

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

A. FURTHER INFORMATION ABOUT OUR COMPANY

1. Incorporation of our Company

Our Company was incorporated in the Cayman Islands under the Companies Law as an exempted company with limited liability on 21 July 2015. Our Company has been registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on 11 September 2015 and our principal place of business in Hong Kong is at 32/F Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong. Mr. Huang Jinguang has been appointed as the authorized representative of our Company for the acceptance of service of process and notices in Hong Kong.

As our Company was incorporated in the Cayman Islands, we are subject to the relevant laws of the Cayman Islands and our constitution which comprises the Memorandum of Association and the Articles of Association. A summary of the relevant aspects of the Companies Law and certain provisions of the Articles of Association is set out in Appendix III to this document.

2. Changes in share capital of our Company

- (a) As at the date of incorporation of our Company, our authorised share capital was HK\$1,000.00 divided into 10,000 shares of HK\$0.10 each.
- (b) On 18 December 2015, the authorised share capital of our Company was increased from HK\$1,000.00 to HK\$49,000,000 by the creation of an additional of 489,990,000 Shares, each ranking pari passu with our Shares then in issue in all respects.
- (c) On 26 April 2016, the authorised share capital of our Company was increased from HK\$49,000,000 to HK\$288,584,157.9 by the creation of an additional of 2,395,841,579 shares, each ranking pari passu with our Shares then in issue in all respects.
- (d) Immediately following completion of the [REDACTED] and the [REDACTED], and assuming that the [REDACTED] is not exercised, [REDACTED] Shares will be issued fully paid or credited as fully paid, and 16,000,000,000 Shares will remain unissued.
- (e) Other than the general mandate to issue Shares referred to in the paragraph headed "Written resolutions of our Shareholders passed on 27 July 2016" in this Appendix, we do not have any present intention to issue any of the authorised but unissued share capital of our Company and, without prior approval of our Shareholders in general meeting, no issue of Shares which would effectively alter the control of our Company will be made.

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- (d) a general unconditional mandate was given to our Directors to allot, issue and deal with, otherwise than by way of rights or an issue of Shares pursuant to any share scheme of our Company or any Share allotted in lieu of the whole or part of a dividend on our Shares in accordance with the Memorandum of Association and the Articles of Association or pursuant to a specific authority granted by our Shareholders or pursuant to the [REDACTED], Shares with an aggregate nominal value not exceeding 20% of the aggregate nominal value of the share capital of our Company in issue immediately following completion of the [REDACTED] and the [REDACTED] but excluding any Shares which may be issued under the [REDACTED], and such mandate to remain in effect until the earliest of:
- (i) the conclusion of the next annual general meeting of our Company; or
 - (ii) the expiration of the period within which the next annual general meeting of our Company is required by the Memorandum of Association and the Articles of Association or the Companies Law or any other applicable laws of the Cayman Islands to be held; or
 - (iii) the time when such mandate is revoked or varied by an ordinary resolution of our Shareholders in general meeting;
- (e) a general unconditional mandate was given to our Directors authorising them to exercise all powers of our Company to repurchase on the Stock Exchange or on any other stock exchange on which the securities of our Company may be listed and which is recognised by the SFC and the Stock Exchange for this purpose such number of Shares as will represent up to 10% of the aggregate of the nominal value of the share capital of our Company in issue immediately following completion of the [REDACTED] and the [REDACTED] but excluding any Share which may be issued under the [REDACTED], and such mandate to remain in effect until whichever is the earliest of:
- (i) the conclusion of the next annual general meeting of our Company; or
 - (ii) the expiration of the period within which the next annual general meeting of our Company is required by the Memorandum of Association and the Articles of Association or the Companies Law or any other applicable laws of the Cayman Islands to be held; or
 - (iii) the time when such mandate is revoked or varied by an ordinary resolution of our Shareholders in general meeting; and

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- (f) the general unconditional mandate mentioned in sub-paragraph (d) above was extended by the addition to the aggregate nominal value of the share capital of our Company which may be allotted or agreed to be allotted by our Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the share capital of our Company repurchased by our Company pursuant to the mandate to repurchase Shares referred to in sub-paragraph (e) above, provided that such extended amount shall not exceed 10% of the aggregate nominal value of the share capital of our Company in issue immediately following completion of the [REDACTED] and the [REDACTED] but excluding any Shares which may be issued under the [REDACTED].

4. Corporate Reorganisation

Please refer to "History, Reorganisation and Group Structure" in this document.

5. Changes in share capital of subsidiaries

The subsidiaries of our Company are listed in the Accountants' Report, the text of which is set out in Appendix I in this document. Save as described above and in "History, Reorganisation and Group Structure" in this document, there has been no other alteration in the share capital of the subsidiaries of our Company within the two years preceding the date of this document.

6. Repurchase of our Shares by our Company

This section includes information required by the Stock Exchange to be included in the document concerning the repurchase of our Shares by our Company.

(a) Provisions of the GEM Listing Rules

The GEM Listing Rules permit companies with a primary [REDACTED] on the Stock Exchange to purchase their shares on the Stock Exchange subject to certain restrictions.

(i) Shareholders' approval

The GEM Listing Rules provide that all proposed repurchases of shares (which must be fully paid in the case of shares) by a company with a primary [REDACTED] on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of general mandate or by specific approval of a specific transaction.

Note: Pursuant to the written resolutions of our Shareholders passed on 27 July 2016, a general unconditional mandate (the "Repurchase Mandate") was given to our Directors authorising our Directors to exercise all powers of our Company to purchase on the Stock Exchange, or any other stock exchange on which our Shares may be listed and recognised by the SFC and the Stock Exchange for this purpose, Shares representing up to 10% of the total nominal amount of our Shares in issue immediately following completion of the

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[REDACTED] and the [REDACTED] but excluding any Shares which may be issued under the [REDACTED], and the Repurchase Mandate shall remain in effect until whichever is the earliest of the conclusion of the next annual general meeting of our Company, the expiration of the period within which the next annual general meeting of our Company is required by law or the Articles of Association to be held, or when the Repurchase Mandate is revoked or varied by an ordinary resolution of our Shareholders in general meeting.

(ii) Source of funds

Repurchases must be funded out of funds legally available for the purpose in accordance with the Articles of Association and the laws of the Cayman Islands. A listed company may not repurchase its own shares on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange.

Any repurchases by our Company may be made out of profits or out of the [REDACTED] of a fresh issue of Shares made for the purpose of the repurchase or, if authorised by the Articles of Association and subject to the Companies Law, out of capital and, in the case of any premium payable on the repurchase, out of profits of our Company or out of our Company's share premium account before or at the time our Shares are repurchased or, if authorised by the Articles of Association and subject to the Companies Law, out of capital.

(iii) Connected parties

The GEM Listing Rules prohibit our Company from knowingly repurchasing our Shares on the Stock Exchange from a "connected person", which includes a Director, chief executive or substantial Shareholder of our Company or any of our subsidiaries or an associate of any of them and a connected person shall not knowingly sell Shares to our Company.

(b) Reasons for repurchases

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

(c) Exercise of the Repurchase Mandate

Exercise in full of the Repurchase Mandate, on the basis of [REDACTED] Shares in issue after completion of the [REDACTED] and the [REDACTED], could accordingly result in up to 400,000,000 Shares being repurchased by our Company during the period in which the Repurchase Mandate remains in force.

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(d) Funding of repurchase

In repurchasing Shares, our Company may only apply funds legally available for such purpose in accordance with the Articles of Association, the GEM Listing Rules and the applicable laws of the Cayman Islands.

Our Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Company or the gearing levels which in the opinion of our Directors are from time to time appropriate for our Company.

(e) General

None of our Directors or, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the GEM Listing Rules), has any present intention to sell any Shares to our Company if the Repurchase Mandate is exercised.

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

If as a result of a repurchase of Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Hong Kong Code on Takeovers and Mergers and Share Repurchases (the "**Takeovers Code**"). Accordingly, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase of the Shareholders' interest, could obtain or consolidate control of our Company and may become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code as a result of any such increase. Save as disclosed above, our Directors are not aware of any consequence that would arise under the Takeovers Code as a result of a repurchase pursuant to the Repurchase Mandate.

Our Directors will not exercise the Repurchase Mandate if the repurchase would result in the number of Shares which are in the hands of the public falling below 25% of the total number of Shares in issue (or such other percentage as may be prescribed as the minimum public shareholding under the GEM Listing Rules).

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

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B. FURTHER INFORMATION ABOUT THE BUSINESS

1. Summary of material contracts

The following contracts (not being contracts in the ordinary course of business) have been entered into by members of our Group within the two years preceding the date of this document and are or may be material:

- (a) a share subscription agreement dated 21 April 2016 entered into among the Company, China Industrial Securities International Holdings and Dragon Power in respect of the [REDACTED], details of which are set out under the paragraph headed "History, reorganisation and group structure – Introduction of [REDACTED]" in this document;
- (b) a share subscription agreement dated 21 April 2016 entered into among the Company, China Industrial Securities International Holdings and Teda Holdings in respect of the [REDACTED], details of which are set out under the paragraph headed "History, reorganisation and group structure – Introduction of [REDACTED]" in this document;
- (c) a share subscription agreement dated 21 April 2016 entered into among the Company, China Industrial Securities International Holdings and Sushine in respect of the [REDACTED], details of which are set out under the paragraph headed "History, reorganisation and group structure – Introduction of [REDACTED]" in this document;
- (d) a share subscription agreement dated 19 April 2016 entered into among the Company, China Industrial Securities International Holdings and Supreme Faith in respect of the [REDACTED], details of which are set out under the paragraph headed "History, reorganisation and group structure – Introduction of [REDACTED]" in this document;
- (e) a share subscription agreement dated 21 April 2016 entered into among the Company, China Industrial Securities International Holdings and On Ride in respect of the [REDACTED], details of which are set out under the paragraph headed "History, reorganisation and group structure – Introduction of [REDACTED]" in this document;
- (f) a share subscription agreement dated 21 April 2016 entered into among the Company, China Industrial Securities International Holdings and Money Space in respect of the [REDACTED], details of which are set out under the paragraph headed "History, reorganisation and group structure – Introduction of [REDACTED]" in this document;
- (g) a share subscription agreement dated 21 April 2016 entered into among the Company, China Industrial Securities International Holdings and Hao Kang Financial in respect of the [REDACTED], details of which are set out under the paragraph headed "History, reorganisation and group structure – Introduction of [REDACTED]" in this document;

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- (h) a share subscription agreement dated 21 April 2016 entered into among the Company, China Industrial Securities International Holdings and Fusion International in respect of the [REDACTED], details of which are set out under the paragraph headed "History, reorganisation and group structure – Introduction of [REDACTED]" in this document;
- (i) a trademark licence agreement dated 6 June 2016 entered into between Industrial Securities (Hong Kong) and the Company in this document;
- (j) a deed of non-competition undertaking dated 28 September 2016 executed by Industrial Securities, Industrial Securities (Hong Kong) and China Industrial Securities International Holdings in favour of our Company, details of which are set out in the paragraph headed "Deed of non-competition" under the section headed "Relationship with Controlling Shareholders" in this document;
- (k) a [REDACTED] dated 28 September 2016 entered into among China Industrial International Trust Limited, the [REDACTED], the Joint Sponsors and the Company, details of which are set out under the section headed "Cornerstone Investors" in this document;
- (l) a [REDACTED] dated 28 September 2016 entered into among China Create Capital Limited, Zhang Wei, the [REDACTED], the Joint Sponsors, ABCI Capital Limited and the Company, details of which are set out under the section headed "Cornerstone Investors" in this document;
- (m) a [REDACTED] dated 26 September 2016 entered into among Harvest Capital Management Co., Ltd, the [REDACTED], the Joint Sponsors and the Company, details of which are set out under the section headed "Cornerstone Investors" in this document; and
- (n) the [REDACTED].

2. Intellectual Property Rights

Domain names

As at the Latest Practicable Date, our Group is the owner of the following domain name which is or may be material to the business of our Group:

Registered owner	Domain name	Expiry date
China Industrial Securities International Financial Group Limited	xyzq.com.hk	8 April 2018

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As at the Latest Practicable Date, our Group has licenses to use the following trademarks:

Hong Kong Trademarks

Place of Registration	Registered Owner	The Mark	Trademark No.	Date of Registration	Expiry Date	Class
Hong Kong	Industrial Securities (Hong Kong)	 興證香港 INDUSTRIAL SECURITIES HONGKONG	303533616	11 September 2015	10 September 2025	36
Hong Kong	Industrial Securities (Hong Kong)	 興証國際金融 INDUSTRIAL SECURITIES INTERNATIONAL FINANCIAL GROUP	303533607	11 September 2015	10 September 2025	36
Hong Kong	Industrial Securities (Hong Kong)	 興証國際 INDUSTRIAL SECURITIES INTERNATIONAL	303533599	11 September 2015	10 September 2025	36
Hong Kong	Industrial Securities (Hong Kong)	 興証國際控股 INDUSTRIAL SECURITIES INTERNATIONAL HOLDINGS	303533580	11 September 2015	10 September 2025	36
Hong Kong	Industrial Securities	興港通 興港通	302210859	2 April 2012	1 April 2022	36

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[REDACTED]

[REDACTED]

2. Particulars of service agreements

No Director has entered into any service agreement with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).

3. Directors' remuneration

- (a) The aggregate amount of remuneration paid to our Directors by our Group in respect of the two years ended 31 December 2015 and the three months ended 31 March 2016 were approximately HK\$4,844,450, HK\$8,942,012 and HK\$2,150,277, respectively.
- (b) Under the arrangements currently in force, we estimate that the aggregate remuneration payable to, and benefits in kind receivable by, our Directors (excluding discretionary benefits or bonus or other fringe benefits) for the year ending 31 December 2016 will be approximately HK\$5,555,457.16.

4. Fees or commission received

Save as disclosed in the paragraph headed "Total Commission and Expenses" in the section headed "[REDACTED]" in this document, none of our Directors or the experts named in the paragraph headed "Consents of experts" in this Appendix had received any agency fee or commissions from our Group within the two years preceding the date of this document.

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5. Related party transactions

Details of the related party transactions are set out under Note 34 to the Accountants' Report set out in Appendix I to this document.

6. Disclaimers

- (a) There are no existing or proposed service contracts (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)) between our Directors and any member of our Group;
- (b) None of our Directors or the experts named in the paragraph headed "Consents of experts" in this Appendix has any direct or indirect interest in the promotion of, or in any assets which have been, within the two years immediately preceding the date of this document, acquired or disposed of by or leased to, any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;
- (c) None of our Directors or the experts named in the paragraph headed "Consents of experts" in this Appendix is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group taken as a whole;
- (d) Taking no account of Shares which may be issued pursuant to the exercise of the [REDACTED], none of our Directors knows of any person (not being a Director or chief executive of our Company) who will, immediately following completion of the [REDACTED], have any interest in Shares or underlying Shares which would fall to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will be interested, directly or indirectly, 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 any other member of our Group;
- (e) Save as disclosed in the paragraph headed "Disclosure of interests" in this Appendix, none of our Directors or chief executive of our Company has any interest or short position in our Shares, underlying Shares or debentures of our Company or any of our associated corporations (within the meaning of the SFO) which, once our Shares are listed on the Stock Exchange, will have to be notified to our Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including any interests and short positions which he will be taken or deemed to have under such provisions of the SFO) or which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or which will be required, pursuant to the Model Code for Securities Transactions by Directors of Listing Companies in the GEM Listing Rules, to be notified to our Company and the Stock Exchange; and

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- (f) So far as is known to our Directors, none of our Directors, their respective associates (as defined under the GEM Listing Rules) nor our Shareholders who is interested in more than 5% of the issued share capital of our Company has any interests in the five largest customers or the five largest suppliers of our Group.

D. SHARE OPTION SCHEME

The Company has not adopted any share option scheme.

E. OTHER INFORMATION

1. Litigation

As at the Latest Practicable Date, no member of our Group was engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to our Directors to be pending or threatened against any member of our Group.

2. Joint Sponsors

The Joint Sponsors have, on behalf of our Company, made an application to the [REDACTED] for the [REDACTED] of and permission to deal in our Shares in issue and to be issued as mentioned herein and our Shares falling to be issued pursuant to the exercise of the [REDACTED].

Haitong International Capital Limited has confirmed to the Stock Exchange that it satisfies the independence test as stipulated under Rule 6A.07 of the GEM Listing Rules. China Industrial Securities International Capital Limited has confirmed to the Stock Exchange that it is not independent of our Company as it is a wholly-owned subsidiary of our Company. The total amount of fees payable to the Joint Sponsors by our Company for sponsoring the [REDACTED] is HK\$6 million.

3. Preliminary expenses

The preliminary expenses of our Company are estimated to be approximately HK\$39,537.5 and are payable by our Company.

4. Promoter

Our Company has no promoter for the purpose of the GEM Listing Rules.

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5. Qualifications of experts

The following are the qualifications of the experts who have given opinion or advice which are contained in this document:

Name	Qualifications
China Industrial Securities International Capital Limited	Licensed corporation under the SFO to carry on Type 1 (Dealing in Securities) and Type 6 (Advising on Corporate Finance) regulated activities
Haitong International Capital Limited	Licensed corporation under the SFO to carry on Type 6 (Advising on Corporate Finance) regulated activity
Deloitte Touche Tohmatsu	Certified Public Accountants
Ogier	Legal advisers on Cayman Islands laws

6. Consents of experts

Each of China Industrial Securities International Capital Limited, Haitong International Capital Limited, Deloitte Touche Tohmatsu and Ogier has given and has not withdrawn its written consent to the issue of this document with the inclusion of its reports and/or letter and/or opinion and/or valuation certificate and/or summary thereof (as the case may be) and/or reference to its name included herein in the form and context in which it is respectively included.

7. Binding effect

This document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance so far as applicable.

8. Taxation of holders of Shares

(a) *Hong Kong*

Dealings in Shares registered on our Company's Hong Kong branch register of members will be subject to Hong Kong stamp duty.

(b) *Cayman Islands*

Under the present laws of the Cayman Islands, there is no stamp duty payable in the Cayman Islands on transfers of Shares.

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(c) Consultation with professional advisors

Intending holders of our Shares are recommended to consult their professional advisors if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding or disposing of or dealing in our Shares. It is emphasised that none of our Company, our Directors or other parties involved in the [REDACTED] accepts responsibility for any tax effect on, or liabilities of holders of Shares resulting from their subscription for, purchase, holding or disposal of or dealing in Shares.

9. No material adverse change

Our Directors confirm that there has not been any material adverse change in the financial trading position or prospects of our Group since 31 March 2016 (being the date to which the latest audited consolidated financial statements of our Group were made up) and up to the date of this document.

10. Miscellaneous

- (a) Within the two years immediately preceding the date of this document:
 - (i) save as disclosed in this document, no share or loan capital of our Company or any of our subsidiaries has been issued or agreed to be issued fully or partly paid either for cash or for a consideration than cash;
 - (ii) no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any capital of our Company or any of our subsidiaries and no commission has been paid or is payable in connection with the issue or sale of any capital of our Company or any of our subsidiaries;
 - (iii) no commission has been paid or is payable for subscribing or agreeing to subscribe, or procuring or agreeing to procure the subscriptions, for any of our Shares or shares of any of our subsidiaries; and
 - (iv) no share or loan capital of our Company or any of our subsidiaries is under option or is agreed conditionally or unconditionally to be put under option.
- (b) Neither our Company nor any of our subsidiaries has issued or agreed to issue any founders shares, management shares, deferred shares or any debentures.

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- (c) Save as in connection with the [REDACTED], none of the parties listed in the paragraph headed "Consents of experts" in this Appendix:
 - (i) is interested legally or beneficially in any securities of our Company or any of our subsidiaries; or
 - (ii) has any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of our Company or any of our subsidiaries.
- (d) The Hong Kong register of members of our Company will be maintained in Hong Kong by [REDACTED]. Unless our Directors otherwise agree, all transfer and other documents of title of Shares must be lodged for registration with and registered by our Company's share register in Hong Kong and may not be lodged in the Cayman Islands. All necessary arrangements have been made to ensure our Shares to be admitted into [REDACTED] for clearing and settlement.
- (e) There has not been any interruption in the business of our Group which may have or have had a significant effect on the financial position of our Group in the 12 months immediately preceding the date of this document.
- (f) No company within our Group is presently listed on any stock exchange or traded on any trading system.
- (g) We have no outstanding convertible debt securities.
- (h) Our Directors have been advised that, under the laws of the Cayman Islands, the use of a Chinese name pre-approved by the Registrar of Companies in the Cayman Islands by our Company in conjunction with our English name does not contravene the laws of the Cayman Islands.
- (i) The English text of this document shall prevail over the Chinese text.

11. Bilingual Document

The English language and Chinese language versions of this document are being published separately, in reliance upon the exemption provided in section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).