right to determine any performance target that must be met for the vesting of the New Share Options and may impose conditions where the vesting conditions will be based on performance results. In such cases, the New Share Options may be vested if the performance target is met, even if it is less than twelve (12) months from the date of grant.

The vesting period for a New Share Option shall not be less than 12 months, save where the Board or the Remuneration Committee determines a shorter vesting period under the circumstances more particularly described above. Such circumstances may (i) provide flexibility to grant New Share Options as part of competitive terms to induce valuable talents to join the Group (paragraph (a) above); (ii) reward past contribution which may otherwise be neglected due to administrative or technical reasons (paragraphs (b) and (c) above), and to ensure that the employees' rewards, earned through prior contributions, are not forfeited due to factors beyond their control; (iii) reward exceptional performers with accelerated vesting (paragraphs (d) and (e) above); and (iv) to motivate exceptional performers based on performance metrics rather than time (paragraph (e) above). As there are certain instances where a strict 12-month vesting requirement would not work or would not be fair to the Eligible Participants, to ensure the practicability in fully attaining the purpose of the New Share Option Scheme, there is a need for the Company to retain flexibility to reward exceptional performers with accelerated vesting or in exceptional circumstances as prescribed above where justified and the Company should be allowed discretion to formulate its own talent recruitment and retention strategies in response to the changing market conditions and industry competition, and thus should have flexibility to impose vesting conditions such as performance-based vesting conditions instead of time-based vesting criteria depending on individual circumstances. The Board and the Remuneration Committee are of the view that such arrangements are appropriate because they are in line with the requirements under the Listing Rules and market practice, and give the Company flexibility to provide a competitive remuneration package to reward exceptional performers with accelerated vesting or in exceptional circumstances as prescribed in this circular where justified, which is in line with the purpose of the New Share Option Scheme.

As such, it is considered that by having the flexibility of having a shorter vesting period in accordance with the circumstances provided under the section headed "6. Vesting period" in Appendix III, the Group will be in a better position to attract and retain such Eligible Participants to continue serving the Group whilst at the same time providing them with further incentive in achieving the goals of the Group, and thereby, to achieve the purpose of the New Share Option Scheme. Hence, the Board and the Remuneration Committee are of the view that the shorter vesting period prescribed in the section headed

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“6. Vesting period” in Appendix III is in line with the market practice and is appropriate and aligns with the purpose of the New Share Option Scheme.

Performance targets and clawback mechanism

Save as determined by the Board and provided in the offer letter of the grant of a New Share Option, the New Share Option Scheme does not stipulate any performance target which must be achieved before a New Share Option can be exercised. The clawback mechanism is set out in the section headed “25. Clawback” in Appendix III.

The Board emphasizes that while no performance targets are expressly stipulated in the New Share Option Scheme, the Board may determine and set out tailored performance targets in the offer letter of grant for a specific grantee. The Board believes that the aforesaid will provide the Board with more flexibility in setting the terms and conditions of the New Share Options under particular circumstances of each grant on a case-by-case basis and facilitate the Board’s aim to offer meaningful incentives to attract and retain quality personnel that are valuable to the development of the Group and for the benefit of the Group and the Shareholders as a whole which aligns with the purpose of the New Share Option Scheme. The Board may, in its absolute discretion, specify any conditions (including performance targets (if any)) which must be satisfied before a New Share Option may be vested. If performance targets are imposed on a Grantee upon the grant of New Share Options, the Board will have regard to the purpose of the New Share Option Scheme in assessing such performance targets with reference to factors including but not limited to, as and when appropriate, (a) business performance (e.g. revenue of the Group for the relevant financial year); (b) operating performance (e.g. operation efficiency in terms of cost control); (c) financial performance (e.g. net profit of the Group for the relevant financial year); (d) market value of the Company; (e) creation of capital value for the Group’s business segments (e.g. revenue or profit of relevant business segment for the relevant financial year); (f) individual performance appraisal results for the relevant year (e.g. work capabilities, discipline and integrity); and/or (g) other targets to be determined in the sole discretion of the Board, the satisfaction of which shall be assessed and determined by the Board at its sole discretion.

The Group will utilise its internal assessment system to appraise and evaluate the performance targets applicable to each grant of New Share Options on a case-by-case basis. The Company will consider the past contributions of an Eligible Participant with reference to the factors set out above and form an internal assessment as regards the future value that such Eligible Participant may bring to the growth and development of the Group.

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General

As at the Latest Practicable Date,

- (i) the Company has not engaged any trustee for administration of the New Share Option Scheme. If the Company is to engage any trustee in the future, such trustee will not be a Director and no Director will have any direct or indirect interest in the trustee;
- (ii) the Company does not have any share option scheme or share award scheme, other than the 2014 Share Option Scheme;
- (iii) the Company has not formulated any plan to grant New Share Options under the New Share Option Scheme in the coming 12 months. The Company will continue to assess from time to time whether there is a need to formulate such plan; and
- (iv) to the best knowledge of the Board and having made all reasonable enquiries, no Shareholder has any material interest in the proposed adoption of the New Share Option Scheme and no Shareholder is required to abstain from voting on the resolution in relation thereto.

Based on the above, the Board considers that the adoption of the New Share Option Scheme is in the interests of the Company and the Shareholders as a whole, and would enable the purpose of the New Share Option Scheme to be achieved. Accordingly, the Directors recommend all Shareholders to vote in favour of the relevant resolutions to be proposed at the AGM.

The Company understands that whilst the New Share Option Scheme is not restricted to executives and employees of the Group, the adoption of the New Share Option Scheme would not constitute an offer to public and prospectus requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) is not applicable.

A copy of the New Option Scheme will be published on the websites of the Company (www.coolpad.com.hk) and the Stock Exchange (www.hkexnews.hk) for a period of 14 days before the date of the AGM and will be available for inspection at the AGM.

6. PROPOSED AMENDMENTS TO EXISTING ARTICLES

The Board has resolved to put forward to the Shareholders for approval of a special resolution to amend the Existing Articles and to adopt the New Articles for the purposes of aligning with the new requirements in relation to the expanded paperless listing regime and the electronic dissemination of corporate communications by listed issuers under the amendments on the Listing Rules with effect from 31 December 2023 and incorporating certain consequential and housekeeping changes.

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The Board is of the view that the Proposed Amendments and the adoption of the New Articles are in the interests of the Company and the Shareholders as a whole.

The proposed adoption of the New Articles is subject to the approval of the Shareholders by way of a special resolution at the AGM and shall take effect upon the close of the AGM if so approved.

Shareholders are advised that the New Articles is written in English, and the Chinese translation of the amendments to the Existing Articles provided in the Chinese version of this circular is for reference only. In case of any discrepancy or inconsistency, the English version shall prevail.

The Company's legal advisors as to Hong Kong laws have confirmed that the Proposed Amendments conform with the requirements of the Listing Rules, and the Company's legal advisors as to Cayman Islands laws have confirmed that the Proposed Amendments do not violate Cayman Islands law. The Company has also confirmed that there is nothing unusual about the Proposed Amendments for a company listed on the Stock Exchange.

7. PROPOSED CAPITAL REORGANISATION

Reference is made to the Announcement in relation to the Capital Reorganisation, which will involve the Share Consolidation, the Capital Reduction and the Share Sub-division.

The Board proposes to implement the Capital Reorganisation as follows. The expected timetable (for indicative purpose only) for the implementation of the Capital Reorganisation is set out in Appendix V to this circular.

(i) Share Consolidation

The Share Consolidation will involve a consolidation of every forty (40) issued and unissued Existing Shares of par value of HK\$0.01 each into one (1) Consolidated Share of par value of HK\$0.4 each.

(ii) Capital Reduction

Immediately upon the Share Consolidation becoming effective, the Capital Reduction will be implemented which will involve (a) a reduction of the par value of each issued Consolidated Share from HK\$0.4 to HK\$0.1 by cancelling the paid-up capital of the Company to the extent of HK\$0.3 on each of the then issued Consolidated Shares, and (b) a cancellation of any fractional Consolidated Share in the issued share capital of the Company arising from the Share Consolidation.

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(iii) Share Sub-division

Immediately following the Share Consolidation and the Capital Reduction becoming effective, each of the authorised but unissued Consolidated Share will be sub-divided into four (4) New Shares of par value of HK\$0.1 each.

Effects of the Capital Reorganisation

As at the Latest Practicable Date, the authorised share capital of the Company is HK\$200,000,000 divided into 20,000,000,000 Existing Shares with par value of HK\$0.01 each and there are 16,381,007,955 Existing Shares in issue which are fully paid or credited as fully paid.

Assuming no further Shares will be issued, allotted or repurchased and there will be no other change in the issued share capital of the Company from the Latest Practicable Date up to the completion of Share Consolidation, upon the Share Consolidation becoming effective, the authorised share capital of the Company will be HK\$200,000,000 divided into 500,000,000 Consolidated Shares with par value of HK\$0.4 each, of which 409,525,198 Consolidated Shares will be in issue and are fully paid or credited as fully paid.

Assuming there will be no change in the issued share capital of the Company from the Latest Practicable Date until completion of the Capital Reorganisation, the authorised share capital of the Company will be HK\$200,000,000 divided into 2,000,000,000 New Shares of par value of HK\$0.1 each, of which 409,525,198 New Shares will be in issue and are fully paid or credited as fully paid.

Based on the 409,525,198 Consolidated Shares in issue immediately after the Share Consolidation becoming effective, a credit amounting to approximately HK\$122.9 million will arise as a result of the Capital Reduction. The credit arising from the Capital Reduction will be applied towards offsetting the accumulated losses of the Company as at the effective date of the Capital Reduction, thereby reducing the accumulated losses of the Company. It is further proposed that the balance of the credit arising from the Capital Reduction, if any, will be credited to the distributable reserve account of the Company, which will be utilised by the Company in such manner as the Board may deem fit and permitted under all applicable laws and the Articles.

Shareholders and potential investors of the Company should note that the credit arising in the books from the Capital Reorganisation will be subject to change depending on the number of the Existing Shares in issue immediately prior to the Capital Reorganisation becoming effective.

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Assuming no further Existing Shares will be issued or repurchased from Latest Practicable Date up to the effective date of the Capital Reorganisation, the effect of the Capital Reorganisation and the share capital structure of the Company is summarised below:

	As at the Latest Practicable Date	Immediately upon the Share Consolidation becoming effective but prior to the Capital Reduction and the Share Sub-division becoming effective	Immediately upon the Capital Reorganisation becoming effective
Par value	HK\$0.01 per Existing Share	HK\$0.4 per Consolidated Share	HK\$0.1 per New Share
Authorised share capital	HK\$200,000,000	HK\$200,000,000	HK\$200,000,000
Number of authorised Shares	20,000,000,000 Existing Shares	500,000,000 Consolidated Shares	2,000,000,000 New Shares
Issued Shares	16,381,007,955 Existing Shares	409,525,198 Consolidated Shares	409,525,198 New Shares
Issued share capital	HK\$163,810,079.55	HK\$163,810,079.55	HK\$40,952,519.8

All New Shares in issue immediately following the Capital Reorganisation becoming effective will rank *pari passu* in all respects with each other and the Capital Reorganisation will not result in any change in the relative rights of the Shareholders.

Other than the relevant expenses, including but not limited to professional fees and printing charges to be incurred, the implementation of the Capital Reorganisation will have no material effect on the consolidated net asset value of the Group, nor will they alter the underlying assets, business, operations, management or financial position of the Company or the proportionate interests of the Shareholders. The Board believes that the Capital Reorganisation will not have any material adverse effect on the financial position of the Group.

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Conditions of the Capital Reorganisation

The implementation of the Share Consolidation is conditional upon:

- (i) the passing of an ordinary resolution by the Shareholders at the AGM to approve the Share Consolidation;
- (ii) the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares in issue and to be issued upon the Share Consolidation becoming effective;
- (iii) the compliance with all relevant procedures and requirements under the applicable laws of the Cayman Islands and the Listing Rules to effect the Share Consolidation; and
- (iv) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Share Consolidation.

Subject to the fulfilment of the above conditions, the Share Consolidation is expected to become effective on Tuesday, 10 June 2025, being the second Business Day after the date of the AGM.

The implementation of the Capital Reduction and Share Sub-division are conditional upon:

- (i) the Share Consolidation has become effective;
- (ii) the passing of special resolution(s) by the Shareholders at the AGM to approve the Capital Reduction and the Share Sub-division;
- (iii) the Stock Exchange granting the listing of, and permission to deal in, the New Shares arising from the Capital Reduction and the Share Sub-division;
- (iv) the compliance with all relevant procedures and requirements under the applicable laws of the Cayman Islands and the Listing Rules to effect the Capital Reduction and the Share Sub-division;
- (v) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Capital Reduction and the Share Sub-division;
- (vi) if required, the Court granting an order confirming the Capital Reduction;
- (vii) if required, compliance with any conditions which the Court may impose in relation to the Capital Reduction; and

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- (viii) if required, registration by the Registrar of Companies in the Cayman Islands of a copy of the order of the Court confirming the Capital Reduction and the minute approved by the Court containing the particulars required under the Companies Act with respect to the Capital Reduction.

The Capital Reduction and the Share Sub-division will become effective when the conditions mentioned above are fulfilled. Upon the approval by the Shareholders of the Share Consolidation, the Capital Reduction and the Share Sub-division at the AGM, the legal advisers to the Company (as to Cayman Islands law) will apply to the Court for hearing date(s) to confirm the Capital Reduction and further announcement(s) will be made by the Company on the preliminary timetable as soon as the Court hearing dates are confirmed.

On 11 March 2024, the Cayman Islands government issued the Companies (Amendment) Act, 2024 (the “**Amendment Act**”). The Amendment Act seeks to amend the Companies Act to address various matters, including the streamlining of the share capital reduction process. The Amendment Act introduces a new alternative method for share capital reduction in addition to the existing court-sanctioned procedure. A Cayman Islands exempted company, such as the Company, may reduce its share capital by a special resolution of members supported by a solvency statement from its directors. The solvency statement must be made no more than 30 days before the date of the special resolution for reducing share capital. The effective date of the Amendment Act is yet to be announced as of the Latest Practicable Date. If the Amendment Act becomes effective before the Capital Reorganisation takes effect, subject to compliance with the solvency requirement as described and any other applicable requirements, the Company may no longer be required to obtain the approval of the Court for the Capital Reduction. If this becomes the case, the Company will make further announcement on the implication of such changes to the Capital Reorganisation. As at the Latest Practicable Date, none of the above conditions in relation to the Share Consolidation, Capital Reduction and/or Share Sub-division has been fulfilled.

Listing of and dealing in the Consolidated Shares and New Shares

An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Consolidated Shares and the New Shares arising from the Capital Reorganisation.

Subject to the granting of the listing of, and permission to deal in, the Consolidated Shares and the New Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, the Consolidated Shares and the New Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Consolidated Shares and the New Shares on the Stock Exchange or such other date as determined by HKSCC.

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Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Consolidated Shares and the New Shares to be admitted into CCASS established and operated by HKSCC.

None of the share capital of the Company is listed or dealt in on any other stock exchange other than the Stock Exchange, and at the time the Capital Reorganisation becomes effective, the Consolidated Shares and the New Shares in issue will not be listed or dealt in on any stock exchange other than the Stock Exchange, and no such listing or permission to deal is being or is proposed to be sought.

No Change in Board Lot Size

As at the Latest Practicable Date, the Existing Shares are traded on the Stock Exchange in the board lot size of 4,000 Existing Shares. Upon the Share Consolidation becoming effective, the board lot size for trading in the Consolidated Shares will remain unchanged at 4,000 Consolidated Shares.

Based on the latest closing price of HK\$0.018 per Existing Share (equivalent to the theoretical closing price of HK\$0.72 per Consolidated Share) as quoted on the Stock Exchange as at the Latest Practicable Date, the market value of each board lot of (i) 4,000 Existing Shares is HK\$72; and (ii) 4,000 Consolidated Shares, assuming the Share Consolidation had become effective, is estimated to be HK\$2,880.

Upon the Capital Reduction and Share Sub-division becoming effective, the board lot size for trading on the Stock Exchange will remain at 4,000 New Shares.

Reasons for the Capital Reorganisation

Pursuant to Rule 13.64 of the Listing Rules, where the market price of the securities of an issuer approaches the extremities of HK\$0.01 or HK\$9,995.00, the issuer may be required either to change the trading method or to proceed with a consolidation or splitting of its securities. Further, the “Guide on Trading Arrangements for Selected Types of Corporate Actions” issued by Hong Kong Exchanges and Clearing Limited on 28 November 2008 and last updated in September 2024 stated that (i) market price of the shares at a level less than HK\$0.10 each will be considered as trading at extremity as referred to under Rule 13.64 of the Listing Rules; and (ii) taking into account the minimum transaction costs for a securities trade, the expected value per board lot should be greater than HK\$2,000.

As at the Latest Practicable Date, the latest closing price of an Existing Share of the Company was HK\$0.018, with a board lot size of 4,000 Existing Shares, the existing board lot value was HK\$72, which was less than HK\$2,000. The closing prices of the Existing Shares were below HK\$0.04 per Existing Share since 27 February 2025 and up to the

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Latest Practicable Date with the highest closing price of HK\$0.036 per Existing Share on 3 March 2025 and the lowest closing price of HK\$0.017 per Existing Share from 29 April to 7 May 2025. In view of the prolonged period of share prices almost reaching extremity, it is intended that the Share Consolidation will reduce the total number of Existing Shares currently in issue and is expected to bring about a corresponding increase in the trading price per board lot of the Shares, which is also expected to reduce the overall transaction and handling costs of dealing in the Shares.

Further, the Company has been actively reviewing from different levels and ways to enrich the development strategy of corporate sustainability and optimisation to create Shareholder value. The Board believes that the Share Consolidation will bring about a corresponding upward adjustment in the trading price of the Shares and would help to maintain the value of each board lot of Shares at a reasonable level upon the Share Consolidation becoming effective. As such, the Board is of the view that the investment in the Consolidated Shares shall be more attractive to a broader range of institutional and professional investors, and expects the Share Consolidation to optimise the Shareholder base and improve the value of the Shares in the long run.

The proposed Capital Reduction and the Share Sub-division (assuming the Share Consolidation becomes effective) will enable the par value of the Consolidated Shares to be reduced from HK\$0.4 to HK\$0.1 each. The credit arising from the Capital Reduction will be applied towards offsetting the accumulated losses of the Company as at the effective date of the Capital Reduction, thereby reducing the accumulated losses of the Company. The balance of credit (if any) will be transferred to the distributable reserve account of the Company and be applied for such purposes as permitted by all applicable laws and the memorandum and articles of association of the Company and as the Board considers appropriate. In addition, under the Companies Act, the Company is restricted in its ability to issue Shares at a price lower than their par value. The Capital Reduction will reduce the par value of the Consolidated Shares, which will provide the Company with greater flexibility to accommodate the issue of new Shares in the future when necessary.

The Directors are of the view that the proposed Capital Reduction and the Share Sub-division will (i) give greater flexibility to the Company to declare dividends and/or to undertake any corporate exercise which requires the use of distributable reserves in the future, subject to the Company's performance and when the Board considers that it is appropriate to do so in the future; and (ii) enable the nominal or par value of the Shares to be reduced from HK\$0.4 (assuming the Share Consolidation becomes effective) to a lower level of HK\$0.1 each, thus giving greater flexibility to the Company to issue new Shares in the future given that the Company is not permitted, without order of the Court, to issue new Shares below their nominal or par value.

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The Capital Reorganisation would help attract more investors and extend the base of the Shareholders, provide flexibility for equity fund raising of the Company in the future and eliminate a substantial amount of the Company's accumulated losses, hence, allowing greater flexibility for the Company to pay dividends in the future. Accordingly, the Directors are of the view that the implementation of the Capital Reorganisation is beneficial to and in the interests of the Company and the Shareholders as a whole.

The Capital Reorganisation will neither have any material adverse effect on the financial position of the Group nor alter the proportionate interests or rights of the Shareholders.

As at the Latest Practicable Date, the Company has no intention to carry out other corporate actions or arrangements which may have an effect of undermining or negating the intended purpose of the Capital Reorganisation in the next 12 months. Although the Company currently does not have concrete plans or arrangements to conduct any fund-raising activities in the next 12 months, the Board cannot rule out the possibility of the Company conducting debt and/or equity fund-raising activities when suitable fund-raising and/or investment opportunities arise in order to meet the Group's operational needs or support the future development of the Group. In considering any potential corporate action and/or fund-raising activity, the Board will endeavour to minimise the impact it may have on the intended purpose of the Capital Reorganisation. The Company will make further announcement in this regard in accordance with the Listing Rules as and when appropriate.

In light of the above, the Board considers that the Capital Reorganisation is beneficial to and in the interests of the Company and the Shareholders as a whole.

Other Arrangements

Fractional entitlement to Consolidated Shares

Fractional Consolidated Shares (if any) arising from the Share Consolidation will be disregarded and will not be issued to the Shareholders but all such fractional Consolidated Shares will be aggregated and, if possible, sold for the benefit of the Company. Fractional Consolidated Shares will only arise in respect of the entire shareholding of a holder of the Existing Shares regardless of the number of share certificates held by such holder.

Arrangement on odd lot trading

In order to facilitate the trading of odd lots (if any) of the Consolidated Shares, the Company has designated Computershare Hong Kong Investor Services Limited as an agent to provide matching services, on a best effort basis, to those Shareholders who wish to acquire odd lots of the Consolidated Shares to make up a full board lot, or to dispose of their holding of odd lots of the Consolidated Shares during the period from 9:00 a.m. on Tuesday, 24 June 2025 to 4:00 p.m. on Tuesday, 15 July 2025. Shareholders who wish to

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take advantage of this facility should contact Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong (telephone number: (852) 2862 8555) during office hours (i.e. 9:00 a.m. to 6:00 p.m. within such period). Holders of the Consolidated Shares who would like to match odd lots are recommended to make an appointment in advance by dialing the telephone number of Computershare Hong Kong Investor Services Limited set out above.

Holders of odd lots of the Consolidated Shares should note that the matching of the sale and purchase of odd lots of the Consolidated Shares is not guaranteed. Shareholders who are in any doubt about the odd lots matching arrangement are recommended to consult their own professional advisers.

Free Exchange of certificates for Consolidated Shares and New Shares

Exchange of share certificates for Consolidated Shares

Subject to the Share Consolidation becoming effective, which is currently expected to be on Tuesday, 10 June 2025, Shareholders may, during the period from Tuesday, 10 June 2025 to Thursday, 17 July 2025 (both days inclusive), submit their existing share certificates for the Existing Shares (in pink colour) to the Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for exchange for new share certificates for the Consolidated Shares (in blue colour) at the expense of the Company.

Shareholders should note that after the prescribed time for free exchange of new share certificates, a fee of HK\$2.50 per share certificate (or such other amount as may from time to time be allowed by the Stock Exchange) will be payable by the Shareholders to the Share Registrar for exchange of new share certificates.

After 4:10 p.m. on Tuesday, 15 July 2025, trading will only be in Consolidated Shares which share certificates will be issued in blue colour, and existing share certificates in pink colour for the Existing Shares will cease to be valid for delivery, trading and settlement purpose, but will remain valid and effective as documents of title, and may be exchanged for share certificates for the Consolidated Shares at any time at the expenses of the Shareholders (if such share certificates were exchanged after the abovementioned prescribed time for free exchange).

Exchange of share certificates for New Shares

In respect of the New Shares, as the Court hearing date(s) has yet to be fixed, the effective date of the Capital Reduction is not ascertainable at present. Should the Capital Reduction and the Share Sub-division become effective, Shareholders may submit existing share certificates for the Existing Shares (in pink colour) and/or Consolidated Shares (in blue colour) to the Share Registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712–16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong

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Kong for exchange for new share certificates for the New Shares (in yellow colour) at the expense of the Company, within about one month from the effective date of the Capital Reduction and the Share Sub-division, for share certificates for the New Shares.

Details of such free exchange of share certificates will be announced as soon as the Court hearing date(s) and the effective date of the Capital Reduction and the Share Sub-division are ascertained.

Thereafter, all existing share certificates of the Existing Shares (in pink colour) and/or the Consolidated Shares (in blue colour) will continue to be good evidence of title to the New Shares, and may be accepted for exchange only on payment of a fee of HK\$2.50 per share certificate (or such other amount as may from time to time be allowed by the Stock Exchange) by the Shareholders for each share certificate for the Existing Shares (in pink colour) and the share certificates of the Consolidated Shares in blue colour submitted for cancellation or each new share certificate issued for the New Shares, whichever is higher. The existing share certificates of the Consolidated Shares (in blue colour) will cease to be valid for delivery, trading and settlement purpose, but will remain valid and effective as documents of title.

The new share certificates for the New Shares will be issued in yellow colour in order to distinguish them from the existing share certificates of the Existing Shares in pink colour and the share certificates of the Consolidated Shares in blue colour.

Adjustment to the 2014 Share Options and Existing Warrants

As at the Latest Practicable Date, there are (i) 553,943,382 outstanding 2014 Share Options entitling the holders thereof to subscribe for a total of 553,943,382 Existing Shares (being 13,848,585 Consolidated Shares or New Shares after the Capital Reorganisation) under the 2014 Share Option Scheme; and (ii) outstanding unlisted Warrants convertible to a maximum of 266,680,000 Existing Shares (being 6,667,000 Consolidated Shares or New Shares after the Capital Reorganisation) under the Warrant Subscription Agreement.

Adjustments to the 2014 Share Options

Subject to its approval by the Shareholders and becoming effective, the Capital Reorganisation will lead to adjustments to the exercise prices and/or the number of the Shares to be issued upon exercise of the outstanding 2014 Share Options under the 2014 Share Option Scheme pursuant to the terms and conditions of the 2014 Share Option Scheme and the Listing Rules.

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As a result of the Capital Reorganisation, the Company has calculated the necessary adjustments (the “**Share Options Adjustment**”) to the exercise prices of, and the number of Shares falling to be issued upon exercise of, the 2014 Share Options in accordance with the relevant terms of the 2014 Share Option Scheme, Rule 17.03(13) of the Listing Rules, and Appendix 1 to Frequently Asked Questions FAQ13 No. 1–20 issued by the Stock Exchange (the “**Stock Exchange Supplementary Guidance**”).

Details of the Share Options Adjustment, which shall take effect from the effective date of the Capital Reorganisation, are set out below:

Date of grant	Exercise period		As at the Latest Practicable Date and before the Capital Reorganisation		Immediately after the Capital Reorganisation	
			Exercise price per Existing Share (HK\$)	Number of Existing Shares to be issued upon exercise	Exercise price per New Share (HK\$)	Number of New Shares to be issued upon exercise
	From	To				
8 April 2021	9 April 2022	8 April 2026	0.4686	233,943,382	18.744	5,848,585
17 December 2023	28 December 2024	27 June 2027	0.075	<u>320,000,000</u>	3.000	<u>8,000,000</u>
Total				<u><u>553,943,382</u></u>		<u><u>13,848,585</u></u>

Save for the above adjustments, all other terms and conditions of the outstanding 2014 Share Options remain unchanged.

The Company’s auditors, Zhonghui Anda CPA Limited, has certified in writing to the Company that the adjustments made to the exercise prices and the number of Shares falling to be issued upon the exercise of the outstanding 2014 Share Options are in compliance with the requirements set out in the relevant terms of the 2014 Share Option Scheme, Rule 17.03(13) of the Listing Rules, and the Stock Exchange Supplementary Guidance.

Adjustments to the Warrants

Subject to its approval by the Shareholders and becoming effective, the Capital Reorganisation will lead to adjustments to the number of Shares subject to the Warrant Subscription Agreement and the exercise price of any outstanding Warrants.

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Pursuant to the terms and conditions of the Warrant Subscription Agreement, the exercise price of the outstanding Warrants shall be adjusted by multiplying the exercise price of the outstanding Warrants in force immediately before the Capital Reorganisation by the following fraction:

$$\frac{A}{B}$$

where:

A = the nominal amount of one Share immediately after such alteration; and

B = the nominal amount of one Share immediately before such alteration; and

such adjustment shall become effective on the date the Capital Reorganisation takes effect. Based on the above adjustment mechanism, the exercise price of the outstanding Warrants will be adjusted from HK\$0.8 per Existing Share to HK\$8 per New Share upon the Capital Reorganisation becoming effective.

In addition, upon the Capital Reorganisation becoming effective, the outstanding Warrants will entitle the holders thereof to subscribe for 6,667,000 New Shares.

Save for the above adjustments, all other terms and conditions of the outstanding Warrants remain unchanged.

The Company's auditors, Zhonghui Anda CPA Limited, has certified in writing to the Company that the adjustment made to the exercise price is in compliance with the requirements set out in the relevant terms of the Warrant Subscription Agreement, Rule 17.03(13) of the Listing Rules, and the Stock Exchange Supplementary Guidance.

Save as disclosed above, as at the Latest Practicable Date, the Company does not have any other outstanding derivatives, options, warrants, conversion rights, convertible securities or other similar rights which are convertible or exchangeable into any Existing Shares, Consolidated Shares or New Shares, as the case may be.

8. AGM

A notice convening the AGM to be held at 20th Floor, Block C, Coolpad Building, No. 8 of Gaoxin North 1st Road, North of Hi-tech Park, Nanshan District, Shenzhen, the People's Republic of China on Friday, 6 June 2025 at 3:00 p.m., is set out on pages 74 to 82 of this circular.

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According to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at the AGM will be taken by poll except where the chairman, 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 and an announcement on the results of the poll will be made after the AGM pursuant to Rule 13.39(5) of the Listing Rules.

9. ACTIONS TO BE TAKEN

A form of proxy for use by the Shareholders at the AGM is enclosed in this circular. Whether or not you intend to attend and vote at the AGM in person, you are requested to complete and return the enclosed form of proxy in accordance with the instructions printed thereon and return it to the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible, but in any event not less than 48 hours before the time appointed for the holding of the AGM or any adjournment thereof. Such form of proxy for use at the AGM is also published on the website of the Stock Exchange at www.hkexnews.hk. Completion and return of the proxy form will not preclude you from subsequently attending and voting at the AGM or any adjourned meeting should you so wish.

The Company reminds all shareholders that physical attendance in person at the AGM is not necessary for the purpose of exercising voting rights. Shareholders may appoint the chairman of the meeting as their proxy to vote on the relevant resolutions at the AGM instead of attending the AGM in person, by completing and returning the proxy form. If you have any questions about the resolutions to be considered at the AGM, you may send them to the Company's investor relations email address, ir@coolpad.com, and the Company will answer the questions on a timely basis.

10. RECOMMENDATION

The Directors consider that (i) the proposed grant of the Issue Mandate, the Repurchase Mandate and the extension of the Issue Mandate; (ii) the proposed re-election of retiring Directors pursuant to Articles 83(3) and 84(1) of the Articles; (iii) the reappointment of the auditors of the Company; (iv) the proposed adoption of New Share Option Scheme; (v) the proposed amendment to the Existing Articles; and (vi) the proposed Capital Reorganisation are in the best interest of the Company and the Shareholders as a whole and accordingly recommend all Shareholders to vote in favour of all resolutions set out in the AGM notice.

11. DOCUMENT ON DISPLAY

A copy of the New Share Option Scheme will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.coolpad.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.

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12. 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.

Yours faithfully
For and on behalf of
Coolpad Group Limited
Chen Jiajun
Executive Director
Chief Executive Officer
Chairman

This appendix serves as an explanatory statement as required under the Listing Rules, to provide the requisite information to you for consideration of the proposed Repurchase Mandate.

I. SHARE CAPITAL

As at the Latest Practicable Date, the Company had 16,381,007,955 Shares in issue or an issued share capital of HK\$163,810,079.55. As at the Latest Practicable Date, there were outstanding 2014 Share Options entitling the holders thereof to subscribe for an aggregate of 553,943,382 Existing Shares and outstanding unlisted Warrants convertible to an aggregate 266,680,000 Existing Shares respectively.

Subject to the passing of the proposed ordinary resolution approving the proposed Repurchase Mandate and on the basis that none of the outstanding 2014 Share Options and/or Warrants is exercised and no further Shares are issued, allotted or repurchased by the Company prior to the AGM, the exercise of the proposed Repurchase Mandate in full would result in up to a maximum of 1,638,100,795 Shares, representing 10% of the total number of Shares in issue and a share capital of HK\$16,381,007.95, being repurchased by the Company during the period ending on the earlier of the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting of the Company is required to be held by law or the date upon which the proposed Repurchase Mandate is revoked or varied by an ordinary resolution of the Shareholders at a general meeting of the Company.

II. REASONS FOR SHARES REPURCHASE

Although the Directors have no present intention of exercising the proposed Repurchase Mandate, they believe that the flexibility afforded by the proposed Repurchase Mandate would be beneficial to the Company and the Shareholders. At any time in the future when the Shares are traded at a discount to their underlying value, the ability of the Company to repurchase the Shares will be beneficial to the Shareholders who retain their investment in the Company as their percentage interest in the assets of the Company would increase in proportion to the number of Shares repurchased by the Company from time to time and thereby resulting in an increase in net assets and/or earnings per share of the Company. Such repurchases will only be made when the Directors believe that such exercises will benefit the Company and the Shareholders as a whole.

III. FUNDING OF REPURCHASE

The Directors propose that the repurchase of Shares under the proposed Repurchase Mandate would be financed from the Company's internal resources.

In repurchasing the Shares, the Company may only apply funds legally available for such purposes in accordance with the memorandum of association and the Articles and the applicable laws of the Cayman Islands. The laws of the Cayman Islands provide that the amount of capital repaid in connection with a share repurchase may only be paid out of the capital paid up on the

relevant shares (subject to the Articles and the laws of the Cayman Islands), profit or the proceeds of a new issue of the shares made for such purpose. It is envisaged that the funds required for any repurchase of Shares would be derived from the capital paid up on the Shares being repurchased and from the distributable profits of the Company.

The exercise of the proposed Repurchase Mandate in full will not have a material adverse impact on the working capital or the gearing level of the Company (as compared with the position disclosed in its most recent published audited accounts as at 31 December 2024).

The number of the Shares to be repurchased on any occasion and the price and other terms upon which the same are purchased will be decided by the Directors at the relevant time having regard to the circumstances then pertaining.

IV. SHARE PRICES

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

	Price per Share	
	Highest	Lowest
	HK\$	HK\$
2024		
April	N/A	N/A
May	N/A	N/A
June	N/A	N/A
July	N/A	N/A
August	N/A	N/A
September	N/A	N/A
October	N/A	N/A
November	N/A	N/A
December	N/A	N/A
2025		
January	N/A	N/A
February	0.035	0.033
March	0.036	0.024
April	0.027	0.016
May (up to the Latest Practicable Date)	0.022	0.016

V. DIRECTORS' UNDERTAKING

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

VI. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

None of the Directors or, to the best of their knowledge and belief having made all reasonable enquiries, any of their close respective associates has any present intention to sell any Shares or other securities to the Company in the event that the proposed Repurchase Mandate is approved by the Shareholders. No core connected person has notified the Company that he/she/it has a present intention to sell any Shares to the Company nor has undertaken not to do so, in the event that the proposed Repurchase Mandate is approved by the Shareholders.

VII. TAKEOVERS CODE

If, as a result of repurchase of the Shares, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition of voting rights for the purposes of Rule 32 of the Takeovers Code and Rule 6 of the Repurchase Code. Accordingly, a Shareholder, or group of Shareholders acting in concert, depending on the level of increase of the Shareholder's interest, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

APPENDIX I**EXPLANATORY STATEMENT FOR THE
PROPOSED REPURCHASE MANDATE**

As at the Latest Practicable Date and insofar as the Directors are aware, substantial Shareholders of the Company having an interest representing 5% or more in the issued share capital of the Company which are disclosable under Part XV of the SFO are as follows:

Name	Notes	Number of Shares interested	Nature of interest	Total number of Shares interested	Approximate % of issued share capital as at the Latest Practicable Date
Mr. CHEN Jiajun	1	3,131,355,500	Interest of controlled corporation	3,131,355,500	19.12
Mr. Jeffrey Steven YASS	2	1,066,680,000	Interest of controlled corporation	1,066,680,000	6.51
Mr. LIN Weihao	3	1,226,692,000	Interest of controlled corporation	1,226,692,000	7.49
Mr. LIU Feng	4	920,260,000	Interest of controlled corporation	1,420,260,000	8.67
		500,000,000	Beneficial owner		
Great Shine Investment Limited	1	2,331,355,500	Beneficial owner	2,331,355,500	14.23
Elite Mobile Limited	1	800,000,000	Beneficial owner	800,000,000	4.88
SAI Growth Fund I, LLLP	2	800,000,000	Beneficial owner	1,066,680,000	6.51
		266,680,000	Derivative interest of warrants		
Saints Aura Investment Holdings Limited	3	1,226,692,000	Beneficial owner	1,226,692,000	7.49
YH Fund SPC – YH01 SP I	4	920,260,000	Beneficial owner	920,260,000	5.62

Notes:

1. As at the Latest Practicable Date: (i) the 2,331,355,500 Shares were directly held by Great Shine Investment Limited (“**Great Shine**”) (formerly known as Kingkey Financial Holdings (Asia) Limited), which is 100% directly held by Great Splendid Holdings Limited. Mr. Chen Jiajun is the director of Great Splendid Holdings Limited and hold 100% shares of Great Splendid Holdings Limited; (ii) the 800,000,000 Shares were directly held by Elite Mobile Limited, which was ultimately controlled by Mr. Chen Jiajun. Therefore, Mr. Chen Jiajun was indirectly interested in 3,131,355,500 Shares, of which 2,331,355,500 Shares were held through Great Shine and 800,000,000 Shares were held through Elite Mobile Limited.
2. The 800,000,000 Shares were directly held by SAI Growth Fund I, LLLP which was ultimately controlled by Mr. Jeffrey Steven Yass. The warrants conferring the rights to subscribe for a maximum number of 800,000,000 warrant shares based on the initial exercise price were issued to SAI Growth Fund I, LLLP by the Company on 17 December 2021. The rights attaching to the unlisted two-year Warrants lapsed on 16 December 2023. The rights attaching to the unlisted three-year Warrants lapsed on 17 December 2024. Therefore, Mr. Jeffrey Steven Yass was indirectly interested in the 1,066,680,000 Shares as at the Latest Practicable Date.
3. The 1,226,692,000 Shares were directly held by Saints Aura Investment Holdings Limited which was ultimately controlled by Mr. Lin Weihao.
4. (i) The 920,260,000 Shares were directly held by YH Fund SPC – YH01 SP I, which was ultimately controlled by Mr. Liu Feng; and (ii) 500,000,000 Shares were directly held by Mr. Liu Feng.

Assuming that there is no further issue of the Shares between the Latest Practicable Date and the date of repurchase, the exercise of the proposed Repurchase Mandate in full will not result in less than 25% of the issued share capital of the Company being held by the public as required by Rule 8.08 of the Listing Rules.

VIII. SHARES REPURCHASED BY THE COMPANY

The Company did not repurchase any of its Shares whether on the Stock Exchange or otherwise in the six months preceding the Latest Practicable Date.

Ms. WANG Guan

Ms. Wang, aged 38, is currently a partner of Jingtian & Gongcheng. Ms. Wang graduated from Beijing Normal University with dual Bachelor degrees in Laws and Economics and obtained her Master of Law degree from New York University. Ms. Wang was admitted to the New York Bar Association in 2010 and was qualified to practice law in the People's Republic of China in 2013. In 2016, Ms. Wang obtained the China Securities Investment Fund Industry Practitioner Certificate. In 2022, she obtained the Qualification Certificate for Independent Directors of Listed Companies of Shenzhen Stock Exchange. Ms. Wang provides professional advice to national think tanks, including China Academy of Social Management and China Institute of Education and Social Development. Ms. Wang serves as the inaugural director of the Institute of Securities Law of Shenzhen Law Society, a member of the Securities Committee of the Shenzhen Lawyers Association, and a part-time arbitrator at the Shenzhen Labor and Personnel Dispute Arbitration Committee. Ms. Wang also teaches "Corporate Law and Commercial Law" course for postgraduates at The Chinese University of Hong Kong (Shenzhen). Ms. Wang has been serving as an independent director of Hynar Water Group Co Ltd. (stock code: 300961) and OFILM Group Co., Ltd. (stock code: 002456), both of which are listed on the Shenzhen Stock Exchange, since 14 October 2022 and 4 August 2023, respectively.

Ms. Wang has entered into a service contract with the Company dated 11 October 2023 which she has agreed to act as an independent non-executive Director of the Company for three years. Ms. Wang is entitled to an annual director's fee in the amount of HK\$240,000 which was determined by the Board based on the recommendation by the Remuneration Committee, with reference to her experience and qualifications, duties and responsibilities with the Company and the market rate for the position.

As at the Latest Practicable Date, Ms. Wang was not interested in the Shares under Part XV of the SFO. Ms. Wang has no other information to be disclosed pursuant to paragraphs (h) to (w) of Rule 13.51(2) of the Listing Rules and save as disclosed above, there are no other matters that need to be brought to the attention of Shareholders.

Mr. CHEUK Ho Kan

Mr. Cheuk, aged 37, obtained a degree of Bachelor of Commerce (Honours) in Accountancy from Hong Kong Baptist University in 2010. Mr. Cheuk has more than 10 years of experience in various areas including accounting, auditing, financial management, taxation, financing and corporate management. Mr. Cheuk is a member of the Hong Kong Institute of Certified Public Accountants and he is also a practicing accountant in Hong Kong. In 2013, he worked in the assurance department of BDO Limited. From 2013 to 2016, he worked in the assurance practice of PricewaterhouseCoopers Limited. From 2016 to 2018, Mr. Cheuk was a financial analyst at Merrill Corporation Hong Kong Limited (currently known as TOPPAN NEXUS LIMITED). Mr. Cheuk served as Senior Manager of Finance Department at Huarong Rongde (Hong Kong) Investment Management Company Limited from 2018 to 2019 and Vice President of Finance Department at China Huarong International Holdings Limited from 2020 to 2021.

Mr. Cheuk has entered into a service contract with the Company for a fixed term of 3 years commencing on 8 January 2024. Mr. Cheuk is entitled to an annual director's fee in the amount of HK\$240,000 which was determined by the Board based on the recommendation by the Remuneration Committee, with reference to his experience and qualifications, duties and responsibilities with the Company and the market rate for the position.

As at the Latest Practicable Date, Mr. Cheuk was not interested in the Shares under Part XV of the SFO. Mr. Cheuk has no other information to be disclosed pursuant to paragraphs (h) to (w) of Rule 13.51(2) of the Listing Rules and save as disclosed above, there are no other matters that need to be brought to the attention of Shareholders.

Ms. LIU Juan

Ms. Liu, aged 42, obtained a degree of Bachelor of Engineering from Soochow University and a degree of Master of Business Administration from the Chinese University of Hong Kong. Ms. Liu has more than 17 years of experience in the finance industry in China and overseas. She has worked on structuring, cross-border investment and finance and mergers and acquisitions for a long time and is familiar with both China and Hong Kong markets. She has extensive professional experience in analysing markets and identifying opportunities. Ms. Liu previously served as vice president of New Faith Capital Limited* (新信資本有限公司) and general manager of the direct investment department of China Huarong International Holdings Limited. Ms. Liu also served as the head of the business department at the Shenzhen branches of two banks. She has been appointed as an independent non-executive director of the CNQC International Holdings Limited, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1240.HK) since 12 December 2024.

Pursuant to the existing service agreement between Ms. Liu and the Company, the appointment of Ms. Liu was for a term of three years commencing on 2 August 2024. Ms. Liu is entitled to an annual director's fee in the amount of HK\$600,000 which was determined by the Board based on the recommendation by the Remuneration Committee, with reference to her experience and qualifications, duties and responsibilities with the Company and the market rate for the position.

As at the Latest Practicable Date, Ms. Liu was deemed to be interested in 100,000 Shares under Part XV of the SFO. Ms. Liu has no other information to be disclosed pursuant to paragraphs (h) to (w) of Rule 13.51(2) of the Listing Rules and save as disclosed above, there are no other matters that need to be brought to the attention of Shareholders.

Mr. GUO Jinghui

Mr. Guo, aged 53, obtained a bachelor's degree in radio technology (無線電技術) from Taiyuan University of Technology. From November 2007 to August 2009, he served as the supervisor of Shenzhen Guangming New District Administration Human Resources Office (深圳市光明新區人力資源管理辦公室主任). From August 2009 to April 2013, he served as a member

of the Party Working Committee and the head of the Organization and Personnel Bureau of Shenzhen Guangming New District (深圳市光明新區黨工委委員、組織人事局局長). From April 2013 to May 2014, he served as a standing committee member and the head of the Organization Department of the Shenzhen Nanshan District committee (深圳市南山區常委、組織部長). From May 2014 to February 2018, he served as the deputy secretary of the party committee (黨委副書記) of Guosen Securities Company Limited.

Pursuant to the existing service agreement between Mr. Guo and the Company, the appointment of Mr. Guo was for a term of three years commencing on 29 October 2022. Mr. Guo is entitled to an annual director's fee in the amount of HK\$360,000 which was determined by the Board based on the recommendation by the Remuneration Committee, with reference to his experience and qualifications, duties and responsibilities with the Company and the market rate for the position.

As at the Latest Practicable Date, Mr. Guo was not interested in the Shares under Part XV of the SFO. Mr. Guo has no other information to be disclosed pursuant to paragraphs (h) to (w) of Rule 13.51(2) of the Listing Rules and save as disclosed above, there are no other matters that need to be brought to the attention of Shareholders.

Mr. LIANG Rui

Mr. Liang, aged 49, is a non-executive Director, and is currently a president of Shenzhen Shuibei Jewelry Group. Mr. Liang obtained a doctoral degree of Technical Economics and Management from the School of Economics and Business Administration of Chongqing University in 2007 and a postdoctoral degree in Applied Economics from the School of Economics and Finance of Xi'an Jiaotong University in 2009. From January 2000 to October 2014, he worked in the Shenzhen Luohu District People's Government, serving as an officer in the Education Bureau, deputy director-general of the State Bureau for Letters and Calls, director-level deputy director of the district (governmental) committee office, and director of the Bureau of Civil Administration. From September 2014 to November 2017, he served as Secretary and director of the Shenzhen Nanhu Sub-district Office. Mr. Liang has been appointed as an executive director and Chief Executive Officer of Carrianna Group Holdings Company Limited (佳寧娜集團控股有限公司), the shares of which are listed on the Main Board of the Stock Exchange (stock code: 0126.HK) since 2 January 2021.

Pursuant to the existing service agreement between Mr. Liang and the Company, the appointment of Mr. Liang was for a term of three years commencing on 20 December 2023. Mr. Liang is entitled to an annual director's fee in the amount of RMB600,000 which was determined by the Board based on the recommendation by the Remuneration Committee, with reference to his experience and qualifications, duties and responsibilities with the Company and the market rate for the position.

As at the Latest Practicable Date, Mr. Liang was not interested in the Shares under Part XV of the SFO. Mr. Liang has no other information to be disclosed pursuant to paragraphs (h) to (w) of Rule 13.51(2) of the Listing Rules and save as disclosed above, there are no other matters that need to be brought to the attention of Shareholders.

Mr. XU Yibo

Mr. Xu, aged 50, is an executive vice president of the Group, responsible for R&D system supply chain of the Company. Mr. Xu obtained a bachelor's degree in electromagnetic field from Xidian University (西安電子科技大學). Mr. Xu joined the Group in July 1998 and has more than 15 years of experience in mobile communication, terminal security, cloud computing and mega data technology field, making contribution in standard work in more than 10 international and domestic standards organizations, such as 3GPP, IETF, IEEE, IMI-2020 (5G) Promotion Group, etc. Mr. Xu participated in the research and development of dual-standby technique which led to win the second prize of National Science and Technology Progress which is the highest award in the terminal field.

Pursuant to the existing service agreement between Mr. Xu and the Company, the appointment of Mr. Xu was for a term of three years commencing on 8 October 2021. Mr. Xu is entitled to an annual director's fee in the amount of HK\$360,000 which was determined by the Board based on the recommendation by the Remuneration Committee, with reference to his experience and qualifications, duties and responsibilities with the Company and the market rate for the position.

As at the Latest Practicable Date, Mr. Xu was deemed to be interested in 11,029,412 Shares under Part XV of the SFO. Mr. Xu has no other information to be disclosed pursuant to paragraphs (h) to (w) of Rule 13.51(2) of the Listing Rules and save as disclosed above, there are no other matters that need to be brought to the attention of Shareholders.

* For identification purpose only

The following is a summary of the principal terms of the New Share Option Scheme to be approved and adopted by ordinary resolution at the AGM, but such summary does not form part of, nor was it intended to be, part of the New Share Option Scheme, nor should it be taken as affecting the interpretation of the rules of the New Share Option Scheme:

1. PURPOSE AND DURATION

The purpose of the New Share Option Scheme is to enable the Company to grant New Share Options to Eligible Participants as incentives or rewards for their contribution or potential contribution to the Group.

The New Share Option Scheme shall be valid and effective until the Termination Date, after which period no further Options will be granted but the provisions of the New Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any New Share Options granted on or prior to the Termination Date or otherwise as may be required in accordance with the provisions of the New Share Option Scheme.

2. CONDITIONS PRECEDENT

The New Share Option Scheme is conditional upon:

- (a) the Listing Committee of the Stock Exchange granting approval for the listing of, and permission to deal, in the Shares which may fall to be allotted and issued by the Company upon the exercise of the New Share Options that may be granted under the New Share Option Scheme and any other share scheme of the Company; and
- (b) the passing of the necessary ordinary resolution(s) at a general meeting of the Company approving (i) the adoption of the New Share Option Scheme; and (ii) authorising the Board to grant New Share Options to Eligible Participants and to allot and issue Shares pursuant to the exercise of any New Share Options granted under the New Share Option Scheme.

3. ADMINISTRATION OF THE NEW SHARE OPTION SCHEME

The New Share Option Scheme shall be subject to the administration of the Board whose decision on all matters arising in relation to the New Share Option Scheme or its interpretation or application or effect shall (save as otherwise provided in the New Share Option Scheme and in the absence of manifest error) be final and binding on all parties, provided that the administration right of the Board shall be subject to the Listing Rules. For the avoidance of doubt, subject to compliance with the requirements of the Listing Rules and the provisions of the New Share Option Scheme, the Board shall have the right to (i) interpret and construe the provisions of the New Share Option Scheme; (ii) determine the persons who will be offered New Share Options under the New Share Option Scheme, and the number of Shares and the subscription price of the Shares, in relation to such New Share Options; (iii) subject to section

23 and 25, make such appropriate and equitable adjustments to the terms of New Share Options granted under the New Share Option Scheme as it may deem necessary; and (iv) make such other decisions or determinations or regulations as it shall deem appropriate for the administration of the New Share Option Scheme.

Without prejudice to the generality of the foregoing, the Board may delegate the administration of the exercise of the New Share Options and the delivery of Shares thereafter to third party professional service providers as it thinks fit.

4. ELIGIBLE PARTICIPANTS AND ELIGIBILITY

Eligible Participants include any Employee Participant, Related Entity Participant or Service Provider who the Board or the Remuneration Committee considers, in their sole discretion, to have contributed or will contribute to the Group. The eligibility of each of the Eligible Participants shall be determined by the Board or a committee of the Board from time to time and on a case-by-case basis. Generally:

- (a) with respect to Employee Participants, the Board will consider, among others, (i) the performance; (ii) time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; (iii) the length of employment or office with the Group; and (iv) the contribution or potential contribution to the development and growth of the Group;
- (b) with respect to Related Entity Participants, the Board will consider, among others, their participation and contribution to the development of the Group and/or the extent of benefits and synergies brought to the Group;
- (c) with respect to Service Providers who are suppliers of products or services, including suppliers, technical consultants and agents with expertise in development, marketing, promotion and/or distribution of mobile phones and accessories carried out by the Group from time to time, the Board will consider, among others, (i) the nature, scope and frequency of products and/or services supplied; (ii) the reliability and quality of products and/or services supplied; and (iii) their potential and/or actual contribution or significance to the financial performance and business development of the Group, evaluated in terms of the revenue generated from such supply, the aggregate supply volume, the procurement cost and the contract value; and
- (d) with respect to Service Providers who are business partners, including distributors, joint venture partners or other contractual parties, which may be entities in the mobile phone, property investment and other business industries in which the Group operates from time to time that collaborate with the Group on continuing or discrete projects, the Board will consider, among others, (i) the nature and scope of the collaborating projects; (ii) their knowledge, expertise, know-how and network in the industry; and (iii) their potential and/or actual contribution or significance to the financial

performance and business development of the Group, evaluated in terms of the revenue generated from such engagement, the expenses in establishing and maintaining collaboration and the contract value.

5. OFFER AND ACCEPTANCE OF NEW SHARE OPTIONS

Subject to and in accordance with the provisions of the New Share Option Scheme and the Listing Rules, the Board shall be entitled (but shall not be bound), at any time and from time to time and within a period commencing on the Adoption Date and ending on the Termination Date (both dates inclusive), to make a New Share Offer to such Eligible Participant as it may, in its absolute discretion, select, and subject to such conditions as the Board may think fit, to subscribe for such number of Shares (being a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof) as the Board may, subject to section 9 below, determine at the subscription price pursuant to section 8 below, provided that no such New Share Offer shall be made if a prospectus is required to be issued under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) or any applicable laws or if such grant will result in the breach by the Company or any of the Directors of any applicable securities laws and regulations in any jurisdiction.

A New Share Offer shall be made to an Eligible Participant in writing (and unless so made shall be invalid) in such form as the Board determines at the time of the grant of an Option specifying the number of Shares and the Option Period and requiring the Eligible Participant to undertake to hold the New Share Option on the terms on which it is to be granted and to be bound by the provisions of the New Share Option Scheme. Such Offer shall be personal to the Eligible Participant concerned and shall not be transferable or assignable.

A New Share Offer shall remain open for acceptance by the Eligible Participant concerned (and by no other person, including the Eligible Participant's personal representative) for a period of twenty-eight (28) days from the date of offer. During such twenty-eight (28) day period, a New Share Offer shall be deemed to have been accepted by an Eligible Participant concerned in respect of all the Shares which are offered to such Eligible Participant when the duplicate letter comprising acceptance of the Offer duly signed by the Eligible Participant, together with a payment in favour of the Company of HK\$1.00 as consideration for the grant thereof, is received by the Company. Such payment shall in no circumstances be refundable.

Any New Share Offer may be accepted by an Eligible Participant in respect of less than the number of Shares which are offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof.

6. VESTING PERIOD

Save for the circumstances prescribed below, a New Share Option must be held by the Grantee for at least twelve (12) months before the New Share Option can be exercised.

The Vesting Period in respect of any New Share Option granted to any Eligible Participant shall not be less than 12 months from the date of acceptance of the Offer, provided that where the Eligible Participant is:

- (i) an Employee Participant who is a Director or a Senior Manager, the Remuneration Committee may; or
- (ii) an Employee Participant who is not a Director or a Senior Manager, the Board may,

in its absolute discretion, determine a vesting period shorter than twelve (12) months in the following circumstances:

- (a) grants of “make-whole” New Share Options to new joiners to replace the share options they forfeited when leaving the previous employers;
- (b) grants to a participant whose employment is terminated due to death or occurrence of any out of control event;
- (c) grants that are made in batches during a year for administrative and compliance reasons, which include New Share Options that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch;
- (d) grants of New Share Options with a mixed or accelerated vesting schedule such as where the New Share Options may vest evenly over a period of twelve (12) months; or
- (e) grants with performance-based vesting conditions in lieu of time-based vesting criteria.

7. EXERCISE OF NEW SHARE OPTIONS

A New Share Option may be exercised in whole or in part by the Grantee giving notice in writing to the Company stating that the New Share Option is thereby exercised and the number of Shares in respect of which it is so exercised.

Each of such notice must be accompanied by a payment for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given.

Within twenty-eight (28) days after receipt of the notice and the payment and, where appropriate, receipt of the certificate of the Company’s auditors or independent financial advisers, the Company shall accordingly allot and issue the relevant number of Shares to the Grantee (or, in the event of an exercise of New Shares Option by his or her personal representative, to the estate of the Grantee) credited as fully paid and instruct the share registrar of the Company to issue to the Grantee (or his or her personal representative(s)) a share certificate for the Shares so allotted.

8. SUBSCRIPTION PRICE

The subscription price for Shares to be subscribed under the New Share Option Scheme may be determined by the Board in its absolute discretion, provided that it shall not be less than the highest of:

- (a) the closing price of the Shares as shown in the daily quotations sheet of the Stock Exchange on the offer date, which must be a Business Day;
- (b) the average closing price of the Shares as shown in the daily quotations sheets of the Stock Exchange for the five (5) Business Days immediately preceding the offer date; and
- (c) the nominal or par value of the Shares on the offer date.

Where a relevant New Share Option is to be granted under section 10 or section 11, for the purposes of the paragraph (a) and paragraph (b) above, the date of the meeting of the Board or the Remuneration Committee (as the case may be) at which the grant was proposed shall be taken to be the offer date for such relevant New Share Option, and the provisions as set above shall apply mutatis mutandis.

9. MAXIMUM NUMBER OF SHARES AVAILABLE FOR ISSUE

Subject to the approval of the Shareholders in general meeting as detailed below:

- (a) the total number of shares which may be issued in respect of all New Share Options which may be granted at any time under the New Share Option Scheme together with options and awards which may be granted under any other schemes of the Company shall not in aggregate exceed 10% of the Shares in issue as at the Adoption Date (the “**Scheme Mandate Limit**”); and
- (b) within the Scheme Mandate Limit, the total number of shares which may be issued in respect of all New Share Options which may be granted at any time under the New Share Option Scheme together with options and awards which may be granted to the Service Providers under any other schemes of the Company shall not in aggregate exceed 1% of the Shares in issue as at the Adoption Date (the “**Service Provider Sub-limit**”).

New Share Options lapsed in accordance with the terms of the New Share Option Scheme will not be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sub-Limit.

If the Company conducts a share consolidation or subdivision after the Scheme Mandate Limit has been approved in general meeting, the maximum number of Shares that may be issued in respect of all New Share Options and awards to be granted under all of the schemes of the Company under the Scheme Mandate Limit and the Service Provider Sub-Limit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole share.

Without prejudice to the above, the Company may refresh the Scheme Mandate Limit and the Service Provider Sub-Limit subject to prior approval of the Shareholders in general meeting and/or such other requirements prescribed under the Listing Rules from time to time, after three years from the date of Shareholders' approval for the last refreshment (or the adoption of the New Share Option Scheme). Any "refreshment" within any three year period must be approved by Shareholders of the Company subject to the following provisions:

- (a) any controlling Shareholders and their associates (or if there is no controlling Shareholder, 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; and
- (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.

The above requirements do not apply if the refreshment is made immediately after an issue of securities by the Company to its Shareholders on a pro rata basis as set out in Rule 13.36(2)(a) of the Listing Rules such that the unused part of the Scheme Mandate Limit and the Service Provider Sub-Limit (as a percentage of the Shares in issue) upon refreshment is the same as the unused part of the New Share Option Scheme mandate immediately before the issue of securities, rounded to the nearest whole share.

The Scheme Mandate Limit as refreshed shall not exceed 10% of the Shares in issue as at the date of approval of the refreshed Scheme mandate. A circular in accordance with the requirements of the Listing Rules shall be sent to the Shareholders containing the number of Options and awards that were already granted under the existing Scheme Mandate Limit, and the reason for the "refreshment".

The Company may seek separate approval of the Shareholders in a general meeting of the Company for granting New Share Options exceeding the Scheme Mandate Limit or the Service Provider Sub-Limit provided that the New Share Options in excess of the Scheme Mandate Limit or the Service Provider Sub-Limit are granted only to Eligible Participants specifically identified by the Company before such approval is sought. For the purpose of seeking approval of the Shareholders under this paragraph, the Company must send a circular to the Shareholders containing a generic description of the specified Eligible Participants who may be granted such New Share Options, the number and terms of the New Share Options to be granted, the purpose of granting New Share Options to the specified Eligible Participants with an explanation as to

how the terms of the New Share Options serve such purpose, and such other information as required under the Listing Rules. The number and terms (including the subscription price) of New Share Options to be granted to such Eligible Participant must be fixed before Shareholders' approval and the date of Board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the subscription price.

10. GRANT OF NEW SHARE OPTIONS TO A DIRECTOR, CHIEF EXECUTIVE OR SUBSTANTIAL SHAREHOLDER OF THE COMPANY OR ANY OF THEIR ASSOCIATES

Any grant of New Share Options to a Director, a chief executive of the Company or Substantial Shareholder, or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who or whose associate is the proposed Grantee of a New Share Option).

Where any grant of a New Share Option to an independent non-executive Director or a Substantial Shareholder, or any of their respective associates, would result in the Shares issued and to be issued in respect of all options and awards granted (excluding any options and awards lapsed in accordance with the terms of the relevant schemes) to such person in the twelve (12)-month period up to and including the date of such grant representing in aggregate over 0.1% of the Shares in issue, such grant of New Share Option must be approved by the Shareholders in a general meeting of the Company, with such person, his or her associates and all core connected persons of the Company abstaining from voting in favour of the relevant resolution.

A circular containing the following information shall be sent to the Shareholders:

- (a) details of the number and terms of the New Share Options to be granted to each selected Eligible Participant, which must be fixed before the Shareholders' meeting. In respect of any New Share Options to be granted, the date of the Board meeting for proposing such further grant is to be taken as the date of grant for the purpose of calculating the exercise price of such New Share Options;
- (b) the views of the independent non-executive Directors (excluding any independent non-executive Director who is the grantee of the New Share Options) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and the Shareholders as a whole, and their recommendation to the independent Shareholders as to voting;
- (c) the information required under Rule 17.02(2)(c) of the Listing Rules; and
- (d) the information required under Rule 2.17 of the Listing Rules.

Any change in the terms of options (including a New Share Option) or awards granted to an Eligible Participant who is a Director, chief executive of the Company or Substantial Shareholder, or any of their respective associates must be approved by the Shareholders in the manner as set out in Rule 17.04(4) of the Listing Rules if the initial grant of the options requires such approval (except where the changes take effect automatically under the existing terms of the New Share Option Scheme).

11. MAXIMUM ENTITLEMENT OF EACH ELIGIBLE PARTICIPANT

Where any grant of a New Share Option to an Eligible Participant would result in the Shares issued and to be issued in respect of all options and awards granted to such Eligible Participant (excluding any options and awards lapsed in accordance with the terms of the relevant schemes) in the twelve (12)-month period up to and including the date of such grant representing in aggregate over 1% of the Shares in issue, such grant must be separately approved by the Shareholders in a general meeting of the Company with such Eligible Participant and the person's close associates (or associates if the Eligible Participant is a connected person) abstaining from voting. A circular shall be sent to the Shareholders disclosing the identity of the Eligible Participant, the number and terms of the New Share Options to be granted (and New Share Options previously granted to such Eligible Participant during the twelve (12)-month period), the purpose of granting New Share Options to the Eligible Participant, an explanation as to how the terms of the New Share Options serve such purpose and such information as may be required by the Stock Exchange from time to time. The number and terms (including the subscription price) of the New Share Option to be granted to such Eligible Participant must be fixed before the general meeting of the Company, and the date of the meeting of the Board for proposing such grant should be taken as the offer date for the purpose of calculating the subscription price.

12. TIME OF EXERCISE OF OPTIONS

Subject to the terms of the New Share Option Scheme, a New Share Option may be exercised in whole or in part at any time during the Option Period, provided that such period shall not go beyond the day immediately prior to the tenth anniversary of the offer date with respect to the relevant New Share Option.

The Board may, in its absolute discretion, fix any minimum period for which a New Share Option must be held and specify any condition in the offer letter at the grant of the relevant New Share Option which must be satisfied before a New Share Option may be exercised. Save as determined by the Board and provided in the offer of the grant of the relevant Option, there is no performance target which must be achieved before a New Share Option can be exercised.

13. RESTRICTIONS ON THE TIME OF GRANT OF OPTIONS

Grant of New Share Options may not be made to any Eligible Participant:

- (a) after inside information (having the meaning defined in the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong) has come to the knowledge of the Company until (and including) the trading day after it has been announced pursuant to the requirements of the Listing Rules;
- (b) during the period commencing from thirty (30) days immediately preceding the earlier of:
 - (i) the date of the meeting of the Board (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 or quarter-year period or any other interim period (whether or not required under the Listing Rules); and
 - (ii) the deadline for the Company to publish its results for any year, half-year or quarter-year period under the Listing Rules, or any other interim period (whether or not required under the Listing Rules),

and ending on the date of the results announcements (or during any period of delay in publishing results announcements); and

- (c) who is a Director during the periods or times in which the Directors are prohibited from dealing in Shares pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers prescribed by the Listing Rules or any corresponding code or securities dealing restrictions adopted by the Company.

14. TRANSFERABILITY OF OPTIONS

A New Share Option shall be personal to the Grantee and shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose of or create any interest whatsoever in favour of any third party over or in relation to any New Share Option or enter into any agreement so to do. Any breach of the foregoing by a Grantee shall entitle the Company to cancel any New Share Option or any part thereof granted to such Grantee to the extent not already exercised.

15. RIGHTS ON CESSATION OF EMPLOYMENT OR DIRECTORSHIP

In the event that the Grantee ceases to be an Eligible Participant by reason of termination of his or her service or employment with any member of the Group, any Related Entity or any Service Provider on any one or more of the following grounds:

- (a) that the Grantee has been guilty of serious misconduct;
- (b) that the Grantee has been convicted of any criminal offence involving the person's integrity or honesty or in relation to any member of the Group, any Related Entity or any Service Provider (if so determined by the Board);
- (c) that the Grantee has become insolvent, bankrupt or has made arrangements or compositions with the Grantee's creditors generally; or
- (d) on any other ground as determined by the Board that would warrant the termination of the Grantee's employment at common law or pursuant to any applicable laws or under the Grantee's contract of employment or service contract with any member of the Group, before exercising the New Share Option in full, the Grantee's New Share Option (to the extent not already exercised) shall forthwith lapse and shall not be exercisable on or after the date of cessation, or such longer period as the Board may determine, and any New Share Option exercised (if any) but the Shares of which have not been allotted shall be deemed not to have so exercised and the amount of the Subscription Price for the Shares in respect of the purported exercise of such New Share Option shall be returned, to the extent permissible by laws.

In the event that the Grantee, by reason of the Grantee's employment with any member of the Group, ceases to be an Eligible Participant by reason of retirement as an employee in accordance with the Grantee's contract of employment (all evidenced to the satisfaction of the Board), or the termination of the Grantee's employment with the Company provided that none of the events which would be a ground for termination of the Grantee's employment or directorship set out in the paragraph above arises, before exercising the New Share Option in full, the Grantee may exercise the New Share Option (to the extent not already exercised) in whole or in part in accordance with the terms of the New Share Option Scheme within one hundred and eighty (180) days following the date of such cessation, or such longer period as the Board may determine and such New Share Option to the extent not so exercised shall lapse and determine at the end of the abovementioned period.

16. RIGHTS ON DEATH

In the event that the Grantee ceases to be an Eligible Participant by reason of the person's death before exercising the New Share Option in full (provided that none of the events which would be a ground for termination of the person's employment or directorship under section 15 arises), the Grantee's personal representative may exercise the New Share Option (to the extent

not already exercised) in whole or in part in accordance with the terms of the New Share Option Scheme within six (6) months following the date of death, or such longer period as the Board may determine and such New Share Option to the extent not so exercised shall lapse and determine at the end of the abovementioned period.

17. RIGHTS ON INJURY, DISABILITY, ILL-HEALTH

In the event that the Grantee, by reason of the Grantee's employment with any member of the Group, ceases to be an Eligible Participant by reason of injury, disability, ill-health before exercising the New Share Option in full, the Grantee may exercise the New Share Option (to the extent not already exercised) in whole or in part in accordance with the terms of the New Share Option Scheme within one hundred and eighty (180) days following the date of such cessation, or such longer period as the Board may determine and such New Share Option to the extent not so exercised shall lapse and determine at the end of the abovementioned period.

18. RIGHTS ON CESSATION FOR OTHER REASONS

In the event that the Grantee ceases to be an Eligible Participant for any reason other than the reasons specified in section 15 to section 17 above, the Grantee's New Share Option (to the extent not already exercised) shall lapse and shall not be exercisable on or after the date of cessation provided that in each case, the Board may, in its absolute discretion, decide that such New Share Option or any part thereof shall not so lapse or determine such conditions or limitations to which the exercise of such New Share Option will be subject. The date of cessation as aforesaid shall be (i) if the Grantee is an employee of the Group or any Related Entity, the last day on which he/she is actually at work with the relevant member of the Group or any Related Entity whether salary is paid in lieu of notice or not; or (ii) if the Grantee is not an employee of the Company or any subsidiary of the Company or any Related Entity, the date on which his/her relationship with the Group which has constituted him/her an Eligible Participant ceases.

19. RIGHTS ON A GENERAL OFFER

If a general or partial offer, whether by way of take-over offer, share buyback offer, or scheme of arrangement or otherwise in like manner is made to all the Shareholders other than the offeror and/or any person controlled by the offeror and/or any person acting in concert (as defined in the Takeovers Code) with the offeror, the Company shall use its reasonable endeavours to procure that such offer is extended to all the Grantees on the same terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the New Share Options granted to them, Shareholders.

If such general or partial offer becomes or is declared unconditional or such scheme of arrangement is formally proposed to the Shareholders, the Grantee shall, notwithstanding any other terms on which his or her Option were granted, be entitled to exercise the New Share Option (to the extent vested and not already exercised, lapsed or cancelled) to its full extent or

to the extent specified in the Grantee's notice to the Company at any time within thirty (30) days after the date on which such general or partial offer becomes or is declared unconditional, or in the case of a scheme of arrangement, at any time not later than 12:00 noon on the day which is two (2) Business Days immediately prior to the date of the meeting directed to be convened by the court for the purposes of considering such a scheme of arrangement, as the case may be.

20. RIGHTS ON WINDING UP

In the event that a notice is given by the Company to the Shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as it despatches such notice to each Shareholder give notice thereof to all the Grantees (containing an extract of the provisions of this paragraph) and thereupon, each Grantee or his or her personal representative shall be entitled to exercise all or any of his or her Options (to the extent vested and not already exercised, lapsed or cancelled) by giving notice in writing to the Company in accordance with the terms of the New Share Option Scheme.

Such notice shall be received by the Company no later than two (2) Business Days prior to the proposed general meeting, accompanied by a payment for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given.

Upon receipt, the Company shall as soon as possible and, in any event, no later than 3:00 p.m. on the Business Day (Hong Kong time) immediately prior to the date of the proposed general meeting referred to above, allot and issue the relevant Shares to the Grantee or his or her personal representative credited as fully paid and register the Grantee or his or her personal representative (as the case may be) as holder thereof.

21. RIGHTS ON RECONSTRUCTION, COMPROMISE OR ARRANGEMENT

In the event that a compromise or arrangement between the Company and the Shareholders or its creditors being proposed for the purpose of or in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all the Grantees on the same date as it gives notice of the meeting to the Shareholders or its creditors to summon a meeting to consider such a scheme or arrangement and the New Share Options (to the extent vested and not already exercised, lapsed or cancelled) shall become exercisable in whole or in part on such notification date until the earlier of (i) sixty (60) days after that date; or (ii) at any time not later than 12:00 noon on the day which is two (2) Business Days (Hong Kong time) prior to the date of the meeting directed to be convened by the court for the purposes of considering such a scheme or arrangement (the "**Suspension Date**").

Any Grantee or his or her personal representative may by notice in writing to the Company in accordance with the terms of the New Share Option Scheme, accompanied by a payment of the full amount of the aggregate subscription price for the Shares in respect of which the notice is given, exercise the relevant New Share Options.

Upon receipt, the Company shall as soon as possible and, in any event, no later than 3:00 p.m. on the Business Day (Hong Kong time) immediately prior to the date of the proposed meeting, allot and issue such number of Shares to the Grantee or his or her personal representative which falls to be issued on such exercise of the New Share Option credited as fully paid and register the Grantee or his or her personal representative (as the case may be) as holder thereof.

With effect from the Suspension Date, the rights of all the Grantees to exercise their respective New Share Options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all the New Share Options shall, to the extent that they have not been exercised, lapse and shall be terminated.

22. CANCELLATION OF OPTIONS

Any New Share Option granted may not be cancelled except with the written consent of the relevant Grantee and the prior approval of the Board. Where the Company cancels New Share Options and makes a new grant to the same Grantee, such new grant may only be made under the New Share Option Scheme with the available limit approved by the Shareholders as set out in section 9 above. The New Share Options cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and the Service Provider Sub-Limit.

23. ALTERATIONS TO SHARE CAPITAL

In the event of any alteration in the capital structure of the Company by way of capitalisation of profits or reserves, rights issue, subdivision or consolidation of Shares or reduction of the share capital of the Company (other than any alteration in the capital structure of the Company as a result of an issue of Shares as consideration in a transaction to which the Company is a party) after the Adoption Date, the Board shall make such corresponding adjustments, if any, as the Board in its discretion may deem appropriate to reflect such change with respect to:

- (a) the number of Shares comprising the Scheme Mandate Limit or Service Provider Sub-limit, provided that, in the event of any share subdivision or consolidation, the Scheme Mandate Limit and Service Provider Sub-limit as a percentage of the total issued Shares of the Company at the date immediately before any consolidation or subdivision shall be the same on the date immediately after such consolidation or subdivision;
- (b) the number of Shares to which the New Share Option Scheme or any New Share Options relates (insofar as it is/they are unexercised); and/or
- (c) the subscription prices of any unexercised New Share Options,

or any combination thereof, as the Company's auditors or a financial advisor engaged by the Company for such purpose have certified satisfy the relevant requirements of the Listing Rules and are, in their opinion, fair and reasonable either generally or as regards any particular Grantee, provided always that: (i) any such adjustments should give each Grantee the same proportion of the share capital of the Company, rounded to the nearest whole share, as that to which that Grantee was previously entitled prior to such adjustments; and (ii) no such adjustments shall be made which would result in a Share being issued at less than its nominal value.

Any dispute arising in connection with the number of Shares of a New Share Option and any of the matters referred to this section shall be referred to the decision of the Company's auditors or the independent financial advisers of the Company who shall act as experts and not as arbitrators and whose decision, in the absence of manifest error, shall be final, conclusive and binding on all persons who may be affected thereby.

Any adjustments made by the Board will be made in accordance with the requirements under Appendix 1 to Frequently Asked Questions FAQ13 – No.1–20 published by the Stock Exchange.

24. RANKING OF SHARES

The New Share Options do not carry any right to vote at any general meeting of the Company, or any right to dividend or transfer or any other rights, including those arising on the liquidation of the Company. Shares allotted and issued upon the exercise of a New Share Option will be subject to all the provisions of the Articles and will rank *pari passu* in all respects with the other existing Shares in issue on the date of allotment and issue of the relevant Shares. The Shares subject to the New Share Option Scheme are not required to be separately designated.

25. CLAWBACK

In the event that:

- (a) At any time after a Grantee is found to have engaged in serious misconduct including but not limited to, fraud and deception, guilty of persistent or serious misconduct, convicted of any criminal offence, are discovered;
- (b) the performance forming the basis on which the grant of a New Share Option, or its becoming exercisable or vested (as the case may be) has been proved not genuine; or
- (c) in the reasonable opinion of the administrator of the New Share Option Scheme, a Grantee has committed a serious breach of an internal policy or code of any member of the Group, including but not limited to the breach of a non-compete obligation or commitment to anti-corruption imposed on the Grantee by the Group, and such breach is considered material;

then the Board may at its absolute discretion determine that: (A) any New Share Option(s) granted but not yet exercised or settled shall immediately lapse, regardless of whether such New Share Option(s) have vested or not; and (B) with respect to any Shares delivered, or subscription price paid, to the Grantee pursuant to any New Share Option(s) granted under the New Share Option Scheme, the Grantee shall be required to transfer back to the Company or its nominee (1) the equivalent number of Shares; (2) an amount in cash equal to the market value of such Shares or the subscription price; or (3) a combination of (1) and (2).

26. ALTERATION

The New Share Option Scheme may be altered in any respect by a resolution of the Board provided that:

- (a) any alterations to the terms and conditions of the New Share Option Scheme which are of a material nature or any alteration in relation to any matter contained in Rule 17.03 of the Listing Rules to the advantage of the Eligible Participants must be approved by the Shareholders in a general meeting of the Company;
- (b) any change to the terms of New Share Options granted to a Grantee must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the New Share Options was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders (as the case may be) (except any changes which take effect automatically under the terms of the New Share Option Scheme);
- (c) any change to the authority of the Directors or the administrator of the New Share Option Scheme to alter the terms of the New Share Option Scheme must be approved by the Shareholders in a general meeting of the Company;
- (d) the amended terms of the New Share Option Scheme or the New Share Options shall remain in compliance with Chapter 17 of the Listing Rules; and
- (e) no such alteration shall operate to affect adversely the terms of issue of any New Share Option granted or agreed to be granted prior to such alteration except with the consent or sanction of such majority of the Grantees as would be required of the Shareholders under the memorandum of association of the Company and the Articles for a variation of the rights attached to the Shares.

27. LAPSE OF OPTIONS

An Option shall lapse automatically (to the extent not already exercised) on the earliest of:

- (a) the expiry of the Option Period;

- (b) the date on which the Grantee commits a breach of section 14;
- (c) the expiry of the relevant period or the occurrence of the relevant event referred to in section 15 to section 21; and
- (d) the date of the commencement of the winding-up of the Company.

28. TERMINATION

The Company by an ordinary resolution in a general meeting of the Company may at any time terminate the operation of the New Share Option Scheme. In such event, no further New Share Options will be offered but in all other respects, the provisions of the New Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any New Share Options granted prior thereto or otherwise as may be required in accordance with the provisions of the New Share Option Scheme and the New Share Options granted prior to such termination shall continue to be valid and exercisable in accordance with the New Share Option Scheme.

29. MISCELLANEOUS

The terms of the New Share Option Scheme (and any other schemes adopted by the Company from time to time) shall be in accordance with the requirements set out in Chapter 17 of the Listing Rules.

The Company will comply with the relevant statutory requirements and the Listing Rules from time to time on a continuing basis in respect of the New Share Option Scheme and any other schemes of the Company.

APPENDIX IV PROPOSED AMENDMENTS TO EXISTING ARTICLES

The full text of the Proposed Amendments is set out below:

Existing Articles

N/A

New Articles

Article 2(2)(n)

“references to the right of a Member to speak at an electronic meeting or a hybrid meeting shall include the right to raise questions or make statements to the chairman of the meeting, verbally or in written form, by means of electronic facilities. Such a right shall be deemed to have been duly exercised if the questions or statements may be heard or seen by all or only some of the persons present at the meeting (or only by the chairman of the meeting) in which event the chairman of the meeting shall relay the questions raised or the statements made verbatim to all persons present at the meeting, either orally or in writing using electronic facilities”;

Article 10(a)

the necessary quorum (other than at an adjourned meeting) shall be two persons (or in the case of a Member being a corporation, its duly authorised representative) holding or representing by proxy not less than one-third in nominal value of the issued shares of that class and at any adjourned meeting of such holders, two holders present in person or (in the case of a Member being a corporation) its duly authorised representative or by proxy (whatever the number of shares held by them) shall be a quorum; and

Article 10(a)

~~the necessary quorum (other than at an adjourned meeting) shall be two persons (or in the case of a Member being a corporation, its duly authorised representative) holding or representing by proxy not less than one-third in nominal value of the issued shares of that class and at any adjourned meeting of such holders, two holders present in person or (in the case of a Member being a corporation) its duly authorised representative or by proxy (whatever the number of shares held by them) shall be a quorum; and~~
the necessary quorum (including at an adjourned meeting) shall be two persons (or in the case of a Member being a corporation, its duly authorised representative) holding or representing by proxy not less than one-third in nominal value of the issued shares of that class; and

Existing Articles**New Articles**

Article 44

The Register and branch register of Members, as the case may be, shall be open to inspection for at least two (2) hours during business hours by Members without charge or by any other person, upon a maximum payment of Hong Kong dollars 2.50 or such lesser sum specified by the Board, at the Office or such other place at which the Register is kept in accordance with the Act or, if appropriate, upon a maximum payment of Hong Kong dollars 1.00 or such lesser sum specified by the Board at the Registration Office. The Register including any overseas or local or other branch register of Members may, after notice has been given by advertisement in an appointed newspaper or any other newspapers in accordance with the requirements of any Designated Stock Exchange or by any electronic means in such manner as may be accepted by the Designated Stock Exchange to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares.

Article 44

The Register and branch register of Members, as the case may be, shall be open to inspection for at least two (2) hours during business hours by Members without charge or by any other person, upon a maximum payment of Hong Kong dollars 2.50 or such lesser sum specified by the Board, at the Office or such other place at which the Register is kept in accordance with the Act or, if appropriate, upon a maximum payment of Hong Kong dollars 1.00 or such lesser sum specified by the Board at the Registration Office. The Register including any overseas or local or other branch register of Members may, after notice has been given by advertisement in an appointed newspaper or any other newspapers in accordance with the requirements of any Designated Stock Exchange or by any electronic means in such manner as may be accepted by the Designated Stock Exchange to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares. The period of thirty (30) days may be extended for a further period or periods not exceeding thirty (30) days in respect of any year if approved by the Members by ordinary resolution.

Existing Articles**New Articles**

Article 51

The registration of transfers of shares or of any class of shares may, after notice has been given by announcement or by electronic communication or by advertisement in any newspapers or by any other means in accordance with the requirements of any Designated Stock Exchange to that effect be suspended at such times and for such periods (not exceeding in the whole thirty (30) days in any year) as the Board may determine. The period of thirty (30) days may be extended in respect of any year if approved by the Members by ordinary resolution.

Article 51

The registration of transfers of shares or of any class of shares may, after notice has been given by announcement or by electronic communication or by advertisement in any newspapers or by any other means in accordance with the requirements of any Designated Stock Exchange to that effect be suspended at such times and for such periods (not exceeding in the whole thirty (30) days in any year) as the Board may determine. The period of thirty (30) days may be extended for a further period or periods not exceeding thirty (30) days in respect of any year if approved by the Members by ordinary resolution.

Article 151

The requirement to send to a person referred to in Article 149 the documents referred to in that article or a summary financial report in accordance with Article 150 shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the Listing Rules, the Company publishes copies of the documents referred to in Article 149 and, if applicable, a summary financial report complying with Article 150, on the Company's computer network or in any other permitted manner (including by sending any form of electronic communication), and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents.

Article 151

The requirement to send to a person referred to in Article 149 the documents referred to in that article or a summary financial report in accordance with Article 150 shall be deemed satisfied where, in accordance with all applicable Statutes, rules and regulations, including, without limitation, the Listing Rules, the Company publishes copies of the documents referred to in Article 149 and, if applicable, a summary financial report complying with Article 150, on the Company's computer network or in any other permitted manner (including by sending any form of electronic communication); ~~and that person has agreed or is deemed to have agreed to treat the publication or receipt of such documents in such manner as discharging the Company's obligation to send to him a copy of such documents.~~

Existing Articles**New Articles**

Article 158

Article 158

(1) Any Notice or document (including any “corporate communication” within the meaning ascribed thereto under the Listing Rules), whether or not, to be given or issued under these Articles from the Company shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or electronic communication and any such Notice and document may be given or issued by the following means:

- (a) by serving it personally on the relevant person;
- (b) by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose;
- (c) by delivering or leaving it at such address as aforesaid;
- (d) by placing an advertisement in appropriate newspapers or other publication and where applicable, in accordance with the requirements of the Designated Stock Exchange;

(1) Any Notice or document (including any “corporate communication” and “actionable corporate communication” within the meaning ascribed thereto under the Listing Rules), whether or not, to be given or issued under these Articles from the Company shall be in writing or by cable, telex or facsimile transmission message or other form of electronic transmission or electronic communication and, subject to compliance with the Listing Rules, any such Notice and document may be given or issued by the following means:

- (a) by serving it personally on the relevant person;
- (b) by sending it through the post in a prepaid envelope addressed to such Member at his registered address as appearing in the Register or at any other address supplied by him to the Company for the purpose;
- (c) by delivering or leaving it at such address as aforesaid;
- (d) by placing an advertisement in appropriate newspapers or other publication and where applicable, in accordance with the requirements of the Designated Stock Exchange;

Existing Articles

- (e) by sending or transmitting it as an electronic communication to the relevant person at such electronic address as he may provide under Article 158(5), subject to the Company complying with the Statutes and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person;
- (f) by publishing it on the Company's website to which the relevant person may have access, subject to the Company complying with the Statutes and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person and/or for giving notification to any such a person stating that the notice, document or publication is available on the Company's computer network website (a "notice of availability"); or
- (g) by sending or otherwise making it available to such person through such other means to the extent permitted by and in accordance with the Statutes and other applicable laws, rules and regulations.

New Articles

- (e) by sending or transmitting it as an electronic communication to the relevant person at such electronic address as he may provide under Article 158(5), ~~subject to the Company complying with the Statutes and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person;~~
- (f) by publishing it on the Company's website to which the relevant person may have access, subject to the Company complying with the Statutes and any other applicable laws, rules and regulations from time to time in force with regard to any requirements for the obtaining of consent (or deemed consent) from such person and/or for giving notification to any such a person stating that the notice, document or publication is available on the Company's computer network website (a "notice of availability"); ~~or~~ or the website of the Designated Stock Exchange;
or
- (g) by sending or otherwise making it available to such person through such other means to the extent permitted by and in accordance with the Statutes and other applicable laws, rules and regulations.

Existing Articles

New Articles

- | | |
|---|--|
| <p>(2) The notice of availability may be given by any of the means set out above other than by posting it on a website.</p> | <p>(2) ~~The notice of availability may be given by any of the means set out above other than by posting it on a website.~~
<i>Intentionally Deleted.</i></p> |
| <p>(3) In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.</p> | <p>(3) In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the Register and notice so given shall be deemed a sufficient service on or delivery to all the joint holders.</p> |
| <p>(4) Every person who, by operation of law, transfer, transmission, or other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share, which, previously to his name and address (including electronic address) being entered in the Register as the registered holder of such share, shall have been duly given to the person from whom he derives title to such share.</p> | <p>(4) ~~Every person who, by operation of law, transfer, transmission, or other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share, which, previously to his name and address (including electronic address) being entered in the Register as the registered holder of such share, shall have been duly given to the person from whom he derives title to such share.~~ <i>Intentionally Deleted.</i></p> |
| <p>(5) Every Member or a person who is entitled to receive notice from the Company under the provisions of the Statutes or these Articles may register with the Company an electronic address to which notices can be served upon him.</p> | <p>(5) Every Member or a person who is entitled to receive notice from the Company under the provisions of the Statutes or these Articles may register with the Company an electronic address to which ~~notices~~<u>Notices</u> can be served upon him.</p> |

APPENDIX IV PROPOSED AMENDMENTS TO EXISTING ARTICLES

Existing Articles

- (6) Subject to any applicable laws, rules and regulations and the terms of these Articles, any notice, document or publication, including but not limited to the documents referred to in Articles, 149, 150 and 158 may be given in the English language only or in both the English language and the Chinese language.

Article 159

Any Notice or other document:

- (a) if served or delivered by post, shall where appropriate be sent by airmail and shall be deemed to have been served or delivered on the day following that on which the envelope containing the same, properly prepaid and addressed, is put into the post; in proving such service or delivery it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly addressed and put into the post and a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board that the envelope or wrapper containing the Notice or other document was so addressed and put into the post shall be conclusive evidence thereof;

New Articles

- (6) Subject to any applicable laws, rules and regulations and the terms of these Articles, any notice, document or publication, including but not limited to the documents referred to in Articles, 149, 150 and 158 may be given in the English language only or in both the English language and the Chinese language or, with the consent of or election by any Member, in the Chinese language only to such Member.

Article 159

Any Notice or other document:

- (a) if served or delivered by post, shall where appropriate be sent by airmail and shall be deemed to have been served or delivered on the day following that on which the envelope containing the same, properly prepaid and addressed, is put into the post; in proving such service or delivery it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly addressed and put into the post and a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board that the envelope or wrapper containing the Notice or other document was so addressed and put into the post shall be conclusive evidence thereof;

Existing Articles

- (b) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. A Notice placed on the Company's website or the website of the Designated Stock Exchange, is deemed given by the Company to a Member on the day following that on which a notice of availability is deemed served on the Member;

- (c) if published on the Company's website, shall be deemed to have been served on the day on which the notice, document or publication first so appears on the Company's website to which the relevant person may have access or the day on which the notice of availability is deemed to have been served or delivered to such person under these Articles, whichever is later;

New Articles

- (b) if sent by electronic communication, shall be deemed to be given on the day on which it is transmitted from the server of the Company or its agent. ~~A Notice placed on the Company's website or the website of the Designated Stock Exchange, is deemed given by the Company to a Member on the day following that on which a notice of availability is deemed served on the Member;~~ A Notice documents or publication placed on either the Company's website or the website of the Designated Stock Exchange, is deemed given or served by the Company on the day it first so appears on the relevant website, unless the Listing Rules specify a different date. In such cases, the deemed date of service shall be as provided or required by the Listing Rules;

- (c) ~~if published on the Company's website, shall be deemed to have been served on the day on which the notice, document or publication first so appears on the Company's website to which the relevant person may have access or the day on which the notice of availability is deemed to have been served or delivered to such person under these Articles, whichever is later;~~ *Intentionally Deleted.*

Existing Articles

- (d) if served or delivered in any other manner contemplated by these Articles, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant despatch or transmission; and in proving such service or delivery a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board as to the act and time of such service, delivery, despatch or transmission shall be conclusive evidence thereof; and
- (e) if published as an advertisement in a newspaper or other publication permitted under these Articles, shall be deemed to have been served on the day on which the advertisement first so appears.

Article 160

- (2) A Notice may be given by the Company to the person entitled to a share in consequence of the death, mental disorder or bankruptcy of a Member by sending it through the post in a prepaid letter, envelope or wrapper addressed to him by name, or by the title of representative of the deceased, or trustee of the bankrupt, or by any like description, at the address, if any, supplied for the purpose by the person claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death, mental disorder or bankruptcy had not occurred.

New Articles

- (d) if served or delivered in any other manner contemplated by these Articles, shall be deemed to have been served or delivered at the time of personal service or delivery or, as the case may be, at the time of the relevant despatch or transmission; and in proving such service or delivery a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board as to the act and time of such service, delivery, despatch or transmission shall be conclusive evidence thereof; and
- (e) if published as an advertisement in a newspaper or other publication permitted under these Articles, shall be deemed to have been served on the day on which the advertisement first so appears.

Article 160

- (2) A Notice may be given by the Company to the person entitled to a share in consequence of the death, mental disorder or bankruptcy of a Member by sending it through the post in a prepaid letter, envelope or wrapper addressed to him by name, or by the title of representative of the deceased, or trustee of the bankrupt, or by any like description, at the address, if any, supplied for the purpose by the person claiming to be so entitled, or (until such an address has been so supplied) by giving the ~~notice~~Notice in any manner in which the same might have been given if the death, mental disorder or bankruptcy had not occurred.

The expected timetable for the Capital Reorganisation is set out below. The expected timetable is subject to the results of the AGM and is therefore for indicative purpose only. Any change to the expected timetable will be announced in a separate announcement by the Company as and when appropriate. All times and dates in this expected timetable refer to Hong Kong local times and dates, unless otherwise stated.

Event	Date and Time
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Latest date and time for lodging transfers of shares in order to qualify for attending and voting at the AGM	4:30 p.m. on Monday, 2 June 2025
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Closure of register of members for determining the entitlement to attend and vote at the AGM (both days inclusive)	Tuesday, 3 June 2025 to Friday, 6 June 2025
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Latest date and time for lodging forms of proxy for the AGM	3:00 p.m. on Wednesday, 4 June 2025
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Record date for attending the AGM	Friday, 6 June 2025
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Date and time of the AGM	3:00 p.m. on Friday, 6 June 2025
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Publication of the poll results announcement of the AGM	Friday, 6 June 2025
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The following events are conditional on the fulfillment of the conditions for the implementation of the Share Consolidation as set out in this circular. Subject to the above, the following timetable, including but not limited to, the effective date of the Share Consolidation, will remain unchanged even if that day is a severe weather trading day.

Effective date of the Share Consolidation	Tuesday, 10 June 2025
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Dealing in the Consolidated Shares commences	9:00 a.m. on Tuesday, 10 June 2025
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First day of free exchange of existing share certificates for new share certificates for Consolidated Shares	Tuesday, 10 June 2025
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Original counter for trading in the Existing Shares in board lots of 4,000 Existing Shares (in the form of existing share certificates) temporarily closes	9:00 a.m. on Tuesday, 10 June 2025
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Event	Date and Time
Temporary counter for trading in the Consolidated Shares in board lots of 100 Consolidated Shares (in the form of existing share certificates) opens	9:00 a.m. on Tuesday, 10 June 2025
Original counter for trading in the Consolidated Shares in board lots of 4,000 Consolidated Shares (in the form of new share certificates for the Consolidated Shares) re-opens	9:00 a.m. on Tuesday, 24 June 2025
Parallel trading in the Consolidated Shares (in the form of new share certificates for the Consolidated Shares and existing share certificates) commences	9:00 a.m. on Tuesday, 24 June 2025
Designated broker starts to stand in the market to provide matching services for the sale and purchase of odd lots of the Consolidated Shares	9:00 a.m. on Tuesday, 24 June 2025
Designated broker ceases to stand in the market to provide matching services for the sale and purchase of odd lots of the Consolidated Shares	4:00 p.m. on Tuesday, 15 July 2025
Temporary counter for trading in the Consolidated Shares in board lots of 100 Consolidated Shares (in the form of existing share certificates) closes	4:10 p.m. on Tuesday, 15 July 2025
Parallel trading in the Consolidated Shares (in the form of new share certificates for the Consolidated Shares and existing share certificates) ends	4:10 p.m. on Tuesday, 15 July 2025
Last day and time for free exchange of existing share certificates for new share certificates for the Consolidated Shares	4:30 p.m. on Thursday, 17 July 2025

The following events are conditional on the fulfillment of the conditions for the implementation of the Capital Reduction and Share Sub-division as set out in this circular, which includes the approval of the Court to the Capital Reduction (if required under the Companies Act). If approval of the Court for the Capital Reduction is required under the Companies Act, it may take approximately 2 to 3 months for the Company to obtain hearing dates before the Court which will be subject to the availability of the Court over which the Company has no control. The dates are therefore tentative.

Event	Date and Time
Expected effective date of the Capital Reduction and Share Sub-division	before 9:00 a.m. on Thursday, 21 August 2025 (Cayman Islands time)
Commencement of dealings in the New Shares.	9:00 a.m. on Friday, 22 August 2025
First day of free exchange of existing share certificates of the Consolidated Shares for new share certificates of the New Shares.	Friday, 22 August 2025
Last day of free exchange of existing share certificates of the Consolidated Shares for new share certificates of the New Shares	Friday, 26 September 2025



COOLPAD GROUP LIMITED

酷派集團有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 2369)

NOTICE OF 2024 AND 2025 ANNUAL GENERAL MEETINGS

NOTICE IS HEREBY GIVEN that the 2024 and 2025 annual general meeting (“**Meeting**”) of Coolpad Group Limited (the “**Company**”) will be held at 20th Floor, Block C, Coolpad Building, No. 8 of Gaoxin North 1st Road, North of Hi-tech Park, Nanshan District, Shenzhen, the People’s Republic of China on Friday, 6 June 2025 at 3:00 p.m. for the following purposes:

AS ORDINARY BUSINESS

Ordinary Resolutions

1. To receive and consider the audited consolidated financial statements and the reports of the directors of the Company (collectively, “**Directors**” and individually, a “**Director**”) and the auditors of the Company (“**Auditors**”) for the year ended 31 December 2023.
2. To receive and consider the audited consolidated financial statements and the reports of the Directors and the Auditors for the year ended 31 December 2024.
3. (A) (i) To re-elect Ms. Wang Guan as an independent non-executive Director.
(ii) To re-elect Mr. Cheuk Ho Kan as an independent non-executive Director.
(iii) To re-elect Ms. Liu Juan as an executive Director.
(iv) To re-elect Mr. Guo Jinghui as an independent non-executive Director.
(v) To re-elect Mr. Liang Rui as a non-executive Director.
(vi) To re-elect Mr. Xu Yibo as a non-executive Director.
(B) To ratify the Directors’ remuneration for the years ended 31 December 2023 and 2024.
(C) To authorise the board of directors (“**Board**”) to fix the remuneration of the Directors.

NOTICE OF AGM

4. To re-appoint Zhonghui Anda CPA Limited as Auditors for the year ending 31 December 2025, to ratify the remuneration of Zhonghui Anda CPA Limited for services for the year ended 31 December 2024, and to authorise the Board to fix their remuneration.

AS SPECIAL BUSINESS

Ordinary Resolutions

5. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

“THAT:

- (a) subject to paragraph (c) below of this Resolution, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.01 each in the capital of the Company (the “**Shares**”) or securities convertible into Shares, or options, warrants or similar rights to subscribe for any Shares, and to make or grant offers, agreements and options which would or might require the exercise of such powers, be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this Resolution shall be in addition to any other authorisations given to the Directors and shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which would or might require the exercise of such powers at any time during or after the end of the Relevant Period;
- (c) the number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to:
 - (i) a Rights Issue (as defined in paragraph (e) of this Resolution);
 - (ii) an exercise of rights of subscription or conversion under terms of any warrants issued by the Company or any securities which are convertible into Shares;
 - (iii) an exercise of the subscription rights under any option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of the Company and/or any of its subsidiaries or such other persons eligible to participate in any such scheme(s) or arrangement of Shares or rights to acquire Shares;

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- (iv) any scrip dividend or similar arrangement providing for the allotment of Shares in lieu of the whole or part of a dividend on Shares in accordance with the articles of association of the Company (the “**Articles**”) or a specific authority granted by the Shareholders in general meeting, shall not exceed 20 per cent of the number of Shares in issue as at the date of passing of this Resolution and the said approval shall be limited accordingly;
- (d) subject to the passing of each of the paragraphs (a), (b) and (c) of this Resolution, any prior approvals of the kind referred to in paragraphs (a), (b) and (c) of this Resolution which had been granted to the Directors and which are still in effect be and are hereby revoked; and
- (e) for the purpose of this Resolution:
 - (i) “**Relevant Period**” means the period from the passing of this Resolution until whichever is the earliest of:
 - (aa) the conclusion of the next annual general meeting of the Company;
 - (bb) the expiration of the period within which the next annual general meeting of the Company is required by the Articles or any applicable laws of the Cayman Islands to be held; or
 - (cc) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the Shareholders in general meeting.
 - (ii) “**Rights Issue**” means an offer of Shares or other equity securities of the Company open for a period fixed by the Directors to the holders of Shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (subject to such 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 of any relevant jurisdiction, or the requirements of, any recognised regulatory body or any stock exchange in any territory outside the Hong Kong Special Administrative Region of the People’s Republic of China applicable to the Company).”

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6. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

“**THAT:**

- (a) subject to paragraph (b) below of this Resolution, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to repurchase Shares on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the Shares may be listed and recognised for this purpose by the Securities and Futures Commission of Hong Kong and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and regulations of Hong Kong, the Cayman Islands, the Articles and the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or rules of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (b) the number of Shares to be repurchased or agreed conditionally or unconditionally to be repurchased by the Company pursuant to the approval in paragraph (a) of this Resolution during the Relevant Period (as defined below) shall not exceed 10 per cent of the number of Shares in issue as at the date of passing of this Resolution and the said approval shall be limited accordingly;
- (c) subject to the passing of each of the paragraphs (a) and (b) of this Resolution, any prior approvals of the kind referred to in paragraphs (a) and (b) of this Resolution which had been granted to the Directors and which are still in effect be and hereby revoked; and
- (d) for the purpose 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; or
- (ii) the revocation or variation of the authority given under this Resolution by an ordinary resolution of the Shareholders in general meeting.”

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7. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

“**THAT** conditional upon the passing of Resolutions 4 and 5 set out in the notice of 2024 and 2025 annual general meeting dated 14 May 2025 (the “**AGM Notice**”) convening the meeting, the number of Shares that may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to and in accordance with the general mandate granted under Resolution 4 set out in the AGM Notice be and is hereby extended by the addition thereto of the number of Shares which may be repurchased by the Company pursuant to and in accordance with the general mandate granted under Resolution 5 set out in the AGM Notice, provided that such amount shall not exceed 10 per cent of the number of Shares in issue as at the date of passing of this Resolution 6.”

8. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

“**THAT:**

- (a) the new share option scheme (a copy of which is produced to the meeting, and marked “A” and initialled by the chairman of the Meeting for identification purposes) (the “**New Share Option Scheme**”), subject to the approval by the Listing Committee of the Stock Exchange for the listing and trading of the Shares which may be issued pursuant to the exercise of share options (the “**New Share Options**”) to be granted under the New Share Option Scheme, be and are hereby approved and adopted;
- (b) the directors, subject to applicable laws, rules, and regulations, be and is hereby authorized to:
 - (i) grant the New Share Options in accordance with the rules of the New Share Option Scheme;
 - (ii) from time to time allot, issue, and deal with the relevant number of Shares that may be issued upon the exercise of the New Share Options under the New Share Option Scheme;
 - (iii) administer the New Share Option Scheme; and
 - (iv) take all such actions as the Directors may in their absolute discretion consider necessary or appropriate and enter into all related transactions, arrangements, and agreements in order to give effect to the the New Share Option Scheme.”

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9. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

“**THAT** conditional upon the passing of resolution 8, the Scheme Mandate Limit (as defined in the New Share Option Scheme) of 10% of the total number of shares of the Company in issue as at the date of passing of this Resolution be and is hereby approved and adopted.”

10. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

“**THAT** conditional upon the passing of resolution 8, the Service Provider Sub-limit (as defined in the New Share Option Scheme, and which includes grants to Service Providers under any other share schemes of the Company) of 1% of the total number of shares of the Company in issue as at the date of passing of this Resolution be and is hereby approved and adopted.”

11. To consider and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution of the Company:

“**THAT** subject to and conditional upon, (i) the Stock Exchange granting the listing of, and permission to deal in, the Consolidated Shares (as defined below) in issue or to be issued upon the Share Consolidation (as defined below) becoming effective; (ii) the compliance with all relevant procedures and requirements under the applicable laws of the Cayman Islands and the Listing Rules to effect the Share Consolidation; and (iii) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Share Consolidation, with effect from one clear business day immediately following the date on which this Resolution is passed or these conditions are fulfilled (whichever is the later):

- (a) every forty (40) issued and unissued existing ordinary share(s) of par value of HK\$0.01 each (the “**Existing Shares**”) in the share capital of the Company be consolidated into one (1) ordinary share of par value of HK\$0.4 each (the “**Consolidated Share**”) in the share capital of the Company (the “**Share Consolidation**”);
- (b) all fractional Consolidated Share rising from the Share Consolidation be disregarded and not be issued to the Shareholders but all such fractional Consolidated Shares be aggregated and, if possible, sold for the benefit of the Company in such manner and on such terms as the Board may think fit;
- (c) immediately following the Share Consolidation, the authorised share capital of the Company be changed from HK\$200,000,000 divided into 20,000,000,000 Existing Shares to HK\$200,000,000 divided into 500,000,000 Consolidated Shares; and

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- (d) any one or more Directors be and are hereby authorised to take such actions, do all such acts and things and execute (under hand or as a deed and where appropriate, under the common seal of the Company) all such further documents or deeds as they may, in their absolute discretion, consider necessary, appropriate, desirable or expedient for the purpose of, or in connection with, the implementation of or giving effect to or the completion of any matters relating to the Share Consolidation.”

SPECIAL RESOLUTION

- 12. To consider and, if thought fit, pass with or without amendments, the following resolution, as a special resolution of the Company:

“THAT:

- (a) the amended and restated articles of association of the Company (the “**New Articles**”, which incorporates all the proposed amendments set out in appendix IV to the circular of the Company dated 14 May 2025) and a copy of which has been produced to this meeting and marked “A” and initialled by the chairman of the meeting, be and is hereby approved and adopted in substitution for and to the exclusion of the existing articles of association of the Company with immediate effect; and
 - (b) any director or company secretary of the Company be and is hereby authorised to do all such acts, deeds and things and execute all such documents and make all such arrangements that he/she shall, in his/her absolute discretion, deem necessary or expedient to give effect to the adoption of the New Articles, including without limitation, attending to the necessary filings with the Registrar of Companies in the Cayman Islands and Hong Kong.”
- 13. **“THAT** subject to and conditional upon (i) the passing of ordinary resolution no. 11 set out in the notice convening the Meeting dated 14 May 2025 and the Share Consolidation becoming effective; (ii) the Stock Exchange granting the listing of, and permission to deal in, the New Shares (as defined below) arising from the Capital Reduction (as defined below) and the Share Sub-division (as defined below); (iii) the compliance with all relevant procedures and requirements under the applicable laws of the Cayman Islands and the Listing Rules to effect the Capital Reduction and the Share Sub-division; (iv) the obtaining of all necessary approvals from the regulatory authorities or otherwise as may be required in respect of the Capital Reduction and the Share Sub-division; (v) if required, the Grand Court of the Cayman Islands (the “**Court**”) granting an order confirming the Capital Reduction; (vi) if required, compliance with any conditions which the Court may impose in relation to the Capital Reduction; and (vii) if required, registration by the Registrar of Companies in the Cayman Islands of a copy of the order of the Court confirming the Capital Reduction

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and the minute approved by the Court containing the particulars required under the Companies Act (2025 Revision) of the Cayman Islands with respect to the Capital Reduction, with effect from the date on which these conditions are fulfilled:

- (a) the par value of each issued Consolidated Share be reduced from HK\$0.4 to HK\$0.1 by cancelling the paid-up capital of the Company to the extent of HK\$0.3 on each of the then issued Consolidated Shares (the “**Capital Reduction**”);
- (b) immediately following the Capital Reduction becoming effective, each of the authorised but unissued Consolidated Share be sub-divided into four (4) New Shares of par value of HK\$0.1 each (the “**New Shares**”) (the “**Share Sub-division**”);
- (c) immediately following the Capital Reduction and the Share Sub-division, the authorised share capital of the Company be changed from HK\$200,000,000 divided into 500,000,000 Consolidated Shares to HK\$200,000,000 divided into 2,000,000,000 New Shares;
- (d) the credit arising from the Capital Reduction be applied towards offsetting the accumulated losses of the Company as at the effective date of the Capital Reduction, and the balance of the credit arising from the Capital Reduction, if any, be credited to the distributable reserve account of the Company, which will be utilised by the Company in such manner as the Board may deem fit and permitted under all applicable laws and the New Articles;
- (e) each of the New Shares arising from the Capital Reduction and the Share Sub-division shall rank *pari passu* in all respects with each other and each shall have rights and privileges and be subject to the restrictions as contained in the New Articles; and
- (f) any one or more Directors be and are hereby authorised to do all such acts and things and execute (under hand or as a deed and, where appropriate, under the common seal of the Company) all such documents, which are ancillary to the Capital Reduction and the Share Sub-division, on behalf of the Company, as they may, in their absolute discretion, consider necessary or expedient to give effect to, implement and complete the Capital Reduction and the Share Sub-division.”

By Order of the Board of
Coolpad Group Limited
Chen Jiajun
Executive Director
Chief Executive Officer
Chairman

Hong Kong, 14 May 2025

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Notes:

1. The register of members of the Company will be closed from Tuesday, 3 June 2025 to Friday, 6 June 2025 (both days inclusive) during which period no transfer of share(s) will be effected. Members whose name appear on the register of members of the Company on Friday, 6 June 2025 will be entitled to attend and vote at the Meeting. In order to ensure that the Shareholders are entitled to attend and vote at the Meeting, all transfer documents, together with the relevant share certificates, should be lodged no later than 4:30 p.m. on Monday, 2 June 2025 at the branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.
2. Any shareholder entitled to attend and vote at the Meeting is entitled to appoint another person as his/her proxy to attend and vote on his/her behalf. A shareholder who is the holder of two or more shares may appoint more than one proxy to attend on the same occasion. A proxy need not be a shareholder of the Company.
3. Where there are joint registered holders of any shares, any one of such persons may vote at any meeting, either personally or by proxy, in respect of such shares as if he were solely entitled thereto; but if more than one of such joint holders be present at any meeting personally or by proxy, that one of the said persons so present being the most, or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand in the register in respect of the relevant joint holding.
4. In order to be valid, a form of proxy in the prescribed form together with the power of attorney or other authority (if any) under which it is signed, or a certified copy of such power or authority, must be lodged with the branch share registrar and transfer office of the Company in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time fixed for holding the annual general meeting or adjournment thereof.
5. Please refer to Appendix II of the circular of the Company dated 14 May 2025 for the details of the retiring Directors subject to re-election at the Meeting.
6. The Company reminds all shareholders that physical attendance in person at the Meeting is not necessary for the purpose of exercising voting rights. Shareholders may appoint the chairman of the meeting as their proxy to vote on the relevant resolutions at the Meeting instead of attending the Meeting in person, by completing and returning the proxy form. If you have any questions about the resolutions to be considered at the Meeting, you may send them to the Company's investor relations email address, ir@coolpad.com, and the Company will answer the questions on a timely basis.

As at the date of this notice, the Board comprises (i) three executive Directors, namely Mr. Chen Jiajun, Mr. Ma Fei and Ms. Liu Juan; (ii) three non-executive Directors, namely Mr. Liang Rui, Mr. Ng Wai Hung and Mr. Xu Yibo; and (iii) three independent non-executive Directors, namely Mr. Guo Jinghui, Ms. Wang Guan and Mr. Cheuk Ho Kan.