

APPENDIX V

STATUTORY AND GENERAL INFORMATION

A. FURTHER INFORMATION ABOUT OUR COMPANY

1. Incorporation

Our Company was incorporated in the Cayman Islands under the Companies Act as an exempted company with limited liability on September 14, 2018. Our Company [has been] registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on [●] and our Company’s principal place of business in Hong Kong is at Unit A1 of Unit A, 11/F, Success Commercial Building, 245-251 Hennessy Road, Hong Kong. Mr. Zhang Senquan (張森泉) of Flat B, 22F, Tower 16, Pacific Palisades, No.1 Braemar Hill Road, North Point, Hong Kong, a Hong Kong resident, 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 operate subject to the relevant law of the Cayman Islands and its constitution which comprises the Articles of Association. A summary of the relevant aspects of the Companies Act and certain provisions of Articles of Association is set out in Appendix IV to this document.

2. Changes in share capital of our Company

As at the date of the incorporation of our Company, the authorized share capital of our Company was US\$50,000 divided into 5,000,000,000 shares with par value of US\$0.00001 each. At the time of incorporation, the issued share capital of our Company was US\$0.00001, with one Share of US\$0.00001 and held by the initial subscriber, an Independent Third Party. On the same date, the said one Share was transferred to Niusanping Limited for a consideration at par value, and another one Share was issued and allotted by the Company to Niujian Limited for cash at par.

Immediately following completion of the [REDACTED] and the [REDACTED] and assuming that the [REDACTED] is not exercised, the authorized share capital of our Company will be US\$[50,000] divided into [5,000,000,000] Shares, of which [REDACTED] Shares will be issued fully paid or credited as fully paid, and [REDACTED] Shares will remain unissued. Other than pursuant to the general mandate to issue Shares referred to “A. Further Information about our Company — 4. Written resolutions of the then shareholders of our Company passed on [●], 2021” in this appendix, the Directors do not have any present intention to issue any of the authorized but unissued share capital of our Company and, without prior approval of our Shareholders in general meetings, no issue of Shares will be made which would effectively alter the control of our Company.

3. Changes in share capital of our subsidiaries and PRC Affiliated Entities

The following alterations in the share capital or registered capital of our subsidiaries and PRC Affiliated Entities took place within the two years immediately preceding the date of this document:

China General Education (HK)

On November 7, 2018, China General Education (HK) was incorporated as a limited company under the laws of Hong Kong. At the time of incorporation, one founder share was issued to our Company at a subscription price of HK\$1 per share. As of the Latest Practicable Date, China General Education (HK) was wholly-owned by our Company.

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Shanxi WFOE

On June 24, 2019, Shanxi WFOE was established in the PRC as a wholly foreign owned enterprise with a registered capital of RMB50 million, and has been wholly-owned by China General Education (HK) since its establishment.

Shanxi Tongcai

Shanxi Tongcai was established on May 17, 2018 with an initial registered capital of RMB1 million as a limited liability company under the laws of the PRC.

On May 13, 2019, the registered capital of Shanxi Tongcai was increased from RMB1 million to RMB20 million, and was further increased to RMB50 million on May 15, 2019.

Shanxi Technology & Business

Shanxi Technology & Business was established on August 22, 2006 with an initial registered capital of RMB72,777,700 as a private non-enterprise unit under the laws of the PRC.

On April 23, 2021, the registered capital of Shanxi Technology & Business was changed from RMB72,777,700 to RMB80,000,000.

Save as disclosed above, there has been no alteration in the share capital or registered capital of the subsidiaries and PRC Affiliated Entities of our Company within the two years preceding the date of this document.

4. Written resolutions of the then shareholders of our Company passed on [●], 2021

Pursuant to the written resolutions of the then shareholders of our Company entitled to vote at general meetings of our Company, which were passed on [●], 2021:

- (a) our Company approved and adopted the Memorandum of Association with immediate effect;
- (b) conditional upon (i) the Listing Committee of the Stock Exchange granting the [REDACTED] of, and permission to [REDACTED], on the Main Board, our Shares in issue and to be issued (pursuant to the [REDACTED], the [REDACTED], the [REDACTED] and the Share Option Scheme) as mentioned in this document; and (ii) the obligations of the [REDACTED] under the [REDACTED] becoming unconditional (including, if relevant, as a result of the waiver of any condition(s)) by the [REDACTED] (on behalf of the [REDACTED]) and not being terminated in accordance with the terms of the [REDACTED] or otherwise:
 - (i) our Company approved and adopted the Articles of Association;

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- (ii) conditional on the share premium account of our Company being credited as a result of the [REDACTED], the sum of US\$[REDACTED] be capitalized and applied in paying up in full at par value [REDACTED] Shares for allotment and issue to our Shareholders whose names were on the register of members of our Company immediately prior to the [REDACTED] and such Shares (or as they may direct) to be allotted and issued pursuant to this resolution shall rank *pari passu* in all respect with the existing issued Shares;
- (iii) the [REDACTED] and the [REDACTED] were approved and our Directors were authorized to allot and issue the [REDACTED] and the Shares as may be required to be allotted and issued upon the exercise of the [REDACTED] on and subject to the terms and conditions stated in this document and in the relevant [REDACTED] and the Directors be authorized to do all things and execute all documents in connection with or incidental to the [REDACTED] with such amendments or modification (if any) as the Directors may consider necessary or appropriate;
- (iv) the rules of the Share Option Scheme were approved and adopted, and our Directors or any committee thereof established by the Board were authorized, at their sole discretion, to: (i) administer the Share Option Scheme; (ii) modify/amend the Share Option Scheme from time to time as requested by the Stock Exchange; (iii) grant options to subscribe for Shares under the Share Option Scheme up to the limits referred to in the Share Option Scheme; (iv) allot, issue and deal with Shares pursuant to the exercise of any option which may be granted under the Share Option Scheme; (v) make application at the appropriate time or times to the Stock Exchange for the [REDACTED] of, and permission to [REDACTED], any Shares or any part thereof that may hereafter from time to time be issued and allotted pursuant to the exercise of the options granted under the Share Option Scheme; and (vi) take all such actions as they consider necessary, desirable or expedient to implement or give effect to the Share Option Scheme;
- (v) a general unconditional mandate was given to our Directors to exercise all the powers of our Company to allot, issue and deal with (including the power to make an offer or agreement, or grant securities which would or might require Shares to be allotted and issued), otherwise than by way of Rights Issue, or pursuant to any scrip dividend schemes or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on Shares in accordance with the Articles or pursuant to the issue of Shares upon the exercise of any subscription rights attached to any warrants of our Company or pursuant to the exercise of options granted under the Share Option Scheme or any other option scheme(s) or similar arrangement for the time being adopted for the grant or issue to Directors and/or officers and/or employees of our Group or rights to acquire Shares or pursuant to a specific authority granted by our Shareholders in general meeting, the Shares with an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the share capital of our Company in issue immediately following

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completion of the [REDACTED] and the [REDACTED] but before any exercise of the [REDACTED] and any options which may be granted under the Share Option Scheme;

For the purpose of this paragraph, "Rights Issue" means an offer of shares in our Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares open for a period fixed by our Directors to holders of shares in our Company on the register on a fixed record date in proportion to their holdings of shares (subject to such exclusion or other arrangements as our Directors 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 existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction applicable to our Company, or any recognized regulatory body or any stock exchange applicable to our Company);

- (vi) a general unconditional mandate be and is hereby given to our Directors 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 recognized by the SFC and the Stock Exchange for this purpose, such number of Shares with an aggregate nominal value not exceeding 10% of the aggregate nominal amount of the share capital of our Company in issue immediately following completion of the [REDACTED] and the [REDACTED] but before the exercise of the [REDACTED] and any options which may be granted under the Share Option Scheme, until the conclusion of the next annual general meeting of our Company; and
- (vii) the extension of the general mandate to allot, issue and deal with Shares as mentioned in paragraph (c)(v) above by the addition to the aggregate nominal value of the share capital of our Company which may be allotted or agreed conditionally or unconditionally 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 paragraph (c)(vi) above, provided that such extended amount shall not exceed 10% of the aggregate of the total nominal value of the share capital of our Company in issue immediately following completion of the [REDACTED] and the [REDACTED] but before the exercise of the [REDACTED] and any options which may be granted under the Share Option Scheme be and is approved.

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Each of the general mandates referred to in paragraphs (c)(v), (c)(vi) and (c)(vii) above will remain in effect until whichever is the earliest of:

- (1) the conclusion of our next annual general meeting, unless renewed by an ordinary resolution of our Shareholders in a general meeting, either unconditionally or subject to conditions;
- (2) the expiration of the period within which our Company is required by any applicable law of the Cayman Islands or the Articles of Association to hold our next annual general meeting; or
- (3) the time when such mandate is varied or revoked by an ordinary resolution of our Shareholders in a general meeting.

5. Repurchase of our Shares

This section includes information relating to the repurchases of securities, including information required by the Stock Exchange to be included in this document concerning such repurchase.

(a) Provisions of the Listing Rules

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their securities on the Stock Exchange subject to certain restrictions, the most important restrictions are summarized below:

(i) Shareholders' approval

All proposed repurchases of Shares must be approved in advance by an ordinary resolution of our Shareholders in a general meeting, either by way of general mandate or by specific approval in relation to a particular transaction.

Pursuant to the written resolutions of the then shareholders of our Company passed on [●], 2021, a general unconditional mandate (the “**Repurchase Mandate**”) was given to our Directors to exercise all powers of our Company to repurchase Shares (Shares which may be [REDACTED] on the Stock Exchange) with a total nominal value of not more than 10% of the aggregate nominal value of our share capital in issue or to be issued immediately following completion of the [REDACTED] (excluding Shares which may be issued pursuant to the exercise of the [REDACTED] and any options which may be granted under the Share Option Scheme), further details of which have been described above in the paragraph headed “A. Further information about our Company — 4. Written resolutions of the then shareholders of our Company passed on [●], 2021” in this appendix to this document.

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(ii) Source of funds

Any repurchases of Shares by us must be paid out of funds legally available for the purpose in accordance with our Articles of Association, the Listing Rules and the Companies Act. We are not permitted to repurchase our 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 from time to time.

(iii) Shares to be repurchased

The Listing Rules provide that the Shares which are proposed to be repurchased by us must be fully-paid up.

(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 general authority from our Shareholders to enable them to repurchase Shares in the market. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made where our Directors believe that such repurchases will benefit our Company and our Shareholders.

(c) Funding of repurchases

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

On the basis of our Company's current financial position as disclosed in this document and taking into account its current working capital position, our Directors consider that, if the Repurchase Mandate is exercised in full, it might have a material adverse effect on our working capital and/or gearing position as compared with the position disclosed in this document. However, our Directors do not propose to exercise the Repurchase Mandate to such an extent as it would, in the circumstances, have a material adverse effect on our working capital requirements or the gearing levels which in the opinion of our Directors are from time to time appropriate for us.

(d) General

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their close associates currently intends to sell any Shares to us.

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 Listing Rules and the applicable laws and regulations of the Cayman Islands. If, as a result of any repurchase of Shares, a shareholder's proportionate interest in the voting rights is increased, such increase will be treated as an acquisition for the purposes of the Takeovers Code.

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Accordingly, a shareholder or a group of shareholders acting in concert could obtain or consolidate control of us and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code. Save as aforesaid, our Directors are not aware of any consequences which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Repurchase Mandate.

We have not made any repurchases of our own securities in the past six months.

No core connected person has notified us that he/she has a present intention to sell Shares to us, or has undertaken not to do so, if the Repurchase Mandate is exercised.

B. CORPORATE REORGANIZATION

In order to streamline the corporate structure and rationalize our corporate structure for the [REDACTED], our Group underwent the Corporate Reorganization. Please see the sub-section headed “History and Corporate Structure — Corporate Reorganization” in this document for details.

C. FURTHER INFORMATION ABOUT OUR BUSINESS

1. Summary of the material contracts

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

- (1) a business cooperation agreement dated November 12, 2020 entered into by and among Shanxi WFOE, our PRC Affiliated Entities, Mr. Niu Sanping and Mr. Niu Jian pursuant to which Shanxi WFOE agreed to provide, among other things, technical service, management support service and consultancy service necessary for conducting private education activities to our PRC Affiliated Entities and, as consideration, PRC Affiliated Entities shall pay service fees to Shanxi WFOE;
- (2) an exclusive technical service and management consultancy agreement dated November 12, 2020 and entered into by and among Shanxi WFOE and our PRC Affiliated Entities, pursuant to which Shanxi WFOE agreed to provide, among other things, exclusive technical service, management support service and consultancy service to our PRC Affiliated Entities, and as consideration, our PRC Affiliated Entities agreed to pay service fees to Shanxi WFOE;
- (3) an exclusive call option agreement dated November 12, 2020 and entered into by and among Shanxi WFOE, our PRC Affiliated Entities, Mr. Niu Sanping and Mr. Niu Jian, pursuant to which each of Mr. Niu Sanping and Mr. Niu Jian unconditionally and irrevocably granted Shanxi WFOE or its designated purchaser an exclusive option to purchase all or part of his direct or indirect interest in our PRC Affiliated Entities at the lowest price permitted under the PRC laws and regulations;

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- (4) a shareholders' rights entrustment agreement dated November 12, 2020 and entered into by and among Mr. Niu Sanping, Mr. Niu Jian, Shanxi Tongcai and Shanxi WFOE, pursuant to which each of Mr. Niu Sanping and Mr. Niu Jian irrevocably, unconditionally and exclusively authorized and entrusted Shanxi WFOE or its designated person to exercise all his rights as a shareholder of Shanxi Tongcai to the extent permitted by the PRC laws;
- (5) a shareholder's power of attorney dated November 12, 2020 and executed by Mr. Niu Sanping appointing Shanxi WFOE or its designated person as his appointee to exercise all his shareholder's rights in Shanxi Tongcai;
- (6) a shareholder's power of attorney dated November 12, 2020 and executed by Mr. Niu Jian appointing Shanxi WFOE or its designated person as his appointee to exercise all his shareholder's rights in Shanxi Tongcai;
- (7) a school sponsor's and directors' rights entrustment agreement dated November 12, 2020 and entered into by and among Shanxi WFOE, Shanxi Tongcai (as the school sponsor of Shanxi Technology & Business), Mr. Niu Sanping, Mr. Niu Jian, Mr. Zhang Zhiwei, Mr. Zhu Tianyan (朱天燕) and Mr. Zhang Yanying (張彥穎) (as school directors of Shanxi Technology & Business) and Shanxi Technology & Business, pursuant to which (i) Shanxi Tongcai unconditionally and irrevocably authorized and entrusted Shanxi WFOE or its designated person to exercise all its rights as the school sponsor of Shanxi Technology & Business to the extent permitted by the PRC laws, and (ii) each of Mr. Niu Sanping, Mr. Niu Jian, Mr. Zhang Zhiwei, Mr. Zhu Tianyan and Mr. Zhang Yanying unconditionally and irrevocably authorized and entrusted Shanxi WFOE or its designated person to exercise all his/her rights as a school director of Shanxi Technology & Business to the extent permitted by the PRC laws;
- (8) a school sponsor's power of attorney dated November 12, 2020 and executed by Shanxi Tongxai appointing Shanxi WFOE or its designated person as its appointee to exercise all its school sponsor's rights in Shanxi Technology & Business;
- (9) a school directors' power of attorney dated November 12, 2020 and executed by each of Mr. Niu Sanping, Mr. Niu Jian, Mr. Zhang Zhiwei, Mr. Zhu Tianyan and Mr. Zhang Yanying appointing Shanxi WFOE or its designated person as his/her appointee to exercise all his/her director's rights in Shanxi Technology & Business;
- (10) an equity pledge agreement dated November 12, 2020 and entered into by and among Mr. Niu Sanping, Mr. Niu Jian, Shanxi Tongcai and Shanxi WFOE, pursuant to which Mr. Niu Sanping and Mr. Niu Jian unconditionally and irrevocably agreed to pledge and grant first priority security interest over all of the equity interest in Shanxi Tongcai together with all related rights thereto to Shanxi WFOE for the purpose of securing the performance of the contractual obligations of Mr. Niu Sanping, Mr. Niu Jian, Shanxi Tongcai and Shanxi Technology & Business under the Contractual Arrangements;

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- (11) a spouse undertaking dated November 12, 2020 executed by Ms. Geng Jie, the spouse of Mr. Niu Sanping, in favor of Shanxi WFOE, irrevocably acknowledging and consenting the signing of the Contractual Arrangements by Mr. Niu Sanping;
- (12) the Deed of Indemnity; and
- (13) the [REDACTED].

2. Intellectual property rights of our Group

Trademarks

As of the Latest Practicable Date, we have registered the following trademark which, in the opinion of our Directors, is material to our business:

<u>No.</u>	<u>Trademark</u>	<u>Registered owner</u>	<u>Place of registration</u>	<u>Class⁽¹⁾</u>	<u>Registration number</u>	<u>Expiry date</u>
1		Shanxi Technology & Business	PRC	41	23446001	March 27, 2028

Domain Names

As of the Latest Practicable Date, we have registered the following domain names which, in the opinion of our Directors, are material to our business:

<u>No.</u>	<u>Registrant</u>	<u>Domain name</u>	<u>Date of registration</u>	<u>Expiry date</u>
1.	Shanxi Technology & Business	sxtbu.net	February 11, 2002	February 11, 2026
2.	Shanxi WFOE	chinageg.cn	July 21, 2020	July 21, 2021

3. Further information about our PRC establishments

Shanxi WFOE

- (i) nature of the company : limited liability company (wholly foreign owned enterprise)
- (ii) date of establishment : June 24, 2019
- (iii) term of business operation : June 24, 2019 to June 19, 2049

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- (iv) registered capital : RMB50 million
- (v) paid-up capital : Nil
- (vi) attributable interest of the company : 100%
- (vii) scope of business : Computer software technology development, technology transfer, technology consulting, technology services; computer information technology consulting; education information consulting (excluding all kinds of training and training consulting); enterprise management (excluding investment and asset management) consulting; enterprise marketing planning; education software research and development, sales, maintenance; sales and rental of education equipment; conference services; undertake exhibitions. For projects that require prior approval according to law, related business activities can only be carried out after approved by the relevant department.

Shanxi Tongcai

- (i) nature of the company : limited liability company
- (ii) date of establishment : May 17, 2018
- (iii) term of business operation : May 17, 2018 to May 16, 2038
- (iv) registered capital : RMB50 million
- (v) paid-up capital : RMB10.5 million
- (vi) attributable interest of the company : 100%

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- (vii) scope of business : Computer software and hardware technology development, technology transfer, technology consulting, technology promotion and technical services; education consulting (excluding school entrance and vocational skills training); business management consulting; sales of daily necessities, office supplies, sports goods; undertake exhibition activities. For projects that require prior approval according to law, related business activities can only be carried out after approved by the relevant department.

Shanxi Technology & Business

- (i) nature of the company : private non-enterprise unit
- (ii) date of establishment : August 22, 2006
- (iii) term of business : April 23, 2021 to April 23, 2025
operation
- (iv) registered capital : RMB80,000,000
- (v) paid-up capital : RMB80,000,000
- (vi) attributable interest of : 100%
the company
- (vii) scope of business : full-time undergraduate degree level education,
junior college degree level higher vocational
education, adult education

D. FURTHER INFORMATION ABOUT OUR DIRECTORS

1. Directors’ service contracts and letters of appointment

Each of our executive Directors [has entered] into a service contract with us for an initial fixed term of [three] years commencing from the [REDACTED] and will continue thereafter until terminated by not less than [three] months’ notice in writing served by either party on the other, which notice shall not expire until after the fixed term.

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Each of our independent non-executive Directors [has entered] into a letter of appointment with us for an initial fixed term of [one] year commencing from the [REDACTED] and will continue thereafter until terminated by not less than [three] months' notice in writing served by the independent non-executive Director to our Company or with immediate effect following the notice in writing served by our Company to the independent non-executive Director.

Save as aforesaid, none of our Directors has or is proposed to have a service contract with us or any of our subsidiaries (other than contracts expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation)).

2. Directors' remuneration during the Track Record Period

For the three years ended August 31, 2018, 2019 and 2020 and the four months ended December 31, 2020, the aggregate of the remuneration paid and benefits in kind granted to our Directors by us and our subsidiaries was RMB1.7 million, RMB1.8 million, RMB1.7 million and RMB0.6 million, respectively.

Save as disclosed in Note 7 to the Accountant's Report in Appendix I to this document, no other emoluments have been paid or are payable, in respect of the three years ended August 31, 2018, 2019 and 2020 and the four months ended December 31, 2020 by us to our Directors.

Under the arrangements currently in force, we estimate that the aggregate remuneration payable to, and benefits in kind receivable by, our Directors (excluding discretionary bonus) for the year ending August 31, 2021 will be approximately RMB3.4 million.

E. DISCLOSURE OF INTERESTS

1. Disclosure of interests

(a) Interests and short positions of our Directors in our share capital and our associated corporations as of the Latest Practicable Date and following the [REDACTED] and the [REDACTED]

As of the Latest Practicable Date and immediately following completion of the [REDACTED] and the [REDACTED] and taking no account of any Shares which may be allotted and issued pursuant to the Share Option Scheme or the exercise of the [REDACTED], the interests or short positions of our Directors and the chief executive of our Company in our Shares, underlying Shares and debentures of our associated corporations, within the meaning of Part XV of the SFO which 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 interests and short positions which he is 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

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recorded in the register referred to therein or which will be required to be notified to us and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules, will be as follows:

Interests and short positions in the shares, underlying shares and debentures and associated corporations:

(i) *Long position in our Company*

<u>Name</u>	<u>Capacity/ Nature of interest</u>	<u>Immediately after the [REDACTED] and the [REDACTED]⁽¹⁾</u>	
		<u>Number of Shares</u>	<u>Approximate percentage of shareholding in our Company</u>
Mr. Niu Sanping	Interest in a controlled corporation ⁽²⁾	[REDACTED]	[REDACTED]%
Mr. Niu Jian	Interest in a controlled corporation ⁽³⁾	[REDACTED]	[REDACTED]%

Notes:

- (1) The calculation is based on the total number of [REDACTED] Shares in issue after the completion of the [REDACTED] and immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised).
- (2) Mr. Niu Sanping is the sole shareholder of Niusanping Limited and, by virtue of the SFO, he is therefore deemed to be interested in the Shares held by Niusanping Limited upon [REDACTED].
- (3) Mr. Niu Jian is the sole shareholder of Niujian Limited and, by virtue of the SFO, he is therefore deemed to be interested in the Shares held by Niujian Limited upon [REDACTED].

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(ii) *Long position in associated corporations*

Shanxi Tongcai

<u>Name</u>	<u>Capacity/ Nature of interest</u>	<u>As of the Latest Practicable Date and immediately after the [REDACTED] and the [REDACTED]</u>	
		<u>Amount of registered capital</u>	<u>Approximate percentage of shareholding</u>
Mr. Niu Sanping	Beneficial owner	RMB35,500,000	71%
Mr. Niu Jian	Beneficial owner	RMB14,500,000	29%

Shanxi Technology & Business

<u>Name</u>	<u>Capacity/ Nature of interest</u>	<u>As of the Latest Practicable Date and immediately after the [REDACTED] and the [REDACTED]</u>	
		<u>Amount of registered capital</u>	<u>Approximate percentage of shareholding</u>
Mr. Niu Sanping	Interest in a controlled corporation ⁽¹⁾	RMB80,000,000	100%

Note:

- (1) Mr. Niu Sanping is interested in 71% of Shanxi Tongcai which is the sole school sponsor of Shanxi Technology & Business.

(b) *Interests and short positions discloseable under Divisions 2 and 3 of Part XV of the SFO*

As of the Latest Practicable Date and immediately following completion of the [REDACTED] and the [REDACTED] and taking no account of any Shares which may be allotted and issued pursuant to the Share Option Scheme or the exercise of the [REDACTED], so far as our Directors are aware, the following persons (not being a Director or chief executive of our Company) are expected to have interests or short positions in our Shares or underlying Shares which are required to be disclosed to our Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or interested in 10% or more of

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the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of our Group:

- (i) *Interests and short positions in our Shares and underlying Shares of our Company:*

Long position in our Company

<u>Name</u>	<u>Capacity/ Nature of interest</u>	<u>Immediately after the [REDACTED] and the [REDACTED]⁽¹⁾</u>	
		<u>Number of Shares</u>	<u>Approximate percentage of shareholding in our Company</u>
Niusanping Limited	Beneficial owner	[REDACTED]	[REDACTED]%
Niujian Limited	Beneficial owner	[REDACTED]	[REDACTED]%

Note:

- (1) The calculation is based on the total number of [REDACTED] Shares in issue after the completion of the [REDACTED] and immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised).

2. Disclaimers

- (a) save as disclosed in “— 1. Disclosure of interests” above, our Directors are not aware of any person (not being our Director or chief executive) who will, immediately after completion of the [REDACTED] and the [REDACTED] (without taking into account Shares which may be issued upon the exercise of the [REDACTED] or the Shares which may be issued upon the exercise of options granted under the Share Option Scheme), have an interest or a short position in Shares or underlying Shares which would fall to be disclosed to us under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who will, directly or indirectly, be interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other members of the Group;
- (b) save as disclosed in “— 1. Disclosure of interests” above, none of our Directors has any interest or short position in any of our Shares, underlying Shares or debentures or any shares, underlying shares or debentures of any associated corporation within the meaning of Part XV of the SFO, which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is 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 to be notified to us and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies, in each case once our Shares are [REDACTED];

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- (c) none of our Directors nor any of the parties listed in “G. Other Information — 10. Consents of experts” in this appendix to this document is interested in the promotion of our Company, 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 our Company or any of our subsidiaries, or are proposed to be acquired or disposed of by or leased to our Company or any of our subsidiaries;
- (d) save as disclosed in the section headed “Contractual Arrangements” and sub-section headed “C. Further Information about Our Business — 1. Summary of the material contracts” in this appendix to this document, none of our Directors nor any of the parties listed in “G. Other Information — 10. Consents of experts” in this appendix to this document is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to our business;
- (e) save in connection with the [REDACTED], none of the parties listed in “G. Other Information — 10. Consents of experts” in this appendix to this document:
 - (i) is interested legally or beneficially in any securities of our Company or any of our subsidiaries; or
 - (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of our Company or any of our subsidiaries; and
- (f) save as disclosed in the section headed “Business — Customers and Suppliers — Independence of our Top Five Suppliers” in this document, none of our Directors or their close associates (as defined in the Listing Rules) or the existing Shareholders (who, to the knowledge of our Directors, owns more than 5% of our issued share capital) has any interest in any of the five largest customers or the five largest suppliers of our Group.

F. SHARE OPTION SCHEME

The following is a summary of principal terms of the Share Option Scheme conditionally approved by a resolution of the then shareholders of our Company passed on [●] and adopted by a resolution of the Board on [●] (the “**Adoption Date**”). The terms of the Share Option Scheme are in compliance with the provisions of Chapter 17 of the Listing Rules.

1. Purpose

The purpose of the Share Option Scheme is to give the Eligible Persons (as defined in the following paragraph) an opportunity to have a personal stake in our Company and help motivate them to optimize their future contributions to our Group and/or to reward them for their past contributions, to attract and retain or otherwise maintain on-going relationships with such Eligible Persons who are significant to and/or whose contributions are or will be beneficial to the performance, growth or success of our Group, and additionally in the case of Executives (as defined below), to enable our Group to attract and retain individuals with experience and ability and/or to reward them for their past contributions.

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2. Who may join

The Board may, at its absolute discretion, offer options ("**Options**") to subscribe for such number of Shares in accordance with the terms set out in the Share Option Scheme to:

- (a) any executive director of, manager of, or other employee holding an executive, managerial, supervisory or similar position in any member of our Group ("**Executive**"), any full time or part time employee, or a person for the time being seconded to work full time or part time for any member of our Group;
- (b) a director or proposed director (including an independent non-executive director) of any member of our Group; and
- (c) any other person involved in the development, promotion or growth of business of the Company (excluding, for the avoidance of doubt, any suppliers or customers of the Company) whom our Board determines to be appropriate to participate in the Share Option Scheme (the person referred above are the "**Eligible Persons**").

3. Maximum number of Shares

The maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of our Group shall not in aggregate exceed 10% of the Shares in issue as at the [REDACTED] (such 10% limit representing [REDACTED] Shares) excluding Shares which may fall to be issued upon the exercise of the [REDACTED] granted by our Company (the "**Scheme Mandate Limit**") provided that:

- (a) our Company may at any time as our Board may think fit seek approval from our Shareholders to refresh the Scheme Mandate Limit, save that the maximum number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other schemes of our Company shall not exceed 10% of our Shares in issue as at the date of approval by our Shareholders in general meeting where the Scheme Mandate Limit is refreshed. Options previously granted under the Share Option Scheme and any other schemes of our Company (including those outstanding, cancelled, lapsed or exercised in accordance with the terms of the Share Option Scheme or any other schemes of our Company) shall not be counted for the purpose of calculating the Scheme Mandate Limit as refreshed. Our Company shall send to our Shareholders a circular containing the details and information required under the Listing Rules;
- (b) our Company may seek separate approval from our Shareholders in general meeting for granting Options beyond the Scheme Mandate Limit, provided that the Options in excess of the Scheme Mandate Limit are granted only to the Eligible Persons specified by our Company before such approval is obtained. Our Company shall issue a circular to our Shareholders containing the details and information required under the Listing Rules; and

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- (c) the maximum number of Shares which may be issued upon exercise of all outstanding options granted and yet to be exercised under the Share Option Scheme and any other schemes of our Group shall not exceed 30% of our Company's issued share capital from time to time. No Options may be granted under the Share Option Scheme and any other share option scheme of our Company if this will result in such limit being exceeded.

4. Maximum entitlement of each participants

No Option may be granted to any one person such that the total number of Shares issued and to be issued upon exercise of Options granted and to be granted to that person in any 12-month period exceeds 1% of our Company's issued share capital from time to time. Where any further grant of Options to such an Eligible Person would result in our Shares issued and to be issued upon exercise of all Options granted and to be granted to such Eligible Person (including exercised, cancelled and outstanding Options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of our Shares in issue, such further grant shall be separately approved by our Shareholders in general meeting with such Eligible Person and his close associates (or his associates if such Eligible Person is a connected person) abstaining from voting. Our Company shall send a circular to our Shareholders disclosing the identity of the Eligible Person, the number and terms of the Options to be granted (and Options previously granted) to such Eligible Person, and containing the details and information required under the Listing Rules. The number and terms (including the subscription price) of the Options to be granted to such Eligible Person must be fixed before the approval of our Shareholders and the date of the Board meeting proposing such grant shall be taken as the offer date for the purpose of calculating the subscription price of those Options.

5. Offer and grant of Options

Subject to the terms of the Share Option Scheme, the Board shall be entitled at any time within 10 years from the Adoption Date to offer the grant of an Option to any Eligible Person as the Board may in its absolute discretion select to subscribe at the subscription price for such number of Shares as the Board may (subject to the terms of the Share Option Scheme) determine (provided the same shall be a board lot for dealing in the Shares on the Stock Exchange or an integral multiple thereof).

6. Granting Options to connected persons

Subject to the terms in the Share Option Scheme, only insofar as and for so long as the Listing Rules require, where any offer of an Option is proposed to be made to a director, chief executive or a substantial shareholder (as defined in the Listing Rules) of our Company or any of their respective associates, such offer must first be approved by the independent non-executive Directors of our Company (excluding the independent non-executive Director who or whose associates is the grantee of an Option).

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Where any grant of Options to a substantial shareholder (as defined in the Listing Rules) or an independent non-executive Director of our Company, or any of their respective associates, would result in the securities issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant:

- (a) representing in aggregate over 0.1% of the relevant class of securities in issue; and
- (b) (where the securities are listed on the Stock Exchange), having an aggregate value, based on the closing price of the securities at the date of each grant, in excess of HK\$5.0 million,

such further grant of Options must be approved by our Shareholders (voting by way of a poll). Our Company shall send a circular to our Shareholders containing the information required under the Listing Rules. The grantee, his associates and all core connected persons of our Company must abstain from voting in favor at such general meeting.

Approval from our Shareholders is required for any change in the terms of Options granted to a participant who is a substantial shareholder or an independent non-executive Director of our Company, or any of their respective associates. The grantee, his associates and all core connected persons of our Company must abstain from voting in favour at such general meeting.

7. Restriction on the time of grant of Options

The Board shall not grant any Option under the Share Option Scheme after inside information has come to its knowledge until such inside information has been announced pursuant to the requirements of the Listing Rules. In particular, no Option shall be granted during the period commencing one month immediately preceding the earlier of the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of our Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules) and the deadline for our Company to publish an announcement of its results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcements.

8. Minimum holding period, vesting and performance target

Subject to the provisions of the Listing Rules, the Board may in its absolute discretion when offering the grant of an Option impose any conditions, restrictions or limitations in relation thereto in addition to those set forth in the Share Option Scheme as the Board may think fit (to be stated in the letter containing the offer of the grant of the Option) including (without prejudice to the generality of the foregoing) qualifying and/or continuing eligibility criteria, conditions, restrictions or limitations relating to the achievement of performance, operating or financial targets by our Company and/or the grantee, the satisfactory performance or maintenance by the grantee of certain conditions or obligations or the time or period before the right to exercise the Option in respect of any of the Shares shall vest provided that such terms or conditions shall not be inconsistent with any other terms or conditions of the Share Option Scheme. For the avoidance of doubt, subject to such terms and conditions as the Board may determine as aforesaid (including such terms and conditions in relation to their vesting, exercise or otherwise) there is no minimum period for which an Option must be held before it can be exercised and no performance target which need to be achieved by the grantee before the Option can be exercised.

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9. Amount payable for Options and offer period

An offer of the grant of an Option shall remain open for acceptance by the Eligible Person concerned for a period of 28 days from the offer date provided that no such grant of an Option may be accepted after the expiry of the effective period of the Share Option Scheme. An Option shall be deemed to have been granted and accepted by the Eligible Person and to have taken effect when the duplicate offer letter comprising acceptance of the offer of the Option duly signed by the grantee together with a remittance in favor of our Company of HK\$1.00 by way of consideration for the grant thereof is received by our Company on or before the date upon which an offer of an Option must be accepted by the relevant Eligible Person, being a date no later than 28 days after the offer date (the "**Acceptance Date**"). Such remittance shall in no circumstances be refundable.

Any offer of the grant of an Option may be accepted in respect of less than the number of Shares in respect of which it is offered provided that it is accepted in respect of board lots for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the duplicate offer letter comprising acceptance of the offer of the Option. To the extent that the offer of the grant of an Option is not accepted by the Acceptance Date, it will be deemed to have been irrevocably declined.

10. Subscription price

The subscription price in respect of any particular Option shall be such price as the Board may in its absolute discretion determine at the time of grant of the relevant Option (and shall be stated in the letter containing the offer of the grant of the Option) but the subscription price shall not be less than whichever is the highest of:

- (a) the nominal value of a Share;
- (b) the closing price of a Share as stated in the Stock Exchange's daily quotations sheet on the offer date; and
- (c) the average closing price of a Share as stated in the Stock Exchange's daily quotations sheets for the 5 Business Days (as defined in the Listing Rules) immediately preceding the offer date.

11. Exercise of Option

- (a) An Option shall be exercised in whole or in part (but if in part only, in respect of a board lot or any integral multiple thereof) within the Option period in the manner as set out in the Share Option Scheme by the grantee (or his or her legal personal representative(s)) by giving notice in writing to our Company stating that the Option is thereby exercised and specifying the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given. Within 28 days after receipt of the notice and, where appropriate, receipt of a certificate from our auditors pursuant to the Share Option Scheme, our Company shall accordingly allot and issue the relevant number of Shares to the grantee (or his

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or her legal personal representative(s)) credited as fully paid with effect from (but excluding) the relevant exercise date and issue to the grantee (or his or her legal personal representative(s)) share certificate(s) in respect of the Shares so allotted.

- (b) The exercise of any Option may be subject to a vesting schedule to be determined by the Board in its absolute discretion, which shall be specified in the offer letter.
- (c) The exercise of any Option shall be subject to the members of our Company in general meeting approving any necessary increase in the authorized share capital of our Company.
- (d) Subject as hereinafter provided and subject to the terms and conditions upon which the Option was granted, an Option may be exercised by the grantee at any time during the Option Period, provided that:
 - (i) in the event that the grantee dies or becomes permanently disabled before exercising an Option (or exercising it in full) and none of the events for termination of employment or engagement pursuant to the terms of the Share Option Scheme exists with respect to such grantee, he or she (or his or her legal representative(s)) may exercise the Option up to the grantee's entitlement immediately prior to the death or permanent disability (to the extent not already exercised) within a period of 12 months following his or her death or permanent disability or such longer period as the Board may determine;
 - (ii) in the event that the grantee ceases to be an Executive for any reason (including his or her employing company ceasing to be a member of our Group) other than his or her death, permanent disability, retirement pursuant to such retirement scheme applicable to our Group at the relevant time or the transfer of his or her employment to an affiliate company or the termination of his or her employment with the relevant member of our Group by resignation or culpable termination, the Option (to the extent not already exercised) shall lapse on the date of cessation of such employment and not be exercisable unless the Board otherwise determines in which event the Option (or such remaining part thereof) shall be exercisable within such period as the Board may in its absolute discretion determine following the date of such cessation;
 - (iii) if a general offer is made to all holders of Shares and such offer becomes or is declared unconditional (in the case of a takeover offer) or is approved by the requisite majorities at the relevant meetings of our Shareholders (in the case of a scheme of arrangement), the grantee shall be entitled to exercise the Option (to the extent not already exercised) at any time (in the case of a takeover offer) within one month after the date on which the offer becomes or is declared unconditional or (in the case of a scheme of arrangement) prior to such time and date as shall be notified by our Company;

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- (iv) if a compromise or arrangement between our Company and its members or creditors is proposed for the purpose of or in connection with a scheme for the reconstruction of our Company or its amalgamation with any other company, our Company shall give notice thereof to the grantees who have Options unexercised at the same time as it dispatches notices to all members or creditors of our Company summoning the meeting to consider such a compromise or arrangement and thereupon each grantee (or his or her legal representatives or receiver) may until the expiry of the earlier of:
 - (1) the Option period;
 - (2) the period of two months from the date of such notice; or
 - (3) the date on which such compromise or arrangement is sanctioned by the court, exercise in whole or in part his or her Option.

- (v) in the event a notice is given by our Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily winding-up our Company, our Company shall on the same date as or soon after it dispatches such notice to each member of our Company give notice thereof to all grantees and thereupon, each grantee (or his or her legal personal representative(s)) shall be entitled to exercise all or any of his or her options at any time not later than two Business Days (as defined in the Listing Rules) prior to the proposed general meeting of our Company by giving notice in writing to our Company, accompanied by a remittance for the full amount of the aggregate subscription price for the Shares in respect of which the notice is given whereupon our Company shall as soon as possible and, in any event, no later than the business day (as defined in the Listing Rules) immediately prior to the date of the proposed general meeting referred to above, allot the relevant Shares to the grantee credited as fully paid.

12. Life of Share Option Scheme

Subject to the terms of the Share Option Scheme, the Share Option Scheme shall be valid and effective for a period of 10 years from the date on which it becomes unconditional, after which no further options will be granted or offered but the provisions of the Share Option Scheme shall remain in force and effect in all other respects. All Options granted prior to such expiry and not then exercised shall continue to be valid and exercisable subject to and in accordance with the Share Option Scheme.

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13. Lapse of Share Option Scheme

An Option shall lapse automatically and not be exercisable, to the extent not already exercised, on the earliest of:

- (a) the expiry of the Option period;
- (b) the expiry of any of the period referred to paragraphs related to exercise of the Option;
- (c) subject to the terms of the period mentioned in the paragraph headed "F. Share Option Scheme — 11. Exercise of Option" in this appendix to this document, the date of the commencement of the winding-up of our Company;
- (d) there is an unsatisfied judgment, order or award outstanding against the grantee or the Board has reason to believe that the grantee is unable to pay or to have no reasonable prospect of being able to pay his/her/its debts;
- (e) there are circumstances which entitle any person to take any action, appoint any person, commence proceedings or obtain any order of the type mentioned in the Share Option Scheme with respect to the exercise of the Option; or
- (f) a bankruptcy order has been made against any director or shareholder of the grantee (being a corporation) in any jurisdiction.

No compensation shall be payable upon the lapse of any Option, provided that the Board shall be entitled in its discretion to pay such compensation to the grantee in such manner as it may consider appropriate in any particular case.

14. Adjustment

In the event of any alteration to the capital structure of our Company while any Option remains exercisable, whether by way of capitalization of profits or reserves, rights issue, consolidations, reclassification, reconstruction, sub-division or reduction of the share capital of our Company, the Board may, if it considers the same to be appropriate, direct that adjustments be made to:

- (a) the maximum number of Shares subject to the Share Option Scheme; and/or
- (b) the aggregate number of Shares subject to the Option so far as unexercised; and/or
- (c) the subscription price of each outstanding Option.

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Where the Board determines that such adjustments are appropriate (other than an adjustment arising from a [REDACTED]), the auditors appointed by our Company shall certify in writing to the Board that any such adjustments are in their opinion fair and reasonable, provided that:

- (a) any such adjustments shall give the Eligible Persons the same proportion of equity capital as they were previously entitled to. In respect of any such adjustments, other than any made on a [REDACTED], the auditors shall confirm to the Board in writing that the adjustments satisfy this requirement;
- (b) any such adjustments shall be made on the basis that the aggregate subscription price payable by the grantee on the full exercise of any Option shall remain as nearly as practicable same as (but shall not be greater than) it was before such event;
- (c) no such adjustments shall be made the effect of which would be to enable a Share to be issued at less than its nominal value;
- (d) any such adjustments shall be made to in accordance with the provisions as stipulated under Chapter 17 of the Listing Rules and supplementary guidance on the interpretation of the Listing Rules issued by the Stock Exchange from time to time; and
- (e) the issue of securities as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustments.

15. Cancellation of Options not exercised

The Board shall be entitled for the following causes to cancel any Option in whole or in part by giving notice in writing to the grantee stating that such Option is thereby cancelled with effect from the date specified in such notice (the "**Cancellation Date**"):

- (a) the grantee commits or permits or attempts to commit or permit a breach of restriction on transferability of Option or any terms or conditions attached to the grant of the Option;
- (b) the grantee makes a written request to the Board for the Option to be cancelled; or
- (c) if the grantee has, in the opinion of the Board, conducted himself in any manner whatsoever to the detriment of or prejudicial to the interests of our Company or its subsidiaries.

The Option shall be deemed to have been cancelled with effect from the Cancellation Date in respect of any part of the Option which has not been exercised as at the Cancellation Date. No compensation shall be payable upon any such cancellation, provided that our Board shall be entitled in its discretion to pay such compensation to the grantee in such manner as it may consider appropriate in any particular case.

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16. Ranking of Shares

The Shares to be allotted upon the exercise of an Option will be subject to all the provisions of the Articles of Association and the laws of the Cayman Islands from time to time and shall rank *pari passu* in all respects with the then existing fully paid Shares in issue commencing from (i) the allotment date or, (ii) if that date falls on a day when the register of members of our Company is closed, the first date of the re-opening of the register of members. Accordingly, it will entitle the holders to participate in all dividends or other distributions paid or made on or after (i) the allotment date or, (ii) if that date falls on a day when the register of members of our Company is closed, the first day of the re-opening of the register of members, other than any dividend or other distribution previously declared or recommended or resolved to be paid or made if the record date therefore shall be before the allotment date.

Share issued upon the exercise of an Option shall not carry rights until the registration of the grantee (or any other person) as the holder thereof.

17. Termination

Our Company may by resolution in general meeting at any time terminate the operation of the Share Option Scheme. Upon termination of the Share Option Scheme as aforesaid, no further Options shall be offered but the provisions of the Share Option Scheme shall remain in force and effect in all other respects. All Options granted prior to such termination and not then exercised shall continue to be valid and exercisable subject to and in accordance with the Share Option Scheme.

18. Transferability

The Option shall be personal to the grantee and shall not be assignable and no grantee shall in any way sell, transfer, charge, mortgage, encumber or create any interest (legal or beneficial) in favor of any third party over or in relation to any Option or attempt to do so (save that the grantee may nominate a nominee in whose name the Shares issued pursuant to the Share Option Scheme may be registered). Any breach of the foregoing shall entitle our Company to cancel any outstanding Option or part thereof granted to such grantee.

19. Alteration of Share Option Scheme

The Share Option Scheme may be altered in any respect by a resolution of the Board except that the following shall not be carried out except with the prior sanction of an ordinary resolution of our Shareholders in general meeting:

- (a) any material alteration to its terms and conditions or any change to the terms of Options granted (except where the alterations take effect under the existing terms of the Share Option Scheme);
- (b) any alteration to the provisions of the Share Option Scheme in relation to the matters set out in Rule 17.03 of the Listing Rules to the advantage of grantee;

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- (c) any change to the authority of the Board or any person or committee delegated by the Board pursuant to the Share Option Scheme to administer the day-to-day running of the Share Option Scheme; and
- (d) any alteration to the aforesaid alteration provisions;

provided always that the amended terms of the Share Option Scheme shall comply with the applicable requirements of the Listing Rules.

20. Conditions of the Share Option Scheme

The Share Option Scheme shall come into effect on the date on which the following conditions are fulfilled:

- (a) the approval of our Shareholders for the adoption of the Share Option Scheme;
- (b) the approval of the Stock Exchange for the [REDACTED] of and permission to [REDACTED], a maximum of [REDACTED] Shares to be allotted and issued pursuant to the exercise of the Share Option Scheme in accordance with the terms and conditions of the Share Option Scheme;
- (c) the commencement of [REDACTED] our Shares on the Stock Exchange; and
- (d) the obligations of the [REDACTED] under the [REDACTED] becoming unconditional and not being terminated in accordance with the terms thereof or otherwise.

If the permission referred to in paragraph (b) above is not granted within two calendar months after the Adoption Date:

- (i) the Share Option Scheme will forthwith terminate;
- (ii) any Option granted or agreed to be granted pursuant to the Share Option Scheme and any offer of such a grant shall be of no effect;
- (iii) no person shall be entitled to any rights or benefits or be under any obligations under or in respect of the Share Option Scheme or any Option; and
- (iv) the Board may further discuss and devise another share option scheme that is applicable to a private company for adoption by our Company.

Application has been made to the Stock Exchange for the [REDACTED] of [REDACTED] Shares which may be issued pursuant to the exercise of Options under the Share Option Scheme.

G. OTHER INFORMATION

1. Deed of Indemnity

Mr. Niu Sanping and Niusanping Limited [have entered] into the Deed of Indemnity with and in favor of our Company for itself and as trustee for its subsidiaries, to provide indemnities in respect of, among other things:

- (a) certain estate duty which might be payable by any companies in our Group by virtue of or under the provisions of the Estate Duty Ordinance (Chapter 111 of Laws of Hong Kong); and
- (b) any liability of any or all of the members of our Group to any form of taxation and duty whenever created or imposed, whether of Hong Kong, the PRC or of any other part of the world, and without prejudice to the generality of the foregoing includes profits tax, provisional profits tax, business tax on gross income, income tax, value added tax, interest tax, salaries tax, property tax, land appreciation tax, lease registration tax, estate duty, capital gains tax, death duty, capital duty, stamp duty, payroll tax, withholding tax, rates, import, customs and excise duties and generally any tax duty, impost, levy or rate or any amount payable to the revenue, customs or fiscal authorities of local, municipal, provincial, national, state or federal level whether of Hong Kong, the PRC or of any other part of the world falling on any of the members of our Group resulting from or by reference to any income, profits or gains earned, accrued or received on or before the [REDACTED] or any event on transaction on or before [REDACTED] whether alone or in conjunction with any circumstances whenever occurring and whether or not such taxation is chargeable against or attributable to any other person, firm or company.

The Deed of Indemnity does not cover any claim and our Controlling Shareholders shall be under no liability under the Deed of Indemnity in respect of above:

- (a) to the extent that provision or allowance has been made for such taxation in the consolidated financial statements of our Group as set out in Appendix I to this document or in the audited accounts of the relevant members of our Group for the three years ended August 31, 2018, 2019 and 2020 and the four months ended December 31, 2020 (the "Accounts"); or
- (b) for which any company of our Group is liable as a result of any event occurring or income, profits earned, accrued or received or alleged to have been earned, accrued or received or transactions entered into in the ordinary course of business or in the ordinary course of acquiring and disposing of capital assets after December 31, 2020 up to and including the [REDACTED] or consisting of any company of our Group ceasing, or being deemed to cease, to be a company in our Group for the purposes of any matter of the taxation; or

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- (c) to the extent that such claim arises or is incurred as a consequence of any retrospective change in the law or the interpretation or practice by the Hong Kong Inland Revenue Department or the tax authorities or any other authority in any part of the world coming into force after the [REDACTED] or to the extent such claim arises or is increased by an increase in the rates of taxation after the [REDACTED] with retrospective effect; or
- (d) to the extent that any provision or reserve made for such taxation in the Accounts is finally established to be an over-provision or an excessive reserve as certified by a firm of accountants acceptable to our Company then the liability of our Controlling Shareholders (if any) in respect of such taxation shall be reduced by an amount not exceeding such over-provision or excess reserve.

Under the Deed of Indemnity, our Controlling Shareholders have also undertaken to indemnify, on a joint and several basis, from any depletion in or reduction in value of its assets or any loss (including all legal costs and suspension of operation), costs, expenses, damages, penalties, fines or other liabilities which any member of our Group may incur or suffer arising from the non-compliances as disclosed in the section headed “Business — Legal Proceedings and Non-compliance” in this document.

2. Litigation

As of the Latest Practicable Date, neither we nor any of our subsidiaries were/was engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance is known to our Directors to be pending or threatened by or against us, that would have a material adverse effect on its results of operations or financial condition.

3. Preliminary expenses

Our estimated preliminary expenses are approximately RMB34,800 and have been paid by us.

4. Promoter

There are no promoters of our Company.

5. Sole Sponsor

The Sole Sponsor made an application on our behalf to the [REDACTED] Committee of the Stock Exchange for [REDACTED] of, and permission to [REDACTED], the Shares in issue as mentioned herein, the Shares to be issued pursuant to the [REDACTED] and the [REDACTED] and any Shares falling to be issued pursuant to the exercise of the [REDACTED], and the Shares that may be issued upon the exercise of options that may be granted under the Share Option Scheme. All necessary arrangements have been made to enable such Shares to be admitted into [REDACTED]. The Sole Sponsor confirms that it satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

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Our Company has entered into an engagement agreement with the Sole Sponsor, pursuant to which our Company agreed to pay the Sole Sponsor a fee of [REDACTED] million to act as sponsor to our Company in the [REDACTED].

6. No material adverse change

Our Directors confirm that there has been no material adverse change in our Company’s financial or trading position or prospects since December 31, 2020 (being the date to which our latest consolidated financial statements were made up).

7. Binding effect

[REDACTED]

8. Miscellaneous

- (1) Save as disclosed in the section headed “History and Corporate Structure” and sub-section headed “A. Further Information about Our Company” in this appendix to this document, within the two years immediately preceding the date of 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 other than cash.
- (2) Save as disclosed in the section headed “Structure of The [REDACTED] — [REDACTED]” and sub-section headed “— F. Share Option Scheme” in this appendix to this document, 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.
- (3) Neither our Company nor any of our subsidiaries have issued or agreed to issue any founder shares, management shares or deferred shares.
- (4) Within the two years immediately preceding the date of this document, no commissions, discounts, brokerage or other special terms have been granted in connection with the issue or sale of any shares or loan capital of any member of our Group.
- (5) Within the two years preceding the date of this document, no commission has been paid or payable (except commissions to the [REDACTED]) for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any Shares in our Company.
- (6) None of the equity and debt securities of our Company is listed or dealt with in any other stock exchange nor is any [REDACTED] or permission to deal being or proposed to be sought.
- (7) We have no outstanding convertible debt securities.

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- (8) 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 twelve (12) months immediately preceding the date of this document.

9. Qualifications of experts

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

<u>Name</u>	<u>Qualification</u>
Guotai Junan Capital Limited	A corporation licensed to conduct type 6 (advising on corporate finance) regulated activities under the SFO
Ernst & Young	Certified Public Accountants Registered Public Interest Entity Auditor
Conyers Dill & Pearman	Cayman Islands attorneys-at-law
Commerce & Finance Law Offices	PRC legal advisors to our Company
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Independent industry consultant
Vincorn Consulting and Appraisal Limited	Independent property valuer

10. Consents of experts

Each of the experts named in the section headed “— G. Other information — 9. Qualifications of experts” in this appendix to this document has given and has not withdrawn their respective consent to the issue of this document with the inclusion of its report and/or letter and/or summary of valuations and/or legal opinion (as the case may be) and references to its name included in the form and context in which it respectively appears.

None of the experts named above has any shareholding interests in our Company or any of our subsidiaries or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company or any of our subsidiaries.

11. Bilingual [REDACTED]

[REDACTED]