

A. FURTHER INFORMATION ABOUT OUR GROUP

1. Incorporation of our Company

Our Company was incorporated in the Cayman Islands under the Companies Act as an exempted company with limited liability on 9 March 2021. Our Company has established its principal place of business in Hong Kong at 46/F, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong and was registered with the Registrar of Companies in Hong Kong as a non-Hong Kong company under Part 16 of the Companies Ordinance on 28 September 2021. Mr. Luan Xiaolong and Ms. Ho Wing Nga (何詠雅女士) have been appointed as the authorised representatives of our Company for the acceptance of service of process and notices in Hong Kong pursuant to the Rule 3.05 of the Listing Rules. The address for service of process on our Company in Hong Kong is the same as our registered place of business in Hong Kong as set out above.

As our Company was incorporated in the Cayman Islands, our operations are subject to the Cayman Companies Act and to our constitution, which comprises the Memorandum and the Articles. A summary of certain provisions of the Memorandum and Articles and relevant aspects of the Cayman Companies Act is set out in “Summary of the Constitution of our Company and Cayman Islands Company Law” in Appendix IV to this document.

2. Changes in the share capital of our Company

On 9 March 2021, our Company was incorporated in the Cayman Islands with an initial authorised share capital of US\$50,000 divided into 500,000,000 Shares of par value of US\$0.0001 each. At the time of incorporation, one Share was allotted and issued for cash at par to ICS Corporate Services (Cayman) Limited (an Independent Third Party) as the initial subscriber, and was subsequently transferred to LLJ Phoenix at par value. On the same date, 99 Shares, 100 Shares and 100 Shares, respectively, were allotted and issued for cash at par to LLJ Phoenix, LXL Phoenix and SEGM Holding. Our Company was then owned as to 33.33%, 33.33% and 33.33% by LLJ Phoenix (wholly-owned by Mr. Luan Linjiang), LXL Phoenix (wholly-owned by Mr. Luan Xiaolong) and SEGM Holding (wholly-owned by SDJY Holding, which is in turn wholly-owned by Mr. Luan Xiaolong), respectively.

On 24 June 2021, as part of the Reorganisation, our Company issued and allotted 230 and 460 fully-paid Shares to LLJ Phoenix and LXL Phoenix, respectively. On 20 July 2021, as part of the Reorganisation and [REDACTED] Investment, QMIG transferred 100 shares of QMRIG, representing the entire issued share capital of QMRIG, to our Company in consideration of the issue and allotment of 10 Shares to QMIG. Upon completion of such allotment and share swap, our Company became owned as to 56% by LXL Phoenix, 33% by LLJ Phoenix, 10% by SEGM Holding and 1% by QMIG, respectively. For details, please refer to “History, Reorganisation and Corporate Structure — Reorganisation” in this document.

On [●], the authorised share capital of our Company was increased from US\$50,000 divided into 500,000,000 Shares to US\$[200,000] divided into [2,000,000,000] Shares.

Following the aforesaid increase of the authorised share capital of our Company and conditional on the share premium account of our Company being credited as a result of the [REDACTED], our Directors were authorised to capitalise US\$[REDACTED] standing to the credit of the share premium account of our Company by applying such sum in paying up in full at par [REDACTED] Shares for allotment and issue on the [REDACTED], credited as fully-paid, at par to the then existing Shareholder(s) in proportion (as near as possible without involving fractions, so that no fraction of a share shall be allotted and issued) to their then shareholdings in our Company. The Shares to be allotted and issued pursuant to the Capitalisation Issue shall carry the same rights in all respects with the then existing issued Shares.

Immediately following completion of the [REDACTED] and Capitalisation Issue (assuming that the [REDACTED] is not exercised), the issued share capital of our Company will be US\$[REDACTED] divided into [REDACTED] Shares, all fully paid or credited as fully paid, and [REDACTED] Shares will remain unissued.

Save as disclosed above, there has been no alteration in the share capital of our Company within two years immediately preceding the date of this document.

3. Changes in the share capital of our subsidiaries

As at the Latest Practicable Date, our Group comprised our Company, two operating subsidiaries, namely Jiaoyun Gas and Jiaoyun Shihua, and five investment holding subsidiaries, namely QMHC, QMRIG, JY Gas BVI, JY Gas HK and JY Gas WFOE.

Save as disclosed below, there have been no changes in the share capital or registered capital of our subsidiaries during the two years preceding the date of this document:

QMHC

QMHC was incorporated in the BVI on 6 May 2021. Upon incorporation, one share and 99 shares, representing the entire issued share capital of QMRIG, were allotted and issued for cash at par to SSC Corporate Services Limited (an Independent Third Party) and QMRIG, respectively. On 13 May 2021, one share held by SSC Corporate Services Limited was transferred to QMRIG at par value.

QMRIG

QMRIG was incorporated in the BVI on 30 March 2021. Upon incorporation, 100 shares, representing the entire issued share capital of QMRIG, were allotted to QMIG. On 20 July 2021, as part of the Reorganisation, QMIG transferred 100 shares of QMRIG to our Company which was settled by ways of the issue and allotment of 10 Shares to QMIG. Please refer to “History, Reorganisation and Corporate Structure — Reorganisation” in this document for further details.

Jiaoyun Gas

As part of the Reorganisation, on 23 June 2021, each of Jiaoyun Group, Jiaoyun Property and Mr. Luan Linjiang entered into an equity transfer agreement with JY Gas WFOE pursuant to which they transferred their respective equity interests of approximately 65.99%, 26.40% and 6.6% in

Jiaoyun Gas to JS Gas WFOE at a total consideration of RMB60.657 million. Upon completion of such transfer, Jiaoyun Gas was owned as to approximately 98.99% by JY Gas WFOE and 1.01% by QMHC. Please refer to “History, Reorganisation and Corporate Structure — Reorganisation” in this document for further details.

JV Gas BVI

On 23 March 2021, JY Gas BVI was incorporated in the BVI with an authorised share capital of 50,000 shares with a par value of US\$1 each. On the same day, one share was allotted and issued to our Company for a consideration of US\$1, and JY Gas BVI became a directly wholly-owned subsidiary of our Company.

JY Gas HK

On 22 April 2021, JY Gas HK was incorporated in Hong Kong with a total amount of issued share capital HK\$1. On the same day, one share was allotted and issued to JY Gas BVI for a consideration of HK\$1, and JY Gas HK became an indirect wholly-owned subsidiary of our Company.

JY Gas WFOE

JY Gas WFOE was established in the PRC on 28 May 2021 with an initial registered capital of RMB30 million. Upon establishment, JY Gas WFOE was wholly-owned by JY Gas HK.

4. Written resolutions of our Shareholders passed on [●] 2022

Our Shareholders passed written resolutions on [●] 2022 to resolve that, amongst other things:

- (a) the Memorandum was approved and conditionally adopted in substitution for and to the exclusion of the then existing memorandum of association of our Company and the Articles were approved and conditionally adopted in substitution for and to the exclusion of the then existing articles of association of our Company, in each case with effect from the [REDACTED];
- (b) the authorised share capital of our Company was increased by US\$50,000 to US\$[200,000] by the creation of an additional [1,500,000,000] Shares with par value of US\$0.0001 each;
- (c) conditional upon the share premium account of our Company being credited as a result of the issue of [REDACTED] pursuant to the [REDACTED], our Directors were authorised to allot and issue a total of [REDACTED] Shares (or any other number of Shares as any one Director may determine), credited as fully-paid at par, to our Shareholders whose names appear on the register of members of our Company at close of business on [●] (or such other date as our Directors may direct) in proportion (as nearly as possible without involving fractions so that no fraction of a Share shall be allotted) to their then respective shareholdings by way of capitalisation of the sum of HK\$[REDACTED] (or any other

amount as any one Director may determine) standing to the credit of the share premium account of our Company, and such Shares to be allotted and issued pursuant to the Capitalisation Issue shall rank *pari passu* in all respects with the then existing issued Shares and our Directors were authorised to give effect to such capitalisation;

- (d) conditional on (i) the Listing Committee of the Stock Exchange granting [REDACTED] of, and [REDACTED], the Shares in issue and to be issued as mentioned in this document; (ii) the [REDACTED] having been determined; (iii) the execution and delivery of the [REDACTED] on or around the respective dates as mentioned in this document; (iv) the obligations of the [REDACTED] under the [REDACTED] becoming and remaining unconditional and not being terminated in accordance with the terms of the [REDACTED] or otherwise, in each case on or before the day falling 30 days after the date of this document:
- (1) the [REDACTED] and the [REDACTED] were approved and our Directors were authorised to allot and issue the [REDACTED] pursuant to the [REDACTED] and such number of Shares as may be allotted and issued upon the exercise of the [REDACTED];
 - (2) the [REDACTED] was approved;
 - (3) a general unconditional mandate (the “**Issuing Mandate**”) was given to our Directors to exercise all powers of our Company to allot, issue and deal with, otherwise than by way of rights issue, scrip dividend schemes or similar arrangements providing for allotment of Shares in lieu of the whole or in part of any dividend in accordance with the Articles, or other arrangements regulated by Chapter 17 of the Listing Rules or any specific authority granted by the Shareholders in general meetings, Shares with an aggregate number not exceeding the sum of 20% of the aggregate number of Shares in issue immediately following completion of the [REDACTED] and the Capitalisation Issue (but excluding any shares that may be issued upon exercise of the [REDACTED]), such mandate to remain in effect until the conclusion of the next annual general meeting of our Company, or the expiration of the period within which the next annual general meeting of our Company is required by the Articles of Association or any applicable Cayman Islands law to be held, or the passing of an ordinary resolution by our Shareholders revoking or varying the authority given to our Directors, whichever is the earliest;
 - (4) a general unconditional mandate (the “**Repurchase Mandate**”) was given to our Directors to exercise all powers of our Company to purchase Shares with total number not exceeding 10% of the total number of Shares in issue and to be issued immediately following the completion of the [REDACTED] and the Capitalisation Issue (but excluding any shares that may be issued upon exercise of the [REDACTED]), until the conclusion of the next annual general meeting of our Company, or the expiration of the period within which the next annual general meeting of our Company is required by the Articles of Association or any applicable Cayman Islands law to be held, or the passing of an ordinary resolution by our Shareholders revoking or varying the authority given to the Directors, whichever is the earliest; and

- (5) the extension of the general mandate to allot, issue and deal with the Shares as mentioned in sub-paragraph (3) above by the addition to the aggregate number of Shares of our Company which may be allotted and issued or agreed (conditionally or unconditionally) to be allotted or issued by our Directors pursuant to such general mandate of an amount representing the aggregate number of Shares of our Company repurchased by our Company pursuant to sub-paragraph (3) above.

5. Reorganisation

In preparation for the [REDACTED] of our Shares on the Stock Exchange, the companies comprising our Group underwent the Reorganisation and our Company became the holding company of our Group. For further details with regard to the Reorganisation, please refer to “History, Reorganisation and Corporate Structure” in this document.

6. Repurchases by our Company of its own securities

This section sets out information required by the Stock Exchange to be included in this document concerning the repurchase by our Company of our own securities.

(a) Provisions of the Listing Rules

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their own securities on the Stock Exchange subject to certain restrictions, the more important of which are summarised below:

(i) Shareholders’ approval

All proposed repurchase of securities (which must be fully paid up in the case of shares) by a company with a primary listing on the Stock Exchange must be approved in advance by an ordinary resolution of the shareholders, either by way of general mandate or by specific approval.

(ii) Source of funds

Repurchases must be funded out of funds legally available for the purpose in accordance with the Memorandum and Articles of Association of our Company and the Listing Rules and the applicable laws of the Cayman Islands. A listed company may not repurchase its own securities 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. Subject to the foregoing, under the Companies Act any repurchases by our Company may be made out of our Company’s profits, out of our Company’s share premium account, out of the proceeds of a new issue of Shares made for the purpose of the repurchase or, if authorised by the Articles and subject to the Companies Act, out of capital. Any amount of premium payable on the purchase over the par value of the Shares to be repurchased must be out of profits or from sums standing to the credit of our Company’s share premium account or, if authorised by the Articles, and subject to the Companies Act, out of capital.

(iii) Trading Restrictions

The total number of shares which a listed company may repurchase on the Stock Exchange is the number of shares representing up to a maximum of 10% of the aggregate number of shares in issue and to be issued immediately following the completion of the [REDACTED] and the Capitalisation Issue. A company may not issue or announce a proposed issue of new securities for a period of 30 days immediately following a repurchase, whether on the Stock Exchange or otherwise (other than an issue of securities pursuant to an exercise of warrants, share options or similar instruments requiring our Company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange. In addition, a listed company is prohibited from repurchasing its shares on the Stock Exchange if the purchase price is higher by 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Stock Exchange. The Listing Rules also prohibit a listed company from repurchasing its securities which would result in the number of the listed securities which are in the hands of the public falling below the relevant prescribed minimum percentage as required by the Stock Exchange. A company is required to procure that the broker appointed by it to effect a repurchase of securities discloses to the Stock Exchange such information with respect to the repurchase as the Stock Exchange may request.

(iv) Status of repurchased shares

All repurchased securities (whether effected on the Stock Exchange or otherwise) will be automatically delisted and the certificates for those securities must be cancelled and destroyed.

(v) Suspension of repurchase

A listed company shall not make any repurchase of securities on the Stock Exchange at any time after inside information has come to its knowledge until the information is made publicly available. In particular, during the period of one month immediately preceding the earlier of (a) 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 a listed company’s results for any year, half year, quarterly or any other interim period (whether or not required under the Listing Rules) and (b) the deadline for publication of an announcement of a listed company’s results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcement, the listed company may not repurchase its shares on the Stock Exchange other than in exceptional circumstances. In addition, the Stock Exchange may prohibit a repurchase of securities on the Stock Exchange if a listed company has breached the Listing Rules.

(vi) Reporting requirements

Certain information relating to repurchases of securities on the Stock Exchange or otherwise must be reported to the Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the following business day. In addition, a listed company’s annual report is required to disclose details regarding repurchases of securities made during the year, including a monthly analysis of the number of securities repurchased, the purchase price per share or the highest and lowest price paid for all such purchase, where relevant, and the aggregate prices paid.

(vii) Core connected persons

A listed company is prohibited from knowingly repurchasing securities on the Stock Exchange from a “core connected person”, that is, a director, chief executive or substantial Shareholder of our Company or any of its subsidiaries or their close associates and a core connected person is prohibited from knowingly selling his/her/its securities to our Company.

(b) Reasons for repurchases

Our Directors believe that it is in the 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. Repurchases of Shares will only be made when our Directors believe that such repurchases will benefit our Company and our Shareholders. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value of our Company and its assets and/or its earnings per Share.

(c) Funding of repurchases and impact on working capital or gearing position

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

There could be a material adverse impact on the working capital or gearing position of our Company (as compared with the position disclosed in this document) in the event that the Repurchase Mandate were to be carried out in full at any time during the share repurchase period.

However, our Directors do not propose to exercise the general 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.

(d) General

The exercise in full of the Repurchase Mandate, on the basis of [REDACTED] Shares in issue immediately following the completion of the [REDACTED] and the Capitalisation Issue, could accordingly result in up to approximately [REDACTED] Shares being repurchased by our Company during the period prior to the earliest occurrence of any of the following:

- (i) the conclusion of our next annual general meeting; or
- (ii) the end of the period within which we are required by any applicable law or the Articles of Association to hold our next annual general meeting; or
- (iii) when varied or revoked by an ordinary resolution of our Shareholders in general meeting.

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 our Company.

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 of the Cayman Islands and the Articles.

If, as a result of any repurchase of Shares, a Shareholder’s proportionate interest in the voting rights of our Company is increased, such increase will be treated as an acquisition for the purposes of the Takeovers Code.

Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of our Company 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. Any repurchase of Shares that results in the number of Shares held by the public being reduced to less than 25% of the Shares then in issue could only be implemented if the Stock Exchange agreed to waive the Listing Rules requirements regarding the public shareholding. It is believed that a waiver of this provision would not normally be given other than in exceptional circumstances.

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

B. FURTHER INFORMATION ABOUT OUR 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) an equity transfer agreement dated 11 September 2020 entered into between Jiaoyun Gas and Jiaoyun Group pursuant to which Jiaoyun Gas transferred its 80% equity interest (equivalent to the then paid up registered capital of RMB 40 million contributed by Jiaoyun Gas) in Jiaoyun Thermal to Jiaoyun Group for a consideration of RMB40.3 million;
- (b) an equity transfer agreement dated 20 October 2020 entered into between Jiaoyun Gas and Jiaoyun Property pursuant to which Jiaoyun Gas transferred its 51% equity interest (equivalent to the then paid up registered capital of RMB 20.4 million contributed by Jiaoyun Gas) in Gaoyun Investment to Jiaoyun Property for a consideration of RMB25.5 million;
- (c) an investment agreement dated 7 June 2021 entered into by Jiaoyun Gas, Jiaoyun Group, Jiaoyun Property, QMHC and Mr. Luan Linjiang, pursuant to which QMHC agreed to make a contribution of RMB610,000 to the registered capital of Jiaoyun Gas;

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- (d) an equity transfer agreement dated 23 June 2021 entered into between Jiaoyun Group and JY GAS WFOE pursuant to which Jiaoyun Group transferred its 66% equity interest (equivalent to the then paid up registered capital of RMB40 million contributed by Jiaoyun Group) in Jiaoyun Gas to JY GAS WFOE for a consideration of RMB40.38 million;
- (e) an equity transfer agreement dated 23 June 2021 entered into between Jiaoyun Property and JY GAS WFOE pursuant to which Jiaoyun Property transferred its 26.4% equity interest (equivalent to the then paid up registered capital of RMB16 million contributed by Jiaoyun Property) in Jiaoyun Gas to JY GAS WFOE for a consideration of RMB16.752 million;
- (f) an equity transfer agreement dated 23 June 2021 entered into between Mr. Luan Linjiang and JY GAS WFOE pursuant to which Mr. Luan Linjiang transferred his 6.6% equity interest (equivalent to the then paid up registered capital of RMB4 million contributed by Mr. Luan Linjiang) in Jiaoyun Gas to JY GAS WFOE for a consideration of RMB4.438 million;
- (g) the Deed of Indemnity; and
- (h) the [REDACTED].

2. Intellectual property rights of our Group

(a) Trademarks

As at the Latest Practicable Date, our Group is the owner of the following trademarks which are material to the business of our Group:

No.	Trademark	Place of Registration	Class	Registration Number	Registered Owner	Effective Date	Expiry Date
1.		PRC	35	5797 6055	Jiaoyun Gas	28 January 2022	27 January 2032
2.		PRC	40	5798 3272	Jiaoyun Gas	28 January 2022	27 January 2032

(b) Copyright

As at the Latest Practicable Date, our Group is the owner of the following copyright which is material to the business of our Group:

No.	Name of Copyright	Place of Registration	Registered Owner	Registration Number	Date of Registration
1.	Jiaoyun graphics (交運圖形)	PRC	Jiaoyun Gas	國作登字-2021-F-00212195	13 September 2021

(c) Domain Name

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

No.	Domain Name	Registered Owner	Registration Date	Expiry Date
1.	www.gmjytrq.com	Jiaoyun Gas	30 July 2021	30 July 2031

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C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Interests and short position of our Directors and the chief executive in the Shares, underlying Shares or debentures of our Company and our associated corporations

Immediately following the completion of the [REDACTED] (without taking into account any Shares which may be allotted and issued pursuant to the exercise of the [REDACTED]), the interests and/or short positions (as applicable) of our Directors and the chief executive of our Company in the Shares or underlying Shares or debentures of our Company and any interests and/or short positions (as applicable) in the shares or underlying shares or debentures of any of our Company’s associated corporations (within the meaning of Part XV of the SFO) (i) 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/or short positions (as applicable) which they are taken or deemed to have under such provisions of the SFO), (ii) which will be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or (iii) which will be required to be notified to our Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, in each case once our Shares are [REDACTED], will be as follows:

Our Company

<u>Name of Director</u>	<u>Nature of Interest/ Capacity</u>	<u>Number of Shares held⁽¹⁾</u>	<u>Approximate percentage of shareholding</u>
Mr. Luan Xiaolong	Interest in a controlled corporation ⁽²⁾	[REDACTED] (L)	[REDACTED]%
Mr. Luan Linjiang	Interest in a controlled corporation ⁽³⁾	[REDACTED] (L)	[REDACTED]%

Notes:

1. The letter “L” denotes the person’s long position in the shares.
2. Our Company will be held as to approximately [REDACTED]% and [REDACTED]% by LXL Phoenix and SEGM Holding, respectively, immediately following the completion of the Capitalisation Issue and the [REDACTED] (without taking into account any Shares which may be allotted and issued pursuant to the exercise of the [REDACTED]). LXL Phoenix is wholly-owned by Mr. Luan Linjiang. SEGM Holding is wholly-owned by SDJY Holding which is in turn wholly-owned by Mr. Luan Xiaolong. Mr Luan Xiaolong is deemed, or taken to be interested, in all the Shares held by LXL Phoenix and SEGM Holding (through SDJY Holding) for the purpose of the SFO.
3. Our Company will be held as to approximately [REDACTED]% by LLJ Phoenix immediately following the completion of the Capitalisation Issue and the [REDACTED] (without taking into account any Shares which may be allotted and issued pursuant to the exercise of the [REDACTED]). LLJ Phoenix is wholly-owned by Mr. Luan Linjiang. Mr Luan Linjiang is deemed, or taken to be interested, in all the Shares held by LLJ Phoenix for the purpose of the SFO.

2. Substantial shareholders

Save as disclosed in “Substantial Shareholders — (a) Interest in our Company” and “Substantial Shareholders — (b) Interest in our subsidiaries” in this document, so far as our Directors are aware, immediately following the completion of the [REDACTED] (without taking into account any Shares which may be allotted and issued pursuant to the exercise of the [REDACTED]), no person will have an interest or short position in the Shares or the underlying Shares which would fall to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or are, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of our Group.

3. Disclaimers

- (a) save as disclosed in “— C. Further Information About Our Directors and Substantial Shareholders — 1. Interests and short position of our Directors and the chief executive in the Shares, underlying Shares or debentures of our Company and our associated corporations” in this Appendix, none of our Directors or chief executive of our Company has any interests and short positions in the Shares, underlying shares and debentures of our Company or any associated corporation (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 taken 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 will be required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers to be notified to our Company and the Stock Exchange, in each case once the Shares are listed on the Stock Exchange;
- (b) so far as is known to any of our Directors or chief executive of our Company, no person has an interest or short position in the Shares and underlying shares of our Company which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or is directly or indirectly interested in 10% or more of the number of shares carrying rights to vote in all circumstances at general meetings of any other member of our Group;
- (c) none of our Directors nor any of the persons listed in “— D. Other Information — 7. Qualifications and consents of experts” in this Appendix V is interested, directly or indirectly, in the promotion of, or in any assets which have been, within the two years immediately preceding the issue 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;
- (d) none of our Directors or the persons listed in “— D. Other Information — 7. Qualifications and consents of experts” in this Appendix is materially interested in any contract or arrangement with our Group subsisting at the date of this document which is unusual in its nature or conditions or which is significant in relation to the business of our Group;

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- (e) none of the persons listed in “— D. Other Information — 7. Qualifications and consents of experts” in this Appendix has any shareholding in any member of our Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of our Group;
- (f) save as disclosed in “— C. Further Information About Our Directors and Substantial Shareholders — 4. Particulars of Directors’ service contracts and appointment letters” in this Appendix, none of our Directors has entered or has proposed to enter into any service agreements with our Company or any member of our Group (other than contracts expiring or determinable by the employer within one year without payment of compensation other than statutory compensation); and
- (g) so far as is known to our Directors, none of our Directors or their associates or any shareholder of our Company (which to the knowledge of our Directors owns 5% or more of the issued share capital of our Company) has any interest in any of the five largest customers of our Group.

4. Particulars of Directors’ service contracts and appointment letters

Our executive Directors’ service contracts have a term of three years commencing from the [REDACTED] (subject to termination in certain circumstances as stipulated in the relevant service agreement). In certain other circumstances, the service contract can also be terminated by us, including but not limited to certain breaches of our Directors’ obligations under the contract or certain misconducts. The appointments of our executive Directors are also subject to the provisions of retirement and rotation of Directors under the Memorandum. The salary of each executive Director after each financial year is subject to adjustment as determined by our Company’s remuneration committee and approved by a majority of the members of our Board (excluding our Director whose salary is under review).

The annual remuneration payable to our executive Directors by our Group (excluding any discretionary bonus) is as follows:

Executive Directors	Remuneration (per annum)
Mr. Luan Linjiang	RMB66,000
Mr. Luan Xiaolong	RMB55,000
Mr. Luan Linxin	RMB52,000

Each of our independent non-executive Directors has entered into a letter of appointment with our Company for a period of three years commencing from the [REDACTED] (subject to termination in certain circumstances as stipulated in the relevant service agreement). The appointments of the independent non-executive Directors are also subject to the provisions of retirement and rotation of Directors under the Memorandum.

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The annual remuneration payable to each of our independent non-executive Directors under the relevant letters of appointment is as follows:

Independent non-executive Directors	Remuneration (per annum)
Mr. Wei Yi	RMB50,000
Mr. Tian Qiang	RMB50,000
Ms. Liu Xiaoye	RMB50,000

Save for the above director’s fee, none of our independent non-executive Directors is expected to receive any other remuneration for holding their office as an independent non-executive Director.

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

5. Directors’ remuneration

- (i) For the years ended 31 December 2019, 2020 and 2021 and the four months ended 30 April 2022, the aggregate amount of emoluments, salaries, allowances, discretionary bonus, defined contribution retirement plans and other benefits in kind (if applicable) paid by our Group to our Directors (in their role as senior management and employee before their appointment as Directors) were approximately RMB144,000, RMB137,000, RMB160,000 and RMB56,000, respectively.
- (ii) For the years ended 31 December 2019 and 2020 and 2021 and the four months ended 30 April 2022, no emoluments had been paid and no benefits in kind had been granted by our Group to our Directors at the time.
- (iii) Under the arrangements currently in force, the aggregate emoluments (excluding any discretionary bonus or other fringe benefits) payable by our Group to our Directors for the year ending 31 December 2022 are expected to be approximately RMB286,000.
- (iv) For the years ended 31 December 2019, 2020 and 2021 and the four months ended 30 April 2022, none of our Directors at the time or any past directors of any member of our Group has been paid any sum of money (i) as an inducement to join or upon joining our Group; or (ii) for loss of office as a director of any member of our Group or of any other office in connection with the management of the affairs of any member of our Group.
- (v) There has been no arrangement under which a Director at the time has waived or agreed to waive any emoluments for the years ended 31 December 2019, 2020 and 2021 and the four months ended 30 April 2022.

D. OTHER INFORMATION

1. Tax and other indemnities

The Controlling Shareholders [have entered] into the Deed of Indemnity with and in favour of our Company (for itself and on behalf of its subsidiaries) (being the contract referred to in paragraph (g) in “— B. Further Information About Our Business — 1. Summary of material contracts” in this Appendix) to provide indemnities on a joint and several basis in respect of, among other matters, taxation resulting from income, profits or gains earned, accrued or received as well as any property claim or estate duty to which any member of our Group may be subject and payable on or before the [REDACTED] and any expenses, costs, fines, penalties or other liabilities which any member of our Group may suffer.

2. Litigation

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

3. No material adverse change

Save as disclosed in “Summary — Recent Developments and No Material Adverse Change” in this document, our Directors confirm that, up to the date of this document, there has been no material adverse change in our Group’s financial or trading position since 30 April 2022 (being the date on which the latest audited consolidated financial information of our Group was prepared), and there had been no event since 30 April 2022 which would materially affect the information shown in the Accountant’s Report set out in Appendix I to this document.

4. Sole Sponsor

The Sole Sponsor satisfies the independence criteria applicable to sponsor set out in Rule 3A.07 of the Listing Rules. The Sole Sponsor will receive an aggregate fee of HK\$5,000,000 for acting as the sponsor for the [REDACTED].

The Sole Sponsor has made an application on our Company’s behalf to the Listing Committee for the [REDACTED] of, and [REDACTED], all the Shares in issue and to be issued as mentioned in this document (including any Shares which may be allotted and issued pursuant to the exercise of the [REDACTED]). All necessary arrangements have been made for the Shares to be admitted into [REDACTED].

APPENDIX V

STATUTORY AND GENERAL INFORMATION

5. Preliminary expenses

The preliminary expenses relating to the incorporation of our Company are approximately RMB19,950 and are payable by our Company.

6. Promoter

Our Company has no promoter. Within the two years immediately preceding the date of this document, no cash, securities or other benefit has been paid, allotted or given nor are any proposed to be paid, allotted or given to any promoters in connection with the [REDACTED] and the related transactions described in this document.

7. Qualifications and consents of experts

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

<u>Name</u>	<u>Qualifications</u>
China Industrial Securities International Capital Limited	A licensed corporation under the SFO to conduct type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities (as defined in the SFO)
PricewaterhouseCoopers	Certified Public Accountants under Professional Accountant Ordinance (Chapter 50 of the Laws of Hong Kong) and Registered Public Interest Entity Auditor under Financial Reporting Council Ordinance (Chapter 588 of the Laws of Hong Kong)
Jingtian & Gongcheng	Legal advisers as to PRC law
Conyers Dill & Pearman	Cayman Islands legal advisers
APAC Asset Valuation and Consulting Limited	Property valuer
China Insights Industry Consultancy Limited	Industry consultant
SHINEWING Risk Services Limited	Internal control adviser

Each of the experts named above has given and has not withdrawn its written consent to the issue of this document with copies of its reports, letters, opinions, summaries of opinions (as the case may be), all of which are dated the date of this document and made for incorporation in this document, and/or references to its names included herein in the form and context in which they respectively appear.

8. Binding effect

This document shall have the effect, if an application is made in pursuance of it, 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.

9. Bilingual document

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

10. Taxation of holders of Shares

(a) Hong Kong

The sale, purchase and transfer of Shares registered with our Company's Hong Kong branch register of members will be subject to Hong Kong stamp duty, the current rate charged on each of the purchaser and seller is 0.13% of the consideration or, if higher, the fair value of the Shares being sold or transferred. Profits from dealings in the Shares arising in or derived from Hong Kong may also be subject to Hong Kong profits tax.

(b) Cayman Islands

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

(c) Consultation with professional advisers

Intending holders of the Shares are recommended to consult their professional advisers if they are in doubt as to the taxation implications of holding or disposing of or dealing in the Shares. It is emphasised that none of our Company, our Directors or the other parties involved in the [REDACTED] can accept responsibility for any tax effect on, or liabilities of, holders of Shares resulting from their holding or disposal of or dealing in Shares or exercise of any rights attaching to them.

11. Miscellaneous

- (a) Within the two years immediately preceding the date of this document:
 - (i) save as disclosed in "History, Reorganisation and Corporate Structure" 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 other than cash;
 - (ii) 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;
 - (iii) 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
 - (iv) no commission has been paid or payable subscribing, agreeing to subscribe or procuring subscription or agreeing to procure subscription for any shares in our Company or any of our subsidiaries;
- (b) no founder, management or deferred Shares nor any debenture in our Company or any of our subsidiaries have been issued or agreed to be issued;
- (c) there has not been any interruption in the business of our Group which may have or has had a significant effect on the financial position of our Group in the 12 months preceding the date of this document;
- (d) the principal register of members of our Company will be maintained in the Cayman Islands by [REDACTED] and a branch 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 enable the Shares to be admitted to [REDACTED];
- (e) no company within our Group is presently listed on any stock exchange or traded on any trading system;
- (f) our Directors have been advised that under the Companies Act the use of a Chinese name by our Company does not contravene the Companies Act;
- (g) our Company has no outstanding convertible debt securities or debentures;
- (h) there is no arrangement under which future dividend declared by our Company have been waived or agreed to be waived;

APPENDIX V

STATUTORY AND GENERAL INFORMATION

- (i) none of the persons whose names are listed in “— D. Other Information — 7. Qualifications and consents of experts” in this Appendix:
 - (i) is interested beneficially or non-beneficially in any shares in any member of our Group; or
 - (ii) has any right or option (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for any securities in any member of our Group; and
- (j) there is no restriction affecting the remittance of profits or repatriation of capital into Hong Kong and from outside Hong Kong.