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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 registered dealer in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in NNK Group Limited, you should at once hand this circular and the accompanying form of proxy to the purchaser or the transferee or to the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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NNK Group Limited

年年卡集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3773)

CONTINUING CONNECTED TRANSACTIONS – REVISION OF ANNUAL CAPS FOR TRANSACTIONS UNDER THE FRAMEWORK AGREEMENT AND NOTICE OF EXTRAORDINARY GENERAL MEETING

Financial Adviser



瓏盛資本有限公司
Draco Capital Limited

**Independent Financial Adviser to
the Independent Board Committee and the Independent Shareholders**



中孚資本有限公司
HOLOGRAM CAPITAL LIMITED

Capitalised terms used in this circular shall have the same meanings as defined in the section headed "Definitions" in this circular unless the context otherwise requires.

A letter from the Board is set out on pages 4 to 15 of this circular. A letter from the Independent Board Committee containing its advice to the Independent Shareholders is set out on pages IBC-1 to IBC-2 of this circular. A letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages IFA-1 to IFA-13 of this circular.

A notice convening the EGM to be held at conference room one, 5/F, Building F5, TCL International E City, No. 1001 Zhongshan Yuan Road, Nanshan District, Shenzhen, the PRC on Monday, 22 August 2022 at 10:30 a.m. is set out on pages EGM-1 to EGM-2 of this circular. Whether or not you are able to attend the EGM, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Company's Hong Kong branch share registrar, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible but in any event no less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting should you so wish.

PRECAUTIONARY MEASURES FOR THE EXTRAORDINARY GENERAL MEETING

Please see page ii of this circular for measures being taken to try to prevent and control the spread of the COVID-19 at the EGM, including but not limited to:

- compulsory temperature checks
- compulsory wearing of surgical face masks
- no refreshments will be served

Any person who does not comply with the precautionary measures may be denied entry into the EGM venue. The Company reminds Shareholders that they may appoint the chairman of the meeting as their proxies to vote on the relevant resolution(s) at the EGM as an alternative to attending the EGM.

3 August 2022

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PRECAUTIONARY MEASURES FOR THE EXTRAORDINARY GENERAL MEETING

In view of the ongoing Novel Coronavirus (COVID-19) pandemic, the Company will implement the following preventive measures at the EGM to protect attending Shareholders, staff and other stakeholders from the risk of infection:

- (i) Compulsory body temperature checks will be conducted on every attendee at the entrance of the EGM venue. Any person with a body temperature of over 37.4 degrees Celsius may be denied entry into the EGM venue.
- (ii) The Company requires attendees to wear surgical face masks inside the EGM venue at all times, and to maintain a safe distance between seats.
- (iii) No refreshments will be served. To the extent permitted by law, the Company reserves the right to deny entry into the EGM venue or require any person to leave the EGM venue in order to ensure the safety of the attendees at the EGM.

In the interest of all stakeholders' health and safety, the Company reminds all Shareholders that physical attendance in person at the EGM is not necessary for the purpose of exercising voting rights. As an alternative, by using proxy forms with voting instructions inserted, Shareholders may appoint the chairman of the EGM as their proxies to vote on the relevant resolution(s) at the EGM instead of attending the EGM in person.

DEFINITIONS

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

“associates(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“China” or PRC”	the People’s Republic of China and, for the purpose of this announcement only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Company”	NNK Group Limited (年年卡集團有限公司), an exempted company with limited liability incorporated under the laws of the Cayman Islands, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 3773)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Connected Supplier”	Yinsheng Communication Company Limited* (銀盛通信有限公司), a company established in the PRC with limited liability and indirectly owned by Ms. Lam’s sibling as to 70% of shareholdings
“continuing connected transaction(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting of the Company to be held for the Independent Shareholders to consider and, if thought fit, approve the Supplemental Framework Agreement, the transactions contemplated thereunder and the Proposed Revised Annual Caps
“Framework Agreement”	the framework agreement dated 14 December 2021 entered into between the Company and the Connected Supplier in relation to the purchase of the Products by the Company and supply of the Products by the Connected Supplier
“Group”, “we”, “us”, or “our”	the Company, its subsidiaries and consolidated affiliated entity(ies)

DEFINITIONS

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Board Committee”	the board committee of the Company comprising all independent non-executive Directors, namely Mr. Lin Zhangxi, Mr. Qian Haomin and Ms. Zhao Jinlin, to be established to make recommendation to the Independent Shareholders in respect of the terms of the Supplemental Framework Agreement, the transactions contemplated thereunder and the Proposed Revised Annual Caps
“Independent Financial Adviser”	Hologram Capital Limited, the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders on the terms of the Supplemental Framework Agreement, the transactions contemplated thereunder and the Proposed Revised Annual Caps
“Independent Shareholders”	the Shareholders who are not prohibited under the Listing Rules from voting on a resolution to approve the relevant transaction at a general meeting of the Company
“Independent Third Party”	a person or entity who is not considered a connected person of the Company under the Listing Rules
“Latest Practicable Date”	28 July 2022, being the latest practicable date for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“Ms. Lam”	Ms. Lam Ching Wan (林靜云), the ultimate beneficial owner of Spring Harbour, substantial shareholder of the Company
“Original Annual Caps”	the existing annual monetary cap(s) for the transactions contemplated under the Framework Agreement for the period from 26 October 2021 to 31 December 2023
“Products”	means mobile top-up credits and mobile data usage top-up credits

DEFINITIONS

“Proposed Revised Annual Cap(s)”	the proposed annual monetary cap(s) for the transactions contemplated under the Framework Agreement for the period from 1 January 2022 to 31 December 2024 as amended under the Supplemental Framework Agreement
“RMB”	Renminbi, the lawful currency of China
“Share(s)”	ordinary share(s) in the share capital of the Company with a par value of US\$0.01 each
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“Spring Harbour”	Spring Harbour Development Limited, a company incorporated in the British Virgin Islands with limited liability and the substantial shareholder of the Company
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Supplemental Framework Agreement”	the agreement dated 26 May 2022 entered into between the Company and the Connected Supplier to revise the Original Annual Caps to the Proposed Revised Annual Caps and to extend the Framework Agreement for one year
“%”	per cent.

* *For identification purposes only*

LETTER FROM THE BOARD



NNK Group Limited

年年卡集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3773)

Executive Director:

Mr. Huang Junmou (*Chairman*)

Non-Executive Directors:

Mr. Fan Weiguo

Mr. Yu Zida

Independent non-executive Directors:

Mr. Lin Zhangxi

Mr. Qian Haomin

Ms. Zhao Jinlin

Registered office:

PO Box 309, Ugland House,

Grand Cayman, KY1-1104,

Cayman Islands

Principal place of business

in Hong Kong:

40th Floor, Dah Sing Financial Centre,

248 Queen's Road East,

Wanchai, Hong Kong

3 August 2022

To the Shareholders

Dear Sir or Madam,

**CONTINUING CONNECTED TRANSACTIONS –
REVISION OF ANNUAL CAPS FOR TRANSACTIONS
UNDER THE FRAMEWORK AGREEMENT
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 14 December 2021 and 26 May 2022 and the circular of the Company dated 14 January 2022 in relation to the Framework Agreement entered into between the Company and the Connected Supplier in relation to the purchase of the Products by the Company and supply of the Products by the Connected Suppliers.

In view of the growth in demand for the Products under the Framework Agreement as a result of the growth in business of the Group, the Board expects that the Original Annual Caps under the Framework Agreement will be insufficient for the years ending 31 December 2022

LETTER FROM THE BOARD

and 2023. Therefore, on 26 May 2022 (after trading hours), the Company and the Connected Supplier entered into the Supplemental Framework Agreement to revise the Original Annual Caps to the Proposed Revised Annual Caps and to extend the Framework Agreement for one year.

Save for the above, the terms of the Supplemental Framework Agreement shall remain the same as those of the Framework Agreement.

The purpose of this circular is to provide you with (i) further information on the details of the Supplemental Framework Agreement and the Proposed Revised Annual Caps; (ii) the letter from the Independent Board Committee which contains its recommendation to the Independent Shareholders; (iii) the letter of advice from the Independent Financial Adviser which contains its recommendation to the Independent Board Committee and the Independent Shareholders; (iv) other information as required under the Listing Rules; and (v) the notice of the EGM to the Shareholders on convening the EGM. The Shareholders will be informed of any material change of information in this circular until the date of EGM.

THE SUPPLEMENTAL FRAMEWORK AGREEMENT

On 26 May 2022 (after trading hours), the Company and the Connected Supplier entered into the Supplemental Framework Agreement in relation to the purchase of the Products by the Company and supply of the Products by the Connected Supplier. The principal terms of the Framework Agreement are summarised below.

Date

26 May 2022 (after trading hours)

Parties

The Company; and
the Connected Supplier

Duration

The period from 1 January 2022 to 31 December 2024

Subject Matter

The Connected Supplier shall supply the Products to the Group at prevailing market prices.

LETTER FROM THE BOARD

Pricing Terms

The price of the products supplied by the Connected Supplier to the Group will be based on the quoted price for the products to be supplied. Such quoted price will be determined based on arm's length negotiations between the parties and on normal commercial terms with reference to the prevailing market price for the same or substantially similar products, taking into account the price of the same or substantially similar products with comparable order quantities and quality offered by independent third-party suppliers.

In determining prevailing market prices for the Products provided to the Group by the Connected Supplier, the Group will obtain prevailing market prices through various channels, as appropriate, including (a) recent comparable transactions involving other independent third-party suppliers; (b) obtaining quotes for the Products from suppliers (including the Connected Supplier) through inquiries by telephone, email, etc.. The Group will compare the quotations, product quality, service quality, technical capabilities, delivery speed, qualifications and related experience of the product suppliers and negotiate the contract terms with them. Based on the comprehensive evaluation, the Group's procurement department, after the approval by the head of such department, will conclude contract with the suppliers offering the best commercial terms.

The Company will make prepayments to the Connected Supplier and relay the mobile top-up requests the Company receive from mobile users and the Connected Supplier will complete the mobile top-up requests and will deduct the value of mobile top-up credits from the prepayments of the Company. Such payment terms are similar to those of other independent third-party suppliers.

Conditions Precedent

The Supplemental Framework Agreement is conditional upon:

- (i) the Supplemental Framework Agreement, the transactions contemplated thereunder and the Proposed Revised Annual Caps having been approved by the respective board of directors of the Company and the Connected Supplier;
- (ii) all guarantees, representations and warranties given by the Company and the Connected Supplier under the Framework Agreement remaining valid, true and correct in all material respects;
- (iii) the Independent Shareholders having approved the Supplemental Framework Agreement, the transactions contemplated thereunder and the Proposed Revised Annual Caps by way of poll at the EGM to be convened in compliance with the Listing Rules; and
- (iv) (if necessary) all authorities' authorizations, approvals, consents, waivers and permits which are necessary or relevant to give effect to the Framework Agreement and the Continuing Connected Transactions having been granted, received or obtained and not revoked.

LETTER FROM THE BOARD

Save for condition precedent (ii) which can be waived by the Company or the Connected Supplier (as the case maybe), none of the conditions precedent can be waived by the Company or the Connected Supplier. As at the Latest Practicable Date, condition (i) above has been fulfilled. It is expected that conditions (ii) to (iv) will be fulfilled within one month from the Latest Practicable Date.

Save for the Proposed Revised Annual Caps, the terms of the Supplemental Framework Agreement are the same as those of the Framework Agreement, further details of which are set out in the circular of the Company dated 14 January 2022.

HISTORICAL TRANSACTION AMOUNTS AND PROPOSED ANNUAL CAPS

Historical Transaction Amounts

The table below sets out the historical transactions in relation to the purchase of the Products by the Company and supply of the Products by the Connected Suppliers amounts under the Framework Agreement during the period stated in the table below:

	For the period from 26 October 2021 to 31 December 2021 RMB'000	For the four months ended 30 April 2022 RMB'000
Historical Transaction amount	117,532	365,388

The Directors confirm that the transaction amounts from 1 January 2022 to the date of this announcement are within the Original Annual Cap for the year ending 31 December 2022 under the Framework Agreement.

Annual Caps

The table below sets out the Original Annual Caps and the Proposed Revised Annual Caps in relation to the purchase of the Products by the Company and supply of the Products by the Connected Suppliers under the Framework Agreement and the Supplemental Framework Agreement:

	Original Annual Caps		Proposed Revised Annual Caps		
	For the year ending 31 December				
	2022	2023	2022	2023	2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Transaction Amount	700,000	864,000	1,500,000	2,000,000	2,400,000

LETTER FROM THE BOARD

Basis of the Proposed Revised Annual Caps for the Supplemental Framework Agreement

The Proposed Revised Annual Caps under the Supplemental Framework Agreement represent a 114% and 131% increase from the Original Annual Caps for the year ending 31 December 2022 and 2023. Such Proposed Revised Annual Caps have been determined after taking into account the following factors:

- (i) the historical transaction amount in relation to the purchase of the Products by the Company and supply of the Products by the Connected Suppliers during the period from 26 October 2021 to 31 December 2021 and the four months ended 30 April 2022;
- (ii) the growth in demand for the Products from the Connected Supplier by the Company as the pricing of the Products from the Connected Supplier are more competitive than other independent third-party suppliers which leads to the anticipated procurement volume of the Products from the Connected Supplier account for approximately 9.0% to 10% of the total procurement volume of the Products of the Company for the year ending 31 December 2022, 2023 and 2024; and
- (iii) the anticipated increase in purchase volume of the Products by the Group based on the increase in procurement volume (approximately 30% and 20% increment for the year ending 31 December 2023 and 2024 respectively).

In the course of the estimation of the Original Annual Caps, the Company anticipated that the procurement volume of the Products from the Connected Supplier would account for approximately 4.5% of the total purchase of the Products by the Company for the year ending 31 December 2022 and 2023. Meanwhile, during the four months ended 30 April 2022, due to the increase in the pricing of the Products from other independent third-party suppliers, the pricing of the Products from the Connected Supplier became more competitive. As such, the monthly procurement volume of the Products from the Connected Supplier increased and accounted for approximately 5% to 10% of the total procurement volume of the Products of the Company during the four months ended 30 April 2022. The Company considers that if the aforesaid trend of the procurement proportion from the Connected Supplier maintains, the Original Annual Caps shall not be sufficient to meet the demand for the year ending 31 December 2022 and 2023. As such, the Company and the Connected Supplier entered into the Supplemental Framework Agreement to revise the Original Annual Caps to the Proposed Revised Annual Caps and to extend the Framework Agreement for one year in order to comply with the requirements under Chapter 14A of the Listing Rules.

The Company is of the view that the Group would not have excessive reliance on the Connected Supplier for the procurement of the Products. As abovementioned, in terms of the monthly procurement amount of the Products, the Connected Supplier (i) only accounted for approximately 5% to 10% of the total procurement volume of the Products of the Company during the four months ended 30 April 2022; and (ii) would only account for approximately 9.0% to 10% of the total procurement volume of the Products of the Company for the year ending 31 December 2022, 2023 and 2024.

LETTER FROM THE BOARD

Moreover, there is no minimum purchase amount from the Connected Supplier as set out in the Framework Agreement and the Supplemental Framework Agreement and it is at the Group's own discretion to determine whether to purchase the Products from the Connected Suppliers or other independent third-party suppliers in the interests of the Company and the Shareholders. As detailed in the section headed "INTERNAL CONTROL MEASURES" in the Letter from the Board in this Circular, the Company has adopted internal control measures to ensure that the price and terms of the individual procurement in respect of the Framework Agreement and the Supplemental Framework Agreement will be determined in the ordinary course of business, on normal commercial terms, negotiated on arm's length basis, on similar basis as the Group transacts business with other independent customers and shall be on terms which are no less favourable to the Group than those offered to other independent customers.

REASONS FOR AND BENEFIT OF ENTERING INTO THE FRAMEWORK AGREEMENT AND THE SUPPLEMENTAL FRAMEWORK AGREEMENT

The Directors have been carefully monitoring the historical transaction amounts of, and the estimated demand for, the transactions contemplated under the Framework Agreement of the Group. The Directors consider that the entering into the Supplemental Framework Agreement would be conducive to the Group's revenue growth and boosting profits as a result.

The Connected Supplier has been supplying the Products to the Group for over 8 years and the Group has not encountered any issue with the Products supplied by the Connected Supplier in the past. The Group has been procuring, and is expected to continue to procure, the Products from the Connected Supplier in order to fulfill its customers' mobile top-up and mobile data usage top-up requests.

The Board believes a strong relationship with experienced supplier is a strength, and the Group has established long standing business relationship with the Connected Supplier, the entering into of the Supplemental Framework Agreement would help the Group to secure access to suppliers with more convenient, efficient network, better service quality and competitive pricing.

The Directors (excluding the independent non-executive Directors who will form their view after taking into account the advice of the Independent Financial Adviser) are of the view that: (i) the transactions contemplated under the Supplemental Framework Agreement have been and will be entered into in the ordinary and usual course of business of the Group and on normal commercial terms or better; and (ii) the terms of the Supplemental Framework Agreement, the transactions contemplated thereunder and the Proposed Revised Annual Caps are fair, reasonable and in the interests of the Group and Shareholders as a whole.

LETTER FROM THE BOARD

INTERNAL CONTROL MEASURES

As a general principle, the price and terms of the individual procurement in respect of the Framework Agreement and the Supplemental Framework Agreement will be determined in the ordinary course of business, on normal commercial terms, negotiated on arm's length basis, on similar basis as the Group transacts business with other independent customers and shall be on terms which are no less favourable to the Group than those offered to other independent customers.

To ensure that all the continuing connected transactions are conducted on normal commercial terms and in accordance with the pricing policies of the Group and will not be prejudicial to the interests of the Company and the Shareholders as a whole, and the annual caps under the Supplemental Framework Agreement will not exceed the Proposed Revised Annual Caps, the Group has adopted the following internal control measures:

- (i) before entering into individual procurement contemplated under the continuing connected transactions, the procurement department will be responsible for preparing the relevant procurement in accordance with the Group's management systems on connected transaction, so as to ensure that the procurement price conforms to the prevailing market rate and industry practice. The procurement department will review the pricing on a yearly basis before the end of each year;
- (ii) the Group's finance department headed by the chief financial officer is responsible to conduct a yearly review on the pricing mechanism for the transactions under the Supplemental Framework Agreement to ensure that the prices are determined in accordance with the pricing policies adopted by the Group on normal commercial terms, the chief financial officer will report to the Board, the audit committee of the Board and the independent non-executive Directors at the end of each review period;
- (iii) all individual procurement contemplated under the continuing connected transactions will be entered into prior to the provision or procurement of such products. The Group's finance department headed by the chief financial officer is responsible to review the pricing mechanism for the transactions under the Supplemental Framework Agreement to ensure that the prices charged for a specific transaction are fair and reasonable and are determined in accordance with the applicable pricing policy and on normal commercial terms. The terms of the agreements and the prices will be reviewed and countersigned by the Group's internal control department to ensure that they are determined in accordance with the pricing policies and do not exceed the Proposed Revised Annual Caps, and such information will be cross-checked by the Group's chief financial officer and reported to the Board on a quarterly basis;

LETTER FROM THE BOARD

- (iv) the Group's finance department headed by the chief financial officer will be responsible to monitor the transaction amount of all the connected transaction agreements individually and collectively on a monthly basis to ensure that on a standalone basis and an aggregate basis, they would comply with the Listing Rules and will not exceed the Proposed Revised Annual Caps. The finance department will report to the Board on a half yearly basis regarding the amounts conducted during the period and the estimated amount in the following six months to facilitate the Board to monitor the actual amount of transaction amount, assess whether the Proposed Annual Caps will be exceeded. In the event that the annual caps are exceeded, the Group shall enter into supplemental agreement with the relevant connected persons to agree on the revised annual caps and comply with the relevant requirements of the Listing Rules prior to the entering into further transactions with the connected persons in this regard;
- (v) the independent non-executive Directors will continue to review the transactions contemplated under the Supplemental Framework Agreement and the auditors of the Company will also conduct an annual review on the pricing terms and annual caps thereof; and
- (vi) any Directors related to the Connected Supplier shall abstain from voting on the relevant Board resolutions in relation to such continuing connected transactions.

For the Products provided under the Framework Agreement and the Supplemental Framework Agreement to the Group, the Group will obtain prevailing market prices of the Products through various channels, as appropriate, including (a) recent comparable transactions involving other independent third-party suppliers; (b) obtaining quotes for the Products from suppliers (including the Connected Supplier) through inquiries by telephone, email, etc.. Upon receipt of quotation from the Connected Supplier, the Group will obtain at least two price quotes from other independent third-party suppliers to determine if the prices and terms offered by the Connected Supplier are fair and reasonable and around the ranges of those quotes offered by other independent third-party suppliers. The Group will ensure the terms of the Framework Agreement are no less favourable than those terms offered by the Connected Supplier to other independent third-party suppliers.

The finance department of the Company monitors the cumulative actual transaction amounts against the approved annual caps, and the Company engages the auditors of the Company to conduct an annual review of the continuing connected transactions of the Company to assess whether such transactions have been carried out in accordance with the relevant terms of the agreement entered into by the Company. The Independent Board Committee, comprising all the independent non-executive Directors, has been established to advise the Independent Shareholders of the transaction and conducts an annual review of the implementation enforcement of the continuing connected transactions.

LETTER FROM THE BOARD

The Group will endeavour to carry out adequate supervision over the pricing terms and policy under the Framework Agreements and the Supplemental Framework Agreement against the Proposed Revised Annual Caps, with a view to ensure that necessary measures and appropriate actions for the compliance with the applicable requirements will be promptly taken.

Accordingly, the Directors consider that the internal control mechanism is effective to ensure that the transactions contemplated under the Supplemental Framework Agreement have been and will be conducted on normal commercial terms and not prejudicial to the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE PARTIES

The Group is principally engaged in the provision of mobile top-up services and data usage top-up services.

The Connected Supplier is held as to (i) 70% by Ms. Lam's sibling and is a connected person of the Company pursuant to Rule 14A.21(1)(b) of the Listing Rules; (ii) 29% by Mr. Lin Ruibin (林锐斌), who is a citizen of the PRC and is Independent Third Parties; and (iii) 0.8% and 0.2% by two citizen of the PRC respectively and both of whom are Independent Third Parties. The Connected Supplier is principally engaged in the sales of digital goods, value added business in finance and telecommunications industries.

LISTING RULES IMPLICATIONS

The Connected Supplier, being a company indirectly owned by the sibling of Ms. Lam who is the substantial shareholder of the Company, is a connected person of the Company under the Listing Rules.

Therefore the transactions contemplated under the Supplemental Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios (other than the profits ratio) in respect of the maximum amount of the Proposed Revised Annual Caps is more than 5% and exceed HK\$10 million, the transactions contemplated under the Supplemental Framework Agreement are subject to the reporting, annual review, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, none of the Directors has any material interest in the Supplemental Framework Agreement, therefore none of the Directors was required to abstain from voting on the Board resolutions for considering and approving the Supplemental Framework Agreement, the transaction contemplated thereunder and the Proposed Revised Annual Caps.

LETTER FROM THE BOARD

To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, save for Ms. Lam and its associates held an aggregate of 119,400,000 Shares, representing approximately 28.77% of the issued share capital of the Company as at the Latest Practicable Date, will be required to abstain from voting at the EGM, no other Shareholders had a material interest and would be required to abstain from voting at the EGM in respect of the resolution in relation to the Framework Agreement and the transactions contemplated thereunder.

ESTABLISHMENT OF INDEPENDENT BOARD COMMITTEE AND APPOINTMENT OF THE INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Lin Zhangxi, Mr. Qian Haomin and Ms. Zhao Jinlin, has been established to advise the Independent Shareholders in relation to terms of the Framework Agreement and the continuing connected transactions contemplated thereunder (including the Proposed Annual Caps for those transactions). No member of the Independent Board Committee has any material interest in the Framework Agreement or the continuing connected transactions contemplated thereunder.

Hologram Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the continuing connected transactions as to whether the terms of the Supplemental Framework Agreement, the transactions contemplated thereunder and the Proposed Revised Annual Caps are fair and reasonable so far as the Independent Shareholder are concerned, whether the transactions contemplated under the Supplemental Framework Agreement are conducted on normal commercial terms or better, in the ordinary and usual course of business of the Group and in the interests of the Company and the Shareholders as a whole, as well as how to vote on the Supplemental Framework Agreement, the transactions contemplated thereunder and the Proposed Revised Annual Caps.

EXTRAORDINARY GENERAL MEETING, PROXY ARRANGEMENT AND CLOSURE OF REGISTER OF MEMBERS

The Company will convene the EGM or any adjourned meeting hereof at conference room one, 5/F, Building F5, TCL International E City, No. 1001 Zhongshan Yuan Road, Nanshan District, Shenzhen, the PRC on Monday, 22 August 2022 at 10:30 a.m. to approve matters referred to in this circular at which relevant resolutions will be proposed to the Shareholders to consider, and if thought fit, approve the Supplemental Framework Agreement, the continuing connected transactions as contemplated thereunder and the Proposed Revised Annual Caps. The notice convening the EGM is set out on pages EGM-1 to EGM-2 of this circular.

LETTER FROM THE BOARD

A form of proxy for use in connection with the EGM is enclosed herewith. Whether or not you intend to be present and vote at the EGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to 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, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof (as the case may be). The completion and delivery of a form of proxy will not preclude you from attending and voting at the EGM (or any adjourned meeting thereof) in person should you so wish, and in such case, the authority of your proxy will be revoked.

Pursuant to the Rule 13.39(4) of the Listing Rules and Article 13.6 of the Articles of Association, any votes of shareholders at a general meeting must be taken by poll except where the chairman of the meeting, in good faith and in compliance with the Listing Rules, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. An announcement on the poll vote results will be published by the Company after the EGM in the manner prescribed under Rule 13.39(5) of the Listing Rules.

The register of members of the Company will be closed, for the purpose of determining the Shareholders' entitlement to attend and vote at the meeting, from Wednesday, 17 August 2022 to Monday, 22 August 2022 (both days inclusive), during this period no transfer of shares will be registered. In order to attend and vote at the meeting, unregistered Shareholders should ensure that all transfer documents, accompanied by the relevant share certificates, are lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on Tuesday, 16 August 2022.

RECOMMENDATIONS

The Board considers that the terms of the Supplemental Framework Agreement, the transactions contemplated thereunder and the Proposed Revised Annual Caps are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends the Independent Shareholders to vote in favour of the ordinary resolution as set out in the notice of the EGM.

Your attention is drawn to the letter from the Independent Board Committee set out on pages IBC-1 to IBC-2 of this circular and the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders set out on pages IFA-1 to IFA-13 of this circular in connection with the Supplemental Framework Agreement, the continuing connected transactions contemplated thereunder and the Proposed Revised Annual Caps and the principal factors and reasons considered by the Independent Financial Adviser in arriving at such advice.

LETTER FROM THE BOARD

The Independent Board Committee, having taken into account the advice of the Independent Financial Adviser, considers that the terms of the Supplemental Framework Agreement, the continuing connected transactions contemplated thereunder and the Proposed Revised Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned and on normal commercial terms or better and in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole.

ADDITIONAL INFORMATION

Your attention is drawn to the additional information as set out in the appendix to this circular.

By order of the Board
NNK Group Limited
Huang Junmou
Chairman

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

The following is the text of the letter of recommendation from the Independent Board Committee to the Independent Shareholders prepared for the purpose of incorporation in this circular.



NNK Group Limited **年年卡集團有限公司**

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3773)

3 August 2022

To the Independent Shareholders

Dear Sir or Madam,

CONTINUING CONNECTED TRANSACTIONS – REVISION OF ANNUAL CAPS FOR TRANSACTIONS UNDER THE FRAMEWORK AGREEMENT

We refer to the circular issued by NNK Group Limited to its shareholders dated 3 August 2022 of which this letter forms part (the “Circular”). Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

We have been appointed by the Board as members to form the Independent Board Committee and to advise you the terms of the Supplemental Framework Agreement, the transactions contemplated thereunder and the Proposed Revised Annual Caps, whether such terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole and how to vote on the resolution at the EGM approving the continuing connected transactions.

Hologram Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Supplemental Framework Agreement, the transactions contemplated thereunder and the Proposed Revised Annual Caps are fair and reasonable so far as the Independent Shareholders are concerned, whether such terms are in the interests of the Company and the Shareholders as a whole. Details of its advice, together with the principal factors taken into consideration in arriving at such advice, are set out on pages IFA-1 to IFA-13 of the Circular.

We wish to draw your attention to the letter from the Board set out on pages 4 to 15 of the Circular and the additional information set out in the appendix of the Circular.

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

Having taken into account (i) the terms and conditions of the Supplemental Framework Agreement; and (ii) the advice and recommendations of the Independent Financial Adviser as set out from pages IFA-1 to IFA-13 of the Circular, we are of the opinion that the Supplemental Framework Agreement and the continuing connected transactions contemplated thereunder and the Proposed Revised Annual Caps are on normal commercial terms and the terms of the continuing connected transactions are fair and reasonable so far as the Independent Shareholders are concerned and are on normal commercial terms or better and in the ordinary and usual course of business of the Company and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in favour of the resolution to be proposed at the EGM to approve the Supplemental Framework Agreement and the continuing connected transactions and the Proposed Revised Annual Caps.

Yours faithfully,

Independent Board Committee
NKK Group Limited

Mr. Lin Zhangxi

*Independent non-executive
Director*

Mr. Qian Haomin

*Independent non-executive
Director*

Ms. Zhao Jinlin

*Independent non-executive
Director*

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the text of a letter of advice from the Independent Financial Adviser in connection with the Supplemental Framework Agreement and the transactions contemplated thereunder (including the Revised Annual Caps) which has been prepared for inclusion in this circular.



中孚資本有限公司
HOLOGRAM CAPITAL LIMITED

Hologram Capital Limited
Unit B, 21/F, Success Commercial Building
245-251 Hennessy Road, Wanchai, Hong Kong
中孚資本有限公司
香港灣仔軒尼詩道245-251號
守時商業大廈21樓B室

3 August 2022

To the Independent Board Committee and the Independent Shareholders

Dear Sirs and Madams,

CONTINUING CONNECTED TRANSACTIONS – REVISION OF ANNUAL CAPS FOR TRANSACTIONS UNDER THE FRAMEWORK AGREEMENT

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Supplemental Framework Agreement and the transactions contemplated thereunder (including the Revised Annual Caps), details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular issued by the Company to the Shareholders dated 3 August 2022 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings ascribed to them in the Circular unless the context otherwise requires.

References are made to the announcements of the Company dated 14 December 2021 and 26 May 2022 and the circular of the Company dated 14 January 2022 in relation to the Framework Agreement and the Supplemental Framework Agreement entered into between the Company and the Connected Supplier in relation to the purchase of the Products by the Company and supply of the Products by the Connected Suppliers.

The Connected Supplier, being a company indirectly owned by the sibling of Ms. Lam who is the substantial shareholder of the Company, is a connected person of the Company under the Listing Rules. Therefore, the transactions contemplated under the Supplemental Framework Agreement constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios (other than the profits ratio) in respect of the maximum amount of the Proposed Annual Caps is more than 5% and

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

exceed HK\$10 million, the Supplemental Framework Agreement and the transactions contemplated thereunder are subject to the reporting, annual review, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules. To the best knowledge, information and belief of the Directors having made all reasonable enquiries, none of the Directors has any material interest in the Framework Agreement, therefore none of the Directors was required to abstain from voting on the Board resolutions for considering and approving the Supplemental Framework Agreement and the transaction contemplated thereunder. To the best of the Directors' knowledge, information and belief, and having made all reasonable enquiries, save for Ms. Lam and its associates held an aggregate of 119,400,000 Shares, representing approximately 28.77% of the issued share capital of the Company as at the Latest Practicable Date, will be required to abstain from voting at the EGM, no other Shareholders had a material interest and would be required to abstain from voting at the EGM in respect of the resolution in relation to the Supplemental Framework Agreement and the transactions contemplated thereunder.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee, comprising Mr. Lin Zhangxi, Mr. Qian Haomin and Ms. Zhao Jinlin, has been established by the Company to advise the Independent Shareholders on, among other things, the terms of the Supplemental Framework Agreement and the continuing connected transactions contemplated thereunder (including the Proposed Annual Caps for those transactions). No member of the Independent Board Committee has any material interest in the Framework Agreement or the continuing connected transactions contemplated thereunder. We, Hologram Capital Limited, have been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

OUR INDEPENDENCE

As at the Latest Practicable Date, we were not aware of any relationships or interests between us and any member of the Group or any of their substantial Shareholders, Directors or chief executives, or their respective associates, that could reasonably be regarded as obstacle to our independence to act as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders. Save for this appointment as the Independent Financial Adviser in respect of the Supplemental Framework Agreement and the transactions contemplated thereunder, there were no other engagements between us and the Company or any other parties in the last two years. Apart from normal professional fees payable to us in connection with this appointment as the Independent Financial Adviser, no arrangement exists whereby we will receive any fees or benefit from the Company, its subsidiaries, its associates or their respective substantial Shareholders or associates or any other parties. Accordingly, we consider that we are eligible to give independent advice on the Supplemental Framework Agreement and the transactions contemplated thereunder.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

BASIS OF OUR OPINION

In formulating our opinion and recommendation, we have reviewed, among others, (i) the Announcement; (ii) the annual reports of the Company for the years ended 31 December 2020 and 2021 (the “**2020 Annual Report**” and “**2021 Annual Report**”, respectively); (iii) the announcements issued by the Company during the past two years up to the Latest Practicable Date; and (iv) the information contained in the Circular. We have also enquired with and reviewed the information provided by the management of the Company regarding the business and outlook of the Group.

We have relied on the above information and representations supplied, and the opinions expressed by the Directors and management of the Company, and have assumed that such information and statements, and representations made to us or referred to in the Circular are true, accurate and complete in all material respects at the time they were made and up to the Latest Practicable Date. We have also relied on our discussions with the Directors and management of the Company regarding the Group and the Continuing Connected Transactions, including the information and representations contained in the Circular. We have also assumed that all statements of belief, opinions and intentions made by the Directors and management of the Company in the Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts have been omitted or withheld from the information contained or opinions expressed in the Circular or to doubt the truth, accuracy and completeness of the information and representations provided by the Directors and/or management of the Company. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in the Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in the Circular have been arrived at after due and careful consideration and there are no other facts not contained in the Circular, the omission of which would make any statement in the Circular misleading. We have also sought and received confirmation from the Directors that no material facts have been withheld or omitted from the information provided and referred to in the Circular and that all information or representations provided to us by the Directors and the management of the Company are true, accurate, complete and not misleading in all respects at the time they were made and continued to be so until the Latest Practicable Date. According to the Circular, the Shareholders will be informed of any material change of information in the Circular until the date of the EGM.

We consider that we have reviewed sufficient information currently available to reach an informed view and to justify our reliance on the accuracy of the information contained in the Circular so as to provide a reasonable basis for our recommendation. We have not, however, carried out any independent verification of the information provided, representations made or opinion expressed by the Directors and the management of the Group, nor have we conducted any form of in-depth investigation into the business, affairs, operations, financial position or future prospects of the Company or any of their respective subsidiaries and associates.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

This letter is issued to the Independent Board Committee and the Independent Shareholders solely in connection for their consideration of the terms of the transactions contemplated under the Supplemental Framework Agreement (including the Proposed Revised Annual Caps), and except for its inclusion in the Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion regarding the transactions contemplated under the Supplemental Framework Agreement (including the Proposed Revised Annual Caps), we have considered the following principal factors and reasons:

1. Information and financial performance of the Group

The Company is an investment holding company, and its Shares are listed on the Main Board of the Stock Exchange. The Group is principally engaged in providing mobile top-up services to mobile users through electronic banking systems of banks in the PRC and other channels including third-party online platforms, its own websites and WeChat public account.

Set out below are selected information of the consolidated financial results of the Group for the years ended 31 December 2020 and 2021 as extracted from the 2020 Annual Report and the 2021 Annual Report:

Table 1: Extracts of consolidated income statement of the Group

	For the year ended 31 December		
	2021	2020	2019
	RMB'000	RMB'000	RMB'000
	(audited)	(audited)	(audited)
Revenue	90,622	81,742	49,827
Gross Profit	75,551	63,001	29,645
Profit attributable to owners of the Company for the year	26,478	30,213	665
Gross profit margin	83.4%	77.1%	59.5%
Net profit margin	29.2%	37.0%	1.3%

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

For the year ended December 2021

As depicted in Table 1 above, for the year ended 31 December 2021, the Group's total revenue amounted to approximately RMB90.6 million representing an increase of approximately 10.9% as compared to that of approximately RMB81.7 million for the year ended 31 December 2020, which, as stated in 2021 Annual Report, was mainly attributable to the increase in mobile top-up requests via electronic banking systems. The Group also recorded an improvement in its gross profit for the year ended 31 December 2021, which increased by approximately 19.9% to approximately RMB75.6 million as a result of the increase in the gross transaction value and decrease in cost of revenue. Meanwhile, the Group's gross profit margin rose by approximately 6.3 percentage points year-on-year to approximately 83.4%. Nevertheless, as a result of the increase in the distribution and selling expenses, administrative expenses, research and development expenses and finance costs, the profit attributable to owners of the Company decreased from approximately RMB30.2 million to approximately RMB26.5 million. As a result, the net profit margin decreased by approximately 7.8 percentage points year-on-year to approximately 29.2%.

For the year ended 31 December 2020

For the year ended 31 December 2020, the Group's total revenue amounted to approximately RMB81.7 million representing an increase of approximately 64.1% as compared to that of approximately RMB49.8 million for the year ended 31 December 2019, which was mainly attributable to the increase in mobile top-up requests via electronic banking systems and the increase in average discount rate received from the PRC telecommunication operators and their distributors during the year. As stated in the 2020 Annual Report, the Group recorded a significant improvement in its gross profit and profit attributable to owners of the Company for the year ended 31 December 2020, which increased by approximately 112.5% and approximately 4,443.3% as compared to those for the year ended 31 December 2019, respectively. Meanwhile, the Group's gross profit margin rose by approximately 17.6 percentage points year-on-year to approximately 77.1% and the net profit margin also climbed by approximately 35.7 percentage points year-on-year to approximately 37.0%.

2. Information of the Connected Supplier

The Connected Supplier is a company established in the PRC with limited liability and is held as to 70% by Ms. Lam's sibling and is a connected person of the Company pursuant to Rule 14A.21(1) (b) of the Listing Rules. The Connected Supplier is principally engaged in the sales of digital goods, value added business in finance and telecommunications industries.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

3. Supplemental Framework Agreement

Material terms

Set out below are the principal terms of the Supplemental Framework Agreement:

- Date : 26 May 2022 (after trading hours)
- Parties : the Company (as customer); and the Connected Supplier (as supplier)
- Duration : The period from 1 January 2022 to 31 December 2024
- Subject Matter : The Connected Supplier shall supply the Products to the Group at prevailing market prices.
- Pricing Terms : The price of the products supplied by the Connected Supplier to the Group will be based on the quoted price for the products to be supplied. Such quoted price will be determined based on arm's length negotiations between the parties and on normal commercial terms with reference to the prevailing market price for the same or substantially similar products, taking into account the price of the same or substantially similar products with comparable order quantities and quality offered by independent third-party suppliers.

On 14 December 2021, the Group and the Connected Supplier entered into the Framework Agreement with the duration from 26 October 2021 to 31 December 2023. Save for the Proposed Revised Annual Caps for the period from 1 January 2022 to 31 December 2024, the terms of the Supplemental Framework Agreement are the same as those of the Framework Agreement, further details of which are set out in the circular of the Company dated 14 January 2022.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

4. Review on the Historical Transaction Amounts

The following table sets out the historical transaction amounts in relation to the purchase of the Products by the Company and supply of the Products by the Connected Suppliers amounts under the Framework Agreement during the period stated in the table below.

	For the period from 26 October 2021 to 31 December 2021	For the four months ended 30 April 2022	For the year ending 31 December 2022
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Historical transaction amount	117,532	365,388	1,096,164 (Note)
Original Annual Cap	120,000	700,000	700,000
Utilisation rate	97.9%	52.2%	156.6% (Note)

Note: For illustrative purpose only, the transaction amount for the year ending 31 December 2022 is calculated by annualising the actual transaction amount for the four months ended 30 April 2022 without taking into account other factors such as the potential price fluctuation of the Products, and thus the actual transaction amount for the year ending 31 December 2022 and the corresponding utilisation rate may be varied.

As illustrated in the table above, the actual transaction amount of the Products for the year ended 31 December 2021 amounted to approximately RMB117.5 million, which represented a high utilisation of the Original Annual Cap of approximately 97.9%. For the four months ended 30 April 2022, the actual transaction amount was approximately RMB365.4 million. For illustrative purpose only, the annualised transaction amount for the year ending 31 December 2022 would be approximately RMB1,096.2 million which would exceed the Original Annual Cap of RMB700 million, indicating that the Original Annual Cap for the year ending 31 December 2022 may be insufficient.

5. Assessment of the Proposed Revised Annual Caps

The table below sets out the Original Annual Caps and the Proposed Revised Annual Caps in relation to the purchase of the Products by the Company and supply of the Products by the Connected Suppliers under the Framework Agreement and the Supplemental Framework Agreement:

	For the year ending 31 December 2022	For the year ending 31 December 2023	For the year ending 31 December 2024
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Original Annual Cap	700,000	864,000	–
Proposed Revised Annual Cap	1,500,000	2,000,000	2,400,000

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

As stated in the Letter from the Board, the Proposed Revised Annual Caps under the Supplemental Framework Agreement represent a 114% and 131% increase from the Original Annual Caps for the year ending 31 December 2022 and 2023. Such Proposed Revised Annual Caps have been determined after taking into account the following factors: (i) the historical transaction amount in relation to the purchase of the Products by the Company and supply of the Products by the Connected Suppliers during the period from 26 October 2021 to 31 December 2021 and the four months ended 30 April 2022; (ii) the growth in demand for the Products from the Connected Supplier by the Company as the pricing of the Products from the Connected Supplier are more competitive than other independent third-party suppliers which leads to the anticipated procurement volume of the Products from the Connected Supplier account for approximately 9.0% to 10% of the total procurement volume of the Products of the Company for the year ending 31 December 2022, 2023 and 2024; and (iii) the anticipated increase in purchase volume of the Products by the Group based on the increase in procurement volume (approximately 30% and 20% increment for the year ending 31 December 2023 and 2024 respectively).

In order to assess the fairness and reasonableness of the Revised Annual Caps, we have conducted the following work done:

(a) Review on the historical transaction amounts between the Company and the Connected Suppliers

As stated above, we noted that the utilization rates were approximately 97.9% and 52.2% of the Original Annual Caps for the year ended 31 December 2021 and the year ending 31 December 2022. Over half of the Original Annual Cap has been used up for only four months for the year ending 31 December 2022. Based on the annualised transaction amount for the year ending 31 December 2022 which would be approximately RMB1,096.2 million, the Original Annual Cap for the year ending 31 December 2023 would also be exceeded.

(b) Review on the pricing of the Products offered by the Connected Supplier and independent third-party supplier of the Group

The Company expects the growth in demand for the Products from the Connected Supplier by the Company as the pricing of the Products from the Connected Supplier are more competitive than other independent third-party suppliers. We have discussed with the management of the Group and note that in order to ensure that the prices and terms offered by the Connected Supplier are on normal commercial terms and no less favourable to the Group, the Group will determine the prevailing market prices for the Products through various channels, as appropriate, including (a) recent comparable transactions involving Independent Third Parties; (b) obtaining quotes for the Products from suppliers (including the Connected Supplier) through inquiries by telephone, email, etc.. Upon receipt of quotations from the Connected Supplier, the Group will compare the quotations, product quality, service quality, technical capabilities, delivery speed, qualifications and related experience of the Connected Supplier with those of at least two

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

other Independent Third Parties. Based on the comprehensive evaluation, the Group's procurement department, after the approval by the head of such department, will conclude contract with the suppliers offering the best commercial terms.

In order to assess whether the pricing of the Products offered by the Connected Supplier is more competitive than those offered by other independent third-party supplier and followed the terms as set out in the Framework Agreement, we have requested and obtained (i) the Framework Agreement and the Supplemental Framework Agreement; and (ii) transaction list containing the details of the transaction amount between the Company and the Connected Supplier and the discount rate offered by the Connected Supplier for each transaction during the period from 26 October 2021 up to 30 April 2022 (being the latest transaction information available). Based on the transaction list, we requested and obtained 1 sample copy of purchase orders for each month which stated with certain information such as the price and quantity of the Products.

For our due diligence purpose, we have reviewed 4 sample contracts entered into between the Group and the Independent Third Parties selected on a random basis from the lists of suppliers of the Products during the period from October 2021 to April 2022. We have also compared 7 samples of transaction records between the Group and the Connected Supplier and 26 samples of transaction records between the Group and the Independent Third Parties, which were selected on a random basis from the lists of transactions in respect of the Products with the Connected Supplier and the Independent Third Parties covering the period from October 2021 to April 2022. These independent samples covered approximately 32% of the transactions of the Company from October 2021 to April 2022 and the monthly transactions sizes of the independent parties were similar to the monthly transaction size of the Connected Party. We have reviewed that the quoted prices for the Products offered by the Connected Party and considered that they have been in line with those of the independent third parties. Based on our review, we noted that (i) the terms of the Supplemental Framework Arrangement as reviewed by us was in line with the transaction terms between the Group and Independent Third Parties; (ii) the purchase prices relating to the Products were in line with the prevailing market price of the Products in the period; and (iii) such purchase were on normal commercial terms when compared with those applicable to the Independent Third Parties. As such, we are of the view that the terms of the Supplemental Framework Agreement and the continuing connected transactions contemplated thereunder are on normal commercial terms and are fair and reasonable.

(c) Increase in procurement volume

As stated in the 2020 Annual Report, the gross transaction value with mobile users increased by approximately 42.3% to approximately RMB10,112.0 million for the year ended 31 December 2020 from approximately RMB7,107.2 million for the year ended 31 December 2019. The gross transaction value via electronic banking systems increased by approximately 63.4% to approximately RMB9,518.6 million for the year ended 31 December 2020 from approximately RMB5,825.2 million for the year ended 31 December

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

2019. The increase in the gross transaction values via electronic banking systems was mainly caused by the deepening cooperation with major PRC banks. Furthermore, as stated in the 2021 Annual Report, the gross transaction value with mobile users increased by approximately 41.3% to approximately RMB14,288.1 million for the year ended 31 December 2021 from approximately RMB10,112.0 million for the year ended 31 December 2020. The gross transaction value via electronic banking systems increased further by approximately 47.1% to approximately RMB14,002.4 million for the year ended 31 December 2021 from approximately RMB9,518.6 million for the year ended 31 December 2020.

Based on our discussion with the management of the Group, we note that such increase was mainly due to the effort of the Group and that the PRC banks were putting more investment and promotion efforts in their internet banking and mobile banking APP services, in order to increase customers' activity in internet banking and mobile banking APP services, and strengthen connection with customers. The Group will deepen the cooperation with the PRC banks by supplying top-up credits and coupons for their promotion activities.

Taking into account the above, we are of the view that the Proposed Revised Annual Caps are fairly determined and are fair and reasonable.

6. Internal Control Measures

We have discussed with and understood from the Company that it has adopted the following internal control measures to ensure that the continuing connected transactions will be conducted on normal commercial terms and in accordance with the pricing policies of the Group and will not be prejudicial to the interests of the Company and the Shareholders as a whole, and the annual caps under the Supplemental Framework Agreement will not exceed the Proposed Revised Annual Caps, the Group has adopted the following internal control measures:

- (i) before entering into individual procurement contemplated under the continuing connected transactions, the procurement department will be responsible for preparing the relevant procurement in accordance with the Group's management systems on connected transaction, so as to ensure that the procurement price conforms to the prevailing market rate and industry practice. The procurement department will review the pricing on a yearly basis before the end of each year;
- (ii) the Group's finance department headed by the chief financial officer is responsible to conduct a yearly review on the pricing mechanism for the transactions under the Supplemental Framework Agreement to ensure that the prices are determined in accordance with the pricing policies adopted by the Group on normal commercial terms, the chief financial officer will report to the Board, the audit committee of the Board and the independent non-executive Directors at the end of each review period;

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- (iii) all individual procurement contemplated under the continuing connected transactions will be entered into prior to the provision or procurement of such products. The Group's finance department headed by the chief financial officer is responsible to review the pricing mechanism for the transactions under the Supplemental Framework Agreement to ensure that the prices charged for a specific transaction are fair and reasonable and are determined in accordance with the applicable pricing policy and on normal commercial terms. The terms of the agreements and the prices will be reviewed and countersigned by the Group's internal control department to ensure that they are determined in accordance with the pricing policies and do not exceed the Proposed Revised Annual Caps, and such information will be cross-checked by the Group's chief financial officer and reported to the Board on a quarterly basis;
- (iv) the Group's finance department headed by the chief financial officer will be responsible to monitor the transaction amount of all the connected transaction agreements individually and collectively on a monthly basis to ensure that on a standalone basis and an aggregate basis, they would comply with the Listing Rules and will not exceed the Proposed Revised Annual Caps. The finance department will report to the Board on a half yearly basis regarding the amounts conducted during the period and the estimated amount in the following six months to facilitate the Board to monitor the actual amount of transaction amount, assess whether the Proposed Annual Caps will be exceeded. In the event that the annual caps are exceeded, the Group shall enter into supplemental agreement with the relevant connected persons to agree on the revised annual caps and comply with the relevant requirements of the Listing Rules prior to the entering into further transactions with the connected persons in this regard;
- (v) the independent non-executive Directors will continue to review the transactions contemplated under the Supplemental Framework Agreement and the auditors of the Company will also conduct an annual review on the pricing terms and annual caps thereof; and
- (vi) any Directors related to the Connected Supplier shall abstain from voting on the relevant Board resolutions in relation to such continuing connected transactions.

Furthermore, we noted from the Annual Report 2021 that, pursuant to Rule 14.55 of the Listing Rules, the independent non-executive Directors have reviewed the continuing connected transactions under the Framework Agreement conducted during the year ended 31 December 2021 and confirmed that such transactions were entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or better; and (iii) in accordance with the Framework Agreement on terms that are fair and reasonable and in the interests of the Shareholders as a whole; and (iv) are subject to internal control procedures established by the Company which are sufficient and effective. Besides, the auditor of the Company also confirmed to the Directors that (i) nothing has come to their attention that causes the auditors of the Company to believe that the Framework Agreement have not been approved by the Board; (ii) nothing has come to their attention that causes the auditors of the Company

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to believe that the transactions were not entered into, in all material respects, in accordance with the relevant agreements under the Framework Agreement governing such transactions; and (iii) for transactions involving the receipt of goods or services by the Group, nothing has come to their attention that causes them to believe that the disclosed continuing connected transactions were not, in all material respects, in accordance with the internal and pricing policies of the Group. The continuing connected transactions will continue to be subject to the relevant annual review requirements pursuant to Rules 14A.55 to 14A.59 of the Listing Rules. Taking the above into account, we are of the view that there are appropriate measures in place to govern the conduct of the continuing connected transactions, thereby safeguarding the interests of the Independent Shareholders.

We have reviewed the internal control manual regarding the continuing connected transactions between the Company and connected parties. The management of the Group advised that the Group will monitor the pricing terms and policy under the Supplemental Framework Agreement and the relevant annual caps, with a view to ensure that necessary measures and appropriate actions for the compliance with the applicable requirements will be promptly taken.

We have considered and noted that the documents including (i) 4 random samples of contracts entered into between the Group and the Independent Third Parties; (ii) 7 random samples of transaction records between the Group and the Connected Supplier; and (iii) 26 random samples of transaction records between the Group and the Independent Third Parties, reviewed by us are consistent with the relevant internal control measures as aforementioned.

Given the above, we consider there exists appropriate procedures and arrangements to ensure that the transactions contemplated under the Supplemental Framework Agreement will be conducted on terms that are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and on normal commercial terms or better and in the ordinary course of business of the Group.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

RECOMMENDATION

Having considered the above principal factors and reasons, we are of the opinion that (i) the Supplemental Framework Agreement, the transactions contemplated thereunder and the Proposed Revised Annual Caps are conducted in the ordinary and usual course of business of the Group; (ii) the terms of the Supplemental Framework Agreement are on normal commercial terms or better, and together with the Revised Annual Caps, are fair and reasonable so far as the Independent Shareholders are concerned; and (iii) the entering into of the Supplemental Framework Agreement and the Proposed Revised Annual Caps are in the interests of the Company and the Shareholders as a whole. Accordingly, we advise the Independent Board Committee to recommend, and we ourselves recommend, the Independent Shareholders to vote in favour of the ordinary resolution to be proposed at the EGM to approve the Supplemental Framework Agreement and the continuing connected transactions and the Proposed Revised Annual Caps.

Yours faithfully,
For and on behalf of
Hologram Capital Limited
Kevin Chan
Director

Mr. Kevin Chan is a person licensed under the SFO to carry out type 6 (advising on corporate finance) regulated activities under the SFO and regarded as a responsible officer of Hologram Capital Limited and has over 21 years of experience in corporate finance industry.

(I) 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 Group. 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 is not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

(II) DISCLOSURE OF DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS**(a) Directors' interest or short positions in shares and underlying shares of the Company and its associated corporations**

As at the Latest Practicable Date, save as disclosed below, none of the Directors or the chief executive of the Company or their respective associates had or was deemed to have any interests and short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules:

Long position in shares and underlying shares of the Company

Name of Director	Nature of interest	Number of ordinary shares	Approximately percentage of holding
Mr. Huang Junmou (<i>Note</i>)	Interest in controlled corporation	64,500,000	15.54%

Note: The entire issued share capital of Fun Charge Technology Limited is legally and beneficially owned by Mr. Huang Junmou who is deemed to be interest in all the Shares held by Fun Charge Technology Limited by virtue of the SFO.

As at the Latest Practicable Date, save for Mr. Huang Junmou who is a director of Fun Charge Technology Limited, none of the Directors is a director or employee of a company which has an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

As at the Latest Practicable Date, none of the Directors or the chief executives of the Company had, or were deemed to have, any interests or short positions in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which (a) were recorded in the register required to be kept by the Company pursuant to section 352 of the SFO; or (b) were required to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules.

(b) Persons who have an interest or short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO and substantial Shareholders

So far as was known to the Directors of the Company, as at the Latest Practicable Date, persons other than a Director or chief executive of the Company who had interests or short positions in the Shares and underlying Shares which were required to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or required to be recorded in the register of substantial shareholders maintained by the Company pursuant to section 336 of the SFO, or were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company, were as follows:

Long position in shares of the Company

Name of Substantial Shareholders	Nature of interest	Number of ordinary shares	Approximately percentage of holding
Fun Charge Technology Limited (<i>Note 1</i>)	Beneficial owner	64,500,000	15.54%
Spring Harbour Development Limited (<i>Note 2</i>)	Beneficial owner	119,400,000	28.77%
China Charge Technology Limited (<i>Note 3</i>)	Beneficial owner	60,000,000	14.46%
Harvest Gold Capital Limited (<i>Note 4</i>)	Beneficial owner	56,100,000	13.52%
Ms. Lam Ching Wan (<i>Note 2</i>)	Interest in a controlled corporation	119,400,000	28.77%
Mr. Huang Shaowu (<i>Note 3</i>)	Interest in a controlled corporation	60,000,000	14.46%
Mr. Chong Wing Kin (<i>Note 4</i>)	Interest in a controlled corporation	56,100,000	13.52%

Notes:

1. The entire issued share capital of Fun Charge Technology Limited is legally and beneficially owned by Mr. Huang Junmou who is deemed to be interest in all the Shares held by Fun Charge Technology Limited by virtue of the SFO.
2. The entire issued share capital of Spring Harbour Development Limited is legally and beneficially owned by Ms. Lam Ching Wan who is deemed to be interest in all the Shares held by Spring Harbour Development Limited by virtue of the SFO.
3. The entire issued share capital of China Charge Technology Limited is legally and beneficially owned by Mr. Huang Shaowu who is deemed to be interest in all the Shares held by China Charge Technology Limited by virtue of the SFO.
4. The entire issued share capital of Harvest Gold Capital Limited is legally and beneficially owned by Mr. Chong Wing Kin who is deemed to be interest in all the Shares held by Harvest Gold Capital Limited by virtue of the SFO.

Save as disclosed above, so far as was known to the Directors of the Company, as at the Latest Practicable Date, no persons other than a Director or chief executive of the Company had any interests or short positions in the Shares or underlying Shares which were required to be disclosed to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or required to be recorded in the register of substantial shareholders maintained by the Company pursuant to section 336 of the SFO, or were directly or indirectly interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company.

(III) DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with any member of the Group which would not expire or would not be determinable by such member of the Group within one year without payment of compensation (other than statutory compensation).

(IV) DIRECTOR'S INTERESTS IN ASSETS

As at the Latest Practicable Date, none of the Directors has or had any interest, either directly or indirectly, in any assets which have since 31 December 2021 (being the date to which the latest published audited consolidated financial statements of the Group were made up), been acquired or disposed of by or leased to, any member of the Group or are proposed to be acquired or disposed of by, or leased to, any member of the Group.

(V) DIRECTORS' INTERESTS IN CONTRACT OR ARRANGEMENT OF SIGNIFICANCE

As at the Latest Practicable Date, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date and which was significant in relation to the business of the Group.

(VI) MATERIAL ADVERSE CHANGE

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2021 (being the date to which the latest published audited financial statements of the Group were made up).

(VII) COMPETING INTERESTS OF DIRECTORS AND ASSOCIATES

As at the Latest Practicable Date, none of the Directors and their respective close associates had any interest in any business (apart from the Group's business) which competes or is likely to compete, either directly or indirectly, with the business of the Group (as would be required to be disclosed under Rule 8.10 of the Listing Rules if each of them were a controlling shareholder) or have or may have any other conflict of interest with the Group pursuant to the Listing Rules.

(VIII) LITIGATION

As at the Latest Practicable Date, so far as the Directors are aware, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation or arbitration of material importance was pending or threatened against any member of the Group.

(IX) EXPERT QUALIFICATION AND CONSENT

The following is the qualification of the expert who has given opinion or advice, which are contained or referred to in this circular:

Name	Qualification
Hologram Capital Limited	a corporation licensed to carry out Type 6 (Advising on Corporate Finance) regulated activity under the SFO

As at the Latest Practicable Date, Hologram Capital Limited did not have (i) any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group and (ii) any direct or indirect interest in any assets which had, since 31 December 2021 (being the date to which the latest published audited consolidated financial statements of the Company were made up), been acquired or disposed of by, or leased to any member of the Group, or are proposed to be acquired or disposed of by, or leased to any member of the Group.

Hologram Capital Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion herein of its letter and references to its name in the form and context in which it appears.

(X) DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.nnk.com.hk>) from the date of this circular up to and including the date of the EGM for a period of not less than 14 days:

- (a) the Supplemental Framework Agreement;
- (b) the letter from the Independent Board Committee to the Independent Shareholders, the text of which is set out in the section headed “Letter from the Independent Board Committee” in this circular;
- (c) the letter from Hologram Capital Limited to the Independent Board Committee and the Independent Shareholders, the text of which is set out in the section headed “Letter from the Independent Financial Adviser” in this circular;
- (d) the letter of consent referred to the paragraph headed “Expert Qualification and Consent” in this appendix; and
- (e) this circular.

(XI) MISCELLANEOUS

- (a) The Company’s branch share registrar and transfer office in Hong Kong is Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong.
- (b) The Cayman Islands principal share registrar and transfer office is Maples Fund Services (Cayman) Limited PO Box 1093, Boundary Hall Cricket Square Grand Cayman, KY1-1102 Cayman Islands.
- (c) The joint company secretaries of the Company are Mr. Hung Hing Hung and Ms. Wong Wai Ling. Mr. Hung is a member of the Hong Kong Institute of Certified Public Accountants. Ms. Wong is a vice president of a corporate services provider, SWCS Corporate Services Group (Hong Kong) Limited and is an associate member of both The Hong Kong Chartered Governance Institute and The Chartered Governance Institute in the United Kingdom.
- (d) In the event of inconsistency, the English language text of this circular shall prevail over the Chinese language text.

NOTICE OF EGM



NNK Group Limited 年年卡集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 3773)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “**Meeting**”) of NNK Group Limited (the “**Company**”) will be held at conference room one, 5/F, Building F5, TCL International E City, No. 1001 Zhongshan Yuan Road, Nanshan District, Shenzhen, the PRC on Monday, 22 August 2022 at 10:30 a.m. for the purpose of considering and, if thought fit, passing, with or without amendments, the following resolutions as ordinary resolutions of the Company:

ORDINARY RESOLUTIONS

“**THAT**

1. the supplemental framework agreement dated 26 May 2022 (the “**Supplemental Framework Agreement**”) entered into between the Company and Yinsheng Communication Company Limited* (銀盛通信有限公司) (a copy of which has been produced at the EGM marked “**A**” and initialed by the chairman of the EGM for the purpose of identification), all transactions contemplated thereunder, and the proposed revised annual caps of such transactions, be and are hereby approved, confirmed and ratified; and
2. the directors of the Company be and are hereby authorised to take all such steps, do all such acts and/or things and/or execute all such documents incidental to, ancillary to or in connection with matters contemplated in or relating to the Supplemental Framework Agreement and all transactions contemplated thereunder as they may in their absolute discretion consider necessary, appropriate, desirable or expedient to give effect to the Supplemental Framework Agreement and the implementation of all transactions contemplated thereunder.”

* *for identification purpose only*

By order of the Board
NNK Group Limited
Huang Junmou
Chairman

Hong Kong, 3 August 2022

Registered office:
PO Box 309, Ugland House,
Grand Cayman, KY1-1104,
Cayman Islands

Principal place of business
in Hong Kong:
40th Floor, Dah Sing Financial Centre,
248 Queen’s Road East,
Wanchai, Hong Kong

NOTICE OF EGM

Notes:

1. Any shareholder entitled to attend and vote at the EGM shall be entitled to appoint another person as his/her proxy to attend and vote instead of him/her. A proxy need not be a shareholder of the Company. A shareholder who is the holder of two or more Shares may appoint more than one proxy to attend and vote on the same occasion.
2. A form of proxy for use at the EGM is enclosed. 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 notarially certified copy of that power of attorney or authority must be deposited at 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, Wanchai, Hong Kong, not less than 48 hours before the time fixed for holding the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude members from attending and voting at the EGM or any adjournment thereof (as the case may be) should they so wish and in such event, the form of proxy shall be deemed to be revoked.
3. A form of proxy must be signed by you or your attorney duty authorized in writing or, in the case of a corporation, must be either executed under seal or under the hand of an officer or attorney duty authorized to sign the same.
4. Where there are joint holders of any Share(s), any one of such persons may attend and vote at the EGM, either in person or by proxy in respect of such Share(s) as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the EGM or any adjournment thereof (as the case may be), the more senior shall alone be entitled to vote, whether in person or by proxy. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
5. On a poll, every shareholder present at the EGM shall be entitled to one vote for every fully paid-up share of which he is the holder. The result of such poll shall be deemed to be the resolution of the EGM at which the poll was so required or demanded.
6. The register of members of the Company will be closed from Wednesday, 17 August 2022 to Monday, 22 August 2022, both days inclusive, during which period no transfer of shares will be registered. In order to determine the identity of the shareholders who are entitled to attend and vote at the EGM, all duly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on Tuesday, 16 August 2022.

As at the date of this notice, Mr. Huang Junmou is the executive Director; Mr. Fan Weiguo and Mr. Yu Zida are the non-executive Directors; and Mr. Lin Zhangxi, Mr. Qian Haomin and Ms. Zhao Jinlin are the independent non-executive Directors.