

APPENDIX IV

STATUTORY AND GENERAL INFORMATION

A. FURTHER INFORMATION ABOUT OUR COMPANY

1. Incorporation of our Company

Our Company was incorporated under the laws of the Cayman Islands as an exempted company with limited liability on December 14, 2020. Our registered office address is at 190 Elgin Avenue, George Town, Grand Cayman KY1-9008, Cayman Islands. As our Company was incorporated in the Cayman Islands, we operate subject to the relevant laws of the Cayman Islands and the Memorandum and Articles of Association. A summary of certain provisions of our Memorandum and Articles of Association and certain relevant aspects of the Cayman Companies Act is set out in Appendix III to this document.

We have established a place of business in Hong Kong at 46th Floor, Hopewell Centre, 183 Queen’s Road East, Wan Chai, Hong Kong, and were registered as a non-Hong Kong company under Part 16 of the Companies Ordinance on March 25, 2022, under the same address. Mr. LEE Chung Shing has been appointed as the authorized representative of our Company for the acceptance of service of process and notices on behalf of our Company. The address for service of process is the same as our principal place of business in Hong Kong as set out above.

As at the date of this document, our Company’s head office was located at 1–6/F, Building 103, No. 10 Courtyard, Jiuxianqiao North Road, Chaoyang District, Beijing, China.

2. Changes in the share capital of our Company

As of the date of incorporation, the authorized share capital of our Company was US\$50,000 divided into 500,000,000 shares with a par value of US\$0.0001 each, among which, 477,534,400 ordinary shares were designated as class A ordinary shares and 22,465,600 ordinary shares were designated as class B ordinary shares. The following sets out the changes in our Company’s share capital since its incorporation and up to the date of this document:

- (a) On December 14, 2020, immediately after its incorporation, one class A ordinary share with a par value of US\$0.0001 was allotted and issued to its initial subscriber, Osiris International Cayman Limited, who on the same day transferred the share to Chalk Sky Ltd. On the same date, the Company completed issuance of an aggregate of 39,855,500 class A ordinary shares and 22,465,600 class B ordinary shares with a par value of US\$0.0001 each to the following shareholders:

<u>Shareholders</u>	<u>Number of shares issued</u>
Chalk Sky Ltd	25,719,999 class A ordinary shares
Chalk World Ltd	5,766,500 class A ordinary shares
Green Creek Holding Limited	6,298,800 class A ordinary shares
Feel the Truth Limited	2,070,200 class A ordinary shares
Liang Ma Limited ⁽¹⁾	22,465,600 class B ordinary shares

(1) 22,465,600 class B ordinary shares were redesignated as class A ordinary shares on March 3, 2021.

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- (b) On December 31, 2020, the Company completed issuance of (i) 1,361,000 and 1,267,000 class A ordinary shares with a par value of US\$0.0001 each to Chuang Ding Holding Limited and Kun Yu Holding Limited, respectively; and (ii) an aggregate of 113,252,200 series A preferred shares with a par value of US\$0.0001 each to the following shareholders:

Shareholders	Number of series A preferred shares issued
Liang Ma Limited	3,508,000
Feel the Truth Limited	36,400
IDG-ACCEL CHINA GROWTH FUND III L.P.	14,245,400
IDG-ACCEL CHINA III INVESTORS L.P.	1,010,800
EVEN CLASSIC LIMITED	2,550,600
Spring Moment Limited	536,600
Matrix Partners China II Hong Kong Limited	14,987,200
X Adventure Fund I L.P.	203,600
CMC Ape Holdings Limited	2,272,400
Rhodolite Gem Holdings Limited	9,913,400
Taurus Fund L.P.	1,723,600
Morespark Limited	8,472,400
Tencent Mobility Limited	17,873,600
Triple Max Holding Limited	869,400
TPP Opportunity I Holding C Limited	1,304,200
TPP Fund II Holding C Limited	833,000
VH PDII Holdings Limited	814,800
HH AUT-XI Holdings Limited	8,472,400
SUM XIII Holdings Limited	3,214,800
Starry Planet Limited	4,032,600
Novich International Investment Limited	554,800
KIWI JOLLY LIMITED	170,200
3W Global Fund	106,400
Blue Sky Frontier	567,000
Blue Sky Frontier II	322,200
Skycus China Fund, L.P.	681,000
Duckling Fund, L.P.	488,000
DST Asia VII	1,314,800
DSTG VI Investments-A, L.P.	488,000
DSTG VI Investments-C, L.P.	975,800
DSTG VII Investments-3, L.P.	1,219,000
Winning Eleven Pro Ltd	106,400
Wisdom Choice Global Fund, L.P.	106,400
LUCK LEGEND INTERNATIONAL HOLDINGS LIMITED	106,400
Hundreds Golden Vision Fund L.P.	95,800
Hundreds ANTA Fund Limited Partnership	97,400
CY Banana Investment Limited	975,800
DCP Vigor Limited	682,400
Ocean Alliance IV, L.P.	488,000
TB Ape on the Rise Holdings Limited	781,200
Library Group Volume I	332,800
Wen Yuan Ltd	155,000
HIGHBURY INVESTMENT PTE LTD	975,800
Dan Capital Taihang Limited Partnership	390,600
BLUEMOUNTAIN NOBLE LIMITED	293,400
Trinityville Profit Limited	97,400
Franchise Fund LP	97,400
Aranda Investments Pte. Ltd.	488,000
YF Crescent Moon Limited	2,927,600
Kevin Sunny Holding Limited	194,600
Bin Lin	97,400

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- (c) On March 3, 2021, the Company completed issuance of 7,913,200 class A ordinary shares with a par value of US\$0.0001 each to LI Xin and redeemed 9,913,400 series A preferred shares with a par value of US\$0.0001 each from Rhodolite Gem Holdings Limited; on the same date, the Company completed issuance of an aggregate of 23,886,163 series B preferred shares with a par value of US\$0.0001 each to the following shareholders:

Shareholders	Number of series B preferred shares issued
Modish Century Limited	4,048,563
TBP Chalk Chalk Investment Holdings Limited.	6,477,700
CF Training Investment Limited.	2,429,100
Duckling Fund, L.P..	2,429,100
East Lake Asia Investments Limited	1,781,300
Tipping Point Limited	2,429,100
United Strength Elegant Limited	1,052,600
Alpha Fibonacci Holdings Limited	809,700
Dan Capital Wuyi L.P..	809,700
3W Global Investment Limited.	404,800
Welight Capital L.P..	404,800
Hundreds Golden Vision Fund L.P..	809,700

- (d) On April 7, 2021, the Company issued 2,429,137 series B preferred shares with a par value of US\$0.0001 each to Merchant Skill Limited;
- (e) On May 21, 2021, the Company issued 2,380,500 and 1,619,400 series B preferred shares with a par value of US\$0.0001 each to Ningbo Xiaoyao Equity Investment Partnership Enterprise (Limited Partnership) (寧波逍遙股權投資合夥企業(有限合夥)) and Ningbo Badou Equity Investment Partnership Enterprise (Limited Partnership) (寧波八門股權投資合夥企業(有限合夥)), respectively;
- (f) On June 9, 2021, the Company issued 1,214,500 series B preferred shares with a par value of US\$0.0001 each to Shenzhen Jinglin Jingying Equity Investment Fund (Limited Partnership) (深圳景林景盈股權投資基金合夥企業(有限合夥));
- (g) On May 26, 2022, Matrix Partners China II Hong Kong Limited transferred 13,488,480 and 1,498,720 series A preferred shares with a par value of US\$0.0001 each to Matrix Partners China II, L.P. and Matrix Partners China II-A, L.P., respectively; and
- (h) On [•], each share in our issued and unissued share capital was subdivided into ten shares of our Company with par value of US\$0.00001 each, following which 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.

Immediately following the completion of the [REDACTED] (assuming no exercise of the [REDACTED] and without taking into any Shares to be issued pursuant to the [REDACTED] Share Option Scheme), our issued Shares will be [REDACTED] Shares, all fully paid or credited as fully paid, and [REDACTED] Shares will remain unissued.

Immediately following the completion of the [REDACTED] (assuming full exercise of the [REDACTED] but without taking into any Shares to be issued pursuant to the [REDACTED] Share Option Scheme), our issued Shares will be [REDACTED] Shares, all fully paid or credited as fully paid, and [REDACTED] Shares will remain unissued.

Save as disclosed above and in “— 3. Written resolutions of the Shareholders of our Company passed on [•]” in this section, there has been no alteration in the share capital of our Company since its inception.

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3. Written resolutions of the Shareholders of our Company passed on [•]

Pursuant to the written resolutions passed by the Shareholders on [•], among other things:

- (1) each of our issued and unissued shares with a par value of US\$0.0001 each in the authorized share capital of our Company was approved to be subdivided into ten shares of our Company with a par value of US\$0.00001 each, immediately following which the authorized share capital of our Company was US\$50,000 divided into 5,000,000,000 Shares with a par value of US\$0.00001 each;
- (2) conditional upon the satisfaction (or, if applicable waiver) of the conditions set out in "Structure of the [REDACTED]" and pursuant to the terms set out therein:
 - (a) our Company approved and adopted the Memorandum and the Articles with effect upon the [REDACTED];
 - (b) on the [REDACTED], each of the issued and unissued series A preferred shares, series B preferred shares, class A ordinary shares and class B ordinary shares of the Company were approved to be re-designated as one ordinary share of the Company with par value of US\$0.00001 each, having the rights and restrictions as set out in the Memorandum and the Articles, after which, the authorized share capital of our Company will be US\$50,000 divided into 5,000,000,000 ordinary shares of the Company with par value of US\$0.00001 each;
 - (c) the [REDACTED] and grant of the [REDACTED] were approved and the Directors (or any duty authorized committee thereof) were authorized to approve to allot and issue the [REDACTED] and the [REDACTED] as may be required to be allotted and issued upon the exercise of the [REDACTED];
 - (d) a general unconditional mandate was given to the Directors authorizing them to exercise all the powers of the Company to allot, issue and deal with the [REDACTED] or securities convertible into [REDACTED] or options, warrants or similar rights to subscribe for the [REDACTED] or such convertible securities and to make or grant offers, agreements or options which would or might require the exercise of such powers whether during or after the end of the Relevant Period (as defined below), provided that the Directors may not issue warrants, options or similar rights to subscribe for any new Shares or any securities convertible into new Shares for cash consideration pursuant to such mandate and the aggregate nominal value of Shares allotted or agreed to be allotted by the Directors other than pursuant to (i) a right issue, (ii) any scrip dividend scheme or similar arrangement providing for the allotment of the Shares in lieu of the whole or part of a dividend on the Shares, (iii) the exercise of any subscription or conversion rights attached to any warrants or securities which are convertible into Shares or in issue prior to the date of passing the relevant resolution or (iv) a specific authority granted by the Shareholder(s) in general meeting, shall not exceed the aggregate of:
 - (i) 20% of the aggregate nominal value of the share capital of our Company in issue immediately following the completion of the [REDACTED] (assuming no exercise of the [REDACTED] and without taking into account any Shares to be issued pursuant to the [REDACTED] Share Option Scheme); and
 - (ii) the aggregate nominal value of the share capital of our Company repurchased by our Company (if any) under the general mandate to repurchase Shares referred to in paragraph below;

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- (e) a general unconditional mandate (the “Repurchase Mandate”) was given to the Directors to exercise all powers of our Company to repurchase [REDACTED] on the Stock Exchange, or on any other Stock Exchange on which the [REDACTED] may be [REDACTED] (and which is recognised by the SFC and the Stock Exchange for the purpose) with a total nominal value of not more than 10% of the aggregate nominal value of our Company’s share capital in issue immediately following the completion of the [REDACTED] (assuming no exercise of the [REDACTED] and without taking into account any Shares to be issued pursuant to the [REDACTED] Share Option Scheme);
- (f) the general unconditional mandate as mentioned in paragraph (d) above was extended by the addition to the aggregate nominal value of the share capital of our Company which may be allotted and issued or agreed to be allotted and issued by the Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the share capital of our Company repurchased by our Company pursuant to the mandate to repurchase Shares referred to in paragraph (e) above, provided that such extended amount shall not exceed 10% of the aggregate nominal value of the Shares in issue immediately following completion of the [REDACTED] (assuming no exercise of the [REDACTED] and without taking into account any Shares to be issued pursuant to the [REDACTED] Share Option Scheme); and

Each of the general mandates referred to in paragraphs 1(d), 1(e) and 1(f) above will remain in effect until whichever is the earliest of (the “Relevant Period”):

- (i) the conclusion of the next annual general meeting of our Company;
- (ii) the expiration of the period within which our Company is required by any applicable law or the Memorandum and the Articles to hold our next annual general meeting; or
- (iii) the time when such mandate is varied or revoked by an ordinary resolution of the Shareholders in a general meeting.

4. Changes in share capital of the subsidiaries of our Company and the Consolidated Affiliated Entities

A summary of the corporate information and the particulars of our subsidiaries and the Consolidated Affiliated Entities are set out in Note 1 to the Accountant’s Report set out in Appendix I to this document.

The following sets out changes in share capitals of subsidiaries of our Company and the Consolidated Affiliated Entities during the two years immediately preceding the date of this document:

(1) Fenbi Education Technology (HK) Limited

On January 15, 2021, Fenbi Education Technology (HK) Limited was incorporated under the laws of Hong Kong. Upon its incorporation, one share of Fenbi Education Technology (HK) Limited was allotted and issued to the Company.

(2) Fenbi ShangAn

On April 9, 2021, Fenbi ShangAn was established under the laws of the PRC with a registered capital of US\$10,000,000.

(3) Fenbi ChuXin

On July 22, 2021, Fenbi ChuXin was established under the laws of the PRC with a registered capital of US\$10,000,000.

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(4) Fenbi Bluesky

On October 15, 2021, Mr. LI Yong, Mr. LI Xin and Mr. GUO Changzhen transferred their respective 70.56%, 7.68% and 1.46% of the equity interests in Fenbi Bluesky to Mr. ZHANG Xiaolong.

(5) Lancai Tianxia

On July 22, 2021, Tianxia Culture transferred 100% of its equity interest in Lancai Tianxia to Fenbi Bluesky.

On November 24, 2021, Fenbi Bluesky transferred 49.9% of the equity interest in Lancai Tianxia to Tianxia Education.

(6) Shanghai Bizhuo Technology Co., Ltd. (上海筆灼科技有限公司)

On June 10, 2021, Shanghai Bizhuo Technology Co., Ltd. was established under the laws of the PRC with a registered capital of RMB1,000,000.

(7) Tianxia Culture

On November 30, 2021, Fenbi Bluesky transferred 2% of the equity interest in Beijing Fenbi Tianxia Culture Communication Co., Ltd. to an individual investor. After the transfer, Beijing Fenbi Tianxia Culture Communication Co., Ltd. is owned as to 98% by Fenbi Bluesky and as to 2% by the individual investor.

On December 31, 2021, Fenbi Bluesky and the individual investor transferred 98% and 2% of the equity interests in Beijing Fenbi Tianxia Culture Communication Co., Ltd., respectively, to Fenbi ChuXin.

(8) Tianxia Education

On November 30, 2021, Fenbi Bluesky transferred 2% of the equity interest in Beijing Fenbi Tianxia Education Technology Co., Ltd. to an individual investor. After the transfer, Beijing Fenbi Tianxia Education Technology Co., Ltd. is owned as to 98% by Fenbi Bluesky and as to 2% by the individual investor.

On December 31, 2021, Fenbi Bluesky and the individual investor transferred 98% and 2% of the equity interests in Beijing Fenbi Tianxia Education Technology Co., Ltd., respectively, to Fenbi ChuXin.

(9) Jiangsu Fenbi Training Center Co., Ltd. (江蘇粉筆培訓中心有限公司)

On April 15, 2021, Jiangsu Fenbi Training Center Co., Ltd. was established under the laws of the PRC with a registered capital of RMB10,000,000.

On July 22, 2021, Fenbi Bluesky transferred 100% of its equity interest in Jiangsu Fenbi Training Center Co., Ltd. to Tianxia Education.

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(10) *Yuxi Bilan Education Training School Co., Ltd.* (玉溪筆藍教育培訓學校有限公司)

On March 23, 2021, Yuxi Bilan Education Training School Co., Ltd. was established under the laws of the PRC with a registered capital of RMB500,000.

(11) *Anhui Fenbi Tianxia Education Training School Co., Ltd.* (安徽粉筆天下教育培訓學校有限公司)

On March 18, 2021, Anhui Fenbi Tianxia Education Training School Co., Ltd. was established under the laws of the PRC with a registered capital of RMB5,000,000.

(12) *Chongqing Fenyong Bixing Education Technology Co., Ltd.* (重慶粉優筆行教育科技有限公司)

On January 21, 2021, Chongqing Fenyong Bixing Education Technology Co., Ltd. was established under the laws of the PRC with a registered capital of RMB5,000,000.

(13) *Diqing Bilan Education Training Co., Ltd.* (迪慶筆藍教育培訓有限公司)

On August 24, 2021, Diqing Bilan Education Training Co., Ltd. was established under the laws of the PRC with a registered capital of RMB500,000.

(14) *Beijing Fenbi Xingqiu Technology Co., Ltd.* (北京粉筆星球科技有限公司)

On June 15, 2022, Beijing Fenbi Xingqiu Technology Co., Ltd. was established under the laws of the PRC with a registered capital of RMB10,000,000.

Save as disclosed above, there have been no changes in the share capital of any of the subsidiaries of our Company or Consolidated Affiliated Entities within two years immediately preceding the date of this document.

5. Repurchase by our Company of our own securities

The following paragraphs include, among others, certain information required by the Stock Exchange to be included in this document concerning the repurchase of our own securities.

(a) *Provision 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 most important of which are summarized below:

(i) *Shareholders' Approval*

All proposed repurchases 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 in general meeting, either by way of general mandate or by specific approval of a particular transaction.

Pursuant to a resolution passed by our Shareholders on [•], the Repurchase Mandate was given to our Directors, details of which are set out in “— A. Further Information about our Company — 3. Written resolutions of the Shareholders of our Company passed on [•].”

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(ii) Source of Funds

Purchases must be funded out of funds legally available for the purpose in accordance with the Memorandum and Articles of Association and the applicable laws and regulations of Hong Kong and the Cayman Islands. A listed company may not purchase 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 from time to time. As a matter of Cayman law, any purchases by the Company may be made out of profits or out of the proceeds of a new issue of shares made for the purpose of the purchase or from sums standing to the credit of our share premium account or out of capital, if so authorized by the Memorandum and Articles of Association and subject to the Cayman Companies Act. Any premium payable on the purchase over the par value of the shares to be purchased must have been provided for out of profits or from sums standing to the credit of our share premium account or out of capital, if so authorized by the Memorandum and Articles of Association and subject to the Cayman Companies Act.

(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. A company may not issue or announce a proposed issue of new securities for a period of 30 days immediately following a repurchase (other than an issue of securities pursuant to an exercise of warrants, share options or similar instruments requiring the 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 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 if the repurchase would result in the number of 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 affect a repurchase of securities discloses to the Stock Exchange such information with respect to the repurchase as the Stock Exchange may require.

(iv) Status of Repurchased Shares

The listing of all purchased securities (whether on the Stock Exchange or, otherwise) is automatically cancelled and the relative certificates must be cancelled and destroyed. Under the laws of the Cayman Islands, unless, prior to the purchase the directors of the Company resolve to hold the shares purchased by the Company as treasury shares, shares purchased by the Company shall be treated as cancelled and the amount of the Company's issued share capital shall be diminished by the nominal value of those shares. However, the purchase of shares will not be taken as reducing the amount of the authorized share capital under Cayman Companies Act.

(v) Suspension of Repurchase

A listed company may not make any repurchase of securities after a price sensitive development has occurred or has been the subject of a decision until such time as the price sensitive information has been 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

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Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), 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 repurchases, where relevant, and the aggregate prices paid.

(vii) Core Connected Persons

The Listing Rules prohibit a company from knowingly purchasing securities on the Stock Exchange from a "core connected person," that is, a director, chief executive or substantial shareholder of the company or any of its subsidiaries or a close associate of any of them (as defined in the Listing Rules) and a core connected person shall not knowingly sell his securities to the company.

(b) Reasons for Repurchases

Our Directors believe that it is in the best interests of our Company and the Shareholders for our Directors to have a general authority from the Shareholders to enable our Company 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 the Shareholders.

(c) Funding of Repurchases

Repurchase of the Shares must be funded out of funds legally available for such purpose in accordance with the Articles and the applicable laws and regulations 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, any repurchases by our Company may be made out of the profits of the Company or out of the proceeds of a new issuance of shares made for the purpose of the repurchase or, if authorized by the Articles and subject to the Cayman Companies Act, out of capital and, in the case of any premium payable on the repurchase, out of profits of the Company or from sums standing to the credit of the share premium account of the Company or, if authorized by the Articles and subject to Cayman Companies Act, out of capital.

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

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(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] (assuming no exercise of the [REDACTED] and without taking into account any Shares to be issued pursuant to the [REDACTED] Share Option Scheme), could accordingly result in up to approximately [REDACTED] Shares being repurchased by our Company during the period prior to the earliest of:

- the conclusion of the next annual general meeting of our Company unless renewed by an ordinary resolution of our Shareholders in a general meeting, either unconditionally or subject to conditions;
- the expiration of the period within which our Company's next annual general meeting is required by the Memorandum and Articles of Association or any other applicable laws to be held; or
- the time when the Repurchase Mandate is varied or revoked by an ordinary resolution of our Shareholders in general meeting.

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 in the Cayman Islands.

None of our Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their respective close associates, have any present intention, to sell any Shares to our Company.

No core connected person (as defined in the Listing Rules) has notified us that he/she or it has a present intention to sell Shares to us, or has undertaken not to do so, if the Repurchase Mandate is exercised.

If, as a result of any 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. Accordingly, a Shareholder or a group of Shareholders acting in concert, depending on the level of increase of Shareholders' interest, 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.

The Directors have no present intention to repurchase the Shares to the extent that will trigger the obligations under the Takeovers Code for the concert parties to make a mandatory offer.

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 referred to above. It is believed that a waiver of this provision would not normally be given other than in exceptional circumstances. Our Directors have no present intention to exercise the Repurchase Mandate to such an extent that, in the circumstances, there is insufficient public float as prescribed under the Listing Rules.

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B. FURTHER INFORMATION ABOUT OUR COMPANY’S 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 Company or our subsidiaries within the two years preceding the date of this document and are or may be material:

- (a) the business cooperation and service agreement dated July 31, 2021 entered into among Beijing Fenbi ShangAn Technology Co., Ltd. (北京粉筆上岸科技有限公司), Beijing Fenbi Bluesky Technology Co., Ltd. (北京粉筆藍天科技有限公司), Shandong Lancai Tianxia Education Technology Co., Ltd. (山東藍彩天下教育科技有限公司), ZHANG Xiaolong (張小龍), LI Xin (李鑫), LI Yong (李勇), WEI Liang (魏亮), GUO Changzhen (郭常圳) and Beijing Fenbi Box Enterprise Management LLP (北京粉筆盒子企業管理合夥企業(有限合夥)), pursuant to which Beijing Fenbi Bluesky Technology Co., Ltd. (北京粉筆藍天科技有限公司) agreed to engage Beijing Fenbi ShangAn Technology Co., Ltd. (北京粉筆上岸科技有限公司) as the provider for technical services, management support services, consulting services, research and development, market research and other services in return for service fees;
- (b) the exclusive option agreement dated July 31, 2021 entered into among Beijing Fenbi ShangAn Technology Co., Ltd. (北京粉筆上岸科技有限公司), Beijing Fenbi Bluesky Technology Co., Ltd. (北京粉筆藍天科技有限公司), Shandong Lancai Tianxia Education Technology Co., Ltd. (山東藍彩天下教育科技有限公司), ZHANG Xiaolong (張小龍), LI Xin (李鑫), LI Yong (李勇), WEI Liang (魏亮), GUO Changzhen (郭常圳) and Beijing Fenbi Box Enterprise Management LLP (北京粉筆盒子企業管理合夥企業(有限合夥)), pursuant to which ZHANG Xiaolong (張小龍), LI Xin (李鑫), LI Yong (李勇), WEI Liang (魏亮), GUO Changzhen (郭常圳) and Beijing Fenbi Box Enterprise Management LLP (北京粉筆盒子企業管理合夥企業(有限合夥)) agreed to grant Beijing Fenbi ShangAn Technology Co., Ltd. (北京粉筆上岸科技有限公司) an exclusive and irrevocable option to purchase all or part of their equity interests in and/or assets of Beijing Fenbi Bluesky Technology Co., Ltd. (北京粉筆藍天科技有限公司) and its subsidiaries at a minimum price required by the relevant government authorities of PRC laws;
- (c) the equity pledge agreement dated July 31, 2021 entered into among Beijing Fenbi ShangAn Technology Co., Ltd. (北京粉筆上岸科技有限公司), Beijing Fenbi Bluesky Technology Co., Ltd. (北京粉筆藍天科技有限公司), ZHANG Xiaolong (張小龍), LI Xin (李鑫), LI Yong (李勇), WEI Liang (魏亮), GUO Changzhen (郭常圳) and Beijing Fenbi Box Enterprise Management LLP (北京粉筆盒子企業管理合夥企業(有限合夥)), pursuant to which ZHANG Xiaolong (張小龍), LI Xin (李鑫), LI Yong (李勇), WEI Liang (魏亮), GUO Changzhen (郭常圳) and Beijing Fenbi Box Enterprise Management LLP (北京粉筆盒子企業管理合夥企業(有限合夥)) agreed to pledge all of their equity interests in Beijing Fenbi Bluesky Technology Co., Ltd. (北京粉筆藍天科技有限公司) to Beijing Fenbi ShangAn Technology Co., Ltd. (北京粉筆上岸科技有限公司);
- (d) the shareholder voting right proxy agreement dated July 31, 2021 entered into among Beijing Fenbi ShangAn Technology Co., Ltd. (北京粉筆上岸科技有限公司), Beijing Fenbi Bluesky Technology Co., Ltd. (北京粉筆藍天科技有限公司), ZHANG Xiaolong (張小龍), LI Xin (李鑫), LI Yong (李勇), WEI Liang (魏亮), GUO Changzhen (郭常圳) and Beijing Fenbi Box Enterprise Management LLP (北京粉筆盒子企業管理合夥企業(有限合夥)), pursuant to which ZHANG Xiaolong (張小龍), LI Xin (李鑫), LI Yong (李勇), WEI Liang (魏亮), GUO Changzhen (郭常圳) and Beijing Fenbi Box Enterprise Management LLP (北京粉筆盒子企業管理合夥企業(有限合夥)) irrevocably and unconditionally appointed Beijing Fenbi

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ShangAn Technology Co., Ltd. (北京粉笔上岸科技有限公司) as their proxy to exercise all of their rights as shareholders of Beijing Fenbi Bluesky Technology Co., Ltd. (北京粉笔蓝天科技有限公司);

(e) the loan agreement dated July 31, 2021 entered into among Beijing Fenbi ShangAn Technology Co., Ltd. (北京粉笔上岸科技有限公司), Beijing Fenbi Bluesky Technology Co., Ltd. (北京粉笔蓝天科技有限公司) and Shandong Lancai Tianxia Education Technology Co., Ltd. (山東藍彩天下教育科技有限公司), pursuant to which Beijing Fenbi ShangAn Technology Co., Ltd. (北京粉笔上岸科技有限公司) agreed to provide interest-free loans to Beijing Fenbi Bluesky Technology Co., Ltd. (北京粉笔蓝天科技有限公司) in accordance with the PRC laws and regulations for business operation and development of the subsidiaries of Beijing Fenbi Bluesky Technology Co., Ltd. (北京粉笔蓝天科技有限公司); and

(f) [REDACTED].

2. Intellectual Property Rights

a. Trademarks

As of the Latest Practicable Date, we had registered the following trademarks which we consider to be material to the business of our Group:

No.	Trademark	Registered Owner	Registration Number	Place of Registration	Class	Registration Date	Expiry Date
1.		Fenbi Bluesky	11123289	PRC	38	November 14, 2013	November 13, 2023
2.		Fenbi Bluesky	11123406	PRC	41	June 14, 2014	June 13, 2024
3.		Fenbi Bluesky	11123349	PRC	42	November 14, 2013	November 13, 2023
4.		Fenbi Bluesky	19209688	PRC	41	September 21, 2017	September 20, 2027
5.		Fenbi Bluesky	305762197	Hong Kong	9, 16, 35, 41	September 30, 2021	September 29, 2031
6.		Fenbi Bluesky	305189491	Hong Kong	41	February 12, 2020	February 11, 2030
7.		Fenbi Bluesky	304983139	Hong Kong	9, 41	July 5, 2019	July 4, 2029
8.		Fenbi Bluesky	19680951	PRC	41	June 7, 2017	June 6, 2027
9.		Fenbi Bluesky	23649768	PRC	9	April 7, 2018	April 6, 2028

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No.	Trademark	Registered Owner	Registration Number	Place of Registration	Class	Registration Date	Expiry Date
10.		Fenbi Bluesky	23650655	PRC	16	April 21, 2018	April 20, 2028
11.		Fenbi Bluesky	23650833	PRC	35	April 7, 2018	April 6, 2028
12.		Fenbi Bluesky	23651255	PRC	41	June 14, 2018	June 13, 2028
13.		Fenbi Bluesky	23651370	PRC	45	July 28, 2018	July 27, 2028
14.		Fenbi Bluesky	30759297	PRC	9	February 21, 2019	February 20, 2029
15.		Fenbi Bluesky	30752512	PRC	35	February 28, 2019	February 27, 2029
16.		Fenbi Bluesky	30764632	PRC	38	February 21, 2019	February 20, 2029
17.		Fenbi Bluesky	30787219	PRC	41	February 21, 2019	February 20, 2029
18.		Fenbi Bluesky	45085082	PRC	8	December 21, 2020	December 20, 2030
19.		Fenbi Bluesky	45077196	PRC	9	April 7, 2021	April 6, 2031
20.		Fenbi Bluesky	45081461	PRC	14	December 7, 2020	December 6, 2030




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No.	Trademark	Registered Owner	Registration Number	Place of Registration	Class	Registration Date	Expiry Date
21.		Fenbi Bluesky	45092520	PRC	15	December 7, 2020	December 6, 2030
22.		Fenbi Bluesky	45090628	PRC	18	December 7, 2020	December 6, 2030
23.		Fenbi Bluesky	45093953	PRC	20	December 7, 2020	December 6, 2030
24.		Fenbi Bluesky	45090971	PRC	21	December 7, 2020	December 6, 2030
25.		Fenbi Bluesky	45093988	PRC	24	December 7, 2020	December 6, 2030
26.		Fenbi Bluesky	45091004	PRC	25	February 21, 2021	February 20, 2031
27.		Fenbi Bluesky	45099581	PRC	26	December 14, 2020	December 13, 2030
28.		Fenbi Bluesky	45099601	PRC	28	November 21, 2020	November 20, 2030
29.	粉笔蓝天	Fenbi Bluesky	45091773	PRC	16	November 28, 2020	November 27, 2030
30.	粉笔教育	Fenbi Bluesky	46927619	PRC	16	April 21, 2021	April 20, 2031
31.	Fenbi	Fenbi Bluesky	49181004	PRC	9	July 7, 2021	July 6, 2031
32.	Fenbilantian	Fenbi Bluesky	49193709	PRC	9	May 7, 2021	May 6, 2031
33.	Fenbilantian	Fenbi Bluesky	49193730	PRC	41	May 7, 2021	May 6, 2031
34.		Fenbi Bluesky	53547347	PRC	9	August 28, 2021	August 27, 2031
35.		Fenbi Bluesky	53544535	PRC	41	August 28, 2021	August 27, 2031

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No.	Trademark	Registered Owner	Registration Number	Place of Registration	Class	Registration Date	Expiry Date
36.		Fenbi Bluesky	53584948	PRC	35	September 7, 2021	September 6, 2031
37.		Fenbi Bluesky	53582669	PRC	16	September 7, 2021	September 6, 2031
38.		Fenbi Bluesky	53581973	PRC	45	September 7, 2021	September 6, 2031

b. Patents

As of the Latest Practicable Date, we had registered the following patents which we consider to be material to the business of our Group:

No.	Patent	Category	Patentee	Registration Number	Place of Registration	Grant Date
1.	Method, system, terminal and server for predicting scores (一種答題分數的預測方法、系統、終端及服務器)	Invention	Fenbi Bluesky	201611120922.1	PRC	May 8, 2018
2.	Establishing method, filtering method and system of rubbish text database (垃圾文本庫的建立方法、過濾方法及系統)	Invention	Fenbi Bluesky	201611085764.0	PRC	November 6, 2020
3.	Method and system for reading multiple copies (一種多副本讀取方法和系統).	Invention	Fenbi Bluesky	201710244565.8	PRC	December 15, 2020
4.	A terminal (一種終端)	Utility model	Fenbi Bluesky	201621276162.9	PRC	June 13, 2017
5.	Method, device, system and storage medium for progressive image recognition (一種漸進式圖像識別方法、裝置、系統及存儲介質) . . .	Invention	Fenbi Bluesky	201810947439.3	PRC	February 8, 2022

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As of the Latest Practicable Date, we had applied for the registration of the following patents which we consider to be material to the business of our Group:

No.	Patent	Category	Patentee	Application Number	Place of Registration	Application Date
1.	Method, device, storage medium and equipment for image indexing of graphical reasoning questions (用於圖形推理題圖像檢索的方法、裝置、存儲介質和設備). . . .	Invention	Fenbi Bluesky	202011413749.0	PRC	December 2, 2020
2.	Method, device, storage medium and electronic equipment for identifying text information (一種文本信息識別方法、裝置、儲存介質及電子設備).	Invention	Fenbi Bluesky	201910786037.4	PRC	August 23, 2019

c. Copyrights

As of the Latest Practicable Date, we had registered the following copyrights which we consider to be material to the business of our Group:

No.	Copyrights	Version	Registration Number	Place of Registration	Registered Owner	Registration Date
1.	iPhone app for Fenbi Graduate School Entrance Examination (粉筆考研iPhone手機軟件).	V5.0.1	2015SR287189	PRC	Fenbi Bluesky	December 29, 2015
2.	Android app for Fenbi Graduate School Entrance Examination (粉筆考研Android手機軟件).	V5.0.0	2015SR289572	PRC	Fenbi Bluesky	December 30, 2015
3.	iPhone app for Fenbi Public Examination (粉筆公考iPhone手機軟件).	V5.0.11	2015SR289592	PRC	Fenbi Bluesky	December 30, 2015
4.	Android app for Fenbi Public Examination (粉筆公考Android手機軟件).	V6.0.12	2015SR289582	PRC	Fenbi Bluesky	December 30, 2015
5.	iPhone app for Fenbi Accounting (粉筆會計iPhone手機軟件).	V1.0.2	2015SR289554	PRC	Fenbi Bluesky	December 30, 2015
6.	Android app for Fenbi Accounting (粉筆會計Android手機軟件).	V1.0.2	2015SR289089	PRC	Fenbi Bluesky	December 30, 2015
7.	iPhone app for Fenbi Judicial Examination (粉筆司考iPhone手機軟件).	V5.0.3	2015SR289577	PRC	Fenbi Bluesky	December 30, 2015
8.	Android app for Fenbi Judicial Examination (粉筆司考Android手機軟件).	V5.0.2	2015SR291041	PRC	Fenbi Bluesky	December 31, 2015
9.	iPhone app for Fenbi Teachers (粉筆教師iPhone手機軟件).	V1.0.2	2016SR173899	PRC	Fenbi Bluesky	July 11, 2016
10.	Android app for Fenbi Teachers (粉筆教師Android手機軟件).	V1.0.2.2	2016SR173517	PRC	Fenbi Bluesky	July 11, 2016

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No.	Copyrights	Version	Registration Number	Place of Registration	Registered Owner	Registration Date
11.	iPad software for Fenbi Live (for teachers) (粉筆直播教師端iPad客戶端軟件)	V1.0	2016SR180688	PRC	Fenbi Bluesky	July 14, 2016
12.	iPhone app for Fenbi Essay (粉筆申論iPhone手機軟件)	V2.1	2016SR329535	PRC	Fenbi Bluesky	November 14, 2016
13.	Android app for Fenbi Essay (粉筆申論android手機軟件)	V2.0.0	2016SR329541	PRC	Fenbi Bluesky	November 14, 2016
14.	Fenbi Online Courses Monitoring System (粉筆直播課監控系統)	V1.0	2018SR565882	PRC	Fenbi Bluesky	July 19, 2018
15.	Fenbi Computer Test Simulating System (粉筆上機考試模擬系統)	V1.0	2018SR575212	PRC	Fenbi Bluesky	July 23, 2018
16.	Fenbi Personalized Information Recommendation System (粉筆個性化信息流推薦系統)	V1.0	2018SR575202	PRC	Fenbi Bluesky	July 23, 2018
17.	Android app for Fenbi CET-4 and CET-6 Examination (粉筆四六級Android手機軟件)	V1.0.1	2018SR966102	PRC	Fenbi Bluesky	December 3, 2018
18.	Android app for Fenbi Healthcare (粉筆醫療Android手機軟件)	V1.0.0	2018SR990480	PRC	Fenbi Bluesky	December 7, 2018
19.	Android app for Fenbi Construction Industry (粉筆建工Android手機軟件)	V1.0.0	2018SR990651	PRC	Fenbi Bluesky	December 7, 2018
20.	Android app for Fenbi Level 2 Computer Examination (粉筆計算機二級題庫Android版手機軟件)	V1.0.0	2018SR1011880	PRC	Fenbi Bluesky	December 13, 2018
21.	Android app for Question Database for School Recruitment Application (校招網申題庫Android版手機軟件)	V1.0.0	2018SR1032412	PRC	Fenbi Bluesky	December 18, 2018
22.	Android app for Question Database for Technical Recruitment (技術招聘題庫Android版手機軟件)	V1.0.0	2018SR1033619	PRC	Fenbi Bluesky	December 18, 2018
23.	Android app for Fenbi Driving Examination (粉筆駕考Android版手機軟件)	V1.0.0	2019SR0064411	PRC	Fenbi Bluesky	January 18, 2019
24.	Fenbi app (粉筆APP客戶端軟件)	V6.7.9	2019SR0256974	PRC	Fenbi Bluesky	March 18, 2019
25.	Audio and video VR learning transmission system based on 5G technology (基於5G技術的音視頻VR學習傳輸系統)	V1.0	2020SR0458324	PRC	Fenbi Bluesky	May 15, 2020
26.	Fenbi Official Website System (粉筆官網系統)	V1.0	2020SR0516331	PRC	Fenbi Bluesky	May 27, 2020
27.	Fenbi Education app (粉筆教育小程序)	V3.0	2020SR1546655	PRC	Fenbi Bluesky	November 5, 2020
28.	Fenbi Education Official Website (粉筆教育官網)	V3.0	2020SR1546669	PRC	Fenbi Bluesky	November 5, 2020

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No.	Copyrights	Version	Registration Number	Place of Registration	Registered Owner	Registration Date
29.	Fenbi Education app (粉筆教育APP軟件) . . .	V6.12.7	2020SR1510277	PRC	Fenbi Bluesky	October 14, 2020
30.	Order Management System (訂單管理系統)	V1.0	2020SR1510276	PRC	Fenbi Bluesky	October 14, 2020
31.	iPhone app for Fenbi National Judicial Examinations (粉筆法考iPhone手機軟件)	V1.0.8	2021SR0231953	PRC	Fenbi Bluesky	February 8, 2021
32.	iPhone app for Fenbi Driving Examinations (粉筆駕考iPhone手機軟件)	V1.0.0	2021SR0231716	PRC	Fenbi Bluesky	February 8, 2021
33.	iPhone app for Fenbi CET-4 and CET-6 Examination (粉筆四六級iPhone手機軟件)	V2.5.1	2021SR0231728	PRC	Fenbi Bluesky	February 8, 2021
34.	iPhone app for Fenbi Healthcare (粉筆醫療iPhone手機軟件)	V1.0.4	2021SR0231729	PRC	Fenbi Bluesky	February 8, 2021
35.	Fenbi Courses app (粉筆課堂APP)	V1.0	2021SR0911875	PRC	Fenbi Bluesky	June 17, 2021
36.	iOS app for Fenbi Career Test Preparation (粉筆職教app軟件(iOS版))	V6.15.15	2021SR1306098	PRC	Fenbi Bluesky	September 1, 2021
37.	Android app for Fenbi Career Test Preparation (粉筆職教app軟件(安卓版))	V6.15.16	2021SR1306097	PRC	Fenbi Bluesky	September 1, 2021
38.	Content review platform (內容審核平台) . . .	V1.0.0	2022SR0739778	PRC	Fenbi Bluesky	June 13, 2022

d. Domain names

As of the Latest Practicable Date, we have registered the following domain names which we consider to be material to the business of our Group:

No.	Domain names	Registered Owner	Registration Date	Expiry Date
1.	fenbi.com	Fenbi Bluesky	February 11, 2004	February 11, 2031
2.	fenbilantian.cn	Fenbi Bluesky	March 19, 2015	March 19, 2028

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C. FURTHER INFORMATION ABOUT OUR DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

1. Disclosure of Interests

a. Interests of our Directors and chief executive in the share capital of our Company and our associated corporations following the [REDACTED]

Immediately following completion of the [REDACTED] (assuming no exercise of the [REDACTED] and without taking into account any Shares to be issued pursuant to the [REDACTED] Share Option Scheme), the interests or short positions of the Directors and the chief executive in the Shares, underlying Shares and debentures of our Company or any 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 recorded in the register referred to therein or 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 Companies contained in the Listing Rules, once the [REDACTED] are [REDACTED], will be as follows:

(i) Interests in Shares or Underlying Shares

Name of Director	Nature of interest	Number of Shares ⁽¹⁾	Approximate percentage of shareholding in our Company immediately after the [REDACTED]
Mr. ZHANG Xiaolong ⁽²⁾	Interest in controlled corporation	[REDACTED] (L)	[REDACTED]
	Interest held jointly with another person	[REDACTED] (L)	[REDACTED]
Mr. WEI Liang ⁽³⁾	Interest in controlled corporation	[REDACTED] (L)	[REDACTED]
	Beneficial interest	[REDACTED] (L)	[REDACTED]
	Interest held jointly with another person	[REDACTED] (L)	[REDACTED]
Mr. LI Yong ⁽⁴⁾	Interest in controlled corporation	[REDACTED] (L)	[REDACTED]
	Interest held jointly with another person	[REDACTED] (L)	[REDACTED]
Mr. LI Xin ⁽⁵⁾	Beneficial interest	[REDACTED] (L)	[REDACTED]
	Interest in controlled corporation	[REDACTED] (L)	[REDACTED]
	Interest held jointly with another person	[REDACTED] (L)	[REDACTED]

(1) The letter “L” denotes the person’s long position in the Shares.
 (2) See “Substantial Shareholders” in this document for details.
 (3) See “Substantial Shareholders” in this document for details.
 (4) See “Substantial Shareholders” in this document for details.
 (5) See “Substantial Shareholders” in this document for details.

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(ii) *Interests in associated corporations of our Company*

<u>Name</u>	<u>Nature of interest</u>	<u>Number of associated corporation</u>	<u>Approximate percentage of interest</u>
Mr. ZHANG Xiaolong ⁽¹⁾	Beneficial interest; interest in controlled corporation	Fenbi Bluesky	97.45%
Mr. WEI Liang	Beneficial interest	Fenbi Bluesky	2.25%
Mr. LI Yong	Beneficial interest	Fenbi Bluesky	0.10%
Mr. LI Xin	Beneficial interest	Fenbi Bluesky	0.10%

(1) Mr. Zhang is the general partner of Beijing Fenbi Box and thus deemed to be interested in the entire interests held by Beijing Fenbi Box in Fenbi Bluesky, namely 5% of the equity interests in Fenbi Bluesky.

b. *Interests and short positions of the substantial shareholders in the Shares and underlying Shares of our Company*

Save as disclosed in “Substantial Shareholders” in this document, our Directors or chief executive are not aware of any other person, not being a Director or chief executive of our Company, who has any interest or short position in the Shares or underlying shares of the Company, which, upon the [REDACTED], would fall to be disclosed to our Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO, or who is, 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 our Company.

2. Directors’ service contracts and letters of appointment

On [•], each of the executive Directors has entered into a service contract with our Company, and each of the non-executive Directors and independent non-executive Directors have entered into letters of appointment with our Company. The service contracts with each of the executive Directors are for an initial fixed term of three years commencing from the date of such service contract. The letters of appointment with each of the non-executive Directors and independent non-executive Directors are for an initial fixed term of three years commencing from the date of such letter of appointment. The service contracts and the letters of appointment are subject to termination in accordance with their respective terms or by either party giving to the other not less than three-month prior written notice. The appointment of the Directors is subject to the provisions of retirement and rotation of Directors under the Articles.

Save as disclosed above, none of our Directors has entered, or has proposed to enter, into 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)).

3. Directors’ remuneration

The aggregate remuneration (including fees, salaries, contributions to pension schemes, housing allowances, share-based compensation and other allowances and benefits in kind and discretionary bonuses) paid to our Directors for the years ended December 31, 2019, 2020 and 2021 and the six months ended June 30, 2022 were approximately RMB2.5 million, RMB2.0 million, RMB113.1 million and RMB1.3 million, respectively.

Under the arrangements currently in force, we estimate that the aggregate emolument payable to the Directors (excluding discretionary bonus and any options granted pursuant to share incentive schemes) by our Company for the year ending December 31, 2022 will be approximately RMB3.0 million.

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Save as disclosed above, no other payments have been made or are payable for the years ended December 31, 2019, 2020 and 2021 and the six months ended June 30, 2022 by our Company to any of our Directors.

4. Disclaimers

- (a) Save as disclosed in “History, Reorganization and Corporate Structure,” none of the Directors nor any of the parties listed in “— E. Other Information — 9. Consents of experts” of this Appendix is interested directly or indirectly, 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.
- (b) Save in connection with the [REDACTED] and as disclosed in “Connected Transactions,” none of the Directors nor any of the parties listed in “— E. Other Information — 9. Consents of experts” of this Appendix is materially interested in any contract or arrangement subsisting at the date of this document which is significant in relation to our Company’s business taken as a whole.
- (c) Save in connection with the [REDACTED], none of the parties listed in “E. Other Information — 9. Consents of experts” of this Appendix:
 - (i) is interested legally or beneficially in any securities of any member of our Group; or
 - (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities of any member of our Group.
- (d) Save as disclosed in this Appendix, none of our Directors has any existing or proposed service contracts with any member of our Group (excluding contracts expiring or determinable by the employer within one year without payment of compensation (other than statutory compensation)).
- (e) None of the Directors or their associates (as defined in the Listing Rules) or the existing Shareholders (who, to the knowledge of the Directors, owns more than 5% of our Company’s issued share capital) has any interest in any of the five largest customers or the five largest suppliers of our Group.

D. [REDACTED] SHARE OPTION SCHEME

The following is a summary of the principal terms of [REDACTED] Share Option Scheme adopted on December 31, 2020. The [REDACTED] Share Option Scheme is not subject to the provisions of Chapter 17 of the Listing Rules.

(a) Purposes

The purpose of the [REDACTED] Share Option Scheme is to provide a means through which the Group may attract able persons to enter and remain in the employ of the Group and to provide a means whereby employees, directors and consultants of the Group can acquire and maintain share ownership, thereby strengthening their commitment to the welfare of the Group and promoting an identity of interest between shareholders and these employees, directors and consultants.

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(b) Number of Shares

The maximum aggregate number of shares which may be issued for all the options (the "Option(s)") pursuant to the [REDACTED] Share Option Scheme is 218,792,500 shares (after the Share Subdivision), representing approximately [REDACTED]% of the issued share capital of our Company immediately prior to the completion of the [REDACTED] and approximately [REDACTED]% of the issued share capital of our Company immediately following the completion of the [REDACTED] (assuming no exercise of the [REDACTED] and without taking into account of any Shares that may be issued under the [REDACTED] Share Option Scheme).

(c) Participants

Persons eligible to participate in the [REDACTED] Share Option Scheme include (i) individual regularly employed by the Company, any parent, subsidiary or affiliate of the Company; (ii) director of the Company, any parent, subsidiary or affiliate of the Company, (iii) consultant or advisor to the Company, any parent, subsidiary or affiliate of the Company, or (iv) exclusive teachers engaged by the Company, any parent, subsidiary or affiliate of the Company (the "Participants"). Subject to the provisions of the [REDACTED] Share Option Scheme, the Participants shall be determined by the Board or any person or committee designated by the Board (the "Administrator").

(d) Administration

Subject to the provisions of the [REDACTED] Share Option Scheme and applicable law, the Administrator shall have the power, in addition to other express powers and authorizations conferred on the Administrator by the [REDACTED] Share Option Scheme, to: (i) designate Participants; (ii) determine the number and type of shares to be covered by, or with respect to which payments, rights, or other matters are to be calculated in connection with the Options; (iii) determine the terms and conditions of any Options; (iv) determine whether, to what extent, and under what circumstances the Options may be settled or exercised in cash, the Shares, other securities, other Options, or other property, or canceled, forfeited, or suspended and the method or methods by which Options may be settled, exercised, canceled, forfeited, or suspended; (v) interpret, administer, reconcile any inconsistency, correct any default and/or supply any omission in the [REDACTED] Share Option Scheme or any instrument or agreement relating to, or the Option granted under, the [REDACTED] Share Option Scheme; (vi) establish, amend, suspend, or waive such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the [REDACTED] Share Option Scheme; and (vii) make any other determination and take any other action that the Administrator deems necessary or desirable for the administration of the [REDACTED] Share Option Scheme.

Unless otherwise expressly provided in the [REDACTED] Share Option Scheme, all designations, determinations, interpretations, and other decisions under or with respect to the [REDACTED] Share Option Scheme, any Option, any share option agreement or any other documents evidencing any and all Options, shall be within the sole discretion of the Administrator, may be made at any time pursuant to the [REDACTED] Share Option Scheme and shall be final, conclusive, and binding.

(e) Duration

The [REDACTED] Share Option Scheme shall be valid and effective for a period of ten (10) years commencing on the date of adoption of such scheme; provided, however, that the administration of the [REDACTED] Share Option Scheme shall continue in effect until all matters relating to the Options previously granted have been settled.

(f) Grant of Options

The Administrator may, from time to time, grant the Options to one or more eligible persons or any trust formed and maintained for the benefit of any eligible persons.

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(g) Exercise of Options

No shares shall be issued pursuant to any exercise of an Option until payment in full of the aggregate exercise price therefor is received by the Company. The Options which have become exercisable may be exercised in whole or in part at any time when approved by the Administrator, accompanied by payment of the exercise price. The exercise price shall be payable in cash (including by certified check or wire transfer) or as determined by the Administrator, in its/his sole discretion, (i) by means of any cashless exercise procedure approved by the Administrator, (ii) any other form of consideration approved by the Administrator and permitted by applicable law or (iii) any combination of the foregoing.

Without limiting the foregoing, the Options may not be exercised until all registrations, consents, approvals, filings or waivers required under applicable laws, including the laws and regulations of the PRC, are duly obtained. In particular, the exercise of the Options shall be conditioned by the Participant's receipt of requisite approvals issued by SAFE with regard to the Options and other requisite approvals issued by the relevant PRC government authorities in connections thereof.

(h) Vesting

The Options granted to each Participant shall vest and become exercisable such time or times and subject to such terms and conditions as shall be determined by the Administrator and reflected in the share option agreement; provided, however, that notwithstanding the vesting schedule in each share option agreement, the Administrator may in its sole discretion accelerate the exercisability of any Option to the extent in compliance with the shareholders agreement of the Company (as amended and restated), which acceleration shall not affect the terms and conditions of any such Option other than with respect to exercisability.

(i) Reorganization in Capital Structure

The Options granted under the [REDACTED] Share Option Scheme and the maximum number of the shares which may be issued pursuant to the [REDACTED] Share Option Scheme shall be subject to adjustment or substitution, as determined by the Administrator in its/his sole discretion, as to the number, price, kind or class of shares or other consideration subject to such Options or as otherwise determined by the Administrator to be equitable (i) in the event of changes in the issued and outstanding shares or in the capital structure of the Company by reason of a bonus issue or extraordinary cash dividends, share splits, reverse share splits, recapitalization, reorganizations, mergers, consolidations, combinations, exchanges or other relevant changes in capitalization or (ii) in the event of any change in applicable laws or any change in circumstances that results in or would result in any substantial dilution or enlargement of the rights granted to, or available for, Participants, or that otherwise warrants equitable adjustment because it interferes with the intended operation of the [REDACTED] Share Option Scheme. The Company shall give each Participant notice of an adjustment hereunder and, upon notice, such adjustment shall be conclusive and binding for all purposes.

(j) Amendments and Termination

Subject to the Company's memorandum and articles of association, the Board may amend, alter, suspend, discontinue, or terminate the [REDACTED] Share Option Scheme or any portion thereof at any time; provided that no such amendment, alteration, suspension, discontinuation or termination shall be made without shareholders' approval if such approval is necessary to comply with any tax or regulatory requirement applicable to the [REDACTED] Share Option Scheme or the Company's memorandum and articles of association; and provided further that any such amendment, alteration, suspension, discontinuance or termination that would impair the rights of any Participant or any holder or beneficiary of any Option theretofore granted shall not to that extent be effective without the consent of the affected Participant, holder or beneficiary.

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(k) Outstanding options granted under the [REDACTED] Share Option Scheme

As of the Latest Practicable Date, our Company had granted options under the [REDACTED] Share Option Scheme to 1,097 grantees, including Directors and senior management of the Company and other employees of our Group, to subscribe for an aggregate of 218,556,500 Shares (after the Share Subdivision). The Shares underlying the granted options represent [REDACTED]% of the total number of Shares in issue immediately after completion of the [REDACTED] (assuming the [REDACTED] is not exercised and no Shares are issued under the [REDACTED] Share Option Scheme).

Assuming full issuance of Shares pursuant to all the share options granted under the [REDACTED] Share Option Scheme, the shareholding of our Shareholders immediately following completion of the [REDACTED] (assuming that the [REDACTED] is not exercised) will be diluted by approximately [REDACTED]%. Consequently, the earnings per share (after the Share Subdivision) for the year ended December 31, 2019 were diluted from RMB0.211 to RMB0.202. The consequent impact on the earnings per ordinary share for the years ended December 31, 2020 and 2021 and the six months ended June 30, 2022 is nil, nil and nil, respectively, since the options would not be included in the calculation of diluted earnings per share due to anti-dilution.

After the [REDACTED], no new Options shall be granted, except that the outstanding Options granted shall in all other respects remain in full force and effect.

The table below sets out the details of the outstanding options granted to the Directors, senior management and other connected persons of our Company as of the Latest Practicable Date. No other outstanding options were granted to connected persons of our Company other than those listed in the table below. Such outstanding and unexercised options granted under the [REDACTED] Share Option Scheme will have potential dilution effect on the shareholding of our Company’s Shareholders. Therefore, we set forth below the information on the outstanding and unexercised options granted under the [REDACTED] Share Option Scheme as of the Latest Practicable Date to enable potential investors to assess the potential dilution effect on their shareholding by these outstanding and unexercised options.

Name	Role	Address	Date of grant	Vesting period ⁽²⁾	Exercise price	Number of Shares under the outstanding options granted ⁽³⁾	Approximate percentage of shareholding immediately after completion of the [REDACTED] ⁽¹⁾
<i>Director</i>							
WEI Liang	Executive Director, president and chief technology officer	No. 604, Building 2, Kouzhong Beili, Xicheng District, Beijing, PRC	October 1, 2021 to October 25, 2022	Nil	US\$0.00001 per Share	27,500,000	[REDACTED]%
<i>Senior management</i>							
RAN Dong	Chief financial officer and vice president	7/D, Tower 5, Parc Inverness, No 38 Inverness Road, Kowloon, Hong Kong	September 14, 2020 to October 25, 2022	0 to 4 years	US\$0.00001 per Share	9,241,250	[REDACTED]%
SHENG Haiyan . . .	Vice president	Room 403, Building 8, Furongli Community, Haidian, Beijing	April 7, 2016 to October 25, 2022	4 years	US\$0.00001 per Share	10,800,000	[REDACTED]%

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Name	Role	Address	Date of grant	Vesting period ⁽²⁾	Exercise price	Number of Shares under the outstanding options granted ⁽³⁾	Approximate percentage of shareholding immediately after completion of the [REDACTED] ⁽¹⁾
LI Yan	Vice president	Room 202, Building 5, No. 23, Xiaoying North Road, Asian Games Village, Chaoyang, Beijing	March 7, 2018 to October 25, 2022	0 to 4 years	US\$0.00001 per Share	14,490,000	[REDACTED]%
<i>Subtotal</i>						<u>62,031,250</u>	<u>[REDACTED]%</u>

- (1) Assuming the [REDACTED] is not exercised and no Shares are issued pursuant to the [REDACTED] Share Option Scheme.
- (2) The exercise period of the options under the [REDACTED] Share Option Scheme commences from the vesting commencement date of the relevant options and ends tenth anniversary of the grant date, subject to the terms of the [REDACTED] Share Option Scheme and the share option agreement signed by the grantee. No consideration was paid by the grantees for the outstanding options granted under the [REDACTED] Share Option Scheme.
- (3) Including the grants under the previous share incentive plans of the Group, which have been entirely replaced by the [REDACTED] Share Options Scheme. The number of shares is adjusted to reflect the Share Subdivision.

The table below sets out the details of the outstanding options granted to the remaining 1,093 grantees under the [REDACTED] Share Option Scheme, who are not Directors, members of the senior management or connected persons of our Company as of the Latest Practicable Date.

Range of Shares underlying outstanding Options	Total number of grantees	Date of grant	Vesting period ⁽²⁾	Exercise price	Number of Shares under the outstanding options granted ⁽³⁾	Approximate percentage of shareholding immediately after completion of the [REDACTED] ⁽¹⁾
1 Shares to 49,999 Shares	901	January 1, 2019 to July 1, 2022	4 years	US\$0.00001 per Share	6,900,570	[REDACTED]%
50,000 Shares to 199,999 Shares	106	April 7, 2016 to January 1, 2022	0 to 4 years	US\$0.00001 per Share	11,757,750	[REDACTED]%
200,000 Shares to 999,999 Shares	58	April 7, 2016 to April 1, 2022	0 to 4 years	US\$0.00001 per Share	23,509,950	[REDACTED]%
1,000,000 Shares to 15,670,000 Shares	28	April 7, 2016 to October 25, 2022	0 to 4 years	US\$0.00001 per Share	114,356,980	[REDACTED]%
<i>Subtotal</i>	<u>1,093</u>				<u>156,525,250</u>	<u>[REDACTED]%</u>

- (1) Assuming the [REDACTED] is not exercised and no Shares are issued pursuant to the [REDACTED] Share Option Scheme.
- (2) The exercise period of the options under the [REDACTED] Share Option Scheme commences from the vesting commencement date of the relevant options and ends tenth anniversary of the grant date, subject to the terms of the [REDACTED] Share Option Scheme and the share option agreement signed by the grantee. No consideration was paid by the grantees for the outstanding options granted under the [REDACTED] Share Option Scheme.
- (3) Including the grants under the previous share incentive plans of the Group, which have been entirely replaced by the [REDACTED] Share Options Scheme. The number of shares is adjusted to reflect the Share Subdivision.

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E. OTHER INFORMATION

1. Estate duty

Our Directors have been advised that no material liability for estate duty is likely to fall on our Company or any of our subsidiaries.

2. Litigation

As of the Latest Practicable Date, no member of our Group was engaged in any litigation, arbitration or claim of material importance, and no litigation, arbitration or claim of material importance is known to the Directors to be pending or threatened by or against any member of our Group, that would have a material adverse effect on our results of operations or financial condition.

3. Joint Sponsors and [REDACTED]

The Joint Sponsors made an application on our Company's behalf to the [REDACTED] of the [REDACTED] for [REDACTED] of, and permission to deal in, the [REDACTED] in issue, the [REDACTED] to be issued pursuant to the [REDACTED] (including any [REDACTED] falling to be issued pursuant to the exercise of the [REDACTED]) and the [REDACTED] to be issued under the [REDACTED] Share Option Scheme. All necessary arrangements have been made to enable such Shares to be admitted into CCASS.

Each of the Joint Sponsors and [REDACTED] satisfies the independence criteria applicable to sponsors set out in Rule 3A.07 of the Listing Rules.

The aggregate fees payable to the Joint Sponsors are US\$0.9 million and are payable by our Company.

4. Preliminary expenses

Our Company's estimated preliminary expenses are approximately RMB14,500 and have been paid by our Company.

5. Promoter

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

6. No material adverse change

The Directors confirm that there has been no material adverse change in their financial or trading position or prospects since June 30, 2022, and there has been no event since June 30, 2022 which would materially affect the information presented in our consolidated financial statements included in the Accountant's Report in Appendix I to this document.

7. Binding effect

This document shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all 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.

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8. 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>
Citigroup Global Markets Asia Limited	A corporation licensed to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts), Type 6 (advising on corporate finance) and Type 7 (providing automated trading services) of the regulated activities as defined under the SFO
China International Capital Corporation Hong Kong Securities Limited	A corporation licensed to conduct Type 1 (dealing in securities), Type 2 (dealing in futures contracts), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities under the SFO
Merrill Lynch (Asia Pacific) Limited	A corporation licensed to conduct Type 1 (dealing in securities), Type 4 (advising on securities), Type 5 (advising on futures contracts) and Type 6 (advising on corporate finance) regulated activities as defined under the SFO
PricewaterhouseCoopers	Certified Public Accountants under Professional Accountants Ordinance (Cap. 50) Registered Public Interest Entity Auditor under Accounting and Financial Reporting Council Ordinance (Cap. 588)
Jingtian & Gongcheng	Legal advisors to the Company as to PRC laws
Walkers (Hong Kong)	Legal advisors to the Company as to Cayman Islands laws
Frost & Sullivan (Beijing) Inc., Shanghai Branch Co.	Industry consultants
Taitong Construction Co., Ltd.	Fire Safety Consultant
CM Law Firm	Legal advisors to the Company as to PRC cybersecurity and data privacy protection laws

9. Consents of experts

Each of the experts as referred to in “— E. Other Information — 8. Qualifications of experts” above in 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 legal opinion (as the case may be) and references to its name included in the form and context in which it respectively appears.

As of the Latest Practicable Date, save as in connection with the [REDACTED], none of the experts named above had 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.

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10. Bilingual document

Pursuant to Rule 11.14 of the Listing Rules and section 4 of the Companies Ordinance (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong), the English language and Chinese language versions of this document are being published separately but are available to the public at the same time.

11. Miscellaneous

- (a) Within the two years immediately preceding the date of this document, save as disclosed in “History, Reorganization 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.
- (b) Other than the options granted under the [REDACTED] Share Option Scheme, 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.
- (c) Neither our Company nor any of our subsidiaries has issued or agreed to issue any founder shares, management shares or deferred shares.
- (d) Other than the [REDACTED], within the two years immediately preceding the date of this document, no commissions, discounts, brokerages 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.
- (e) Within the two years immediately preceding the date of this document, no commission has been paid or payable (except [REDACTED] to the [REDACTED]) for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription for any Shares in or debentures of our Company or any of our subsidiaries.
- (f) None of the equity and debt securities of our Company is [REDACTED] or dealt with in any other stock exchange nor is any [REDACTED] or permission to deal being or proposed to be sought.
- (g) Our Company has no outstanding convertible debt securities.
- (h) There has not been any interruption in the business of our Group which may have or have had a significant effect on the financial position of our Group in the 12 months immediately preceding the date of this document.
- (i) There is no arrangement under which future dividends are waived or agreed to be waived.