

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

A. FURTHER INFORMATION ABOUT OUR COMPANY

1. Incorporation of our Company

Our Company was incorporated in the Cayman Islands under the Cayman Companies Act as an exempted company with limited liability on 11 December 2020. Our Company has established its principal place of business in Hong Kong at Unit 02, 8/F, Tung Che Commercial Centre, 246 Des Voeux Road West, Hong Kong and was registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on 19 October 2021. Mr. Zhang Senquan (張森泉) of Flat B, 22F, Tower 16, Pacific Palisades, No.1 Braemar Hill Road, North Point, Hong Kong has been appointed as the authorised 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 Cayman company law and to our constitution comprising the Memorandum and the Articles. A summary of various provisions of our Company's constitution and certain relevant aspects of the Cayman company law is set out in Appendix III to this document.

2. Changes in share capital of our Company

(a) *Changes in authorised share capital and issued share capital*

- (i) As at the date of incorporation of our Company on 11 December 2020, our authorised share capital was HK\$380,000 divided into 38,000,000 Shares having a par value of HK\$0.01 each.
- (ii) As at the date of incorporation, one Share, representing 100% of the then entire issued share capital of our Company, was allotted and issued at par to the initial subscriber, which was then transferred to Meng A Capital on the same day.
- (iii) On 9 April 2021, our Company allotted and issued one Share to Tang Operation as consideration for the acquisition of the entire equity interest in Tang B Capital. On the same day, our Company further allotted and issued 98 Shares at par to Meng A Capital.
- (iv) On 26 April 2021, our Company allotted and issued 100 Shares to Billion Vantage at a consideration of HK\$16.5 million, and 1,782 Shares and 18 Shares at par to Meng A Capital and Tang Operation, respectively.
- (v) On [●] 2022, the authorised share capital of our Company was further increased to HK\$[REDACTED] by the creation of further [REDACTED] Shares pursuant to a resolution passed by our Shareholders referred to in paragraph 3 below and subject to the conditions contained therein.
- (vi) Immediately following completion of the [REDACTED] and the [REDACTED] (taking no account of any Shares which may be issued upon the exercise of the [REDACTED]), the authorised share capital of our Company will be

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HK\$[REDACTED] divided into [REDACTED] 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 exercise of the [REDACTED], there is no present intention to issue any of the authorised but unissued share capital of our Company and, without the prior approval of the Shareholders in general meeting, no issue of Shares will be made which would effectively alter the control of our Company.

Save as disclosed herein and in the paragraphs headed “A. Further Information about Our Company — 3. Written resolutions of all the Shareholders passed on [●] 2022” and “A. Further Information about Our Company — 4. Reorganisation” below, there has been no alteration in the share capital of our Company since its incorporation.

(b) Founder shares

Our Company has no founder shares, management shares or deferred shares.

3. Written resolutions of all the Shareholders passed on [●] 2022

On [●] 2022, written resolutions of all the Shareholders were passed pursuant to which, among others:

- (a) the Memorandum be and was thereby approved and adopted with immediate effect and the Articles be and were thereby conditionally approved and adopted which will come into effect on the [REDACTED] Date, the terms of which are summarised in Appendix III to this document;
- (b) the authorised share capital of our Company be increased from HK\$380,000 divided into 38,000,000 Shares with a par value of HK\$0.01 each to HK\$[REDACTED] divided into [REDACTED] Shares with a par value of HK\$[REDACTED] each by the creation of an additional [REDACTED] Shares ranking *pari passu* with the existing Shares with immediate effect;
- (c) conditional on (A) the Listing Committee of the Stock Exchange granting the [REDACTED] of, and permission to [REDACTED], the Shares in issue and the Shares to be issued as mentioned herein (including any Shares which may be issued pursuant to the [REDACTED], the [REDACTED] and the [REDACTED]); and (B) the entering into of the agreement on the [REDACTED] between the [REDACTED] (for itself and on behalf of the [REDACTED]) and our Company; and (C) 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] (for itself and on behalf of the [REDACTED])) and not being terminated in accordance with the terms of such agreement or otherwise, in each case on or before the date determined in accordance with the terms of the [REDACTED]:
 - (i) the [REDACTED] was approved and the Directors were authorised to effect the same and to allot and issue the [REDACTED] pursuant to the [REDACTED];

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- (ii) the [REDACTED] was approved and the Directors were authorised to allot and issue any Shares which may be required to be issued if the [REDACTED] is exercised; and
 - (iii) conditional upon the share premium amount of our Company being credited as a result of the [REDACTED] or otherwise having sufficient balance, the Directors were authorised to capitalise the amount of HK\$[REDACTED] from the amount standing to the credit of the share premium account of our Company to pay up in full at par [REDACTED] Shares for allotment and issue to the person(s) whose name(s) appears on the register of members of our Company at the close of business on the day prior to the [REDACTED] Date, on a pro rata basis;
- (d) a general unconditional mandate was given to the Directors authorising them to exercise all the powers of our Company to allot, issue and [REDACTED] (otherwise than by way of rights issue or an issue of shares upon the exercise of the [REDACTED] or any subscription or conversion rights attaching to any warrants or any securities which are convertible into Shares, or any other option scheme or similar arrangement for the time being adopted for the grant or issue to officers and/or employees of our Company and/or any of its subsidiaries or any other person of share or rights to acquire Shares or 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 a specific authority granted by the Shareholders in general meeting) any unissued Shares not exceeding 20% of the total number of shares of our Company in issue immediately following completion of the [REDACTED] and the [REDACTED] (excluding any Shares that may be issued upon exercise of the [REDACTED]) and to make or grant offers, agreements and options (including but not limited to warrants, bonds and debentures convertible into Shares) which might require the exercise of such power to issue Shares either during or after the end of the Relevant Period (as defined below), such mandate to remain in effect until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of our Company;
 - (ii) the expiration of the period within which the next annual general meeting of our Company is required by the Articles or any applicable laws of the Cayman Islands to be held; or
 - (iii) the passing of an ordinary resolution of the Shareholders in general meeting revoking, varying or renewing such mandate;
- (e) a general unconditional mandate was given to our Directors authorising them to exercise all powers of our Company to repurchase on the Stock Exchange or on any other stock exchange on which the Shares may be [REDACTED], and which is recognised by the SFC and the Stock Exchange for this purpose, such number of Shares not exceeding 10% of the total number of shares of our Company in issue immediately following completion of the [REDACTED] and the [REDACTED] (excluding any Shares that may be issued upon exercise of the [REDACTED]), such mandate to remain in effect until whichever is the earliest of:

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- (i) the conclusion of the next annual general meeting of our Company;
 - (ii) the expiration of the period within which the next annual general meeting of our Company is required by the Articles or applicable laws of the Cayman Islands to be held; or
 - (iii) the passing of an ordinary resolution of the Shareholders in general meeting revoking, varying or renewing such mandate;
- (f) the general unconditional mandate mentioned in paragraph (d) above was extended by the addition to the total number of shares 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 total number of shares of our Company repurchased by our Company pursuant to the mandate to repurchase Shares referred to in paragraph (e) above provided that such extended amount shall not exceed 10% of the total number of shares of our Company in issue immediately following completion of the [REDACTED] and the [REDACTED] (excluding any Shares that may be issued upon exercise of the [REDACTED]).

4. Reorganisation

In preparation for the [REDACTED], the companies comprising our Group underwent the Reorganisation to rationalise the corporate structure of our Group. For further details, please refer to the section headed “History, Reorganisation and Corporate Structure — Reorganisation” in this document.

5. Changes in share capital of our subsidiaries

Save as disclosed in the section headed “History, Reorganisation and Corporate Structure” in this document, there has been no alteration in the share capital of any of our subsidiaries within the two years preceding the date of this document.

6. Particulars of our subsidiaries

Particulars of our subsidiaries are set out in the Accountant’s Report, the text of which is set out in Appendix I to this document.

7. Securities repurchase mandate

This paragraph includes information required by the Stock Exchange to be included in this document concerning the repurchase by our Company of its own securities.

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(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 of which are summarised below:

(i) Shareholders’ Approval

All proposed repurchases of securities on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, either by way of general mandate or by specific approval in relation to specific transactions.

Note: Pursuant to the written resolution of all the Shareholders passed on [●] 2022, a general unconditional mandate (the “**Repurchase Mandate**”) was given to the Directors authorising any repurchase by our Company of Shares as described above in the section headed “A. Further Information about Our Company — 3. Written resolutions of all the Shareholders passed on [●] 2022”.

(ii) Source of Funds

Any repurchases must be financed out of funds legally available for the purpose in accordance with the Memorandum and the Articles and the applicable laws and regulations of the Cayman Islands.

(b) Source of funds

In repurchasing securities, our Company may only apply funds legally available for such purpose in accordance with the Memorandum, the Articles and the applicable laws and regulations of the Cayman Islands. Pursuant to the Repurchase Mandate, repurchases will be made out of funds of our Company legally permitted to be utilised in this connection, including profits or the share premium of our Company or out of the proceeds of a fresh 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 and, in the case of any premium payable on the repurchase, out of the profits of our Company or from sums standing to the credit of the share premium account of our Company or, if authorised by the Articles and subject to the Companies Act, out of capital of our Company. Our Company may not repurchase 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 from time to time.

(c) Reasons for repurchases

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

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(d) Exercise of the Repurchase Mandate

Exercise in full of the Repurchase Mandate, on the basis of [REDACTED] Shares in issue immediately after completion of the [REDACTED] and the [REDACTED] (but taking no account of any Shares which may be issued upon the exercise of the [REDACTED]), could accordingly result in up to [REDACTED] Shares being repurchased by our Company during the course of the period (the "**Relevant Period**") prior to the earliest of:

- (i) the conclusion of the next annual general meeting of our Company;
- (ii) the expiration of the period within which the next annual general meeting of our Company is required by the Articles and the applicable laws and regulations of the Cayman Islands to be held; or
- (iii) the revocation, variation or renewal of the Repurchase Mandate by ordinary resolution of the Shareholders in general meeting.

(e) General

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their respective associates (as defined in the Listing Rules), has any present intention, if the Repurchase Mandate is approved by the Shareholders, to sell any Shares to our Company or its subsidiaries. There might 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 is exercised in full. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of our Company or on its gearing levels which in the opinion of the Directors are from time to time appropriate for our Company.

The 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, the Memorandum, the Articles and all the applicable laws and regulations of the Cayman Islands.

If as a result of a repurchase of Shares, a Shareholder's proportionate interest in the voting rights of our Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. As a result, a Shareholder, or a group of Shareholders acting in concert (within the meaning under the Takeovers Code), depending on the level of increase in the interest of the Shareholder(s), could obtain or consolidate control of our Company and become(s) obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code as a result of a repurchase of Shares made after the [REDACTED]. Save as aforesaid, our Directors are not aware of any other consequence under the Takeovers Code as a result of a repurchase of Shares made immediately after the [REDACTED].

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

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B. FURTHER INFORMATION ABOUT THE BUSINESS OF OUR COMPANY

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 14 January 2021 entered into between Mr. Li as transferor and Lingyun HK as transferee regarding the transfer of 1% equity interest in Shanghai Guanze at a consideration of RMB460,000;
- (b) an equity transfer agreement dated 1 March 2021 entered into between Mr. Meng as transferor and Shandong Guanze as transferee regarding the transfer of 99% equity interest in Shanghai Guanze at a consideration of RMB45,495,612.9;
- (c) a sale and purchase agreement dated 9 April 2021 entered into between Tang Operation as vendor and our Company as purchaser regarding the transfer of one share of Tang B Capital in consideration for the allotment and issue of one Share to Tang Operation;
- (d) a share subscription agreement dated 24 April 2021 entered into between Billion Vantage and our Company pursuant to which Billion Vantage agreed to subscribe for and our Company agreed to allot and issue 100 Shares at a consideration of HK\$16.5 million;
- (e) a share subscription agreement dated 13 September 2021 entered into between Shandong Guanze and Mr. Meng pursuant to which Mr. Meng agreed to, among others, subscribe for 0.1% equity interest in Shandong Guanze at a consideration of RMB3,000;
- (f) the Deed of Non-competition;
- (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 was the registered owner of the following registered trademarks which are material to our business:

<u>No.</u>	<u>Trademark</u>	<u>Registered Owner</u>	<u>Place of Registration</u>	<u>Class</u>	<u>Registration Number</u>	<u>Expiry date</u>
1.	冠泽慧医	Jinan Guanze	PRC	1	39673280	20 March 2030
				9	39676361	20 March 2030
				10	39676383	20 March 2030
				35	39682390	20 March 2030
				38	39699546	20 March 2030
				40	39680863	20 March 2030
				41	39689050	20 March 2030

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No.	Trademark	Registered Owner	Place of Registration	Class	Registration Number	Expiry date
2.		Jinan Guanze	PRC	42	39676791	20 March 2030
				1	37128424	13 November 2029
				9	37132594	6 January 2031
				10	37129646	13 November 2029
3.		Jinan Guanze	PRC	40	37113894	6 February 2030
				1	37109213	13 November 2029
				9	37116363	6 January 2031
				10	37127192	6 February 2030

(b) *Copyrights*

As at the Latest Practicable Date, our Group has registered the following material copyrights in the PRC:

Software (軟件)

No.	Copyright	Version	Registered owner	Registration number	Date of registration
1	Guanze Smart Cloud Film Software (冠澤智能雲膠片軟件)	V1.0	Shanghai Guanze	2020SR0529893	28 May 2020
2	Guanze Regional Medical Cloud Image Sharing System (冠澤區域醫療雲影像共享系統)	V1.0	Shanghai Guanze	2020SR0529784	28 May 2020
3	Guanze Image Archiving and Transmission Encryption Intelligent Operation Software (冠澤影像歸檔和傳輸加密智能操作軟件)	V1.0	Shanghai Guanze	2020SR0529704	28 May 2020
4	Guanze Cloud Film Client Preview Service System (冠澤雲膠片客戶端預覽服務系統)	V1.0	Shanghai Guanze	2020SR0532713	29 May 2020
5	Guanze Cloud Image Storage and Archive Security Storage Management System (冠澤雲影像存儲和歸檔安全存儲管理系統)	V1.0	Shanghai Guanze	2020SR0532055	29 May 2020
6	Guanze Image Report Automatic Generation Software (冠澤影像報告自動化生成軟件)	V1.0	Shanghai Guanze	2020SR0532063	29 May 2020

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<u>No.</u>	<u>Copyright</u>	<u>Version</u>	<u>Registered owner</u>	<u>Registration number</u>	<u>Date of registration</u>
7	Guanze Black and White Colour Film Linkage Printing Software (冠澤黑白彩色膠片聯動打印軟件)	V1.0	Shanghai Guanze	2020SR1148835	23 September 2020
8	Guanze Dicom Medical Image Online Cloud Processing Software (冠澤Dicom醫學影像在線雲處理軟件)	V1.0	Shanghai Guanze	2020SR1150033	23 September 2020
9	Guanze CD Self-burning Software (冠澤光盤自助刻錄軟件)	V1.0	Shanghai Guanze	2020SR1150066	23 September 2020
10	Guanze Digital Film Software (冠澤數字膠片軟件)	V1.0	Shanghai Guanze	2020SR1149985	23 September 2020
11	Guanze Dicom Medical Image Downloading Hybrid Transmission Software (冠澤Dicom醫學影像下載混合傳輸軟件)	V1.0	Shanghai Guanze	2020SR1151517	24 September 2020
12	Guanze Colour Film Self-printing software (冠澤彩色膠片自助打印軟件)	V1.0	Shanghai Guanze	2020SR1151277	24 September 2020
13	Guanze Dicom Medical Image Cross-platform Cloud Processing System Software (冠澤Dicom醫學影像跨平臺雲處理系統軟件)	V1.0	Shanghai Guanze	2020SR1157920	24 September 2020
14	Guanze Self-printing Software (冠澤自助打印軟件)	V1.0	Shanghai Guanze	2020SR1151363	24 September 2020
15	Guanze Medical Film Yield Management Software (冠澤醫用膠片成品率管理軟件)	V1.0	Jinan Guanze	2020SR0427549	9 May 2020
16	Guanze Medical Film Smart Mixing Control System (冠澤醫用膠片智能混料控制系統)	V1.0	Jinan Guanze	2020SR0424792	9 May 2020
17	Guanze Medical Film Cooling and Shaping System (冠澤醫用膠片冷卻定型系統)	V1.0	Jinan Guanze	2020SR0424786	9 May 2020
18	Guanze Medical Film Warehouse Management System (冠澤醫用膠片倉庫管理系統)	V1.0	Jinan Guanze	2020SR0427561	9 May 2020
19	Guanze Medical Film Smart Coating System (冠澤醫用膠片智能塗覆系統)	V1.0	Jinan Guanze	2020SR0428456	9 May 2020

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<u>No.</u>	<u>Copyright</u>	<u>Version</u>	<u>Registered owner</u>	<u>Registration number</u>	<u>Date of registration</u>
20	Guanze Medical Film Smart Winding Control System (冠澤醫用膠片智能收卷控制系統)	V1.0	Jinan Guanze	2020SR0428462	9 May 2020
21	Guanze Medical Film Plasticizing Extrusion Temperature Control System (冠澤醫用膠片塑化擠出溫度控制系統)	V1.0	Jinan Guanze	2020SR0428451	9 May 2020
22	Guanze Medical Film Transportation Management System (冠澤醫用膠片運輸管理系統)	V1.0	Jinan Guanze	2020SR0428612	9 May 2020
23	Guanze Medical Film Storage Temperature Control System (冠澤醫用膠片存儲溫度控制系統)	V1.0	Jinan Guanze	2020SR0427543	9 May 2020
24	Guanze Medical Film Production Management System (冠澤醫用膠片生產管理系統)	V1.0	Jinan Guanze	2020SR0425427	9 May 2020
25	Guanze Medical Film Sales Management Platform (冠澤醫用膠片銷售管理平臺)	V1.0	Jinan Guanze	2020SR0428624	9 May 2020
26	Guanze Medical Film Raw Material Preparation Intelligent Processing System (冠澤醫用膠片原料準備智能處理系統)	V1.0	Jinan Guanze	2020SR0428618	9 May 2020
27	Guanze Medical Device Information Collection and Analysis Software (冠澤醫療器械信息採集和分析軟件)	V1.0	Jinan Guanze	2020SR0427538	9 May 2020
28	Guanze Medical Film Quality Inspection System (冠澤醫用膠片質量檢測系統)	V1.0	Jinan Guanze	2020SR0427555	9 May 2020
29	Guanze Medical Film Smart Slitting System (冠澤醫用膠片智能分切系統)	V1.0	Jinan Guanze	2020SR0424678	9 May 2020
30	Guanze Cloud Imaging Online Diagnosis Platform (冠澤雲影像在線診斷平臺)	V1.0	Jinan Guanze	2020SR0521686	27 May 2020
31	Guanze Cloud Image Storage and Archiving Platform (冠澤雲影像存儲和歸檔平臺)	V1.0	Jinan Guanze	2020SR0521465	27 May 2020

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32	Guanze Image Reporting Software (冠澤影像報告軟件)	V1.0	Jinan Guanze	2020SR0523912	27 May 2020
33	Guanze Cloud Film Software (冠澤雲膠片軟件)	V1.0	Jinan Guanze	2020SR0521646	27 May 2020
34	Guanze Image Archiving and Transmission Software (冠澤影像歸檔和傳輸軟件)	V1.0	Jinan Guanze	2020SR0523926	27 May 2020
35	Guanze Dicom Medical Image Cross-platform Cloud Processing System Software (冠澤Dicom醫學影像跨平臺雲處 理系統軟件)	V1.0	Jinan Guanze	2020SR1156780	24 September 2020
36	Guanze Dicom Medical Image Downloading Hybrid Transmission Software (冠澤Dicom醫學影像下載混合傳 輸軟件)	V1.0	Jinan Guanze	2020SR1156754	24 September 2020
37	Guanze Image Report Intelligent Generation Software (冠澤影像報告智能生成軟件)	V1.0	Jinan Guanze	2020SR1156758	24 September 2020
38	Guanze Self-printing Software (冠澤自助打印軟件)	V1.0	Jinan Guanze	2020SR1161088	25 September 2020
39	Guanze Digital Film Software (冠澤數字膠片軟件)	V1.0	Jinan Guanze	2020SR1159699	25 September 2020
40	Guanze CD Self-burning Software (冠澤光盤自助刻錄軟件)	V1.0	Jinan Guanze	2020SR1161095	25 September 2020
41	Guanze Dicom Medical Image Online Cloud Processing Software (冠澤Dicom醫學影像在 線雲處理軟件)	V1.0	Jinan Guanze	2020SR1160289	25 September 2020
42	Guanze Black and White Colour Film Intelligent Automatic Discrimination Printing Software (冠澤黑白彩色膠片智能自動分 辨打印軟件)	V1.0	Jinan Guanze	2020SR1553909	9 November 2020
43	Guanze 3D Image Self-Printing Software (冠澤三維圖像自助打 印軟件)	V1.0	Jinan Guanze	2020SR1558086	9 November 2020

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(c) *Domain Name*

As at the Latest Practicable Date, our Group has registered the following domain name that is material to the operation of our business:

<u>Domain Name</u>	<u>Date of Registration</u>	<u>Expiry Date</u>	<u>Registrant</u>
www.guanzegroup.com	10 September 2021	10 September 2031	Shanghai Guanze

C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SHAREHOLDERS

1. Interests and short positions of Directors in the share capital of our Company

Immediately following completion of the [REDACTED] and the [REDACTED] (taking no account of Shares which may be issued pursuant to the exercise of the [REDACTED]), the interests or short positions of each of the Directors and the chief executives in the share capital, underlying shares and debentures of our Company which, once the Shares are [REDACTED], 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 required to be kept therein or which, once the Shares are [REDACTED], will be required pursuant to the Model Code for Securities Transactions by Directors of Listed Companies contained in the Listing Rules to be notified to our Company and the Stock Exchange are set out as follows:

(a) *Interests in our Company*

<u>Name of Director</u>	<u>Nature of interest</u>	<u>Number of Shares in our Company</u> ^(Note 1)	<u>Approximate percentage of interest</u>
Mr. Meng	Interest in controlled corporation ^(Note 2)	[REDACTED] (L)	[REDACTED]

Notes:

- (1) The letter “L” denotes our Directors’ long position in the shares of our Company.
- (2) Mr. Meng directly holds 100% of Meng A Capital. Accordingly, Mr. Meng is deemed to be interested in all the Shares held by Meng A Capital for the purpose of the SFO.

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(b) *Interests in shares of associated corporations of our Group*

<u>Name of Director</u>	<u>Name of associated corporation</u>	<u>Nature of interest</u>	<u>Approximate percentage of interest in the associated corporation</u>
Mr. Meng	Shandong Guanze	Beneficial owner	1.10%
	Shanghai Guanze	Interest in controlled corporation ^(Note 1)	1.10%
	Jinan Guanze	Interest in controlled corporation ^(Note 1)	1.10%

Note:

- (1) Mr. Meng owns 1.10% of Shandong Guanze, which owns 99% of Shanghai Guanze. Shanghai Guanze owns 100% of Jinan Guanze.

2. Interests and short positions of substantial Shareholders in the share capital of our Company

Interests in our Company

So far as the Directors are aware, immediately following completion of the [REDACTED] and the [REDACTED] (taking no account of Shares which may be issued pursuant to the exercise of the [REDACTED]), in addition to the interests disclosed under the paragraphs headed “C. Further Information about Our Directors and Shareholders — 1. Interests and short positions of Directors in the share capital of our Company” above, the persons (not being a director or chief executive of our Company) who will have interests or short positions in the Shares and underlying Shares which are required to be disclosed to our Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO are as follows:

<u>Name of Shareholder</u>	<u>Capacity/ nature of interest</u>	<u>Number of Shares</u> ^(Note 1)	<u>Approximate percentage of shareholding</u>
Meng A Capital	Beneficial owner	[REDACTED] (L)	[REDACTED]
Ms. Yang Duanling	Interest of spouse ^(Note 2)	[REDACTED] (L)	[REDACTED]

Notes:

- (1) The letter “L” denotes a person’s long position in our Shares.
- (2) Ms. Yang Duanling is the spouse of Mr. Meng, who is interested in [REDACTED] Shares as set out in “—1. Interests and short positions of Directors in the share capital of our Company” above. Ms. Yang Duanling is therefore deemed to be interested in all Shares in which Mr. Meng is interested in for the purpose of the SFO.

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Save as disclosed herein but taking no account of any Shares which may be issued pursuant to the exercise of the [REDACTED], the Directors are not aware of any person (not being a director or chief executive of our Company) who will immediately following completion of the [REDACTED] and the [REDACTED] have interests or short positions in the Shares and 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 who will immediately following completion of the [REDACTED] and the [REDACTED] be, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital in any associated corporations of our Company carrying rights to vote in all circumstances at general meetings of associated corporation of our Company.

3. Directors' service contracts and remuneration

(a) Directors' service contracts

Executive Directors

Each of our executive Directors has [entered] into a service contract with our Company for a term of three years commencing from the [REDACTED] Date, which may be terminated by not less than three months' notice in writing served by either party on the other. The current basic annual salaries of the executive Directors are as follows:

<u>Name</u>	<u>Approximate annual salary</u>
	<i>(HK\$)</i>
Mr. Meng	300,000
Mr. Guo Zhenyu	120,000

Non-executive Director

Our non-executive Director has [entered] into a letter of appointment with our Company for a term of three years commencing from the [REDACTED] Date, which may be terminated by not less than three months' notice in writing served by either party on the other. The director's fee of the non-executive Director per annum is as follows:

<u>Name</u>	<u>Director's fee</u>
	<i>(HK\$)</i>
Ms. Meng Cathy	120,000

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Independent non-executive Directors

Each of our independent non-executive Directors has [entered] into a letter of appointment with our Company for a term of three years commencing from the Listing Date, which may be terminated by not less than three months’ notice in writing served by either party on the other. The director’s fee of the independent non-executive Directors per annum are as follows:

<u>Name</u>	<u>Director’s fee</u>
	(HK\$)
Dr. Zhao Bin	120,000
Dr. Chang Shiwang	120,000
Dr. Wong Man Hin Raymond	240,000

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

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

(b) Directors’ remuneration

For the three years ended 31 December 2021 and the six months ended 30 June 2022, the aggregate amount paid to our Directors as remuneration (including the aggregate amount of fees, salaries, discretionary bonus, welfare contribution plans, other allowances and other benefits in kind) were RMB272,000, RMB198,000, RMB234,000 and RMB117,000 respectively.

Under the arrangements currently in force, the estimated total remuneration (including the aggregate amount of fees, salaries, discretionary bonus, welfare contribution plans (including pensions), housing, other allowances and other benefits in kind) payable to our Directors for the year ending 31 December 2022 will be approximately RMB309,000. There was no arrangement under which a Director has waived or agreed to waive any emoluments for each of the three financial years immediately preceding the issue of this document.

4. Disclaimers

Save as disclosed in this document:

- (a) none of the Directors nor any of the persons whose names are listed in the paragraph headed “D. Other Information — 6. Qualifications of experts” in this Appendix has any direct or indirect interest in the promotion of, or in any assets which have been, within

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the two years immediately preceding the date of this document, acquired or disposed of by or leased to any member of our Group, or are proposed to be acquired or disposed of by or leased to any member of our Group;

- (b) none of the Directors nor any of the persons whose names are listed in the paragraph headed “D. Other Information — 6. Qualifications of experts” in this Appendix is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group;
- (c) none of the Directors is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to the business of our Group taken as a whole;
- (d) none of the Directors or their close associates (as defined in the Listing Rules) or existing Shareholders of our Company (who, to the knowledge of the Directors, owns more than 5% of our issued share capital) has any interest in any of the five largest customers of our Company; and
- (e) none of the Directors or their close associates (as defined in the Listing Rules) or our existing Shareholders of our Company (who, to the knowledge of the Directors, owns more than 5% of our issued share capital) has any interest in any or the five largest suppliers of our Company.

D. OTHER INFORMATION

1. Estate duty, tax and other indemnity

The Controlling Shareholders (the “**Indemnifiers**”) have entered into the Deed of Indemnity with and in favour of our Company (for itself and as trustee for each of its present subsidiaries) to provide indemnities on a joint and several basis, in respect of, among other matters any liability for estate duty under the Estate Duty Ordinance (Chapter 111 of the Laws of Hong Kong) which might be incurred by any member of our Group on or before the [REDACTED] Date and any taxation which might be payable by any member of our Group in respect of any income, profits or gains earned, accrued or received or alleged to have been earned, accrued or received on or before the date on which the [REDACTED] becomes unconditional.

2. Litigation

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

3. Preliminary expenses

The preliminary expenses of our Company are estimated to be approximately HK\$84,000 and are payable by our Company.

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4. Promoter

Our Company has no promoter for the purpose of the Listing Rules. Save as disclosed above, within the two years immediately preceding the date of this document, no cash, securities or other benefits have been paid, allotted or given to any promoters in connection with the [REDACTED] or the related transactions described in this document.

5. Sole Sponsor

The Sole Sponsor made an application on our behalf to the Listing 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 any Shares falling to be issued pursuant to the exercise of the [REDACTED]. 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.

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 HK\$4.8 million to act as sponsor to our Company in the [REDACTED].

6. 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>
Southwest Securities (HK) Capital Limited	Licensed under the SFO to conduct Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activity under the SFO
Ernst & Young	Certified Public Accountants and Registered Public Interest Entity Auditor
Jingtian & Gongcheng (Shanghai Office)	Legal advisers to our Company as to PRC law
Conyers Dill & Pearman	Cayman Islands attorneys-at-law
China Insights Industry Consultancy Limited	Industry consultant

7. Consents of experts

Each of the experts named in paragraph 6 above has given and has not withdrawn its consent to the issue of this document with the inclusion of its report and/or letter and/or opinion (as the case may be) and references to its name included in the form and context in which it respectively appears.

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None of the experts named in paragraph 6 above has any shareholding interests in our Group or any right or option (whether legally enforceable or not) to subscribe for, or to nominate persons to subscribe for, securities in any member of our Group.

8. Binding effect

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

9. Agency fees or commission received

The [REDACTED] will receive an [REDACTED], as referred to under the section headed "[REDACTED] — [REDACTED] — [REDACTED]" in this document.

10. Miscellaneous

- (a) Save as disclosed in this document, within the two years immediately preceding the date of this document:
 - (i) no share or loan capital of our Company or any of its 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 its 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 or agreed to be granted in connection with the issue or sale of any share or loan capital of our Company or any of its subsidiaries;
 - (iv) no founders, management or deferred shares of our Company or any of its subsidiaries have been issued or agreed to be issued; and
 - (v) no commission has been paid or is payable for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any share in our Company or any of its subsidiaries.
- (b) Since 31 December 2021, being the date of our latest audited consolidated financial results as set out in "Accountant's Report" in Appendix I to this document, there has been no material adverse change in the financial or trading position or prospects of our Group.
- (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.

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- (d) Subject to the provisions of the Companies Act, 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 the Directors otherwise agree, all transfer and other documents of title of Shares must be lodged for registration with and registered by our [REDACTED] 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 into [REDACTED] for clearing and settlement.
- (e) No company within our Group is presently listed on any stock exchange or traded on any trading system.
- (f) There are no arrangements in existence under which future dividends are to be or agreed to be waived.

11. 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 [REDACTED].