

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

Our history can be traced back to as early as 1952 when the Eighth Division of the Eighth Bureau of the Central Second Mechanical Industry Department (中央第二機械工業部八局第八工程處) of the PRC was formed as one of the earliest entities in the PRC specializing in industrial equipment installation. Over the past 70 years, we constantly evolve ourselves to match the economics and construction needs of the nation and has established ourselves in the specialized industrial construction and specialized auxiliary construction industries on China. We have also expanded our business to overseas markets in some of the countries under the “Belt and Road Initiatives” (namely, Vietnam, Indonesia and Bangladesh) and Australia.

In 1989, in order to strengthen the enterprise management, our Company, formerly known as “Shanxi Industrial Equipment Installation Company* (山西省工業設備安裝公司)”, was registered as a whole people-owned enterprise wholly-owned by Shanxi Construction Engineering (Group) Corporation* (山西建築工程(集團)總公司, “**Shanxi Construction**”), the predecessor of Shanxi CIG (our Controlling Shareholder).

On November 27, 2012, pursuant to the reform proposal made by Shanxi Construction and approved by the State-owned Assets Supervision and Administration Commission of the People’s Government of Shanxi Province (山西省人民政府國有資產監督管理委員會) (“**Shanxi SASAC**”), our Company was converted from a whole people-owned enterprise to a limited liabilities company. On December 31, 2021, our Company further reformed into a company limited by stock company and changed its name to “Shanxi Installation Group Co., Ltd. (山西省安裝集團股份有限公司)”.

Throughout the years, our Group has, through the establishment of branch companies and subsidiaries, established our business in all provincial-level administrative regions across the PRC. We have also established subsidiaries in Australia and Vietnam in 2018 and 2020, respectively and set up a representative office in Bengal in 2019, respectively, to capture overseas’ business opportunities.

MILESTONES

The following table sets forth the major events and milestones in our development:

Year	Milestones/Events
1989	– Formally registered as a whole people-owned enterprise.
1992	– Named as “Top 500 Construction Enterprises and Top 500 Best Economic Efficiency Construction Enterprises” by the Development Research Centre of State Council, China Enterprises Evaluation Centre (中國企業評價中心) and Fixed Assets Statistic Section of National Bureau of Statistics (國家統計局固定資產投資統計司).

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Year	Milestones/Events
1995	– Received our first Luban Prize ^{Note} through our participation in the construction of terminal building of Taiyuan Wusu International Airport.
2002	– Obtained the first-class specialized contractor qualifications in electromechanical equipment installation engineering, fire-fighting facilities installation engineering, smelting electromechanical equipment installation engineering, petrochemical equipment pipeline equipment installation engineering, furnace engineering.
2003	– Our construction method, namely “Prebaked Anode Electrolyzers Construction Method” (預焙陽極電解槽施工工法) was recognized as “National Level Construction Method” by the Ministry of Construction of the PRC (中國建設部).
2004	– Named as “Nationwide Users Satisfaction Construction Enterprise” (全國用戶滿意施工企業) by the Engineering Construction User Working Committee of the China Association of Construction Enterprise Management (中國施工企業管理協會工程建設用戶工作委員會).
2012	– Converted from a wholly people-owned enterprise to a limited liabilities company.
2014	– Named as “China Top 100 Growing Construction Enterprise” (中國建築業成長性百強企業) by China Construction Industry Association (中國建築業協會).
2015	– Completion of our Technology and Development Center, a comprehensive building of total floor area of 40,299.02 square meter with integrated scientific research, design, testing, testing and technical exchange functions. The project also earned us another Luban Award in 2017 as the main contractor;
	– Named as “High-tech Enterprise” by Shanxi Science and Technology Bureau, Shanxi Finance Bureau and Shanxi Provincial Tax Service, State Taxation Administration and Local Taxation Bureau of Shanxi Province.
2016	– Became one of the nine companies in the PRC to obtain the Premium Grade Qualifications for General Contracting for Petrochemical Engineering Construction;

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Year	Milestones/Events
	<ul style="list-style-type: none">– Completed the construction of “Taigu Heat Supply Resource Project (太古供熱熱源工程)” which is capable to supply heat covering 76 million square meter and was the largest single heating source project in Asia at the time of its completion.
2017	<ul style="list-style-type: none">– Obtained the Premium Grade Qualifications for General Contracting for Municipal Public Engineering Construction and the Grade A Qualifications for Municipal Engineering Industry Design, and became the first company in the PRC to have the Premium Grade Qualifications for General Contracting of both Petrochemical Engineering Construction and Municipal Public Engineering Construction, and the Grade A Qualifications for Chemical, Petrochemical and Pharmaceutical Industry Design and Municipal Engineering Industry Design;– Obtained from MOFCOM the Qualification of Foreign Aid Complete Project General Contracting Enterprise.
2018	<ul style="list-style-type: none">– Shan’an Bluesky was listed on the NEEQ.
2019	<ul style="list-style-type: none">– Awarded with two large-scale wind turbine projects in Vietnam, which was our largest overseas project at the time.
2020	<ul style="list-style-type: none">– Awarded as the National Quality Benchmark Construction Enterprise (2020年全國質量標桿建築企業) for our implementation of iPS high quality development model based on TQM, being the only construction company received such award in 2020.
2021	<ul style="list-style-type: none">– Converted from a limited liabilities company to a joint stock company;– Received the 19th China Quality Award from China Association for Quality (中國質量協會).
2022	<ul style="list-style-type: none">– Awarded the 19th Tien-yow Jeme Civil Engineering Prize (第19屆中國土木工程詹天佑獎) for Gujiao Xingneng Power Plant to Taiyuan Heat Supply Main Line and Relay Energy Station Engineering in the “Taigu Heat Supply Resource Project (太古供熱項目)”.– Received the ARE-QP Award (亞洲質量卓越獎).

Note: “Luban Prize” (魯班獎) is the abbreviation of “China Construction Project Luban Prize (National Prime-quality Project) (中國建設工程魯班獎(國家優質工程)) jointly presented by the Ministry of Housing and Urban-Rural Development of the PRC and the China Construction Industry Association, formerly known as the “Construction Project Luban Prize” and the “National Prime-quality Project Award”. In 1996, the two prizes merged into the “Luban Prize” and became the highest award for construction projects with quality in China. As of the Latest Practicable Date, we have received 14 Luban Prize.

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CORPORATE DEVELOPMENT

Major changes in the shareholding of our Company

Our Company was registered in November 1989 as a whole people-owned enterprise and our registered capital was wholly owned by Shanxi Construction.

By 2006, the registered capital of our Company has been increased to RMB70.21 million through three increases. All increases were contributed by Shanxi Construction in kind.

On November 27, 2012, pursuant to the reform proposal made by Shanxi Construction and approved by Shanxi SASAC, our Company was converted to a limited liability company. Upon completion of the conversion, the registered capital of our Company was RMB100 million, of which, 51% owned by Shanxi Construction and 49% (the “**Employee Shares**”) owned by 931 individuals (the “**Individual Shareholders**”). Due to legal constraint and for effective management of the Individual Shareholders, 20 members of the then Individual Shareholders who were also members of the then management team of our Company (the “**Nominee Shareholders**”) were nominated to hold the legal ownership of the Employee Shares on behalf of the Individual Shareholders.

On January 15, 2015, pursuant to 14 share transfer agreements, the composition of the Nominee Shareholders changed and the number of Nominee Shareholders also decreased from 20 to 10. The said transfers took place for the reason that certain Nominee Shareholders were leaving the Company and thus, no longer suitable to act as the Nominee Shareholders and to hold the Employee Shares for the Individual Shareholders. The said transfers were completed in April 2015. Immediately after the said transfers, the registered capital of our Company was owned as to 51% by Shanxi Construction and 49% was held by the then 10 Nominee Shareholders for the Individual Shareholders.

On April 21, 2016, the registered capital of our Company was increased to RMB400 million. On February 7, 2017, the registered capital of our Company was further increased to RMB1,000 million.

On April 21, 2018, one of the Nominee Shareholders transferred 3.58% and 3.07% equity interests in our Company to Mr. Wang Limin and Mr. Ren Rui (both as Nominee Shareholders) respectively and as a result, the number of Nominee Shareholders increased from 10 to 11. The said transfers took place for the reason that the then existing Nominee Shareholder was leaving the Company and thus, no longer suitable to act as the Nominee Shareholders and to hold the Employee Shares for the Individual Shareholders. The said transfers were completed in May 2018.

In the preparation of our conversion into a joint-stock company, on August 23, 2021, pursuant to a share transfer agreement, all the then 11 Nominee Shareholders (with the approval of the Individual Shareholders’ meeting) transferred the legal title and beneficial

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ownership in the Employee Shares, being 49% equity interest in the registered capital of our Company, to Shanxi CIG at the total consideration of RMB392 million. Immediately before the said transfers, there were 817 Individuals Shareholders.

Subsequently on August 31, 2021, Shanxi CIG transferred 2% equity interest in our Company to Shanghai Rongda, a wholly-owned subsidiary of Shanxi CIG, at nil consideration. The reason for introducing Shanghai Rongda as our Shareholder was because under the relevant PRC law, a joint stock company must have at least two shareholders.

In December 2021, with Shanxi CIG and Shanghai Rongda as our promoters, our Company proposed to change our legal form from a limited liability company to a joint stock company. As of December 29, 2021, the registered capital of our Company, being RMB1,000 million, has been credited as fully paid up by our promoters in the form of the net assets of our Company. On December 31, 2021, we obtained the new business license and thus the change of our legal form was completed.

As of the Latest Practicable Date, our Company was owned as to 98% by Shanxi CIG and 2% by Shanghai Rongda respectively.

Shareholders dispute

In December 2022, a former Individual Shareholder of the Company (the “**Plaintiff**”) had initiated a litigation against the Company and two former Nominee Shareholder (in which Shanxi CIG is also a defendant), alleging that his equity interests in the Company had been transferred without his prior consent and that he claimed for the payment of RMB5,000,000 of additional dividend of the Company other than the amount of dividend which he was entitled to and settled by our Group. On May 16, 2023, our Group received a hearing summons from the People’s Court of Xiaodian District, Taiyuan City (the “**People’s Court**”) and the pre-trial meeting was conducted at the People’s Court on July 13, 2023. On September 21, 2023, the case was tried at the People’s Court, during which the Plaintiff has altered one of the claims and it was requested that Shanghai Rongda to be added as the third party to the case. Given that the Plaintiff only altered his claims during the trial, the Court ordered that a period for collection of evidence (舉證期) and preparation for defence (答辯期) shall be granted to the relevant defendants. The trial was held on October 16, 2023, and the parties have the intention to attempt settlement and as of November 1, 2023, application had been made to the People’s Court for settlement. Accordingly, the People’s Court will stay the proceedings in favour of settlement progress.

As disclosed above, our Company was converted into a limited liability company and its Employee Shares were held by 20 Nominee Shareholders and subsequently 11 Nominee Shareholders on behalf of the Employee Shareholders. With the approval of a general meeting of the Employee Shareholders in August 2021, Employee Shareholders has transferred their equity interest to Shanxi CIG. All dividends entitled by the Employee Shareholders up to August 2021 had been fully settled by the Company. The Plaintiff was never an employee of the Group but was granted Employee Shares due to the fact that the Group had been planning

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to employ the Plaintiff for business development considering that the Plaintiff has construction resources and can bring certain project opportunities to the Group. The Company planned to appoint Plaintiff as its employee. Moreover, when the Plaintiff subscribed for the Employee Shares in November 2012, he did not express any intention of not agreeing to become an employee of the Company and paid the equity subscription amount accordingly. The Employee Shares Plan was implemented by the Company in November 2012 and at the material time of the subscription of the Employees Shares, save for the Plaintiff, all of the subscribers were then the employees of the Group.

The PRC Legal Advisors are of the view that although the Plaintiff’s shareholding does not comply with the relevant provisions of the “Approval of the State-owned Assets Supervision and Administration Commission of the People’s Government of Shanxi Province on the Overall Restructuring Plan of Shanxi Province Industrial Equipment Installation Company” and the “Internal Equity Management Measures of the Overall Restructuring of Shanxi Province Industrial Equipment Installation Company” that the persons holding the shares need to be the management and employees of the enterprise. However, given that: (1) as at the Latest Practicable Date, the Group has not been subject to any penalty; (2) the Company has convened a general meeting of shareholders of Employee Shares on August 23, 2021 to consider the matter of regulation of Employee Shares and has conducted a cleanup of the Employee Shares to ensure compliance of the regulation of Employee Shares; (3) the Company has obtained a written opinion from SSCO, which as advised by the PRC Legal Advisor, is the competent authority of state-owned assets, confirming that the scope, manner and other matters in relation to the regulation of Employee Shares of the Company are in compliance with the relevant rules, and the transfer price of the Employee Shares which was determined in accordance with the provisions of the Company’s management measures for employee shareholding and was in line with the actual situation of the Company, and that the formation, evolution, management and regulated withdrawal of the Company’s Employee Shares were genuine and effective, and there is no evidence of loss of state assets; and (4) Shanxi CIG has issued an undertaking and will be responsible for handling and resolving any disputes or potential disputes arising from the failure of the one employee shareholders to sign the consent documents, and it shall be responsible for any losses caused to the Company as a result. Therefore, the PRC Legal Advisors are of the view that these circumstances will not have a material adverse impact on the daily operations and financial position of the Company. As of the Latest Practicable Date, our Group has negotiated and communicated with the Plaintiff regarding the aforementioned dispute, and informed the Plaintiff that after signing the authorisation letter and corresponding documents, our Group can assist the Plaintiff in withdrawing the equity transfer funds deposited in the capital supervision account maintained by a notary public. However, due to disputes over the proportion, amount, and legality of the Transfer of Shares that is in issue, as of the Latest Practicable Date, the Plaintiff has yet to agree to sign the relevant documents and withdraw the equity transfer funds. As of the Latest Practicable Date, all other Individual Shareholders have received the respective payment of the Transfer of Shares.

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Our Group had been advised by the legal counsel responsible for the dispute, in which our Group and the Joint Sponsors concur, that it is likely that our Group will be able to defend from the claims from the Plaintiff. The Transfer of Shares had been duly completed in August 2021 where the Individual Shareholders had ceased to hold any interests in the Company and are no longer shareholders of the Company. Our Directors are of the view that as the Individual Shareholders, including the Plaintiff, are no longer shareholders of the Company, the entitlement of dividends of the Company had ceased in August 2021. Even if the Plaintiff is successful with his claim, there will not be any material adverse impact on our Group’s operation and financial position, due to the following reasons: (i) our Group has fulfilled the notification procedures for the convening of the general meeting of the Individual Shareholders to deliberate on the standardization of Employee Shares, and the Plaintiff did not attend the relevant meeting and sign the relevant documents due to personal reasons. Our Group has lawfully convened the meeting and deliberated and approved the standardization of Employees’ Shares under the witness of a notary on August 23, 2021. The convening and holding procedures of the meeting and the resolution content are legal and valid; (ii) our Group has obtained a written opinion from the State-owned Assets Supervision and Administration Department (i.e. the Shanxi Province State-owned Capital Operation Company Limited), a competent entity to issue such opinion on the Management and Standardization of Employees Shares, confirming that the scope and methods of standardization of Employee Shares by our Group comply with relevant regulations, and the pricing principle for the transfer of Employee Shares is determined in accordance with the provisions of the Measures for the Management of Employee Shareholding of the Group, which is consistent with the actual situation of our Company. The formation, evolution, management, and standardized exit behavior of Employee Share are real and effective, and no situation of causing the loss of state-owned assets has been found and that Shanxi Province State-owned Capital Operation Company Limited had confirmed it will not impose any penalty on the Group under the existing policies on Supervision of State-owned assets; (iii) Shanxi CIG has undertaken that any disputes or potential disputes arising from the failure of the Transfer of Shares of the Plaintiff to sign the agreement documents shall be handled and resolved by Shanxi CIG and any losses to our Group shall be the responsibility of Shanxi CIG; and (iv) the Plaintiff’s claim of RMB1 million in capital contribution only accounts for 0.10% of the Company’s current registered capital. Based on the above, our PRC Legal Advisor is of the view that, which the Joint Sponsors concur, as there are no disputes on controversies in relation to the majority of Shares of the Company, the dispute will not have a material adverse impact on shareholding stability of the Company and that there will not be any material adverse impact on the daily operation and financial position of the Company.

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Our Major Subsidiaries

As of the Latest Practicable Date, our Group had 39 subsidiaries and the details of our major subsidiaries are set forth below:

1. Shan’an Bluesky

Shan’an Bluesky was established in Taiyuan City, Shanxi Province, the PRC as a limited liability company on June 23, 2015 with an initial registered capital of RMB100 million. Upon its establishment, Shan’an Bluesky was owned as to 56% and 44% by our Company and Tianjin Zhongneng Bluesky Energy Conservation Technology Development Company Limited* (天津中能藍天節能技術開發有限公司), an Independent Third Party. As of October 31, 2023, Shan’an Bluesky was owned as to approximately 56.77% by our Company, owned as to approximately 33.75% by Tianjin Zhongneng Bluesky Energy Conservation Technology Development Company Limited* and owned as to 9.48% by members of the public.

Shan’an Bluesky is principally engaged in the investment, development and operation of clean heating and heat and power generation projects. Shan’an Bluesky has been listed on the National Equities Exchange and Quotations since November 2018.

To the best knowledge of our Directors after making all reasonable enquiries made with the relevant authorities and based on the public information on the websites of the CSRC and the NEEQ, our Directors confirmed, and the Joint Sponsors concur, that since the shares of Shan’an Bluesky were listed on the NEEQ and up to the Latest Practicable Date, Shan’an Bluesky, its substantial shareholders and directors were not involved in any material non-compliance with applicable laws and regulations and have not been subject to any investigation or disciplinary actions by any regulatory authority nor have they materially breached any of the relevant rules.

2. Shan’an Lide

Shan’an Lide was established in Taiyuan City, Shanxi Province, the PRC as a limited liability company on December 31, 2015 with an initial registered capital of RMB30 million. Upon its establishment, Shan’an Lide was owned as to 75% and 25% by our Company and Beijing Dezhao Environmental Projects Company Limited* (北京德兆環保工程有限公司) (“**Beijing Dezhao**”). On August 18, 2016, Mr. Jia Lijun (賈立軍), then general manager of Shan’an Lide, purchased 25% equity interests in Shan’an Lide from Beijing Dezhao at a consideration of RMB10,000. On September 28, 2016, the registered capital of Shan’an Lide was increased to RMB100 million. Subsequently in 2019, Mr. Jia Lijun transferred the said 25% equity interests in Shan’an Lide to Shanxi Baoyuan Environmental Technology Company Limited* (山西保源環保科技有限公司), an Independent Third Party at a consideration of RMB10,000. The registration in respect of the abovementioned equity transfer on April 1, 2019. The considerations of the said transfers were determined at a nominal value as at the time of both

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transfers, the relevant outgoing shareholder had not made any contribution to the registered capital of Shan’an Lide. As of the Latest Practicable Date, Shan’an Lide was owned as to 75% and 25% respectively by our Company and Shanxi Baoyuan Environmental Technology Company Limited.

Shan’an Lide is principally engaged in the investment, development and operation of solid waste treatment projects for construction wastes, domestic wastes, catering wastes, industry wastes and hazardous wastes.

3. Shanxi Shan’an Biquan Haimian City Technology Company Limited* (山西山安碧泉海綿城市科技有限公司) (“Shan’an Biquan”)

Shan’an Biquan was established in Taiyuan City, Shanxi Province, the PRC as a limited liability company on July 18, 2016 with an initial registered capital of RMB100 million. Upon its establishment and up to the Latest Practicable Date, Shan’an Biquan was wholly owned by our Company.

Shan’an Biquan is principally engaged in the investment, development and operation of water supply, water resources recycling, water ecological environment protection, wastewater treatment and reuse projects.

4. Shanxi Shan’an Maode Distributed Energy Technology Company Limited* (山西山安茂德分布式能源科技有限公司) (“Shan’an Maode”)

Shan’an Maode (formerly known as Shanxi Shan’an Maode Solar Energy Technology Company Limited* (山西山安茂德太陽能科技有限公司)) was established in Taiyuan City, Shanxi Province, the PRC as a limited liability company on July 18, 2016 with an initial registered capital of RMB300 million. Upon its establishment and up to the Latest Practicable Date, Shan’an Maode was wholly owned by our Company.

Shan’an Maode is principally engaged in the investment, development and operation of wind power, solar power, geothermal power, hydrogen power generation projects and excessive heat reuse projects.

5. Shanghai Shan’an Construction Engineering Company Limited* (上海山安建設工程有限公司) (“Shanghai Shan’an”)

Shanghai Shan’an was established in Shanghai City, the PRC as a limited liability company on April 14, 2017 with an initial registered capital of RMB100 million. Upon its establishment and up to the Latest Practicable Date, Shanghai Shan’an was wholly owned by our Company.

Shanghai Shan’an is principally engaged in electrical, pipeline and equipment installation, urban rail transit construction, smart electronic devices and fire service installation, solar power generation construction and other building installations.

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6. **Guangdong Shan’an Construction Engineering Company Limited*** (廣東山安建設工程有限公司) (“Guangdong Shan’an”)

Guangdong Shan’an was established in Guangzhou City, Guangdong Province, the PRC as a limited liability company on May 10, 2018 with an initial registered capital of RMB100 million. Upon its establishment and up to the Latest Practicable Date, Guangdong Shan’an was wholly owned by our Company.

Guangdong Shan’an is principally engaged in electrical, pipeline and equipment installation, building decoration installation, smart electronic devices and fire service installation, wind power generation construction, solar power generation construction and other building installations.

7. **Sichuan Shan’an Construction Engineering Company Limited*** (四川山安建設工程有限公司) (“Sichuan Shan’an”)

Sichuan Shan’an was established in Chengdu City, Sichuan Province, the PRC as a limited liability company on September 14, 2021 with an initial registered capital of RMB100 million. Upon its establishment and up to the Latest Practicable Date, Sichuan Shan’an was wholly owned by our Company.

Sichuan Shan’an is principally engaged in water source and water supply facilities construction, pipeline and equipment installation, energy conservation and environmental protection construction, water supply and drainage construction, gas heating engineering construction, building construction, wind power generation construction and solar power generation construction.

8. **Shanxi Zhuo’an Materials Trading Company Limited*** (山西卓安物資貿易有限公司) (“Zhuo’an Materials”)

Zhuo’an Materials was established in Taiyuan City, Shanxi Province, the PRC as a limited liability company on May 22, 2015 with an initial registered capital of RMB3.1 million. Upon its establishment and up to the Latest Practicable Date, Zhuo’an Materials was wholly owned by our Company.

Zhuo’an Materials is principally engaged in building materials trading, leasing, sales and construction of temporary structures on construction sites, leasing and trading of standardized facilities for safe and civilized construction and large-scale equipment at construction sites.

Disposal of Yu’an Hengchuang

Yu’an Hengchuang is a limited liability company established in the PRC on June 26, 2014 and is principally engaged in the lease of construction and general equipment and the provision of labor subcontracting services and construction machineries leasing services businesses. During the Track Record Period, Yu’an Hengchuang mainly provided labor subcontracting and

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machinery and equipment leasing services to other members of our Group. Immediately before the disposal by us of its 31% equity interest described hereinbelow, Yu’an Hengchuang was owned as to 51% by our Company and 49% by Shanxi Qi’an Human Resources Management Company Limited* (山西琦安人力資源管理有限公司, an Independent Third Party) (“**Qi’an HR Management**”), respectively.

As our goal is to become the most competitive construction service provider in China, we strive to provide integrated design consultation, investment, construction, operation and maintenance for the whole construction cycle to our customers through the business model. Given that the principal business of Yu’an Hengchuang is the provision of labor subcontracting services, which is a low-skill and labor-intensive business, our Directors consider the principal business of Yu’an Hengchuang is not directly coherent with our vision and business strategies, we decided to dispose 31% of the equity interest in Yu’an Hengchuang to SCIG Group. Pursuant to a share allocation agreement dated December 29, 2021 entered into between our Company and Shanxi Exquisite Construction Workforce Company Limited* (山西精匠建築勞務有限公司, an associate of Shanxi CIG) (“**Shanxi Exquisite**”), we disposed 31% equity interest owned by us in Yu’an Hengchuang to Shanxi Exquisite at nil consideration. As at the time of the transfer, both Shanxi Exquisite and our Company were state-owned companies, the transfer of 31% equity interest in Yu’an Hengchuang by our Company to Shanxi Exquisite was conducted at zero consideration in accordance with applicable PRC laws and regulations as both parties to the transaction were wholly state-owned enterprises at the time of the transaction. Our PRC Legal Advisor is of the view that the said disposal has been conducted in compliance with the relevant PRC laws governing the disposal of state-owned assets. Upon completion, Yu’an Hengchuang was owned as to 20% by our Company, 31% by Shanxi Exquisite and 49% by Qi’an HR Management, respectively and thus ceased to be our subsidiary.

Although the principal business of Yu’an Hengchuang is not directly coherent with our strategies for principal business, due to the nature of our Group’s business, we require large number of labors to work in our projects. By holding 20% interests in Yu’an Hengchuang, we would be able to maintain certain level of influence in Yu’an Hengchuang so that it would be easier for our Group to secure labor supply during peak seasons.

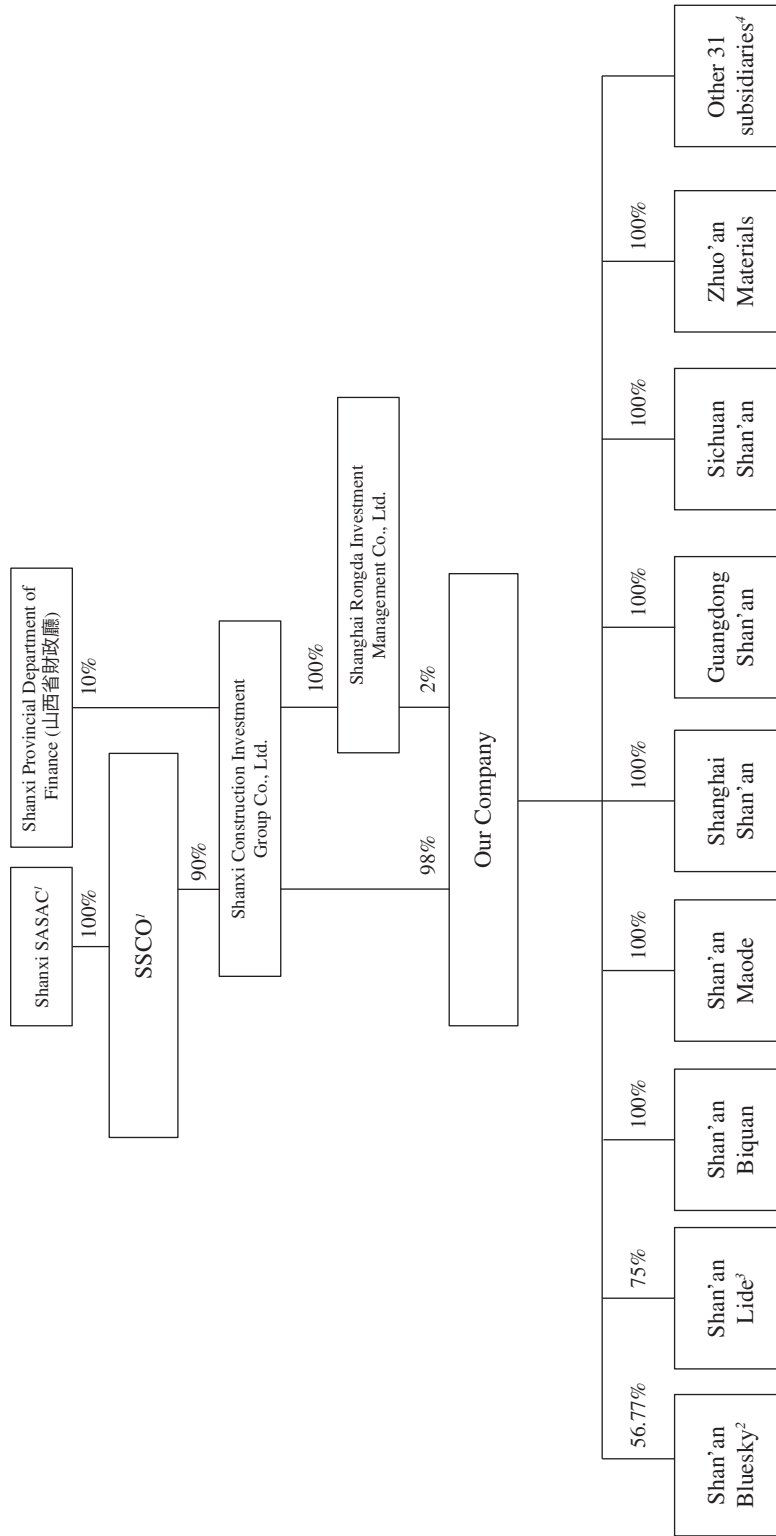
As of the Latest Practicable Date, the above transfers have been properly and legally completed.

Save as disclosed above, our Group has no other material acquisitions or disposals during the Track Record Period and up to the Latest Practicable Date.

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CORPORATE STRUCTURE PRIOR TO THE [REDACTED]

The following chart sets out our corporate structure as of the Latest Practicable Date:



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Notes:

1. As Shanxi SASAC and SSCO fall within the definition of “PRC Governmental Body” under Rule 19A.04 of the Listing Rules, they are not considered as controlling shareholders of our Company pursuant to Rule 19A.14 of the Listing Rules.
2. As of October 31, 2023, the remaining approximately 43.23% equity interest of Shan’an Bluesky was owned as to approximately 33.75% by Tianjin Zhongneng Bluesky Energy Conservation Technology Development Company Limited* (天津中能藍天節能技術開發有限公司), which is, save as its shareholding interests in Shan’an Bluesky, an Independent Third Party and as to approximately 9.48% by members of the public in the PRC.
3. As of Latest Practicable Date, the remaining 25% equity interest of Shan’an Lide was owned by Shanxi Baoyuan Environmental Technology Company Limited* (山西保源環保科技有限公司), which is, save as its shareholding interests in Shan’an Lide, an Independent Third Party.
4. Set out below are the details of our other 31 subsidiaries:

	Name	Place of incorporation	Equity interest owned by our Group	Other shareholder(s)
(1)	Shanxi Shan’an Maode Electricity Supply Company Limited* (山西山安茂德售電有限公司)	PRC	100%	Not applicable
(2)	Gaoping Xinshi Yangtian Solar Power Company Limited* (高平市鑫時陽田光伏發電有限公司)	PRC	100%	Not applicable
(3)	Pingyao Shan’an Maode Solar Technology Company Limited* (平遙縣山安茂德太陽能科技有限公司)	PRC	100%	Not applicable
(4)	Son Tay Viet Nam Construction Company Limited	Vietnam	100%	Not applicable
(5)	Australian Shan An Construction Engineering Pty Limited	Australia	100%	Not applicable
(6)	Shanxi Shan’an Deyuchen Energy Technology Company Limited* (山西山安德昱辰能源科技有限公司)	PRC	80%	As of Latest Practicable Date, the remaining 20% equity interest was owned by Shanxi Haochen Energy Technology Company Limited* (山西浩宸能源科技有限公司), an Independent Third Party.

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	Name	Place of incorporation	Equity interest owned by our Group	Other shareholder(s)
(7)	Shanxi Ningyang Energy Company Limited* (山西寧揚能源有限公司)	PRC	51%	As of Latest Practicable Date, the remaining 49% equity interest was owned as to 25% by Mr. Gao Yang (高揚) and as to 24% by Ms. Gao Yue (高越), both of whom are Independent Third Parties.
(8)	Gaoping Shan'an Five Roads One River Construction Development Company Limited* (高平市山安五路一河建設發展有限公司)	PRC	95%	As of Latest Practicable Date, the remaining 5% equity interest was owned by Gaoping Urban-Rural Municipal Construction Company Limited* (高平市城交市政建設有限公司), an Independent Third Party.
(9)	Lingchuan Shan'an Construction Development Company Limited* (陵川山安建設發展有限公司)	PRC	90%	As of Latest Practicable Date, the remaining 10% equity interest was owned by Lingchuan Urban Public Facilities Investment Company Limited* (陵川縣城市公共設施投資有限公司), an Independent Third Party.
(10)	Huguan Shan'an Two Roads Three Streets Construction Development Company Limited* (壺關縣山安兩路三街建設發展有限公司)	PRC	90%	As of Latest Practicable Date, the remaining 10% equity interest was owned by Huguan Urban Development Investment Company Limited* (壺關縣城建開發投資有限公司), an Independent Third Party.
(11)	Changzhi Shan'an Construction Development Company Limited* (長治市山安建設發展有限公司)	PRC	90%	As of Latest Practicable Date, the remaining 10% equity interest was owned by Changzhi Urban-Rural Prosperous Infrastructure Construction Development Company Limited* (長治市郊區興盛基礎設施建設開發有限公司), an Independent Third Party.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

	Name	Place of incorporation	Equity interest owned by our Group	Other shareholder(s)
(12)	Xiangyuan Shan'an Road and Bridge Construction Development Company Limited* (襄垣縣山安路橋建設發展有限公司)	PRC	80%	As of Latest Practicable Date, the remaining approximately 20% equity interest was owned by Xiangyuan Xingtong Urban Construction Investment Management Company Limited* (襄垣縣興通城市建設投資管理有限公司), an Independent Third Party.
(13)	Qinshui Shan'an Culture and Sport Construction Development Company Limited* (沁水山安文體建設發展有限公司)	PRC	95%	As of Latest Practicable Date, the remaining approximately 5% equity interest was owned by Qinshui Hengda Urban Development Investment Company Limited* (沁水縣恒達城市開發投資有限公司), an Independent Third Party.
(14)	Xiyang Shan'an Comprehensive Pipeline Construction Development Company Limited* (昔陽山安綜合管廊建設發展有限公司)	PRC	90%	As of Latest Practicable Date, the remaining approximately 10% equity interest was owned by Xiyang State-owned Assets Operation Company Limited* (昔陽縣國有資產經營有限公司), an Independent Third Party.
(15)	Linfen Shan'an Waterwork Development Company Limited* (臨汾市山安水務發展有限公司)	PRC	Our Company – 85.67% Shan'an Biquan – 9.52%	As of Latest Practicable Date, the remaining approximately 4.81% equity interest was owned by Linfen City Protective Residential Project Investments Company Limited* (臨汾市保障性安居工程投資有限公司), an Independent Third Party.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

	Name	Place of incorporation	Equity interest owned by our Group	Other shareholder(s)
(16)	Xinjiang Shan'an Waterwork Management Company Limited* (新絳縣山安水利管理有限公司)	PRC	Our Company – 60% Shan'an Biquan – 30%	As of Latest Practicable Date, the remaining 10% equity interest was owned by Xinjiang Ronglin State-owned Assets Investment Management Company Limited* (新絳縣融霖國有資產投資管理有限公司), an Independent Third Party.
(17)	Jiexiu Shan'an Waterwork Construction Development Company Limited* (介休山安水利建設發展有限公司)	PRC	Our Company – 75% Shan'an Biquan – 5%	As of Latest Practicable Date, the remaining 20% equity interest was owned by Jiexiu City Water Investment Construction Company Limited* (介休市水務投資建設有限責任公司), an Independent Third Party.
(18)	Shanxi Shan'an Lida Environmental Technology Company Limited* (山西山安立達環保科技有限公司)	PRC	Our Company – 40% Shan'an Lida – 25%	As of Latest Practicable Date, the remaining 35% equity interest was owned by Zhengzhou Huajie Environmental Technology Company Limited* (鄭州華潔環保科技有限公司), an Independent Third Party.
(19)	Shanxi Shan'an Yunneng Environmental Technology Company Limited* (山西山安運能環保科技有限公司)	PRC	Our Company – 41% Shan'an Lida – 19%	As of Latest Practicable Date, the remaining 40% equity interest was owned by Shanxi Yunneng New Energy Company Limited* (山西運能新能源有限公司), an Independent Third Party.
(20)	Liulin Shan'an Bluesky Heating Company Limited* (柳林山安藍天熱力有限公司)	PRC	Our Company – 10% Shan'an Bluesky – 90%	See Note 2
(21)	Qinshui Shan'an Construction Development Company Limited* (沁水山安建設發展有限公司)	PRC	80%	As of Latest Practicable Date, the remaining 20% equity interest was owned by Qinshui Hengda Urban Development Investment Company Limited* (沁水縣恒達城市開發投資有限公司), an Independent Third Party.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

	Name	Place of incorporation	Equity interest owned by our Group	Other shareholder(s)
(22)	Yangquan Shan'an Construction Development Company Limited* (陽泉山安建設發展有限公司)	PRC	80%	As of Latest Practicable Date, the remaining 20% equity interest was owned by Yangquan Beichen New Technologies Construction Investment Company Limited* (陽泉北辰新科建設投資有限公司), an Independent Third Party.
(23)	Charhar Youyi Houqi Shan'an Heat and Electricity Company Limited* (察哈爾右翼後旗山安熱電有限公司)	PRC	Our Company – 20% Shan'an Bluesky – 60%	As of Latest Practicable Date, the remaining 20% equity interest was owned by Inner Mongolia Junneng Thermal Power Company Limited* (內蒙古君能熱力有限公司), an Independent Third Party.
(24)	Hubei Shan'an Construction Engineering Company Limited* (湖北山安建設工程有限公司)	PRC	100%	Not applicable
(25)	Jianzhong Shan'an Lide Solid Waste Utilization Technology Company Limited* (晉中山安立德固廢利用科技有限公司)	PRC	Our Company – 49% Shan'an Lide – 5%	As of Latest Practicable Date, the remaining 46% equity interest was owned by Jinzhong Duo'ang Environmental Technology Company Limited* (晉中多昂環保科技有限公司), an Independent Third Party.
(26)	Shaanxi Shan'an Construction Engineering Company Limited* (陝西山安建設工程有限公司)	PRC	100%	Not applicable
(27)	Shan'an Construction Pty Ltd	Australia	100%	Not applicable
(28)	Yuanping Shan'an Biquan Water Affairs Development Company Limited* (原平市山安碧泉水務發展有限公司)	PRC	Our Company – 49% Shan'an Biquan – 51%	Not applicable
(29)	Wenshui Shan'an Biquan Water Affairs Development Company Limited* (文水縣山安碧泉水務發展有限公司)	PRC	Our Company – 49% Shan'an Biquan – 51%	Not applicable

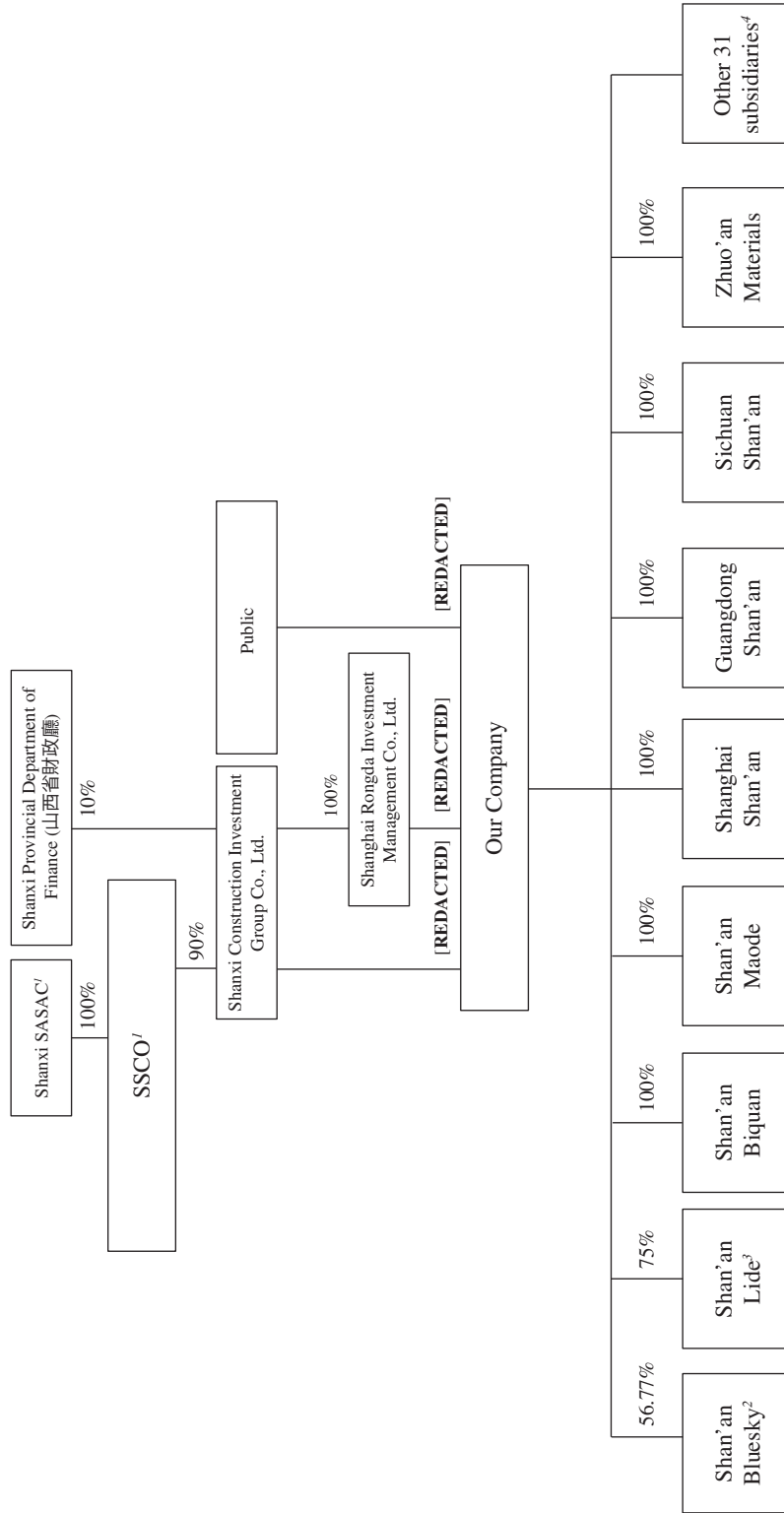
HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

	Name	Place of incorporation	Equity interest owned by our Group	Other shareholder(s)
(30)	Yushe County Shan'an Xinyuan Company Limited* (榆社縣山安新源有限公司)	PRC	100%	Not applicable
(31)	Liaoning Yingkou Shan'an New Energy Company Limited* (遼寧營口山安新 能源有限公司)	PRC	100%	Not applicable

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CORPORATE STRUCTURE IMMEDIATELY FOLLOWING COMPLETION OF THE [REDACTED]

The following chart sets forth our corporate structure immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised):



Note: please refer to notes in pages 134 to 139 above.