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If you are in any doubt about 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 adviser.

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

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China PengFei Group Limited
中国鹏飞集团有限公司

(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 3348)

**PROPOSALS FOR GENERAL MANDATES
TO ISSUE AND BUY BACK SHARES;
DECLARATION AND PAYMENT OF FINAL DIVIDEND
OUT OF SHARE PREMIUM ACCOUNT;
RE-ELECTION OF RETIRING DIRECTORS;
PROPOSED ADOPTION OF THE THIRD AMENDED AND RESTATED
MEMORANDUM AND ARTICLES
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening the annual general meeting of China PengFei Group Limited to be held at Grand Meeting Room at 9/F, Jiangsu Pengfei Group, Benjiaji, Northern Suburb, Haian City, Jiangsu Province, the People's Republic of China on Thursday, 6 June 2024 at 9:30 a.m. is set out on pages 29 to 34 of this circular. A form of proxy for use at the annual general meeting is also enclosed. Such form of proxy is also published on the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk and the website of the Company at <http://pengfei.com.cn/>. Whether or not you are able to attend the annual general meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the annual general meeting (i.e. no later than 9:30 a.m. on Tuesday, 4 June 2024, Hong Kong time) or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the annual general meeting or any adjourned meeting thereof if they so wish.

29 April 2024

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DEFINITIONS

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

“Annual General Meeting”	the annual general meeting of the Company to be held at Grand Meeting Room at 9/F, Jiangsu Pengfei Group, Benjiaji, Northern Suburb, Haian City, Jiangsu Province, the People’s Republic of China on Thursday, 6 June 2024 at 9:30 a.m., or any adjournment thereof and notice of which is set out on pages 29 to 34 of this circular
“Articles of Association”	the amended and restated articles of association of the Company adopted by a special resolution passed on 20 June 2023, as amended or supplemented from time to time
“Board”	the board of Directors
“Buy-back Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the Annual General Meeting to buy back Shares not exceeding 10 per cent of the total number of Shares in issue as at the date of passing of the relevant resolution granting the relevant mandate
“Cayman Companies Act”	the Companies Act (as revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
“Company”	China PengFei Group Limited (中国鹏飞集团有限公司), a company incorporated in the Cayman Islands under the laws of Cayman Islands as an exempted company with limited liability on 31 July 2017, the Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“Heavy Equipment PRC”	Jiangsu Pengfei Group Nantong Heavy Equipment Company Limited* (江蘇鵬飛集團南通重型設備有限公司), a company established in the PRC with limited liability on 8 April 2004, a wholly-owned subsidiary of the Company
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors at the Annual General Meeting to allot, issue and/or deal with the Shares not exceeding 20 per cent of the total number of Shares in issue as at the date of passing of the relevant resolution granting the relevant mandate
“Jiangsu Pengfei”	Jiangsu Pengfei Group Limited* (江蘇鵬飛集團股份有限公司), formerly known as Jiangsu Pengfei Industrial Group Limited* (江蘇鵬飛實業股份有限公司), a company established in the PRC with limited liability on 8 July 2002, converted from a collective enterprise, and is owned as to 99.9997% by Heavy Equipment PRC and 0.0003% by Nantong Golden, and the principal operating subsidiary of the Group
“Latest Practicable Date”	22 April 2024, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Date”	15 November 2019, being the date of listing of the Shares on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended, supplemented or otherwise modified from time to time
“Memorandum” or “Memorandum of Association”	the amended and restated memorandum of association of the Company adopted by a special resolution passed on 20 June 2023, as amended or supplemented from time to time
“Nantong Golden”	Nantong Golden Environmental Protection Technology Company Limited* (南通金度環保科技有限公司), a company established in the PRC with limited liability on 24 July 2018, a wholly-owned subsidiary of the Company
“Nomination Committee”	the nomination committee of the Board

DEFINITIONS

“PRC” or “China”	the People’s Republic of China, excluding, for the purpose of this circular, Hong Kong, the Macau Special Administrative Region of the People’s Republic of China and Taiwan, unless otherwise specified
“Proposed Amendments”	as defined on page 8 of the section headed “Letter from the Board” in this circular
“Prospectus”	the prospectus of the Company dated 31 October 2019
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Share(s)”	ordinary share(s) in the capital of the Company with a par value of HK\$0.01 each
“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Code on Takeovers and Mergers issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Third Amended and Restated Memorandum and Articles”	the third amended and restated memorandum and articles of association of the Company incorporating the Proposed Amendments proposed to be adopted by the Shareholders at the Annual General Meeting
“%”	per cent

In this circular, the terms “close associate”, “core connected person”, “controlling shareholder”, “subsidiary” and “substantial shareholder” shall have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

* *For identification purposes only*

LETTER FROM THE BOARD

China PengFei Group Limited

中国鹏飞集团有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 3348)

Executive Directors:

Mr. Wang Jiaan (*Chairman*)
Mr. Zhou Yinbiao
Mr. Dai Xianru
Mr. Ben Daolin

Registered office:

Suite #4-210, Governors Square
23 Lime Tree Bay Avenue
PO Box 32311
Grand Cayman KY1-1209
Cayman Islands

Independent Non-executive Directors:

Ms. Zhang Lanrong
Mr. Ding Zaiguo
Mr. Mak Hing Keung, Thomas

*Headquarters and principal place of
business in the PRC:*

Benjiaji, Northern Suburb
Haian City
Jiangsu Province
PRC

Principal place of business in Hong Kong:

Room 1901, 19/F, Lee Garden One
33 Hysan Avenue
Causeway Bay
Hong Kong

29 April 2024

To the Shareholders

Dear Sir or Madam

**PROPOSALS FOR GENERAL MANDATES
TO ISSUE AND BUY BACK SHARES;
DECLARATION AND PAYMENT OF FINAL DIVIDEND
OUT OF SHARE PREMIUM ACCOUNT;
RE-ELECTION OF RETIRING DIRECTORS;
PROPOSED ADOPTION OF THE THIRD AMENDED AND RESTATED
MEMORANDUM AND ARTICLES
AND
NOTICE OF ANNUAL GENERAL MEETING**

1. INTRODUCTION

The purpose of this circular is to give you the notice of Annual General Meeting and further information about the following proposals to be put forward at the Annual General Meeting: (a) the grant to the Directors of the Issue Mandate and the Buy-back Mandate; (b) the declaration and payment of final dividend out of share premium account; (c) the re-election of the retiring Directors; and (d) the proposed adoption of the Third Amended and Restated Memorandum and Articles.

LETTER FROM THE BOARD

2. ISSUE MANDATE

In order to ensure flexibility and give discretion to the Directors, in the event that it becomes desirable for the Company to issue any new Shares, approval is to be sought from the Shareholders, pursuant to the Listing Rules, for the general mandate to issue the Shares. At the Annual General Meeting, an ordinary resolution no. 5(A) will be proposed to grant the Issue Mandate to the Directors to exercise the powers of the Company to allot, issue and deal with the additional Shares in the share capital of the Company up to 20 per cent of the total number of Shares in issue as at the date of passing of the resolution in relation to the Issue Mandate.

As at the Latest Practicable Date, the issued share capital of the Company comprised 500,000,000 Shares. Subject to the passing of the ordinary resolution no. 5(A) and on the basis that no further Shares are issued or bought back after the Latest Practicable Date and up to the Annual General Meeting, the Company will be allowed to issue a maximum of 100,000,000 Shares under the Issue Mandate.

In addition, subject to a separate approval of the ordinary resolution no. 5(C), the number of Shares bought back by the Company under ordinary resolution no. 5(B) will also be added to extend the 20 per cent limit of the Issue Mandate as mentioned in the ordinary resolution no. 5(A) provided that such additional amount shall not exceed 10 per cent of the total number of Shares in issue as at the date of passing the resolutions in relation to the Issue Mandate and the Buy-back Mandate. The Directors wish to state that they have no immediate plans to issue any new Shares pursuant to the Issue Mandate.

The Issue Mandate will continue to be in force from the passing of the said resolution until whichever the following first occurs: (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the Articles of Association or to be held; and (iii) the revocation or variation of the authority given under such ordinary resolution by an ordinary resolution of the Shareholders in general meeting.

3. BUY-BACK MANDATE

In addition, an ordinary resolution will be proposed at the Annual General Meeting to approve the granting of the Buy-back Mandate to the Directors to exercise the powers of the Company to buy back the Shares representing up to 10 per cent of the total number of Shares in issue as at the date of passing of the resolution in relation to the Buy-back Mandate.

The Buy-back Mandate, if approved, will continue in force until the earliest of: (i) the conclusion of the next annual general meeting of the Company; (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the Articles of Association to be held; or (iii) the revocation or variation of the authority given under the resolution by an ordinary resolution of the Shareholders of the Company in general meeting.

LETTER FROM THE BOARD

The Company has no current intention of exercising the Buy-back Mandate.

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

4. DECLARATION AND PAYMENT OF FINAL DIVIDEND OUT OF SHARE PREMIUM ACCOUNT

As announced by the Company in its announcement dated 28 March 2024 regarding the annual results of the Group for the year ended 31 December 2023, the Board recommended the declaration and payment of a final dividend of RMB0.0857 (not subject to withholding tax) per Share for the year ended 31 December 2023 out of the share premium account (the “**Final Dividend**”). As at the Latest Practicable Date, there was a total of 500,000,000 Shares in issued by the Company. On the assumption that no Shares are issued or bought back by the Company after the Latest Practicable Date and up to the date of Annual General Meeting, the Final Dividend, if declared and paid, will amount to an aggregate amount of approximately RMB42.9 million (not subject to withholding tax). Subject to the fulfilment of the conditions set out in the section headed “Conditions of the Payment of Final Dividend out of Share Premium Account” below, the Final Dividend is intended to be paid out of the share premium account of the Company pursuant to articles 154 and 156 of the Articles of Association and in accordance with the applicable laws of the Cayman Islands.

According to the audited consolidated financial statements of the Company for the year ended 31 December 2023, the amount standing to the credit of the share premium account of the Company as at 31 December 2023 was approximately RMB73.6 million.

Upon the payment of the Final Dividend, the remaining balance of the amount standing to the credit of the share premium account of the Company will be approximately RMB30.8 million.

Conditions of the Payment of Final Dividend out of Share Premium Account

The payment of the Final Dividend out of the share premium account of the Company is conditional upon the satisfaction of the following conditions:

- (i) the passing of an ordinary resolution by the Shareholders at the Annual General Meeting approving the declaration and payment of the Final Dividend out of the share premium account of the Company pursuant to articles 154 and 156 of the Articles of Association and the applicable laws of the Cayman Islands; and

LETTER FROM THE BOARD

- (ii) the Directors being satisfied that there are no reasonable grounds for believing that immediately following the payment of the Final Dividend, the Company will be unable to pay its debts as they fall due in the ordinary course of business.

The conditions set out above cannot be waived. If such conditions are not satisfied, the Final Dividend will not be paid. Subject to the fulfilment of the above conditions, the proposed Final Dividend is expected to be distributed to Shareholders on or around Thursday, 18 July 2024. The Final Dividend will be declared in RMB and paid in HKD by applying the middle rate of HKD to RMB announced by the Bank of China on 28 March 2024, which was HKD1.00 to RMB0.90685, as the applicable exchange rate for calculation of the Final Dividend. Subject to Shareholders' approval at the Annual General Meeting, the Final Dividend payable for each Share shall be HKD0.0945 and the aggregate amount of which will be paid out of the Company's share premium account. Total dividend payout ratio is 30.3% of the profit for the year attributable to the owners of the Company.

Reasons for and Effect of the Payment of Final Dividend out of Share Premium Account

The Board considers it appropriate to distribute the Final Dividend to reward the Shareholders for their continuing support. The payment of the Final Dividend out of share premium account of the Company does not involve any reduction in the authorised or issued share capital of the Company nor does it involve any reduction in the nominal value of the Shares or result in any change in the trading arrangements in respect of the Shares.

After taking into consideration of the existing cash flow of the Group, the Board considers that the Company has sufficient cash flow to pay the Final Dividend. The payment of the Final Dividend out of share premium account of the Company will not have any material adverse effect on the financial position of the Group.

The Directors consider that the proposed declaration and payment of the Final Dividend out of share premium account of the Company is in the interests of the Company and the Shareholders as a whole.

5. RE-ELECTION OF RETIRING DIRECTORS

In accordance with article 108 of the Articles of Association, the Directors being Mr. Wang Jiaan, Mr. Ben Daolin and Ms. Zhang Lanrong, shall retire by rotation at the Annual General Meeting. The abovementioned Directors, being eligible, will offer themselves for re-appointment at the Annual General Meeting upon election.

Details of the above retiring Directors who are subject to re-election at the Annual General Meeting are set out in Appendix I to this circular in accordance with the relevant requirements of the Listing Rules.

LETTER FROM THE BOARD

6. ADOPTION OF THE THIRD AMENDED AND RESTATED MEMORANDUM AND ARTICLES

Reference is made to the announcement of the Company dated 28 March 2024 in relation to, among other things, the proposed amendments to the Memorandum and Articles of Association.

Following the Consultation Conclusions on Proposals to Expand the Paperless Listing Regime and Other Rule Amendments published by the Stock Exchange in June 2023, the Listing Rules have been amended with effect from 31 December 2023 such that, among others, that any “corporate communication” (as defined under the Listing Rules) must, to the extent permitted under all applicable laws and regulations, be satisfied by the listed issuer by (i) sending or otherwise making available the corporate communication to the relevant holders of its securities using electronic means or (ii) making the corporate communication available on its website and the Stock Exchange’s website. Listed issuers must make any necessary amendments to their constitutional documents no later than the first annual general meeting following 31 December 2023 to facilitate their compliance with such requirements. In view of that, the Board proposes to amend the Memorandum and Articles of Association of the Company (the “**Proposed Amendments**”) in order to facilitate the Company’s compliance with the said electronic communication requirements. Details of the Proposed Amendments are set forth in Appendix III to this circular.

A special resolution will be proposed at the Annual General Meeting to approve the Proposed Amendments and the adoption of the Third Amended and Restated Memorandum and Articles.

The legal advisers to the Company as to Hong Kong laws have confirmed that the Proposed Amendments conform with the requirements of the Listing Rules and the legal advisers to the Company as to the laws of the Cayman Islands have confirmed that the Proposed Amendments are not inconsistent with the laws of the Cayman Islands.

The Company confirms that there is nothing unusual about the Proposed Amendments for a company listed in Hong Kong. The Shareholders are advised that the Third Amended and Restated Memorandum and Articles are adopted in English only. The Chinese translation of the Proposed Amendments provided in Appendix III to this circular in Chinese is for reference only. The Chinese translation of the Third Amended and Restated Memorandum and Articles will be made available upon adoption by the Company for reference only. In case of any inconsistency, the English versions of the Proposed Amendments and the Third Amended and Restated Memorandum and Articles shall prevail.

7. NOTICE OF ANNUAL GENERAL MEETING

Set out on pages 29 to 34 of this circular is the notice of the Annual General Meeting containing, inter alia, ordinary resolutions in relation to granting the Directors the Issue Mandate and the Buy-back Mandate, approving the declaration and payment of Final Dividend out of share premium account, approving the re-election of the retiring Directors, and the special resolution for the adoption of the Third Amended and Restated Memorandum and Articles.

LETTER FROM THE BOARD

8. FORM OF PROXY

A form of proxy is enclosed for use at the Annual General Meeting. Such form of proxy is also published on the website of the Stock Exchange at www.hkexnews.hk. Whether or not you intend to be present at the Annual General Meeting, you are requested to complete the form of proxy in accordance with the instructions printed thereon and return it to the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time fixed for the holding of the Annual General Meeting (i.e. no later than 9:30 a.m. on Tuesday, 4 June 2024, Hong Kong time) or at any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the Annual General Meeting or any adjourned meeting thereof if you so wish.

9. VOTING BY POLL

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting (save for certain procedural or administrative matters) must be taken by poll. The Chairman of the Annual General Meeting shall therefore demand voting on all resolutions set out in the notice of Annual General Meeting be taken by way of poll pursuant to article 72 of the Articles of Association.

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

10. RECOMMENDATION

The Directors consider that the proposed resolutions for the granting to the Directors of the Issue Mandate and the Buy-back Mandate, approving the declaration and payment of Final Dividend out of share premium account, approving the re-election of the retiring Directors and the proposed adoption of the Third Amended and Restated Memorandum and Articles are in the best interests of the Company and the Shareholders as a whole. The Directors therefore recommend the Shareholders to vote in favour of all the resolutions to be proposed at the Annual General Meeting.

Yours faithfully
By order of the Board
China PengFei Group Limited
Wang Jiaan
Chairman and Executive Director

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

1. EXECUTIVE DIRECTORS

Mr. Wang Jiaan (王家安) (“Mr. Wang”), aged 66, is an executive Director and the chairman of the Board. Mr. Wang was appointed as our Director on 31 July 2017 and re-designated as our executive Director on 13 March 2019. Mr. Wang is primarily responsible for overall management, corporate policy making and strategic planning of our Group’s business operations. Mr. Wang is the father-in-law of Mr. Shi Pengyu (施鵬宇), a senior management of our Group.

Mr. Wang has more than 40 years of experience in special equipment manufacturing business. Prior to joining our Group, Mr. Wang worked in Haian County Building Equipment Manufacturing Plant* (海安縣建材設備製造總廠) as a mechanical workshop technician and workshop manager from October 1977 to July 1984 and was promoted as the deputy plant manager and technical manager from July 1984 to May 1994. Since then, Mr. Wang joined Jiangsu Pengfei and served as the deputy general manager from May 1994 to October 2001 and was promoted as the general manager from October 2001 to October 2003. Since October 2023, Mr. Wang has served as the chairman and general manager of Jiangsu Pengfei.

Mr. Wang has completed the provincial level mechanical industry professional technical staff high-level transformation innovative upgrading senior training course at the Jiangsu Provincial Department of Human Resources and Social Security* (江蘇省人力資源和社會保障廳); and Jiangsu Province Mechanical Industry Association* (江蘇省機械行業協會) in August 2012. Mr. Wang has completed the Nantong City modern entrepreneur senior training course at Shanghai Jiaotong University in the PRC in April 2012. Mr. Wang was awarded with a certificate after completion of the 7th Jiangsu province technological entrepreneur (investment & financing strategy and capital operations) training course at Renmin University of China in the PRC in March 2011. Mr. Wang has completed the senior business administration executive training course at Tsinghua University in the PRC in July 2008. Mr. Wang was awarded with a certificate after completion of the building materials mechanical professional certificate at Yancheng Industrial Institute (鹽城工業專科主校) in February 1996.

Mr Wang is a researcher-level senior engineer, recognised by the Jiangsu Provincial Department of Human Resources and Social Security* (江蘇省人力資源和社會保障廳) in November 2012, and is a first level/senior technician, recognised by the Ministry of Human Resources and Social Security, the PRC (中華人民共和國人力資源和社會保障部) in November 2012.

Mr. Wang participated in public services including, among others, acting as the Vice-chairman of the 5th Committee of the China Building Materials Machinery Industry Association* (中國建材機械工業協會) from December 2008 to December 2013, the Vice-chairman of the 5th Committee of the China Building Materials Federation (中國建築材料聯合會) from October 2016 to September 2021, the Chairman of Haian County Building Materials Machinery Business Association* (海安縣建材機械業商會) from October 2016 to September 2021, a member of the 16th Committee of the Chinese National People’s Congress of Haian County* (中國海安縣第十六屆人民代表大會) from January 2017 to December 2021, the Chairman of the 4th Machinery Committee of Jiangsu Province Building Materials Industry

Association* (江蘇省建材行業協會) from March 2017 to February 2022 and a member of the 14th Committee of the Chinese National People's Congress of Nantong City* (中國南通市第十四屆人民代表大會) from January 2012 to December 2016. Since August 2017, Mr. Wang has also held the position as the secretary of Jiangsu Pengfei branch of the Chinese Communist Party* (中國共產黨江蘇鵬飛集團股份有限公司黨委書記).

Mr. Wang has received awards from various organisations as follows:

Name of organisations	Award	Year of award
China Building Materials Federation (中國建築材料聯合會)	National Building Materials Industry Reform and Opening-up Thirty Years Representative* (全國建材行業改革開放三十年代表人物)	March 2009
Jiangsu Provincial People's Government (江蘇省人民政府)	Provincial Model Worker* (省勞動模範)	April 2011
China Building Materials Machinery Industry Association* (中國建材機械工業協會)	"Eleven-Five" Building Materials Machinery Enterprise Leader* ("十一五"建材機械企業領軍人物)	July 2011
Nantong City People's Government (南通市人民政府)	2013 Nantong Private Economy "Distinguished Enterprise, Brand and Leader"* Leader of the Year (2013年南通民營經濟“名企、名品、名人”年度人物)	March 2014
Haian County Chinese Communist Party Committee (中國共產黨海安縣委員會); and Haian County People's Government (海安縣人民政府)	2016 Five-Star Entrepreneur* (2016年度五星級企業家)	January 2017
All China Federation of Trade Unions (中華全國總工會)	National Labor Medal* (全國五一勞動獎章)	April 2017
China Building Materials Machinery Industry Association* (中國建材機械工業協會)	Outstanding Entrepreneur in Building Materials and Machinery Industry for 40 Years since China's Reform and Opening-up* (中國改革開放40年建材機械行業優秀企業家)	November 2018

Mr. Wang was a director and the legal representative of the following companies which were incorporated in the PRC and were dissolved by way of deregistration, and the relevant details are as follows:

Company name	Date of deregistration
Jiangsu Zhongpeng Energy Technology Development Co., Ltd.* (江蘇中鵬能源技術開發有限公司)	18 May 2016
Haian County Strength Machinery Co., Ltd.* (海安縣實力機械有限公司)	20 May 2016
Haian Pengfei Machinery Equipment Research Institute Co., Ltd.* (海安鵬飛機械裝備研究院有限公司)	20 May 2016

As confirmed by Mr. Wang, the aforementioned companies were solvent at the time when they were deregistered and he is not aware of any actual or potential claim that has or will be made against him or these companies as a result of their respective deregistration. For further information, please refer to the paragraph headed “Disposal of or deregistration of subsidiaries and associated companies by our Group during the Track Record Period” in the section headed “History, development and Reorganisation” in the Prospectus.

As at the date of this report, Mr. Wang was interested in a total of 225,249,438 Shares, representing approximately 45.05% of the total number of Shares in issue.

* *For identification purpose only*

Mr. Ben Daolin (賁道林) (“Mr. Ben”), with former name Ben Daonian (賁道年) aged 58, joined our Group in February 1994, was appointed as our Director on 7 November 2018 and re-designated as our executive Director on 13 March 2019. Mr. Ben is responsible for overseeing the human resources and administrative management of the Group.

Mr. Ben has more than 30 years of experience in special equipment manufacturing industry. Prior to joining our Group Mr. Ben worked in Haian County Building Equipment Manufacturing Plant* (海安縣建材設備製造總廠) as a technician and quality inspector from July 1984 to July 1988 and was promoted as the quality office manager from July 1988 to May 1994. Thereafter, Mr. Ben joined our Group and served as the office manager from May 1994 to March 2002 and has been promoted as the supervisor and secretary to the board since March 2002.

Mr. Ben has obtained a number of professional qualifications, including a first level/senior technician as accredited by The Ministry of Human Resources and Social Security, the PRC (中華人民共和國人力資源和社會保障部) in November 2012; a senior economist as accredited by Jiangsu Provincial Department of Human Resources and Social Security* (江蘇省人事廳) in December 2008, the deputy secretary of the 2nd Committee of Haian County Building Materials Machinery Business Association* (海安縣建材機械業商會) as appointed in June 2013, a mechanical engineer as accredited by Nantong City Department of Human Resources and Social Security* (南通市人力資源和社會保障局) in August 2015; the secretary

of Hai'an County Building Materials Machinery Business Association* (海安縣建材機械業商會) as appointed in October 2016; a council member of the 5th Committee of Jiangsu Province Building Materials Industry Association* (江蘇省建材行業協會) as appointed in March 2018, and the vice president of the 8th Council of the Nantong International Economic and Technological Cooperation Association* (南通市國際經濟技術合作協會) as appointed in March 2022.

Mr. Ben participating editing several National Standards, including GB/T 329790-2016 "Building Materials Mechanical Product Classification and Model Compilation Method"* (建材機械產品分類及型號編製方法), GB/T 3510.1-2017 "Technical Requirements Complete Dry Process Cement Production Equipment – Part 1: Raw material preparation systems"* (新型乾法水泥生產成套裝備技術要求第1部份:生料製備系統), JC/T 405-2006 Conditioning tower for cement industry (水泥工業用增濕塔) and JC/T 406-2006 "Packing Technical Conditions for cement machinery" (《水泥機械包裝技術條件》).

Mr. Ben also received awards from various organisations, including the following:

Name of organisations	Award	Year of award
China Building Materials Enterprise Management Association* (中國建築材料企業管理協會)	Mr. Ben participated in the creation of "Building a performance management system with the objective of enhancing the overall competitiveness of the company"* (以提升企業綜合競爭力為目標的卓越績效) and was awarded with The 2021-2022 National Building Materials Enterprise Management Modernization Innovation Achievements, Second Class* (2021-2022年度全國建材企業管理現代化成果二等)	September 2022
Jiangsu Province Enterprise Management Modernization Innovation Achievements Review Committee* (江蘇省企業管理現代化創新成果審定委員會)	Mr. Ben participated in the creation of "Rapidly Improve General Contracting Capacity Realize a New Leap in Internationalization Strategy"* (快速提升總承包能力實現國際化戰略新跨越) and was awarded with The 16th Provincial First-Class Enterprise Management Modernization Innovation Achievement* (第十六屆省級一等企業管理現代化創新成果)	January 2010

Name of organisations	Award	Year of award
China Building Materials Machinery Industry Association* (中國建材機械工業協會)	“Eleven-Five” Building Materials Machinery Enterprise Leader* (“十一五”建材機械企業領軍人物)	July 2011
Jiangsu Province Enterprise Management Modernization Innovation Achievements Review Committee* (江蘇省企業管理現代化創新成果審定委員會)	Mr. Ben participated in the creation of “Private Building Materials Enterprises Adopting “One Belt, One Road” as the Orientation of International Strategic Management”* (民營建材企業以“一帶一路”為導向的國際化戰略管理) and was awarded with The 23rd Jiangsu Province First-Class Enterprise Management Modernization Innovation Achievement* (第二十三屆省企業管理現代化創新成果一等獎)	April 2017

Mr. Ben completed Building Materials Mechanical Professional Certificate from Yancheng Industrial Institute* (鹽城工業專科主校) in the PRC in February 1996.

Mr. Ben was a director of the following companies which were incorporated in the PRC and were dissolved by way of deregistration, and the relevant details are as follows:

Company name	Date of deregistration
Jiangsu Zhongpeng Energy Technology Development Co., Ltd* (江蘇中鵬能源技術開發有限公司)	18 May 2016
Haian County Strength Machinery Co., Ltd.* (海安縣實力機械有限公司)	20 May 2016

As confirmed by Mr. Ben, the aforementioned companies were solvent at the time when they were deregistered and he is not aware of any actual or potential claim that has been or will be made against him or these companies as a result of their respective deregistration. For further information, please refer to the paragraph headed “Disposal of or deregistration of subsidiaries and associated companies by our Group during the Track Record Period” in the section headed “History, development and Reorganisation” in the Prospectus.

* For identification purpose only

2. INDEPENDENT NON-EXECUTIVE DIRECTOR

Ms. Zhang Lanrong (張嵐嶸) (“**Ms. Zhang**”), with former name Zhang Lanrong (張蘭榮), aged 67, was appointed as an independent non-executive Director of the Company on 25 October 2019. She is responsible for providing independent judgment on the Group’s strategy, performance and financial operation.

Ms. Zhang has more than 12 years of experience in building materials industry. Prior to joining our Group, Ms. Zhang has worked as the chief editor of “Jiangsu Building Materials”* (江蘇建材) magazine since January 2006. She was appointed as the secretary of the board of directors of China Jiangsu International Economic and Technical Cooperation Group Ltd. (中國江蘇國際經濟技術合作集團有限公司) from December 2015 to June 2017.

Ms. Zhang was previously elected as the secretary general of the 3rd committee, the vice-president of the 4th committee and the executive vice-president of the 5th Committee of the Jiangsu Province Building Materials Industry Association* (江蘇省建材行業協會) in June 2006, April 2012 and March 2018, respectively. Ms. Zhang was regarded as National Building Materials Association Advanced Worker by China Building Materials Industry Association* (中國建築材料工業協會) in June 2007.

Ms. Zhang was accredited by Jiangsu Provincial Department of Human Resources and Social Security* (江蘇省人力資源和社會保障廳) as a senior economist, senior international business executive and a senior political economist in November 2010, November 2011 and September 2013, respectively.

Ms. Zhang obtained a Bachelor’s degree in Economics Management from Nanjing University of Science and Technology (南京理工大學) in the PRC in July 1995 and a certificate of the master’s degree training course in Economics Management from Nanjing Agricultural University (南京農業大學) in the PRC in November 1998. She also completed a chief training course from Jiangsu Province Journal Association* (江蘇省期刊協會) in October 2011.

* *For identification purpose only*

The Board would consider to enhance its diversity with different expertise when re-electing an independent non-executive Director. Ms. Zhang has confirmed her independence pursuant to Rule 3.13 of the Listing Rules. The Board considers Ms. Zhang is independent and can bring further contribution to the Board and its diversity.

The Nomination Committee has also assessed and reviewed each of the independent non-executive Directors’ annual written confirmation of independence based on the independence criteria as set out in Rule 3.13 of the Listing Rules and confirmed that all the independent non-executive Directors remain independent. The nominations were made in accordance with the nomination policy and the objective criteria (including but not limited to qualifications, skills, integrity, experience and the amount of time and effort that the candidate will devote to discharge his/her duties and responsibilities), with due regard for the benefits of

diversity, as set out under the board diversity policy of the Company, details of which are set out in the annual report of the Company for the year ended 31 December 2023. The Nomination Committee is of the view that the retiring independent non-executive Directors, namely Ms. Zhang Lanrong has extensive experience in different fields and professions that are relevant to the Company's business. In addition, her respective background, experience and knowledge allow her to provide the Company valuable and relevant insights and contribute to the diversity of the Board. Accordingly, the Nomination Committee has recommended them to the Board for re-election and the Board has endorsed the recommendations of the Nomination Committee and recommended all retiring Directors to stand for re-election at the Annual General Meeting.

Mr. Wang Jiaan and Mr. Ben Daolin are entitled to an annual Director's remuneration and bonus of approximately RMB522,400 and RMB495,800 during the year of 2023 respectively.

Ms. Zhang Lanrong is entitled to an annual Director's remuneration and bonus of approximately RMB72,000 during the year of 2023.

Each of Mr. Wang Jiaan and Mr. Ben Daolin, being the executive Directors, has entered into a service agreement with the Company. The term of their service agreements is three years commencing from the Listing Date and renewable automatically for successive term of one year each commencing from the day next after the expiry of the then current term, which may be terminated in accordance with the provisions of the service agreement or by not less than three months' notice in writing served by either party on the other. Save for the amount of Directors' remuneration, particulars of the service agreements of the executive Directors are in all material respects the same.

Ms. Zhang Lanrong, being the independent non-executive Director, has renewed her letter of appointment with the Company for a fixed term of one year commencing from 8 November 2023. The appointment is subject to the provisions of retirement by rotation of Directors under the Articles of Association.

Save as disclosed above, none of the Directors has or is proposed to have entered into any service agreement or letter of appointment with any member of the Group (excluding agreements expiring or determinable by any member of the Group within one year without payment of compensation other than statutory compensation).

Save as disclosed herein and as at the Latest Practicable Date, each of the above Directors did not have, and was not deemed to have any interests or short positions in any Shares, underlying Shares or interests in debentures of the Company and its associated corporations within the meaning of Part XV of the SFO.

Save as disclosed above and immediately preceding the Latest Practicable Date, each of the above Directors has not held any directorships in other listed public companies or any other major appointments and professional qualifications during the past three years, does not hold any other position with the Company or other members of the Group and does not have any other relationships with any of the other Directors, senior management, substantial shareholders or controlling shareholders of the Company.

Save as disclosed above, there are no other material matters concerning each of the Directors that need to be brought to the attention of the Shareholders in connection with his/her re-election and there is no other information that should be disclosed pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules.

The following is an explanatory statement required by the Stock Exchange to be sent to the Shareholders under the Listing Rules in connection with the proposed Buy-back Mandate.

1. LISTING RULES

The Listing Rules permit companies with a primary listing on the Stock Exchange to purchase their shares on the Stock Exchange subject to certain restrictions, the most important of which are summarized below:

- (i) the shares to be purchased by a company must be fully paid-up;
- (ii) the company has previously sent to its shareholders an explanatory statement complying with the Listing Rules; and
- (iii) all on market purchase of shares by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of a specific approval in relation to specific transactions or by a general mandate to the directors of the company to make such purchase, and a copy of such resolution together with the necessary documentation have been delivered to the Stock Exchange in accordance with the Listing Rules.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 500,000,000 Shares of nominal value of HK\$0.01 each. Subject to the passing of the resolution granting the Buy-back Mandate and on the basis that no further Shares are issued or bought back after the Latest Practicable Date and up to the Annual General Meeting, the Company will be allowed to buy-back a maximum of 50,000,000 Shares which represent 10 per cent of the issued share capital of the Company during the period ending on the earlier of (i) the conclusion of the next annual general meeting of the Company; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the Articles of Association to be held; or (iii) the revocation or variation of the authority given under the resolution by an ordinary resolution of the Shareholders in general meeting.

3. REASONS AND FUNDING OF THE BUY-BACK

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

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

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

4. TAKEOVERS CODE

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

As at the Latest Practicable Date, to the best knowledge, information and belief of the Directors, Mr. Wang Jiaan, the executive Director, together with the Company controlled by him, namely Ambon Holding Limited ("**Ambon**"), was interested in 225,249,438 Shares, representing approximately 45.05% of the issued share capital of the Company.

In the event that the Directors should exercise in full the Buy-back Mandate and assuming there will be no other change in the issued share capital of the Company, the interests of Mr. Wang Jiaan will be increased to approximately 50.01% of the issued share capital of the Company, and such increase would give rise to an obligation to make a mandatory general offer under Rule 26 of the Takeovers Code. Save as aforesaid, the Directors are not aware of any consequences which would arise under the Takeovers Code as a result of any purchase of Shares pursuant to the Buy-back Mandate. The Directors currently have no intention to exercise the Buy-back Mandate to such an extent that would give rise to such obligation under the Takeovers Code.

The Listing Rules prohibit a company from making purchase on the Stock Exchange if the result of the purchase would be that less than 25 per cent (or such other prescribed minimum percentage as determined by the Stock Exchange) of the issued share capital of the Company would be in public hands. The Directors do not have intention to exercise the Buy-back Mandate which would result in less than the prescribed minimum percentage of Shares in public hands.

5. DIRECTORS, THEIR CLOSE ASSOCIATES AND THE COMPANY'S CORE CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge having made reasonable enquiries, any of their close associates (as defined in the Listing Rules) has any present intention, in the event that the Buy-back Mandate is approved by Shareholders, to sell Shares to the Company. No core connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she/it has any present intention to sell Shares to the Company, or has undertaken not to do so, in the event that the Buy-back Mandate is approved by the Shareholders.

6. UNDERTAKING OF THE DIRECTORS

The Directors will exercise the power of the Company to make purchases pursuant to the proposed Buy-back Mandate in accordance with the Listing Rules, the applicable laws of the Cayman Islands and the Articles of Association.

7. SHARE BUY-BACK MADE BY THE COMPANY

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

8. SHARE PRICES

The highest and lowest prices at which the Shares had been traded on the Stock Exchange for the last twelve months and up to the Latest Practicable Date were as follows:

Month	Highest traded prices <i>HK\$</i>	Lowest traded prices <i>HK\$</i>
2023		
April	1.200	1.090
May	1.340	1.010
June	1.350	1.180
July	1.320	1.100
August	1.160	1.100
September	1.150	1.130
October	1.150	1.090
November	1.130	1.080
December	1.160	0.960
2024		
January	1.150	1.090
February	1.150	0.930
March	1.150	1.150
April (up to the Latest Practicable Date)	1.150	0.930

The details of the Proposed Amendments, in addition to certain consequential updates to the table of contents and paragraphs and article numbers, are as follows. Unless otherwise specified, article numbers referred herein are article numbers of the Third Amended and Restated Memorandum and Articles:

	Proposed Amendments to the Cover	Remarks
	<p style="text-align: center;">SECONDTHIRD AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION</p> <p style="text-align: center;">China PengFei Group Limited 中国鹏飞集团有限公司</p> <p style="text-align: center;">(as adopted by a Special Resolution passed on 20 June 20236 June 2024)</p>	
	Proposed Amendments to the Memorandum of Association	Remarks
Heading	<p style="text-align: center;">SECONDTHIRD AMENDED AND RESTATED MEMORANDUM OF ASSOCIATION OF CHINA PENGFEI GROUP LIMITED 中国鹏飞集团有限公司 (Company)</p> <p style="text-align: center;">(as adopted by a Special Resolution passed on 20 June 20236 June 2024)</p>	
Article	Proposed Amendments to the Articles of Association	Remarks
Heading	<p style="text-align: center;">SECONDTHIRD AMENDED AND RESTATED ARTICLES OF ASSOCIATION OF CHINA PENGFEI GROUP LIMITED 中国鹏飞集团有限公司 (Company)</p> <p style="text-align: center;">(as adopted by a Special Resolution passed on 20 June 20236 June 2024)</p>	

Article	Proposed Amendments to the Articles of Association	Remarks
1(b)	<p>The following definition was proposed to be added immediately after the definition of “Company”:</p> <p>“Company’s website: means the website of the Company to which any Shareholder may have access, the address or domain name of which has been notified to the Shareholders by the Company or as subsequently amended by notice given to the Shareholders by the Company;”</p>	New definition
1(b)	<p>The following definition was proposed to be added immediately after the definition of “Dividend”:</p> <p>“electronic means: shall include sending or otherwise making available to the intended recipients of the communication in electronic format;”</p>	New definition
175(b)	<p>Article 175(b) was proposed to be amended as follows:</p> <p>“Subject to paragraph (c) below, every balance sheet of the Company shall be signed on behalf of the Board by two of the Directors and a copy of every balance sheet (including every document required by law to be comprised therein or annexed thereto) and profit and loss account which is to be laid before the Company at its annual general meeting, together with a copy of the Directors’ report and a copy of the Auditors’ report thereon, shall, not less than 21 days before the date of the meeting be delivered or sent <u>in accordance with Article 180(b)</u>by post together with the notice of annual general meeting to every Shareholder and every Debenture Holder of the Company and every other person entitled to receive notices of general meetings of the Company under the provisions of these Articles, provided that this Article shall not require a copy of those documents to be sent to any person of whose address the Company is not aware or to more than one of the joint holders of any Shares or Debentures, but any Shareholder or Debenture Holder to whom a copy of those documents has not been sent shall be entitled to receive a copy free of charge on application at the Head Office or the Registration Office. If all or any of the Shares or Debentures or other securities of the Company shall for the time being be (with the consent of the Company) listed or dealt in on any stock exchange or market, there shall be forwarded to such stock exchange or market such number of copies of such documents as may for the time being be required under its regulations or practice.”</p>	

Article	Proposed Amendments to the Articles of Association	Remarks
180(b)	<p>Article 180(b) was proposed to be amended as follows:</p> <p>“Except where otherwise expressly stated, any notice or document to be given to or by any person pursuant to these Articles (including any corporate communications within the meaning ascribed thereto under the Listing Rules) may be served on or delivered to any Shareholder either personally or by sending it through the post in a prepaid envelope or wrapper addressed to such Shareholder at his registered address as appearing in the register or by leaving it at that address addressed to the Shareholder or by any other means authorised in writing by the Shareholder concerned or (other than share certificate) by publishing it by way of advertisement in the Newspapers. In case of joint holders of a share, all notices shall be given to that one of the joint holders whose name stands first in the register and notice so given shall be sufficient notice to all the joint holders. Without limiting the generality of the foregoing but subject to the Companies Act and the Listing Rules, a notice or document may be served or delivered by the Company to any Shareholder by electronic means to such <u>electronic</u> address as may from time to time be authorised <u>supplied</u> by the Shareholder concerned or by publishing it on <u>the Company’s website and the website of the HK Stock Exchange a website and notifying the Shareholder concerned that it has been published.</u>”</p>	
181(a)	<p>Article 181(a) was proposed to be amended as follows:</p> <p>“Any Shareholder whose registered address is outside the Relevant Territory may notify the Company in writing of <u>(i) an address in the Relevant Territory which for the purpose of service of notice shall be deemed to be his registered address; or (ii) an electronic address for the purpose of service of notice.</u> Where the registered address of the Shareholder is outside the Relevant Territory, notice, <u>(i) if given through the post, shall be sent by prepaid airmail letter where available; or (ii) if served by electronic means, shall be sent in accordance with Article 180(b).</u>”</p>	

Article	Proposed Amendments to the Articles of Association	Remarks
181(b)	<p>Article 181(b) was proposed to be amended as follows:</p> <p>“Any Shareholder who fails (and, where a Share is held by joint holders, where the first joint holder named on the register fails) to supply his registered address or a correct registered address <u>or, in case of electronic communications, fails to supply his electronic address or a correct and functional electronic address</u>, to the Company for service of notices and documents on him shall not (and where a Share is held by joint holders, none of the other joint holders whether or not they have supplied a registered address shall) be entitled to service of any notice or documents by the Company and any notice or document which is otherwise required to be served on him may, if the Board in its absolute discretion so elects (and subject to them re-electing otherwise from time to time), be served, in the case of notices, by displaying a copy of such notice conspicuously at the Registered Office and the Head Office or, if the Board sees fit, by advertisement in the Newspapers, and, in the case of documents, by posting up a notice conspicuously at the Registered Office and the Head Office addressed to such Shareholder which notice shall state the address within the Relevant Territory at which he <u>may obtain a copy of the relevant document, or by displaying or otherwise making available the relevant notice or document on the Company’s website and the website of the HK Stock Exchange and stating the address within the Relevant Territory at which he may obtain a copy of the notice or the document. Any notice or document served in the manner so described</u> which shall be sufficient service as regards Shareholders with no registered or incorrect addresses, <u>or, in case of electronic communications, no electronic address or an incorrect or a non-functional electronic address</u>, provided that nothing in this paragraph (b) shall be construed as requiring the Company to serve any notice or document on any Shareholder with no or an incorrect registered address for the service of notice or document on him or on any Shareholder other than the first named on the register of members of the Company.”</p>	

Article	Proposed Amendments to the Articles of Association	Remarks
181(c)	<p>Article 181(c) was proposed to be amended as follows:</p> <p>“If on three consecutive occasions notices or other documents have been sent through the post to any Shareholder (or, in the case of joint holders of a share, the first holder named on the register) at his registered address but have been returned undelivered, such Shareholder (and, in the case of joint holders of a Share, all other joint holders of the share) shall not thereafter be entitled to receive or be served (save as the Board may elect otherwise pursuant to paragraph (b) of this Article) and shall be deemed to have waived the service of notices and other documents from the Company until he shall have communicated with the Company and supplied in writing a new registered address for the service of notices on him. <u>If the Company has attempted to send a corporate communication by electronic means to an electronic address provided by a Shareholder and thereafter has received a non-delivery message, the Company shall re-send the corporate communication using other contact details provided by the Shareholder (if any) in the manner the Company considers appropriate (e.g., in hard copy or by way of publication of the document on the Company’s website and the website of the HK Stock Exchange).”</u></p>	
181(d)	<p>The following was proposed to be inserted as Article 181(d):</p> <p><u>“(d) Notwithstanding any election by a Shareholder, if the Company considers or is advised that the sending of any notice or other document to any electronic address supplied by a Shareholder may or might infringe the law of any relevant jurisdiction, or if the Company cannot verify the location of the server at which the electronic address of the Shareholder is located, the Company may in lieu of the sending of any notice or other document to the electronic address supplied by the Shareholder concerned, place the same on the Company’s website and the website of the HK Stock Exchange, and any such placement shall be deemed effective service on the Shareholder, and the relevant notice and document shall be deemed to be served on the Shareholder on the date on which the same is first placed on the Company’s website and the website of the HK Stock Exchange.”</u></p>	New Article

Article	Proposed Amendments to the Articles of Association	Remarks
181(e)	<p>The following was proposed to be inserted as Article 181(e):</p> <p><u>“(e) Notwithstanding any election by a Shareholder from time to time to receive any notice or document through electronic means, such Shareholder may, at any time, require the Company to send to him, in addition to an electronic copy thereof, a printed copy of any notice or document which he, in his capacity as Shareholder, is entitled to receive.”</u></p>	
182	<p>Article 182 was proposed to be amended as follows:</p> <p><u>“Any notice or other document, if sent by mail, postage prepaid, shall be deemed to have been served or delivered on the day following that on which the letter, envelope, or wrapper containing the same is put into the post. In proving such service it shall be sufficient to prove that the letter, envelope or wrapper containing the notice or document was properly addressed and put into the post as prepaid mail. Any notice or document not sent by post but left by the Company at a registered address shall be deemed to have been served or delivered on the day it was so left. Any notice or document, if sent by electronic means (including through any relevant system), shall be deemed to have been given on the day following that on which the electronic communication was sent by or on behalf of the Company provided that, if the notice or document is sent by electronic means to the electronic address provided by the Shareholder (other than by publishing on the Company’s website and the website of the HK Stock Exchange), the Company does not receive a non-delivery message. Any notice or document served or delivered by the Company by any other means authorised in writing by the Shareholder concerned shall be deemed to have been served when the Company has carried out the action it has been authorised to take for that purpose, provided that if the Company has attempted to send a corporate communication electronically and received a non-delivery message, the Company shall re-send the corporate communication using other contact details provided by the Shareholder (if any) or in the manner the Company considers appropriate (e.g., by delivering a hard copy or by way of publication of the document on the Company’s website and the website of the HK Stock Exchange). Any notice or other document published by way of advertisement or made available on the Company’s a website and the website of the HK Stock Exchange shall be deemed to have been served or delivered on the first day it was so published.”</u></p>	

Article	Proposed Amendments to the Articles of Association	Remarks
185	<p>Article 185 was proposed to be amended as follows:</p> <p>“Any notice or document delivered or sent by post to <u>or by electronic communications</u>, or left at the registered address of any Shareholder, <u>or by publishing on the Company’s website and the website of the HK Stock Exchange</u>, in pursuance of these Articles, shall notwithstanding that such Shareholder be then deceased, bankrupt or wound up and whether or not the Company has notice of his death, bankruptcy or winding up, be deemed to have duly served in respect of any registered Shares whether held solely or jointly with other persons by such Shareholder until some other person be registered in his stead as the holder or joint holder thereof, and such service shall for all purposes of these Articles be deemed a sufficient service of such notice or document on his personal representatives and all persons (if any) jointly interested with him in any such Shares.”</p>	

China PengFei Group Limited**中国鹏飞集团有限公司***(Incorporated in the Cayman Islands with limited liability)***(Stock Code: 3348)**

NOTICE IS HEREBY GIVEN THAT the annual general meeting (the “**Meeting**”) of China PengFei Group Limited (the “**Company**”) will be held at Grand Meeting Room at 9/F, Jiangsu Pengfei Group, Benjiaji, Northern Suburb, Haian City, Jiangsu Province, the People’s Republic of China on Thursday, 6 June 2024 at 9:30 a.m. for considering and, if thought fit, passing, with or without amendments, the following resolutions of the Company:

ORDINARY RESOLUTIONS

1. To receive and adopt the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors and auditor for the year ended 31 December 2023.
2. To declare and pay a final dividend of RMB0.0857 per ordinary share for the year ended 31 December 2023 out of the share premium account of the Company.
3. (a) To re-elect the following retiring directors of the Company:
 - (i) Mr. Wang Jiaan, executive director
 - (ii) Mr. Ben Daolin, executive director
 - (iii) Ms. Zhang Lanrong, independent non-executive director
- (b) To authorise the board of directors of the Company to fix the remuneration of the directors.
4. To re-appoint Deloitte Touche Tohmatsu as auditor of the Company and authorise the board of directors of the Company to fix their remuneration.
5. To consider and, if thought fit, pass the following resolutions as ordinary resolutions:
 - (A) “**That:**
 - (i) subject to paragraph (iii) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue or otherwise deal with the authorised and unissued shares in the capital of the Company or securities convertible into shares, or options, warrants or similar rights to subscribe for shares or such convertible securities of the Company and to make or grant offers, agreements and/or options (including bonds, warrants and debentures convertible into shares of the Company) which may require the exercise of such powers be and is hereby generally and unconditionally approved;

- (ii) the approval in paragraph (i) of this resolution above shall be in addition to any other authorisation given to the directors of the Company and shall authorise the directors of the Company during the Relevant Period (as hereinafter defined) to make or grant offers, agreements and/or options which may require the exercise of such power after the end of the Relevant Period;
- (iii) the aggregate number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to options or otherwise) by the directors of the Company during the Relevant Period (as hereinafter defined) pursuant to paragraph (i) of this resolution above, otherwise than pursuant to (1) a Rights Issue (as hereinafter defined); or (2) the grant or exercise of any option under the option scheme of the Company or any other option, scheme or similar arrangement for the time being adopted for the grant or issue to the directors, officers and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or (3) any scrip dividend or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the articles of association of the Company in force from time to time; or (4) any issue of shares in the Company upon the exercise of rights of subscription or conversion under the terms of any existing convertible notes issued by the Company or any existing securities of the Company which carry rights to subscribe for or are convertible into shares of the Company, shall not exceed the aggregate of 20 per cent of the total number of Shares in issue as at the date of passing this resolution and the said approval shall be limited accordingly;
- (iv) if, after the passing of this resolution, the Company conducts a share consolidation or subdivision, the maximum number of Shares subject to the limited set out in paragraph (iii) above shall be adjusted to the effect that the maximum number of Shares that may be issued under such mandate as a percentage of the total number of issued Shares at the date immediately before and after such consolidated or subdivision shall be the same; and
- (v) for the purpose of this resolution:
 - (a) “**Relevant Period**” means the period from the passing of this resolution until whichever is the earliest of:
 - (1) the conclusion of the next annual general meeting of the Company;

- (2) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the articles of association of the Company to be held;
 - (3) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and
- (b) “**Rights Issue**” means an offer of shares in the capital of the Company, or an offer or issue of warrants, options or other securities giving rights to subscribe for shares, open for a period fixed by the directors of the Company to holders of shares in the capital of the Company or any class thereof whose names appear on the register of members on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or, having regard to any restrictions or obligations under the laws of, or the requirements of, or the expense or delay which may be involved in determining the exercise or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to the Company, any recognised regulatory body or any stock exchange applicable to the Company).”

(B) “**That:**

- (i) subject to paragraph (iii) below, the exercise by the directors of the Company during the Relevant Period (as hereinafter defined) of all the powers of the Company to buy-back shares of the Company on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) or on any other stock exchange on which the shares of the Company may be listed and recognised for this purpose by the Securities and Futures Commission and the Stock Exchange under the Code on Share Buy-backs and, subject to and in accordance with all applicable laws and the Rules Governing the Listing of Securities on the Stock Exchange, be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) of this resolution above shall be in addition to any other authorisation given to the Directors and shall authorise the Directors on behalf of the Company during the Relevant Period (as hereinafter defined) to procure the Company to purchase its shares at a price determined by the Directors;

- (iii) the aggregate number of Shares, which may be bought back by the Company during the Relevant Period (as hereinafter defined) pursuant to the approval in paragraph (i) above shall not exceed 10 per cent of the total number of Shares in issue as at the date of passing of this resolution, and the said approval shall be limited accordingly;
- (iv) if, after the passing of this resolution, the Company conducts a share consolidation or subdivision, the maximum number of Shares subject to the limited set out in paragraph (iii) above shall be adjusted to the effect that the maximum number of Shares subject to the limit set out in paragraph (iii) above as a percentage of the total number of issued Shares at the date immediately before and after such consolidated or subdivision shall be the same; and
- (v) subject to the passing of each of the paragraphs (i), (ii), (iii) and (iv) of this resolution, any prior approvals of the kind referred to in paragraphs (i), (ii), (iii) and (iv) of this resolution which had been granted to the directors of the Company and which are still in effect be and are hereby revoked; and
- (vi) for the purpose of this resolution:

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

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by any applicable laws or the articles of association of the Company to be held; and
- (c) the revocation or variation of the authority given under this resolution by an ordinary resolution of the shareholders of the Company in general meeting.”

- (C) “**That** conditional upon the resolutions numbered 5(A) and 5(B) set out in the notice convening this meeting being passed, the general mandate granted to the directors of the Company to exercise the powers of the Company to allot, issue and otherwise deal with new shares of the Company and to make or grant offers, agreements and options which might require the exercise of such powers pursuant to the ordinary resolution numbered 5(A) set out in the notice convening this meeting be and is hereby extended by the addition to the aggregate number of Shares which may be allotted or agreed conditional or unconditionally to be allotted by the directors of the Company pursuant to such general mandate of an amount representing the aggregate number of Shares bought back by the Company under the authority granted pursuant to ordinary resolution numbered 5(B) set out in the notice convening this meeting, provided that such extended amount shall not exceed 10 per cent of the total number of Shares in issue as at the date of passing of this resolution.”

SPECIAL RESOLUTION

6. To consider as special business and, if thought fit, pass the following resolution as a Special Resolution:

“**THAT** the amendments (the “**Proposed Amendments**”) to the existing memorandum and articles of association of the Company (the “**Memorandum and Articles of Association**”) as set out in Appendix III to the circular of the Company dated 29 April 2024 of which this notice forms part be and are hereby approved with immediate effect after the close of this meeting, and the third amended and restated memorandum and articles of association of the Company (the “**New Articles**”), a copy of which has been produced to this meeting marked “A” and for identification purpose signed by the Chairman of this meeting, be and is hereby approved and adopted in substitution for and to the exclusion of the Memorandum and Articles of Association of the Company with immediate effect after the close of this meeting and that the Directors of the Company be and are hereby authorised to do all things necessary to implement the Proposed Amendments and the adoption of the New Articles.”

By order of the Board
China PengFei Group Limited
Wang Jian
Chairman and Executive Director

Hong Kong, 29 April 2024

<i>Registered Office:</i>	<i>Headquarters and principal place</i>	<i>Principal place of business in</i>
Suite #4-210	<i>of business in the PRC:</i>	<i>Hong Kong:</i>
Governors Square	Benjiaji, Northern Suburb	Room 1901, 19/F, Lee Garden One
23 Lime Tree Bay Avenue	Haian City	33 Hysan Avenue
PO Box 32311	Jiangsu Province	Causeway Bay
Grand Cayman KY1-1209	the PRC	Hong Kong
Cayman Islands		

Notes:

- (i) Ordinary resolution numbered 5(C) will be proposed to the shareholders for approval provided that ordinary resolutions numbered 5(A) and 5(B) are passed by the shareholders of the Company.
- (ii) A shareholder entitled to attend and vote at the Meeting is entitled to appoint another person as his/her proxy to attend and vote instead of him/her; a proxy need not be a shareholder of the Company. A shareholder who is the holder of two or more shares may appoint more than one proxy to represent him/her and vote on his/her behalf at the Meeting. On a poll, votes may be given either personally or by proxy.
- (iii) Where there are joint registered holders of any share, any one of such persons may vote at the Meeting, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the Meeting personally or by proxy, that one of the said persons so present whose name stands first on the register of members in respect of such share shall alone be entitled to vote in respect thereof.
- (iv) In order to be valid, a form of proxy must be deposited at the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) not less than 48 hours before the time appointed for the holding of the above meeting (i.e. no later than 9:30 a.m. on Tuesday, 4 June 2024, Hong Kong time) or any adjournment thereof. The completion and return of the form of proxy shall not preclude shareholders of the Company from attending and voting in person at the above meeting (or any adjourned meeting thereof) if they so wish.
- (v) The transfer books and register of members of the Company will be closed from Monday, 3 June 2024 to Thursday, 6 June 2024, both days inclusive, during which period no share transfers can be registered. In order to qualify for attending the Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Friday, 31 May 2024.
- (vi) Subject to the approval of shareholders at the Meeting, the proposed final dividend will be payable to shareholders whose names appear on the register of members of the Company on Tuesday, 2 July 2024. The transfer books and register of members of the Company will be closed from Thursday, 27 June 2024 to Tuesday, 2 July 2024, both days inclusive, during which period no transfers of shares of the Company will be registered. All transfers accompanied by the relevant share certificates must be lodged with the Hong Kong branch share registrar and transfer office of the Company, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Wednesday, 26 June 2024.
- (vii) In respect of ordinary resolutions numbered 3 above, Mr. Wang Jiaan, Mr. Ben Daolin and Ms. Zhang Lanrong shall retire at the Meeting and being eligible, have offered themselves for re-election at the above meeting. Details of the above retiring directors are set out in Appendix I to the accompanied circular dated 29 April 2024.
- (viii) In respect of the ordinary resolution numbered 5(A) above, the directors of the Company (the “**Directors**”) wish to state that they have no immediate plans to issue any new shares of the Company. Approval is being sought from the shareholders of the Company as a general mandate for the purposes of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”).
- (ix) In respect of ordinary resolution numbered 5(B) above, the Directors wish to state that they will exercise the powers conferred by the general mandate to purchase shares of the Company in circumstances which they deem appropriate for the benefits of shareholders of the Company. The explanatory statement containing the information necessary to enable shareholders to make an informed decision on whether to vote for or against the resolution to approve the purchase by the Company of its own shares, as required by the Listing Rules, is set out in Appendix II to the accompanied circular dated 29 April 2024.