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## HISTORY AND REORGANISATION

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### GENERAL

Zhonggan Communication, a principal operating subsidiary of the Company, was established in 2002 and has become a reputable integrated service provider and software developer headquartered in Jiangxi Province of the PRC and focuses on the provision of Telecommunications Infrastructure Services and Digitalisation Solution Services in the PRC. In 2017, Zhonggan Communication established another principal operating subsidiary of the Company, namely GLP Technology, which has been primarily engaged in the Digitalisation Solution Services since 2018. The Group’s decision to enter into the Digitalisation Solution Services business was driven by several key factors. Firstly, there was a significant and growing demand for digitalisation solution services from governments, municipalities, and businesses. This growing demand presented a lucrative opportunity for the Group to leverage its expertise in and meet the evolving needs of customers. In addition, government policies and initiatives to promote the development of smart cities created a favorable environment for the Group to provide related services. These policies provided support and incentives, paving the way for the Group to enter into the digitalisation solution services industry. Furthermore, the Directors recognised synergies between the Group’s Telecommunications Infrastructure Services and the Digitalisation Solution Services. The Group’s technological expertise in wireless communications, network management, and IoT connectivity could be effectively applied to develop and deploy innovative digitalisation solutions. This ability to leverage its knowledge and expertise of telecommunications infrastructure has enabled the Group to create tailored solutions that meet the specific needs of its customers. The Group’s established customer base from its Telecommunications Infrastructure Services provided cross-selling opportunities. By offering its Digitalisation Solution Services, the Group has expanded its reach and maximised value for both segments. In addition to these driving factors, the Group sought to gain a competitive advantage and diversify its offerings. By entering the digitalisation solution services industry, the Group sought to differentiate itself from competitors and develop new revenue streams. This strategic move enabled the Group to capitalise on market opportunities and drive sustainable growth.

The Company was incorporated in the Cayman Islands under the Companies Act as an exempted company with limited liability on 20 April 2022. As part of the Reorganisation, the Company became the holding company of the Group for the purpose of the [REDACTED] with its businesses conducted through its subsidiaries. See section headed “Reorganisation” in this section for further details.

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### MAJOR MILESTONES

<u>Date</u>	<u>Event</u>
2002 . . . . .	Zhonggan Communication, one of the Company’s principal operating subsidiaries, was established.
2003 . . . . .	Customer A became the Group’s customer.
2014 . . . . .	The Group was recognised as Excellent Business Partner* (優秀合作夥伴) by Customer A and continued to be recognised by Customer A as Excellent Business Partner* (優秀合作夥伴) or Excellent Cooperation Unit* (優秀合作單位) in 2018, 2019, 2020 and 2022.
2015 . . . . .	Customer C became the Group’s customer.  Zhonggan Communication was first recognised as a High and New Technology Enterprise* (高新技術企業).
2016 . . . . .	Customer D became the Group’s customer.
2017 . . . . .	Shares of Zhonggan Communication became quoted on NEEQ.  GLP Technology, one of the Company’s principal operating subsidiaries, was established.  The Group was recognised as Best Business Partner* (最佳合作夥伴) by Customer C.  Zhonggan Communication was inducted as a member of the China Association of Communication Enterprises (中國通信企業協會).
2018 . . . . .	The Group began to provide Digitalisation Solution Services.  The Group was recognised as Jiangxi Province Security Technology to Guard Against Industry Top Ten Brands Selected Online in Year 2018* (2018年度江西省安防行業網絡評選十大品牌).
2019 . . . . .	Shares of Zhonggan Communication ceased quotation from NEEQ.  Customer B became the Group’s customer.  The Group was recognised as Nanchang High-Tech Industrial Development Zone – Outstanding Contribution Enterprise of the Zone in Year 2018* (2018年度南昌高新技術產業開發區–園區突出貢獻企業) by Nanchang High-Tech Industrial Development Zone Management Committee* (南昌高新技術產業開發區管理委員會) and the Working Committee of Nanchang High-Tech Industrial Development Zone of the Communist Party of China* (中共南昌高新技術產業開發區工委).

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Date	Event
2020 . . . . .	GLP Technology was first recognised as a High and New Technology Enterprise (高新技術企業).
2021 . . . . .	The Group was recognised as Nanchang High-Tech Industrial Development Zone – Outstanding Contribution Enterprise of the Zone in Year 2020* (2020年度南昌高新技術產業開發區–園區突出貢獻企業) by Nanchang High-Tech Industrial Development Zone Management Committee* (南昌高新技術產業開發區管理委員會) and the Working Committee of Nanchang High-Tech Industrial Development Zone of the Communist Party of China* (中共南昌高新技術產業開發區工委).
2023 . . . . .	GLP Software qualified as a Double-soft Enterprise* (雙軟企業).

### SUBSIDIARIES

As of the Latest Practicable Date, the Company had eight directly and indirectly owned subsidiaries and one branch office in Shanghai and the details of which (except the investment holding companies) are set out below:

#### 1. Zhonggan Communication

Zhonggan Communication was incorporated by Mr. Liu Haoqiong, his brother, Mr. Liu Haopeng and Ms. Tao Xiulan as a limited liability company in the PRC on 23 May 2002 in the name of Jiangxi Province Zhonggan Communication Engineering Co., Ltd.\* (江西省贛通通信工程有限公司). Upon incorporation, the registered capital of Zhonggan Communication was RMB1,000,000, of which each of Mr. Liu Haoqiong, Mr. Liu Haopeng and Ms. Tao Xiulan had contributed RMB250,000, RMB250,000 and RMB500,000, respectively at the time of incorporation.

Following a series of equity transfers and capital increases between September 2007 and December 2015, the registered capital of Zhonggan Communication had increased from RMB1.0 million to RMB30.0 million, which was owned as to 51.0% by Mr. Liu Haoqiong, and as to 49.0% by Ms. Tao Xiulan. On 16 June 2016, Ms. Tao Xiulan entered into equity transfer agreements with Yue Da Investment and Ying Hua Investment, respectively, pursuant to which Ms. Tao Xiulan transferred (i) 15.0% of equity interest in Zhonggan Communication to Yue Da Investment at a consideration of RMB11.69 million and (ii) 3.0% of equity interest in Zhonggan Communication to Ying Hua Investment at a consideration of RMB2.33 million. The consideration was determined based on the net asset value of Zhonggan Communication as at 31 December 2015. Upon completion of the aforesaid transfers, Zhonggan Communication was owned as to approximately 51.0% by Mr. Liu Haoqiong, as to approximately 31.0% by Ms. Tao Xiulan, as to approximately 15.0% by Yue Da Investment and as to approximately 3.0% by Ying Hua Investment. Yue Da Investment was an Independent Third Party. Ying Hua Investment was an employee shareholding platform at that time. Since July 2020, Ying Hua Investment has been held as to approximately 97.14% by Mr. Wang Jian (王戩) and as to remaining approximately 2.86% by Mr. Liu Lu (劉鹿), both Independent Third Parties, and is currently an Independent Third Party.

## HISTORY AND REORGANISATION

### *Conversion to joint stock company*

On 3 August 2016, in anticipation of the listing of its shares on the NEEQ, the then equity holders of Zhonggan Communication unanimously resolved to convert Zhonggan Communication into a joint stock company. Upon completion of the conversion on 25 August 2016, the share capital of Zhonggan Communication was RMB30.0 million divided into 30,000,000 shares of RMB1.00 each, of which Mr. Liu Haoqiong, Ms. Tao Xiulan, Yue Da Investment and Ying Hua Investment held 15,300,000 shares, 9,300,000 shares, 4,500,000 shares and 900,000 shares, representing approximately 51.0%, 31.0%, 15.0% and 3.0% of the share capital of Zhonggan Communication, respectively. On the same date, Zhonggan Communication changed its name to Jiangxi Gantong Communication Co., Ltd.\* (江西赣通通信股份有限公司).

### *Listing of shares on NEEQ*

On 25 January 2017, all issued shares of Zhonggan Communication were listed and quoted for trading on NEEQ (delisted, previous stock code: 870720). Following the listing and quoted for trading of the shares of Zhonggan Communication on NEEQ, in order to introduce market makers in preparation for the change of trading mechanism from transfer by agreement to market making and due to the transferors’ own capital needs, a series of share transfers took place between October and November 2017. After such transfers, the then shareholders of Zhonggan Communication were as follows:

<u>Name of shareholders</u>	<u>Number of shares held</u>	<u>Shareholding percentage (approx.)</u> (%)
Mr. Liu Haoqiong . . . . .	15,298,000	51.0
Ms. Tao Xiulan . . . . .	8,702,000	29.0
Yue Da Investment . . . . .	4,500,000	15.0
Ying Hua Investment . . . . .	700,000	2.3
Bank of China International Securities Co., Ltd.* (中銀國際證券股份有限公司) (“BOC International Securities”) <sup>(Note)</sup> . . . . .	400,000	1.3
Nanjing Securities Co., Ltd.* (南京證券股份有限公司) (“Nanjing Securities”) <sup>(Note)</sup> . . . . .	200,000	0.7
Zhongshan Securities Co., Ltd.* (中山證券有限責任公司) (“Zhongshan Securities”) <sup>(Note)</sup> . . . . .	200,000	0.7
<b>Total</b> . . . . .	<u>30,000,000</u>	<u>100.0</u>

Note: Each of BOC International Securities, Nanjing Securities and Zhongshan Securities is a market maker and an Independent Third Party.

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### *Increase of registered capital*

On 10 May 2018, the then shareholders of Zhonggan Communication resolved for Zhonggan Communication to issue (i) 5.10 bonus shares for every 10 existing shares held by a shareholder to capitalise the undistributed profits of RMB15,478,597.80 as of 31 December 2017, and (ii) 1.57 bonus shares for every 10 existing shares held by a shareholder by way of conversion of capital reserve of RMB14,085,198.89 as of 31 December 2017. As a result, the registered capital of Zhonggan Communication increased from RMB30,000,000 to RMB50,010,000 and the number of shares held by the shareholders of Zhonggan Communication increased on a pro rata basis upon completion of such bonus issue.

As at 30 May 2018, the then shareholders of Zhonggan Communication were as follows:

<u>Name of shareholders</u>	<u>Number of shares held</u>	<u>Shareholding percentage (approx.)</u> (%)
Mr. Liu Haoqiong . . . . .	25,501,766	51.0
Ms. Tao Xiulan . . . . .	14,506,234	29.0
Yue Da Investment . . . . .	7,501,500	15.0
Ying Hua Investment . . . . .	1,166,900	2.3
BOC International Securities . . . . .	666,800	1.3
Nanjing Securities . . . . .	333,400	0.7
Zhongshan Securities . . . . .	<u>333,400</u>	<u>0.7</u>
<b>Total</b> . . . . .	<u><u>50,010,000</u></u>	<u><u>100.0</u></u>

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### *Change of trading mechanism to market making*

On 29 November 2018, the trading mechanism of the Zhonggan Communication's shares was changed from transfer by agreement to market making, with the market makers being Nanjing Securities and BOC International Securities. Zhonggan Communication subsequently underwent a series of share transfers from November 2018 to May 2019. As at 20 May 2019, the shareholding structure of Zhonggan Communication was as follows:

<u>Name of shareholders</u>	<u>Number of shares held</u>	<u>Shareholding percentage (approx.)</u> (%)
Mr. Liu Haoqiong . . . . .	25,504,766	51.0
Ms. Tao Xiulan . . . . .	13,975,634	27.9
Yue Da Investment . . . . .	7,501,500	15.0
BOC International Securities . . . . .	1,463,800	2.9
Ying Hua Investment . . . . .	1,168,900	2.3
Nanjing Securities . . . . .	333,400	0.7
Mr. Xu Xingxiang (徐興祥) (“ <b>Mr. Xu</b> ”) <sup>(Note)</sup> . . . . .	60,000	0.1
Chen Xiaori (陳曉日) (“ <b>Chen</b> ”) <sup>(Note)</sup> . . . . .	1,000	0.0
Xiamen Dingsheng Zhicheng Enterprise Management Co., Ltd. * (廈門鼎盛至誠企業管理有限公司) (“ <b>Xiamen Dingsheng</b> ”) <sup>(Note)</sup> . . . . .	<u>1,000</u>	<u>0.0</u>
<b>Total</b> . . . . .	<u><u>50,010,000</u></u>	<u><u>100.0</u></u>

*Note: Each of Mr. Xu, Chen and Xiamen Dingsheng is an Independent Third Party.*

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### *Further increase of registered capital*

On 21 June 2019, the then shareholders of Zhonggan Communication resolved for Zhonggan Communication to issue (i) 2.80 bonus shares for every 10 existing shares held by a shareholder to capitalise the undistributed profits of RMB14,497,757.81 as of 31 December 2018, and (ii) 1.80 bonus shares for every 10 existing shares held by a shareholder by way of conversion of capital reserve of RMB9,375,198.89 as of 31 December 2018. As a result, on 21 June 2019, the then shareholders of Zhonggan Communication further resolved to increase the registered capital of Zhonggan Communication from RMB50,010,000 to RMB73,014,600 and the number of shares held by the shareholders of Zhonggan Communication was increased on a pro rata basis upon completion of such bonus issue. A series of transfers then took place during June 2019 and the shareholding structure of Zhonggan Communication as at 21 June 2019 was as follows:

Name of shareholders	Number of shares held	Shareholding percentage (approx.) (%)
Mr. Liu Haoqiong . . . . .	37,236,959	51.0
Ms. Tao Xiulan . . . . .	22,260,425	30.5
Yue Da Investment . . . . .	10,952,190	15.0
Ying Hua Investment . . . . .	1,706,594	2.3
Sunny Hanmy <sup>(Note)</sup> . . . . .	729,000	1.0
Mr. Xu <sup>(Note)</sup> . . . . .	87,600	0.1
BOC International Securities . . . . .	30,608	0.0
Nanjing Securities . . . . .	10,224	0.0
Shenzhen Beiwosi Investment Co., Ltd.* (深圳貝沃思投資有限公司)(“SZ Beiwosi”) <sup>(Note)</sup> . . . . .	1,000	0.0
<b>Total</b> . . . . .	<b>73,014,600</b>	<b>100.0</b>

*Note: Each of Sunny Hanmy, Mr. Xu and SZ Beiwosi was an Independent Third Party.*

### **Transfers of shares of Zhonggan Communication following the NEEQ Listing Withdrawal**

At an extraordinary general meeting of Zhonggan Communication held on 21 June 2019, the NEEQ Listing Withdrawal was approved by the majority shareholders. As part of the arrangements for the NEEQ Listing Withdrawal, on 24 June 2019, Ms. Tao Xiulan had undertaken to purchase such number of shares of Zhonggan Communication at such prices from the then minority shareholders of Zhonggan Communication, so that those shareholders could realise their investments in Zhonggan Communication after the NEEQ Listing Withdrawal without incurring any loss as compared with their investment cost. On 9 August 2019, the NEEQ Listing Withdrawal became effective. For details, please refer to paragraphs headed “Listing on NEEQ and NEEQ Listing Withdrawal” in this section.

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Such undertakings resulted in various transfers of the shares of Zhonggan Communication which took place between June to August 2019, pursuant to which Ms. Tao Xiulan entered into separate share transfer agreements with each of Mr. Xu, BOC International Securities, Nanjing Securities and SZ Beiwosi and purchased 87,600 shares from Mr. Xu at RMB2.86 per share, 30,608 shares from BOC International Securities at RMB2.02 per share, 10,224 shares from Nanjing Securities at RMB2.03 per share, and 1,000 shares from SZ Beiwosi at RMB2.00 per share, based on their respective investment costs. After completion of the above transfers, the shareholders of Zhonggan Communication were as follows:

<u>Name of shareholders</u>	<u>Number of shares held</u>	<u>Shareholding percentage (approx.)</u> (%)
Mr. Liu Haoqiong . . . . .	37,236,959	51.0
Ms. Tao Xiulan . . . . .	22,389,857	30.7
Yue Da Investment . . . . .	10,952,190	15.0
Ying Hua Investment . . . . .	1,706,594	2.3
Sunny Hanmy . . . . .	<u>729,000</u>	<u>1.0</u>
<b>Total . . . . .</b>	<u><u>73,014,600</u></u>	<u><u>100.0</u></u>

### *Share repurchase and reduction of capital*

Further to the NEEQ Listing Withdrawal and due to the uncertainty as to the listing plan of Zhonggan Communication at that time, Yue Da Investment decided to realise its investment in Zhonggan Communication. Subsequent to the commercial negotiation between Zhonggan Communication and Yue Da Investment, on 6 September 2019, Zhonggan Communication and the then shareholders of Zhonggan Communication entered into a capital reduction agreement with Yue Da Investment, pursuant to which Zhonggan Communication repurchased 15.0% of its shares, which were held by Yue Da Investment, at RMB15,762,400 (i.e. RMB1.44 per share). Subsequently, on 28 November 2019, Zhonggan Communication held an extraordinary general meeting, in which the aforesaid repurchase by Zhonggan Communication was approved. The consideration was determined with reference to the net book value per share of Zhonggan Communication as at 30 June 2019, and the then valuation of listed companies in the similar industry on the Hong Kong Stock Exchange. The consideration was fully settled in February 2020. Following the repurchase, Zhonggan Communication’s registered capital was reduced from RMB73,014,600 to RMB62,062,410 and the then shareholders of Zhonggan Communication were as follows:



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<u>Name of shareholders</u>	<u>Number of shares held</u>	<u>Shareholding percentage (approx.)</u> (%)
Mr. Liu Haoqiong . . . . .	37,236,959	60.0
Ms. Tao Xiulan . . . . .	22,389,857	36.1
Ying Hua Investment . . . . .	1,706,594	2.7
Sunny Hanmy . . . . .	<u>729,000</u>	<u>1.2</u>
<b>Total</b> . . . . .	<u><u>62,062,410</u></u>	<u><u>100.00</u></u>

### ***Transfer of shares to Ms. Wang Wenchun and the management***

On 26 February 2020, Ms. Tao Xiulan entered into separate share transfer agreements to transfer 2,172,185 shares, 1,861,872 shares and 1,551,560 shares of Zhonggan Communication, representing 3.5%, 3.0% and 2.5% of Zhonggan Communication’s shares held by her to Mr. Xiao Wei (肖衛), Ms. Wang Wenchun (汪文春) and Mr. Zhou Zhiqiang (周志強), respectively, at a consideration of RMB25,197,346, RMB21,597,800 and RMB17,998,100, respectively. The consideration was determined based on an agreed valuation of RMB720,000,000 (i.e. RMB11.6 per share). Mr. Xiao Wei was then an employee of Zhonggan Communication and is currently the supervisor of Gantong Jiangxi; Ms. Wang Wenchun was and is an Independent Third Party and Mr. Zhou Zhiqiang was the chief financial officer of Zhonggan Communication and is currently an executive Director of the Company and the director of Gantong Xiamen.

On the same date, Mr. Liu Haoqiong entered into a share transfer agreement to transfer 2,482,496 shares of Zhonggan Communication, representing 4.0% of Zhonggan Communication’s shares to Mr. Peng Shengqian, a director of Zhonggan Communication at a consideration of RMB28,797,000 which was determined based on an agreed valuation of RMB720,000,000 (i.e. RMB11.6 per share) taking into account the business performance of Zhonggan Communication in 2019 and its future prospects.

Further, as part of a family arrangement, on the same date, Mr. Liu Haoqiong transferred 2,172,185 shares and 2,172,185 shares, representing 3.5% and 3.5% of Zhonggan Communication’s shares, to Mr. Liu Dingli and Mr. Liu Dingyi at a consideration of RMB2,172,185 and RMB2,172,185, respectively.

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### *Investment by Gao Xin Hang Chuang and increase of registered capital*

On 23 June 2020, in anticipation of the previous plan for A-share listing, details of which are set out at "Listing on NEEQ and NEEQ Listing Withdrawal – Previous plan for A-share listing" in this section, Zhonggan Communication Mr. Liu Haoqiong and Ms. Tao Xiulan entered into the capital increase agreement with Nanchang Gao Xin Hang Chuang Ying Shan Hong Industrial Investment Partnership (Limited Partnership)\* (南昌高新航創映山紅產業投資合夥企業(有限合夥)) (“**Gao Xin Hang Chuang**”), an Independent Third Party, pursuant to which Gao Xin Hang Chuang agreed to subscribe for 3,200,862 shares in Zhonggan Communication for cash consideration of RMB37,130,000, of which RMB3,200,862 was contributed to the registered capital and the remaining RMB33,929,138 was converted into capital reserve. The consideration was determined based on an agreed valuation of RMB720,000,000 (i.e. RMB11.6 per share). On the same date, Mr. Liu Haoqiong and Ms. Tao Xiulan entered into a repurchase agreement with Gao Xin Hang Chuang, which provides, amongst others, that Gao Xin Hang Chuang was entitled to require Zhonggan Communication to repurchase 3,200,862 shares of Zhonggan Communication upon occurrence of certain triggering events. On 24 June 2020, at the annual general meeting of Zhonggan Communication, it was resolved that Zhonggan Communication would increase the registered capital from RMB62,062,410 to RMB65,263,272.

Following the above share transfers and capital increase, the then shareholders of Zhonggan Communication were as follows:

Name of shareholders	Number of shares held	Shareholding percentage (approx.) (%)
Mr. Liu Haoqiong . . . . .	30,410,093	46.6
Ms. Tao Xiulan . . . . .	16,804,240	25.7
Gao Xin Hang Chuang . . . . .	3,200,862	4.9
Mr. Peng Shengqian . . . . .	2,482,496	3.8
Mr. Liu Dingli . . . . .	2,172,185	3.3
Mr. Liu Dingyi . . . . .	2,172,185	3.3
Mr. Xiao Wei . . . . .	2,172,185	3.3
Ms. Wang Wenchun . . . . .	1,861,872	2.9
Ying Hua Investment . . . . .	1,706,594	2.6
Mr. Zhou Zhiqiang . . . . .	1,551,560	2.4
Sunny Hanmy . . . . .	729,000	1.1
<b>Total</b> . . . . .	<b>65,263,272</b>	<b>100.0</b>

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### *Transfer of shares from Mr. Liu Haoqiong to Rui Da Xin Tao*

On 23 June 2020, in anticipation of the previous plan for A-share listing, details of which are set out at “Listing on NEEQ and NEEQ Listing Withdrawal – Previous plan for A-share listing” in this section, Mr. Liu Haoqiong, Ms. Tao Xiulan and Zhonggan Communication entered into a share transfer agreement with Rui Da Xin Tao, an Independent Third Party, pursuant to which Mr. Liu Haoqiong transferred 863,000 shares, representing approximately 1.3% of the shares in Zhonggan Communication, to Rui Da Xin Tao for a cash consideration of RMB10,010,800 (the “**June 2020 Agreement**”). The consideration was determined with reference to the consideration paid by Gao Xin Hang Chuang i.e. RMB11.6 per share, in its subscription of Zhonggan Communication’s shares, details of which are set out in “Subsidiaries – 1. Zhonggan Communication – Investment by Gao Xin Hang Chuang and increase of registered capital” in this section.

### *Transfer of shares from Mr. Liu Haoqiong to Xin Wang Zhi Hui*

On 28 August 2020, in anticipation of the previous plan for A-share listing, details of which are set out at “Listing on NEEQ and NEEQ Listing Withdrawal – Previous plan for A-share listing” in this section, Mr. Liu Haoqiong, Zhonggan Communication and Zhuhai Xin Wang Zhi Hui Equity Investment Partnership (Limited Partnership)\* (珠海新網智慧股權投資合夥企業(有限合夥)) (“**Xin Wang Zhi Hui**”), a limited liability partnership established under the laws of the PRC and an Independent Third Party, signed a share transfer agreement, pursuant to which Mr. Liu Haoqiong transferred 1,551,724 shares, representing approximately 2.4% of the issued shares in Zhonggan Communication, to Xin Wang Zhi Hui, for a cash consideration of RMB18,000,000 (i.e. RMB11.6 per share).

### *Transfer of shares from Rui Da Xin Tao to Shu Zhi Shen Kong*

On 14 December 2020, Rui Da Xin Tao entered into a share transfer agreement with Shu Zhi Shen Kong, an Independent Third Party, Mr. Liu Haoqiong and Ms. Tao Xiulan (the “**December 2020 Agreement**”) (as varied by supplemental agreements on 14 December 2020 and 6 April 2022) pursuant to which Rui Da Xin Tao transferred 604,100 shares, representing approximately 0.9% of the shares in Zhonggan Communication, to Shu Zhi Shen Kong for a cash consideration of RMB7,007,560. The original consideration of RMB7,007,560 was determined based on the consideration paid by Rui Da Xin Tao in acquisition of shares in Zhonggan Communication based on an agreed valuation of RMB720,000,000 (i.e. RMB11.6 per share), taking into account the business performance of Zhonggan Communication in 2019 and its future prospects.

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### *Repurchase of shares from Gao Xin Hang Chuang and reduction of capital*

Following the occurrence of certain triggering event under the repurchase agreement dated 23 June 2020 (subsequently varied on 20 October 2021), i.e. Zhonggan Communication did not proceed with its A-share listing plan, details of which are set out in the section headed “Listing on NEEQ and NEEQ Listing Withdrawal – Previous Plan for A-share listing” in this section, Gao Xin Hang Chuang became entitled to exercise its right to require Zhonggan Communication to repurchase the shares held by it at a consideration of RMB41,635,562.75, determined based on the capital contribution of Gao Xin Hang Chuang, and an annualised return of 10% (including any dividend or bonus distributed). On 23 August 2021, Zhonggan Communication held an extraordinary general meeting, in which the repurchase of 3,200,862 shares of Zhonggan Communication held by Gao Xin Hang Chuang was approved. On 20 October 2021, Zhonggan Communication, Gao Xin Hang Chuang and the then shareholders of Zhonggan Communication entered into a capital reduction agreement, pursuant to which Zhonggan Communication’s registered capital was reduced from RMB65,263,272 to RMB62,062,410. The consideration was fully settled in November 2021. After the capital reduction, and the shareholders of Zhonggan Communication were as follows:

<b>Name of shareholders</b>	<b>Number of shares held</b>	<b>Shareholding percentage (approx.)</b>
		(%)
Mr. Liu Haoqiong . . . . .	27,995,369	45.1
Ms. Tao Xiulan . . . . .	16,804,240	27.1
Mr. Peng Shenqian . . . . .	2,482,496	4.0
Mr. Liu Dingli . . . . .	2,172,185	3.5
Mr. Liu Dingyi . . . . .	2,172,185	3.5
Mr. Xiao Wei . . . . .	2,172,185	3.5
Ms. Wang Wenchun . . . . .	1,861,872	3.0
Ying Hua Investment . . . . .	1,706,594	2.7
Xin Wang Zhi Hui . . . . .	1,551,724	2.5
Mr. Zhou Zhiqiang . . . . .	1,551,560	2.5
Sunny Hanmy . . . . .	729,000	1.2
Shu Zhi Shen Kong . . . . .	604,100	1.0
Rui Da Xin Tao . . . . .	258,900	0.4
<b>Total . . . . .</b>	<b>62,062,410</b>	<b>100.0</b>

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### *Transfer of shares from Xin Wang Zhi Hui to Mr. Liu Haoqiong*

On 19 October 2021, in view of the change of listing plan, Mr. Liu Haoqiong and Xin Wang Zhi Hui entered into a share transfer agreement (subsequently varied on 1 March 2022), pursuant to which Mr. Liu Haoqiong purchased 1,551,724 shares, representing approximately 2.5% of the shares of Zhonggan Communication, from Xin Wang Zhi Hui for a cash consideration of RMB19,728,813, which was determined based on the consideration paid by Xin Wang Zhi Hui, being RMB18,000,000, to purchase the 1,551,724 shares in Zhonggan Communication plus 7.0% annual interest (which was subsequently reduced to 5.08% from 25 November 2021 onwards) on the original consideration. On 26 March 2022, the consideration was settled in full and Xin Wang Zhi Hui ceased to be a shareholder of Zhonggan Communication.

### *Conversion of Zhonggan Communication into a limited liability company*

On 28 February 2022, for the purposes of the Reorganisation, the then shareholders of Zhonggan Communication resolved to convert Zhonggan Communication into a limited liability company and to change its name to its current name. The aforementioned changes were approved by the relevant PRC authority on 3 March 2023.

As at 3 March 2022, Zhonggan Communication’s holding structure was as follows:

Name of equity holders	Capital contribution	Percentage of equity interest (approx.)
	RMB	(%)
Mr. Liu Haoqiong . . . . .	27,995,369	45.1
Ms. Tao Xiulan . . . . .	16,804,240	27.1
Mr. Peng Shengqian . . . . .	2,482,496	4.0
Mr. Liu Dingli . . . . .	2,172,185	3.5
Mr. Liu Dingyi . . . . .	2,172,185	3.5
Mr. Xiao Wei . . . . .	2,172,185	3.5
Ms. Wang Wenchun . . . . .	1,861,872	3.0
Ying Hua Investment . . . . .	1,706,594	2.7
Mr. Zhou Zhiqiang . . . . .	1,551,560	2.5
Sunny Hanmy . . . . .	729,000	1.2
Shu Zhi Shen Kong . . . . .	604,100	1.0
Rui Da Xin Tao . . . . .	258,900	0.4
<b>Total</b> . . . . .	<b>62,062,410</b>	<b>100.0</b>

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## HISTORY AND REORGANISATION

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### ***Further transfer of equity interest from Mr. Liu Haoqiong to Rui Da Xin Tao and Shu Zhi Shen Kong***

Due to change of listing plan which led to change in the agreed valuation of Zhonggan Communication from RMB720,000,000 to RMB500,000,000, the parties agreed to adjust the percentage of equity interest to be acquired by Rui Da Xin Tao and Shu Zhi Shen Kong. On 6 March 2022 and 6 April 2022, Mr. Liu Haoqiong and Ms. Tao Xiulan entered into separate agreements with Rui Da Xin Tao and Shu Zhi Shen Kong respectively, to, among other things, transfer further approximately 0.2% equity interest in Zhonggan Communication to Rui Da Xin Tao at nil consideration, and to transfer further approximately 0.4% equity interest in Zhonggan Communication to Shu Zhi Shen Kong at nil consideration for the purpose of compensating the downward adjustment of valuation of Zhonggan Communication.

### ***Capital injection by You Po Investment***

On 14 April 2022, Zhonggan Communication entered into a capital increase agreement with You Po Investment, an Independent Third Party, pursuant to which You Po Investment agreed to subscribe for approximately 4.3% of equity interest in Zhonggan Communication for cash consideration of RMB22,440,000, of which RMB2,805,000 was contributed to the registered capital, and the remaining RMB19,635,000 was converted into capital reserve. The consideration was determined following arm's length negotiations between the parties with reference to an agreed valuation of Zhonggan Communication of RMB500,000,000.

### ***Capital injection by Ms. Yeung***

On 14 April 2022, Ms. Yeung, a Hong Kong individual and an Independent Third Party, subscribed for 1.0% of equity interest in Zhonggan Communication at a cash consideration of RMB5,241,808, of which RMB655,226 was contributed to the registered capital, and the remaining RMB4,586,582 was converted into capital reserve. The consideration was determined following arm's length negotiations between the parties with reference to an agreed valuation of Zhonggan Communication of RMB500,000,000.

### ***Transfer of equity interest from Mr. Peng Shengqian to Mr. Liu Haoqiong***

On 14 April 2022, in view of the change of listing plan, Mr. Liu Haoqiong entered into an equity transfer agreement with Mr. Peng Shengqian pursuant to which Mr. Liu Haoqiong purchased 4.0% of equity interest of Zhonggan Communication from Mr. Peng Shengqian at RMB28,796,953.6, being the original consideration paid by Mr. Peng Shengqian to acquire shares of Zhonggan Communication in May 2020.

### ***Further transfer of equity interest to Mr. Liu Dingli and Mr. Liu Dingyi***

On 14 April 2022, as part of a family arrangement, Ms. Tao Xiulan entered into an equity transfer agreement with each of Mr. Liu Dingli and Mr. Liu Dingyi, respectively to gift 4.0% of equity interest in Zhonggan Communication, to each of Mr. Liu Dingli and Mr. Liu Dingyi at nil consideration.

## HISTORY AND REORGANISATION

### *Increase of registered capital of Zhonggan Communication*

Following the capital injection by You Po Investment and Ms. Yeung and the above transfers of equity interest, on 14 April 2022, in the extraordinary general meeting of Zhonggan Communication, it was resolved that Zhonggan Communication would increase the registered capital from RMB62,062,410 to RMB65,522,636. Upon completion of the subscription, Zhonggan Communication was converted into a sino-foreign joint venture.

### *Transfer of equity interest from Mr. Xiao Wei, Ms. Wang Wenchun and Mr. Zhou Zhiqiang to Ms. Tao Xiulan*

On 14 April 2022, in view of the change of listing plan, Ms. Tao Xiulan entered into separate equity transfer agreements with Mr. Xiao Wei, Ms. Wang Wenchun and Mr. Zhou Zhiqiang, pursuant to which Ms. Tao Xiulan purchased 3.5%, 3.0% and 2.5% of the equity interest of Zhonggan Communication from Mr. Xiao Wei, Ms. Wang Wenchun and Mr. Zhou Zhiqiang at a consideration of RMB25,197,346, RMB21,597,715.2 and RMB17,998,096, being the respective original consideration paid by Mr. Xiao Wei, Ms. Wang Wenchun and Mr. Zhou Zhiqiang to acquire shares of Zhonggan Communication in May 2020.

Upon completion of the above transfers on 19 April 2022, Zhonggan Communication was held as follows:

Name of equity holders	Capital contribution	Percentage of equity interest
	RMB	(%)
Mr. Liu Haoqiong . . . . .	31,641,239	48.3
Ms. Tao Xiulan . . . . .	17,424,865	26.6
Mr. Liu Dingli . . . . .	4,654,681	7.1
Mr. Liu Dingyi . . . . .	4,654,681	7.1
You Po Investment . . . . .	2,805,000	4.3
Ying Hua Investment . . . . .	1,706,594	2.6
Shu Zhi Shen Kong . . . . .	875,945	1.3
Sunny Hanmy . . . . .	729,000	1.1
Ms. Yeung . . . . .	655,226	1.0
Rui Da Xin Tao . . . . .	375,405	0.6
<b>Total</b> . . . . .	<b>65,522,636</b>	<b>100.0</b>

As part of the Reorganisation, the entire equity interest of Zhonggan Communication was subsequently acquired by Jiangxi Zhongge, a limited liability company incorporated in the PRC which is an indirect wholly-owned subsidiary of the Company. As of the Latest Practicable Date, Zhonggan Communication has become an indirectly wholly-owned subsidiary of the Company, which is also ultimately controlled by Mr. Liu Haoqiong and Ms. Tao Xiulan. See section headed “Reorganisation” in this section for further details.



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## HISTORY AND REORGANISATION

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### ***Branch offices of Zhonggan Communication***

Zhonggan Communication had established three branch offices in the PRC, including Guizhou Province, Shanghai and Zhejiang Province. Due to change in development strategies, the branch offices in Guizhou Province and Zhejiang Province were deregistered on 24 February 2023 and 10 March 2023, respectively. As confirmed by the Directors and concurred by the PRC Legal Advisers, saved as disclosed, the deregistered branch offices were not involved in any material claims, litigations or non-compliant incidents during the Track Record Period. In addition, the deregistration had no material impact on the Group’s financial performance, financial position and cash flows during the Track Record Period.

### **2. GLP Technology**

GLP Technology was incorporated by Zhonggan Communication as a limited liability company in the PRC on 30 November 2017, then known as Jiangxi Gelapu Technology Co., Ltd.\* (江西歌拉普科技有限公司). GLP Technology was incorporated with a registered capital of RMB10,000,000. On 26 June 2018, Zhonggan Communication resolved to increase the registered capital of GLP Technology to RMB30,000,000, which has been paid up. On 16 February 2022, GLP Technology changed to its current name. GLP Technology is primarily engaged in the Digitalisation Solution Services business. As of the Latest Practicable Date, it is an indirect wholly-owned subsidiary of the Company.

### **3. Gantong Jiangxi**

Gantong Jiangxi was incorporated by Zhonggan Communication as a limited liability company on 28 October 2019 with a registered capital of RMB10,000,000. During the Track Record Period and up to the Latest Practicable Date, Gantong Jiangxi has not commenced business. As of the Latest Practicable Date, Gantong Jiangxi is an indirect wholly-owned subsidiary of the Company.

### **4. Gantong Xiamen**

Gantong Xiamen was incorporated by Zhonggan Communication as a limited liability company in the PRC on 12 November 2021 with a registered capital of RMB1,000,000. During the Track Record Period and up to the Latest Practicable Date, Gantong Xiamen has not commenced business. As of the Latest Practicable Date, Gantong Xiamen is an indirect wholly-owned subsidiary of the Company.

### **5. GLP Software**

GLP Software was incorporated by GLP Technology as a limited liability company in the PRC on 11 February 2022 with a registered capital of RMB5,000,000. GLP Software is primarily engaged in the Digitalisation Solution Services business. As of the Latest Practicable Date, GLP Software is an indirect wholly-owned subsidiary of the Company.



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## HISTORY AND REORGANISATION

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### REORGANISATION

In anticipation of the [REDACTED], the Group underwent the Reorganisation as a result of which the Company became the holding company and [REDACTED] vehicle of the Group.

#### Incorporation of holding companies

As part of the Reorganisation, six companies were incorporated in the BVI with limited liability by the original individual and corporate shareholders of Zhonggan Communication and one company was incorporated in the Cayman Islands by an original corporate shareholder of Zhonggan Communication, respectively, as their investment vehicles with their shareholdings proportional to their original percentage levels of equity interest in Zhonggan Communication.

On 12 April 2022, GT & Yangtze, Huat Huat and Octuple Hills were incorporated in the BVI with limited liability by the individual shareholders of Zhonggan Communication, namely, Mr. Liu Haoqiong, Ms. Tao Xiulan, Mr. Liu Dingli and Mr. Liu Dingyi, as their respective investment vehicles. GT & Yangtze is owned as to 70.0% by Mr. Liu Haoqiong and as to 30.0% by Ms. Tao Xiulan. Huat Huat and Octuple Hills are wholly-owned by Mr. Liu Dingli and Mr. Liu Dingyi, respectively.

On 8 June 2022, You Po Investment incorporated You Po BVI in the BVI with limited liability as its wholly-owned investment vehicle. On 27 May 2022, Ying Hua Investment incorporated Ying Hua BVI in the BVI with limited liability as its wholly-owned investment vehicle. Shu Zhi Shen Kong and Rui Da Xin Tao also incorporated Shu Zhi Cayman and Rui Da BVI in the Cayman Islands and BVI, respectively with limited liability as their respective wholly-owned investment vehicles.

#### Incorporation of the Company

On 20 April 2022, the Company was incorporated in the Cayman Islands as an exempted company. Upon incorporation, the Company issued one ordinary share with a par value of HK\$0.1 to the initial subscriber which was fully paid, and the initial subscriber subsequently transferred such Share to GT & Yangtze on 26 May 2022. On the same day, the Company allotted additional Shares. Upon completion of the allotment, the shareholding of the Company was as follows:

<u>Name of Shareholders</u>	<u>Number of issued Shares</u>	<u>Shareholding percentage (approx.) (%)</u>
GT & Yangtze . . . . .	757,268	84.0
Huat Huat . . . . .	71,839	8.0
Octuple Hills . . . . .	<u>71,839</u>	<u>8.0</u>
<b>Total</b> . . . . .	<u><u>900,946</u></u>	<u><u>100.0</u></u>

## HISTORY AND REORGANISATION

Following the Company's incorporation, the following individuals were appointed as Directors on 19 May 2022: Mr. Liu Haoqiong, Mr. Liu Dingli, Mr. Peng Shengqian, Ms. Tao Xiulan, Ms. Xie Xiaolan, and Mr. Liu Dingyi. On 13 September 2022, Ms. Tao Xiulan resigned as Director for personal reasons, specifically to allocate more time to the care of her family. Concurrently, Mr. Zhou Zhiqiang was appointed as Director on the same day. For further details of the Directors, please refer to the paragraphs headed “Directors and Senior Management – Directors – Executive Directors” in this document.

### Allotment of Shares to Ying Hua BVI, Shu Zhi Cayman, Rui Da BVI, You Po BVI and Ms. Yeung

On 7 July 2022, the Company allotted 43,291 Shares, 26,339 Shares, 13,518 Shares, 5,793 Shares and 10,113 Shares at par value to You Po BVI, Ying Hua BVI, Shu Zhi Cayman, Rui Da BVI and Ms. Yeung. Upon completion of the allotment, the shareholding of the Company was as follows:

<u>Name of Shareholders</u>	<u>Number of issued Shares</u>	<u>Shareholding percentage (approx.) (%)</u>
GT & Yangtze . . . . .	757,268	75.7
Huat Huat . . . . .	71,839	7.2
Octuple Hills . . . . .	71,839	7.2
You Po BVI . . . . .	43,291	4.3
Ying Hua BVI . . . . .	26,339	2.6
Shu Zhi Cayman . . . . .	13,518	1.4
Rui Da BVI . . . . .	5,793	0.6
Ms. Yeung . . . . .	<u>10,113</u>	<u>1.0</u>
<b>Total . . . . .</b>	<b><u>1,000,000</u></b>	<b><u>100.0</u></b>

### Incorporation of Zhonggan BVI and Zhonggan HK

On 24 May 2022, Zhonggan BVI was incorporated by the Company as an investment vehicle in the BVI. Upon incorporation, Zhonggan BVI issued one ordinary share with issued capital of USD1.00.

On 9 June 2022, Zhonggan HK was incorporated by Zhonggan BVI in Hong Kong. Upon incorporation, Zhonggan BVI holds 1 issued ordinary share in Zhonggan HK with issued capital of HK\$1.00.

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## HISTORY AND REORGANISATION

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### **Incorporation of Jiangxi Zhongge and changes to its registered capital**

On 18 July 2022, Zhonggan HK incorporated a wholly foreign-owned enterprise, Jiangxi Zhongge, as a limited liability company in the PRC, with an initial registered capital of RMB158,524,890. On 22 July 2022, the registered capital of Jiangxi Zhongge was increased from RMB158,524,890 to HK\$184,453,522. On 7 April 2023, Zhonggan HK resolved to reduce the registered capital of Jiangxi Zhongge to HK\$22,806,837 and the reduction of registered capital took effect on 24 May 2023. As at the Latest Practicable Date, the registered capital of Jiangxi Zhongge has not been paid up. As advised by the PRC Legal Advisers, the unpaid registered capital of Jiangxi Zhongge will not affect the completion of the Reorganisation.

### **Acquisition of approximately 98.9% equity interest of Zhonggan Communication by Jiangxi Zhongge**

On 22 August 2022, Jiangxi Zhongge entered into equity transfer agreements with each of Mr. Liu Haoqiong, Ms. Tao Xiulan, Mr. Liu Dingli, Mr. Liu Dingyi, You Po Investment, Ying Hua Investment, Shu Zhi Shen Kong, Rui Da Xin Tao and Ms. Yeung (together, the “**Transferors**”), pursuant to which the Transferors agreed to transfer in aggregate approximately 98.9% of the equity interest in Zhonggan Communication to Jiangxi Zhongge for a total cash consideration of RMB136,262,066, determined based on the net asset value of Zhonggan Communication as at 31 December 2021. As Jiangxi Zhongge is a newly established entity whose registered capital has yet to be paid up, to facilitate the transfer of Zhonggan Communication’s 98.9% equity interest which forms part of the Reorganisation, each of (i) Mr. Liu Haoqiong, Ms. Tao Xiulan, Mr. Liu Dingli, Mr. Liu Dingyi, Jiangxi Zhongge and Zhonggan Communication, and (ii) Ms. Yeung, Jiangxi Zhongge and Zhonggan Communication entered into a waiver agreement on 22 August 2022 waiving the obligation of Jiangxi Zhongge to pay them their respective considerations. Subsequently on 14 December 2023, Mr. Liu Haoqiong, Ms. Tao Xiulan, Mr. Liu Dingli, Mr. Liu Dingyi, Ms. Yeung, Jiangxi Zhongge and Zhonggan Communication entered into a termination agreement (the “**December 2023 Agreement**”), among other things, to terminate the aforementioned waiver agreements and revive the obligation of Jiangxi Zhongge to pay them their respective considerations pursuant to the aforementioned equity transfer agreement. Ms. Tao Xiulan, Mr. Liu Dingyi, Mr. Liu Dingli and Ms. Yeung provided funds for a total amount of RMB61,176,196 to Mr. Liu Haoqiong in order to facilitate the provision of funds for a total amount of RMB127,718,305 (the “**Funds**”) from Mr. Liu Haoqiong to Jiangxi Zhongge as gift, solely for the purpose of its payment of the considerations to Mr. Liu Haoqiong, Ms. Tao Xiulan, Mr. Liu Dingli, Mr. Liu Dingyi and Ms. Yeung. The consideration payable by Jiangxi Zhongge to Mr. Liu Haoqiong, Ms. Tao Xiulan, Mr. Liu Dingli, Mr. Liu Dingyi, Ms. Yeung, You Po Investment, Ying Hua Investment, Shu Zhi Shen Kong and Rui Da Xin Tao was settled. As confirmed by the PRC Legal Advisers, the equity transfers from the Transferors to Jiangxi Zhongge have been duly completed and Jiangxi Zhongge is duly registered as the equity holder of 98.9% equity interest of Zhonggan Communication on 25 August 2022. After the completion of the aforementioned equity transfers, Zhonggan Communication was held as follows:

## HISTORY AND REORGANISATION

<u>Name of equity holders</u>	<u>Capital contribution</u>	<u>Percentage of equity interest (approx.)</u>
	RMB	(%)
Jiangxi Zhongge. . . . .	64,793,636	98.9
Sunny Hanmy . . . . .	<u>729,000</u>	<u>1.1</u>
<b>Total</b> . . . . .	<u><u>65,522,636</u></u>	<u><u>100.0</u></u>

### Transfer of approximately 1.1% equity interest of Zhonggan Communication from Sunny Hanmy to Mr. Liu Dingyi and from Mr. Liu Dingyi to Jiangxi Zhongge

Pursuant to the terms of the share repurchase agreement made between Mr. Liu Haoqiong and Sunny Hanmy dated 22 March 2019, Sunny Hanmy shall be entitled to request Mr. Liu Haoqiong (or a third party designated by him) to repurchase the equity interest held by Sunny Hanmy at its initial capital contribution of RMB2,500,472 plus an annual interest of 12% on the initial capital contribution (excluding dividend already paid to Sunny Hanmy). As Jiangxi Zhongge was a newly established entity whose registered capital has yet to be paid up, to facilitate the transfer of Zhonggan Communication’s 1.1% equity interest to Jiangxi Zhongge which forms part of the Reorganisation, Mr. Liu Haoqiong designated Mr. Liu Dingyi, rather than Jiangxi Zhongge, to acquire the equity interest of Zhonggan Communication from Sunny Hanmy. As a result, on 22 December 2022, Mr. Liu Dingyi entered into an equity transfer agreement with Sunny Hanmy, pursuant to which Sunny Hanmy agreed to transfer approximately 1.1% of the equity interest in Zhonggan Communication to Mr. Liu Dingyi for a cash consideration of approximately RMB3.6 million. The consideration has been fully settled. As confirmed by the PRC Legal Advisers, the equity transfer from Sunny Hanmy to Mr. Liu Dingyi have been duly completed on 3 February 2023.

On 20 February 2023, Jiangxi Zhongge entered into an equity transfer agreement with Mr. Liu Dingyi, pursuant to which Mr. Liu Dingyi agreed to transfer approximately 1.1% of the equity interest in Zhonggan Communication to Jiangxi Zhongge for a cash consideration of approximately RMB3.6 million, determined based on the purchase price paid to Sunny Hanmy. As Jiangxi Zhongge is a newly established entity whose registered capital has yet to be paid up, to facilitate the transfer of Zhonggan Communication’s 1.1% equity interest which forms part of the Reorganisation, on 20 February 2023, Mr. Liu Dingyi entered into a waiver agreement with Jiangxi Zhongge and Zhonggan Communication, pursuant to which Mr. Liu agreed to waive the obligation of Jiangxi Zhongge to pay him the cash consideration of approximately RMB3.6 million. Subsequently, the waiver agreement was terminated and the obligation of Jiangxi Zhongge to pay Mr. Liu Dingyi the relevant consideration pursuant to the aforementioned equity transfer agreement was revived pursuant to the December 2023 Agreement. As mentioned above, the Funds was provided to Jiangxi Zhongge and the consideration payable by Jiangxi Zhongge to Mr. Liu Dingyi was settled. As confirmed by the PRC Legal Advisers, the equity transfer from Mr. Liu Dingyi to Jiangxi Zhongge has been duly completed on 21 February 2023 and Jiangxi Zhongge is duly registered as the equity holder of 100.0% equity interest of Zhonggan Communication. Subsequent to these transfers, Zhonggan Communication became a wholly-owned subsidiary of Jiangxi Zhongge.

## HISTORY AND REORGANISATION

### Increase of authorised share capital of the Company and allotment of shares to Octuple Hills

On 15 May 2023, the Company’s authorised share capital was increased from HK\$100,000 divided into 1,000,000 Shares with a par value of HK\$0.1 each to HK\$101,126 divided into 1,011,260 Shares with a par value of HK\$0.1 each.

On 15 May 2023, as a result of acquisition of approximately 1.1% of the equity interest in Zhonggan Communication by Mr. Liu Dingyi which was subsequently transferred to Jiangxi Zhongge as described above, 11,251 Shares were allotted to Octuple Hills at par value, to reflect the change in percentage level of equity interest held by Mr. Liu Dingyi in Zhonggan Communication. Further to such allotment, Octuple Hills held 83,090 Shares, representing approximately 8.2% of all issued Shares. As at 15 May 2023, the shareholding of the Company was as follows:

<u>Name of Shareholders</u>	<u>Number of issued Shares</u>	<u>Shareholding percentage (approx.)</u> (%)
GT & Yangtze .....	757,268	74.9
Octuple Hills .....	83,090	8.2
Huat Huat .....	71,839	7.1
You Po BVI .....	43,291	4.3
Ying Hua BVI .....	26,339	2.6
Shu Zhi Cayman .....	13,518	1.3
Ms. Yeung .....	10,113	1.0
Rui Da BVI .....	5,793	0.6
<b>Total</b> .....	<u>1,011,251</u>	<u>100.0</u>

[REDACTED]

### Investment by Rui Da BVI

By the June 2020 Agreement (as varied by a supplemental agreement dated 14 December, 2020), Rui Da Xin Tao acquired 863,000 shares of Zhonggan Communication from Mr. Liu Haoqiong at a total consideration of RMB10,010,800. For details, please refer to paragraphs headed “Subsidiaries – 1. Zhonggan Communication – Transfer of shares from Mr. Liu Haoqiong to Rui Da Xin Tao” and “Subsidiaries – Zhonggan Communication – Further transfer of equity interest from Mr. Liu Haoqiong to Rui Da Xin Tao and Shu Zhi Shen Kong” in this section.

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## HISTORY AND REORGANISATION

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Rui Da Xin Tao is a limited liability partnership established in the PRC on 3 August 2015 principally engaged in investment management, asset management and project investment. Rui Da Xin Tao is owned as to 30.0% by its general partner, Mr. Li Ning (李寧), and as to 40.0% by Mr. Zhao Yang (趙陽) and as to 30.0% by Mr. Song Chuan Ke (宋傳柯), as limited partners. Details of Rui Da Xin Tao, its investment portfolio and scale of operation are as follows:

<b>Name</b> . . . . .	Beijing Rui Da Xin Tao Capital Management Centre (Limited Partnership)
<b>Date of incorporation</b> . . . . .	3 August 2015
<b>Company type</b> . . . . .	Limited Partnership
<b>Investment portfolio</b> . . . . .	Currently invested in two projects: (i) the Group and (ii) a company in railroad track technology industry
<b>Scale of operation</b> . . . . .	As confirmed by the general partner of Rui Da Xin Tao, the amount of investment of Rui Da Xin Tao was approximately RMB10.0 million, and it had no investment return as at the Latest Practicable Date.
<b>Number of key staff</b> . . . . .	3
<b>Reason for investment</b> . . . . .	(1) In 2020, AVIC Securities Co., Ltd., the A-share Sponsor for Zhonggan Communication's previous plan for A-share listing, recommended the Group to them.  (2) Mr. Li Ning (李寧), the general partner of Rui Da Xin Tao, possesses extensive investment experience. He has invested in diverse industries such as wire and cable manufacturing, housing construction, organic chemical raw materials manufacturing, biopharmaceutical manufacturing, and more. With his professional background, he has developed a deep understanding of the telecommunications industry. After conducting thorough research and assessment, he holds a positive overall assessment of the Group's business prospects.

On 7 July 2022, 5,793 Shares were allotted and issued to Rui Da BVI, which is wholly owned by Rui Da Xin Tao.

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## HISTORY AND REORGANISATION

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### Investment by Shu Zhi Cayman

By the December 2020 Agreement, as varied by supplemental agreements dated 14 December 2020 and 6 April 2022, Shu Zhi Shen Kong acquired 604,100 shares of Zhonggan Communication from Rui Da Xin Tao at a total consideration of RMB7,007,560. For details, please refer to “Subsidiaries – 1. Zhonggan Communication – Transfer of shares from Rui Da Xin Tao to Shu Zhi Shen Kong” and “Subsidiaries – 1. Zhonggan Communication – Further transfer of equity interest from Mr. Liu Haoqiong to Rui Da Xin Tao and Shu Zhi Shen Kong” in this section.

Shu Zhi Shen Kong is a limited liability partnership established in the PRC on 14 December 2020 principally engaged in corporate management and information consultancy services. Shu Zhi Shen Kong is owned as to approximately 94.3% by its general partner Shanghai Songxian Enterprise Management Center (Limited Partnership)\* (上海誦弦企業管理中心(有限合伙)) (“**Shanghai Song Xian**”), and as to the remaining 5.7% by its limited partner Mr. Yu Da (虞達). Shanghai Song Xian is a limited liability partnership established in the PRC on 23 November 2020 and is principally engaged in corporate management consultancy and financial consultancy services. Shanghai Song Xian is owned as to approximately 18.3% by its general partner Mr. Wang Wei (王巍), and as to approximately 61.0% by Ms. Da Mingyu (達明玉), and as to the remaining approximately 20.7% by a number of individuals, as limited partners. Details of Shu Zhi Shen Kong, its investment portfolio and scale of operation are as follows:

<b>Name</b> . . . . .	Hainan Shu Zhi Shen Kong Investment Partnership (Limited Partnership)
<b>Date of incorporation</b> . . . . .	14 December 2020
<b>Company type</b> . . . . .	Limited Partnership
<b>Investment portfolio</b> . . . . .	Mainly focused on high-tech enterprises. Currently involved in several projects in specific industries include telecommunications services industry (such as the Group’s business) and other industries such as pharmaceutical, high-speed rail and software.
<b>Scale of operation</b> . . . . .	As confirmed by the general partner of Shu Zhi Shen Kong, the amount of investment of Shu Zhi Shen Kong was approximately RMB20.0 million, and it had no investment return up to the Latest Practicable Date.
<b>Number of key staff</b> . . . . .	More than 10
<b>Reason for investment</b> . . . . .	(1) In 2020, AVIC Securities Co., Ltd., the A-share Sponsor for Zhonggan Communication’s previous plan for A-share listing, recommended the Group to them.



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## HISTORY AND REORGANISATION

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- (2) The general partner of Shu Zhi Shen Kong, Shanghai Song Xian, also has investments in various sectors such as the financial industry, leasing, and business services. The partners of Shanghai Song Xian, leveraging their investment experience, have conducted assessments on factors including revenue, growth rate, and other indicators within the telecommunications industry. Based on comprehensive data analysis, they are optimistic towards the evaluation of the Group’s business prospects and other aspects.

On 7 July 2022, 13,518 Shares, were allotted and issued to Shu Zhi Cayman, which is wholly owned by Shu Zhi Shen Kong.

### Investment by You Po BVI

On 14 April 2022, Zhonggan Communication entered into a capital increase agreement with You Po Investment, an Independent Third Party, pursuant to which You Po Investment agreed to subscribe for approximately 4.3% of equity interest in Zhonggan Communication for cash consideration of RMB22,440,000. For details, please refer to “Subsidiaries – 1. Zhonggan Communication – Capital Injection by You Po Investment” of this section.

You Po Investment is a limited liability partnership established in the PRC on 22 February 2022 principally engaged in information consultancy services. You Po Investment is owned as to approximately 38.3% by its general partner Ms. Wang Wenchun (汪文春), and as to approximately 11.6% by Mr. Li Peichao (李沛潮), as to approximately 11.6% by Mr. Zhao Yijiu (趙億久), as to approximately 10.2% by Mr. Wu Shuiyin (吳水印), and as to the remaining approximately 28.3% by a number of individuals, as limited partners. Details of You Po Investment, its investment portfolio and scale of operation are as follows:

<b>Name</b> . . . . .	Shenzhen You Po Business Consulting Partnership (Limited Partnership)
<b>Date of incorporation</b> . . . . .	22 February 2022
<b>Company type</b> . . . . .	Limited Partnership
<b>Investment portfolio</b> . . . . .	Currently only invested in the Group
<b>Scale of operation</b> . . . . .	As confirmed by the general partner of You Po Investment, the amount of investment of You Po Investment was approximately RMB22.4 million, and it had no investment return up to the Latest Practicable Date.
<b>Number of key staff</b> . . . . .	More than 10



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## HISTORY AND REORGANISATION

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- Reason for investment . . . .** (1) The general partner of You Po Investment, Ms. Wang Wenchun, has become acquainted with Mr. Liu Haoqiong for many years, and has made her investment based on her recognition and trust in his character.
- (2) Ms. Wang Wenchun herself has investment experience in a real estate appraisal company and has a deep understanding of the telecommunications industry. Based on her research and assessment, she maintains a positive assessment of the Group’s business prospects and other aspects.

On 7 July 2022, 43,291 Shares, were allotted and issued to You Po BVI, which is wholly owned by You Po Investment.

### **Investment by Ms. Yeung**

On 14 April 2022, pursuant to a subscription agreement, Ms. Yeung, a Hong Kong individual and an Independent Third Party, subscribed for 1.0% of equity interest in Zhonggan Communication at a consideration of RMB5,241,808. Details of Ms. Yeung, her investment portfolio and scale of operation are as follows:

- Name . . . . .** Yeung Hoi Ka
- Investment portfolio . . . . .** Currently involved in several projects in specific industries include telecommunications services industry (such as the Group’s business) and financial industry
- Scale of operation . . . . .** As confirmed by Ms. Yeung, the amount of investment of Ms. Yeung was approximately RMB5.2 million, and it had no investment return up to the Latest Practicable Date.
- Reason for investment . . . .** (1) Mr. Yeung has become acquainted with Mr. Liu Haoqiong for 20 years, and has made her investment based on her recognition and trust in his character.
- (2) Ms. Yeung has a strong understanding of the telecommunications industry. Apart from her investments in the Group, she also invests in other companies within the telecommunications sector. Furthermore, she possesses extensive investment experience in various industries, including the financial sector. After thorough research and assessment, she holds an optimistic outlook on the Group’s business prospects.

For details, please refer to “Subsidiaries – 1. Zhonggan Communication – Subscription of 1.0% equity interest in Zhonggan Communication by Ms. Yeung” of this section.

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## HISTORY AND REORGANISATION

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Ms. Yeung has over ten years of experience in the consulting industry. She was introduced to the Group by Mr. Liu Haoqiong, the Chairman and executive Director. Ms. Yeung and Mr. Liu Haoqiong have known each other for more than six years.

On 7 July 2022, 10,113 Shares, were allotted and issued to Ms. Yeung.

Save as the [REDACTED], the [REDACTED] were not involved in and did not have any role in the operation nor the [REDACTED] up to the Latest Practicable Date. To the best of the Directors’ knowledge, information and belief and having made all reasonable enquiries, the [REDACTED] invested in the Group because they appreciate the prospects and potential growth of the Group. Save for the [REDACTED], the [REDACTED] did not have any past or present relationships (including, but without limitation, family, trust, business, employment relationships) or any agreements, arrangements, understanding or undertakings with the Company, the subsidiaries, Shareholders, Directors or senior management and any of their respective associates and is an Independent Third Party as at the Latest Practicable Date. As the [REDACTED] are not core connected persons of the Company, the Shares held by them will be counted towards the public float after the [REDACTED].

Details of the [REDACTED] are set out below:

Name of [REDACTED]	Rui Da BVI	Shu Zhi Cayman	You Po BVI	Ms. Yeung
Date of investment <sup>(1)</sup> : . . .	23 June 2020	14 December 2020	12 April 2022	12 April 2022
Amount of consideration paid:	RMB3,003,240 <sup>(2)</sup>	RMB7,007,560	RMB22,440,000	RMB5,241,808

## HISTORY AND REORGANISATION

Name of [REDACTED]	Rui Da BVI	Shu Zhi Cayman	You Po BVI	Ms. Yeung
Basis of determination of the consideration: . . .	The original consideration of RMB10,010,800 was determined with reference to the consideration paid by another investor, Gao Xin Hang Chuang, in anticipation of the previous plan for A-share listing, based on an agreed valuation of RMB720,000,000 (i.e. RMB11.6 per share), taking into account the business performance of Zhonggan Communication in 2019 and its future prospects.  Due to change of listing plan which led to change in the agreed valuation of Zhonggan Communication to RMB500,000,000 and thus the percentage of equity interest to be acquired by Rui Da Xin Tao, on 6 March 2022, Mr. Liu Haoqiong and Ms. Tao Xiulan entered into a supplemental agreement to the repurchase agreement with Rui Da Xin Tao to, among other things, transfer further approximately 0.2% equity interest in Zhonggan Communication to Rui Da Xin Tao at nil consideration to compensate the downward adjustment of the valuation of Zhonggan Communication.	The original consideration of RMB7,007,560 was determined with reference to the consideration paid by Rui Da Xin Tao in acquisition of shares in Zhonggan Communication based on an agreed valuation of RMB720,000,000 (i.e. RMB11.6 per share), taking into account the business performance of Zhonggan Communication in 2019 and its future prospects.  Due to change of listing plan which led to change in the agreed valuation of Zhonggan Communication to RMB500,000,000 and thus the percentage of equity interest to be acquired by Shu Zhi Shen Kong, on 6 April 2022, Mr. Liu Haoqiong and Ms. Tao Xiulan entered into repurchase agreement with Shu Zhi Shen Kong to, among other things, transfer further approximately 0.4% of equity interest in Zhonggan Communication to Shu Zhi Shen Kong at nil consideration to compensate the downward adjustment of the valuation of Zhonggan Communication.	Determined following arm’s length negotiations between the parties with reference to an agreed valuation of Zhonggan Communication of RMB500,000,000.	Determined following arm’s length negotiations between the parties with reference to an agreed valuation of Zhonggan Communication of RMB500,000,000.
Date on which consideration was fully settled: . . . .	28 June 2020	28 December 2020	12 April 2022	12 April 2022

## HISTORY AND REORGANISATION

Name of [REDACTED]	Rui Da BVI	Shu Zhi Cayman	You Po BVI	Ms. Yeung
Cost per Share <sup>(4)</sup> : . . .	HK\$[REDACTED]	HK\$[REDACTED]	HK\$[REDACTED]	HK\$[REDACTED]
Premium to mid-point of the [REDACTED] range: . . . . .	Approximately [REDACTED]	Approximately [REDACTED]	Approximately [REDACTED]	Approximately [REDACTED]
[REDACTED]: . . . .	The Company has not received any investment amount from Rui Da BVI as the investment was effected by equity transfer between Mr. Liu Haoqiong and Rui Da Xin Tao	The Company has not received any investment amount from Shu Zhi Cayman as the investment was effected by equity transfer between Rui Da Xin Tao and Shu Zhi Shen Kong.	As at the Latest Practicable Date, the Group has fully utilised the [REDACTED] as follows: (i) as to approximately RMB18.0 million for prepayment for labour procurement costs; and (ii) as to approximately RMB9.8 million for repayment of borrowings.	
Shareholding in the Company immediately after the completion of Reorganisation <sup>(1)</sup> : .	Approximately 0.6%	Approximately 1.3%	Approximately 4.3%	Approximately 1.0%
Shareholding in the Company immediately after the completion of the [REDACTED] <sup>(1)</sup> . <sup>(3)</sup> . . . . .	Approximately [REDACTED]	Approximately [REDACTED]	Approximately [REDACTED]	Approximately [REDACTED]
Special rights: . . . .	Rui Da Xin Tao was entitled to, (i) redemption right, profit guarantee and information right during the Track Record Period, and (ii) up to [REDACTED], the right of first refusal, preemptive right, preferential right in liquidation, anti-dilution right and price adjustment right. The redemption right shall terminate upon submission of [REDACTED] to the Stock Exchange.	Shu Zhi Shen Kong was entitled to (i) redemption right, profit guarantee and information right during the Track Record Period, and (ii) up to [REDACTED], the right of first refusal, preemptive right, preferential right in liquidation, anti-dilution right and price adjustment right. All such special rights shall terminate upon submission of [REDACTED] to the Stock Exchange.	Nil	Nil
Lock-up period: . . .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

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## HISTORY AND REORGANISATION

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Notes:

- (1) Date of investment refers to the date of the relevant equity transfer agreement or capital injection agreement. Shareholding is calculated on the basis of the number of Shares to be held by the [REDACTED] immediately after the completion of the [REDACTED].
- (2) The original consideration paid by Rui Da Xin Tao for acquisition of 863,000 shares, representing approximately 1.3% of the shares in Zhonggan Communication of Zhonggan Communication, was RMB10,010,800. On 14 December 2020, Rui Da Xin Tao entered into a share transfer agreement with Shu Zhi Shen Kong to transfer 604,100 shares, representing approximately 0.9% of the shares in Zhonggan Communication, to Shu Zhi Shen Kong for a cash consideration of [REDACTED]. As such, the net consideration paid by Rui Da Xin Tao was [REDACTED].
- (3) Assuming that the [REDACTED] is not exercised and taking no account of any Shares to be issued upon the exercise of any options which may be granted under the Share Option Scheme.
- (4) The cost per Share is calculated by dividing the consideration each [REDACTED] paid by the number of Shares to be held by the [REDACTED] immediately after completion of the [REDACTED], assuming an exchange rate of [REDACTED] to HK\$[REDACTED] and taking no account of any Shares to be issued upon the exercise of any options which may be granted under the Share Option Scheme.

### Sponsor's confirmation

The Sponsor has confirmed that the [REDACTED] is in compliance with Chapter 4.2 of the Guide for New Listing Applicants published by the Stock Exchange effective from 1 January 2024 as the consideration for the [REDACTED] was all settled more than 28 clear days before the date of the first submission of the [REDACTED] to the Stock Exchange in relation to the [REDACTED] and as there are no special rights granted to the [REDACTED] that will survive the [REDACTED].

### Public float

As each of Rui Da BVI (which is wholly-owned by Rui Da Xin Tao), Shu Zhi Cayman (which is wholly-owned by Shu Zhi Shen Kong), Ying Hua BVI (which is wholly-owned by Ying Hua Investment), You Po BVI (which is wholly-owned by You Po Investment) and Ms. Yeung will hold less than 10% of the total issued share capital of the Company immediately following the completion of the [REDACTED] and the [REDACTED] and each of them is independent from and not connected with each other, they will not be considered as a substantial shareholder of the Company upon completion of the [REDACTED] and the [REDACTED]. Accordingly, the Shares held by each of Rui Da BVI, Shu Zhi Cayman, Ying Hua BVI, You Po BVI and Ms. Yeung shall be considered as part of the public float for the purpose of Rule 8.08 of the Listing Rules. Approximately [REDACTED]% of the total issued capital of the Company upon the [REDACTED] will be held by the public (as defined in the Listing Rules).

### Compliance with laws and regulations

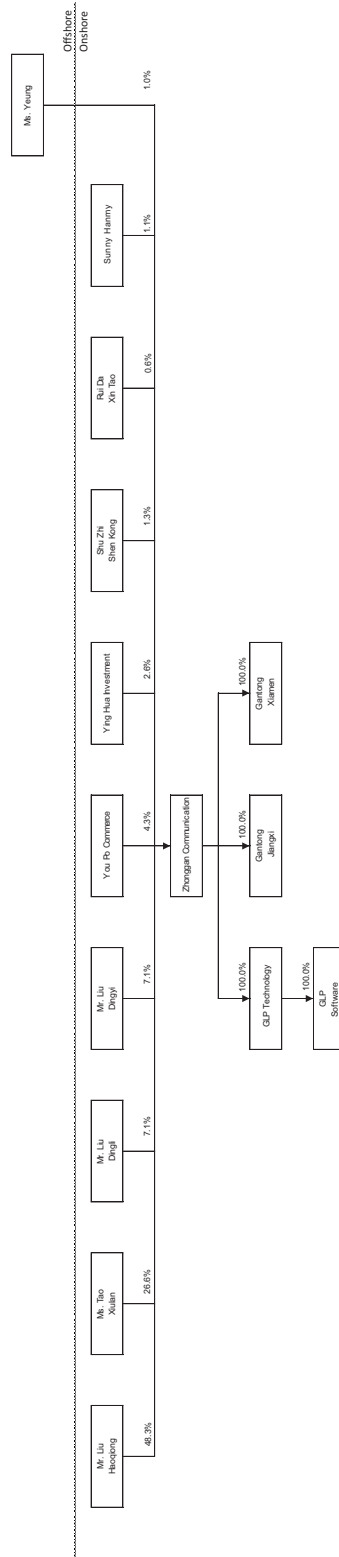
As confirmed by the PRC Legal Advisers, the [REDACTED] were conducted in compliance with all the applicable laws and regulations.

## HISTORY AND REORGANISATION

### CORPORATE AND SHAREHOLDING STRUCTURE

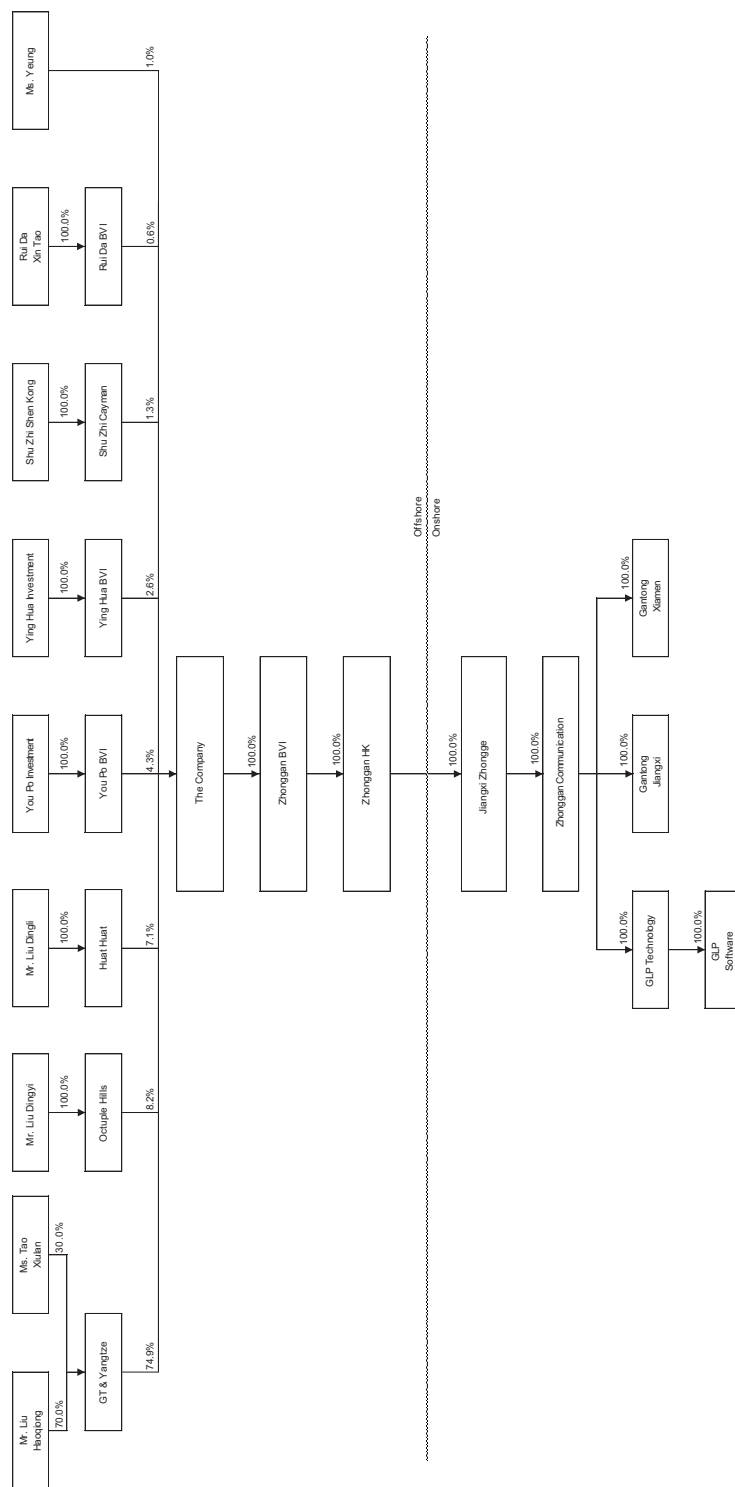
The following charts illustrate the shareholding and simplified shareholding structure (1) immediately prior to the Reorganisation and (2) immediately after the completion of the Reorganisation; and (3) immediately after the completion of the [REDACTED] and the [REDACTED] (assuming that the [REDACTED] or any option which may be granted under the Share Option Scheme is not exercised).

#### (1) Immediately before the Reorganisation



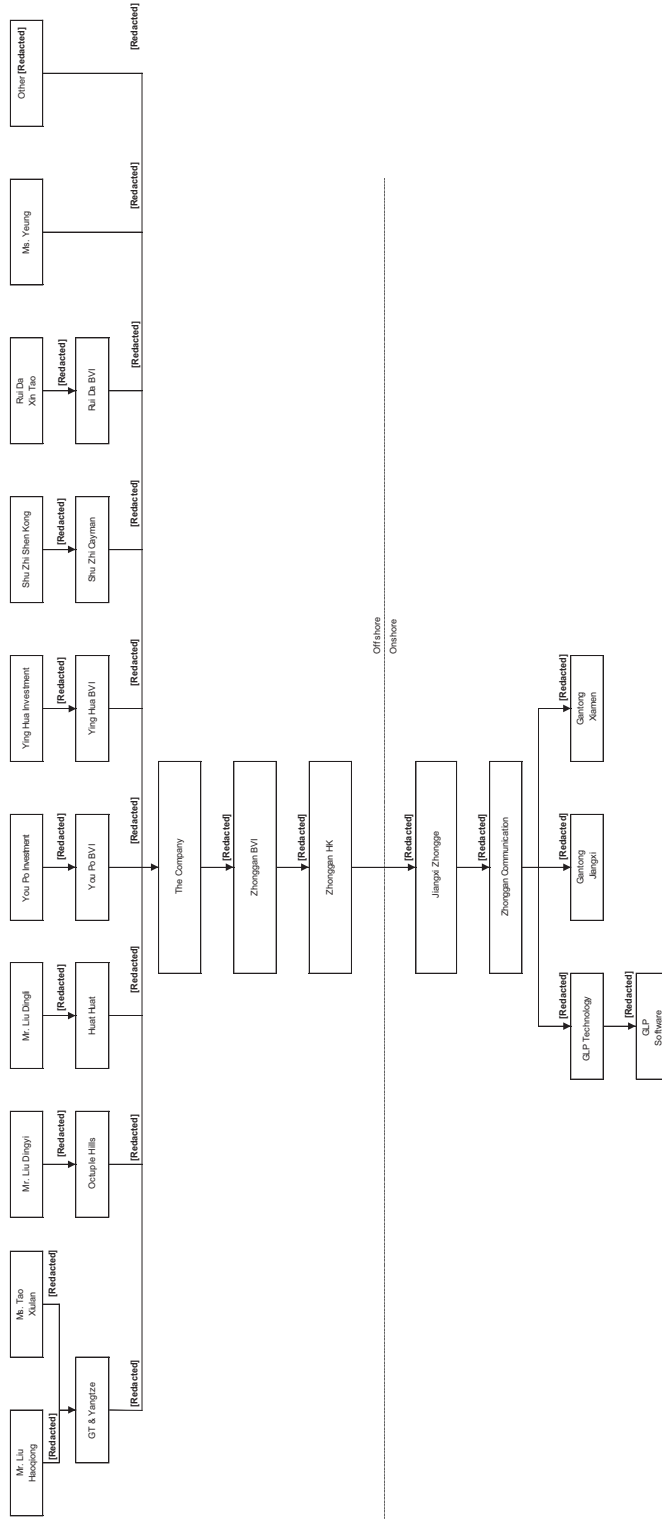
## HISTORY AND REORGANISATION

### (2) Immediately after the completion of the Reorganisation



## HISTORY AND REORGANISATION

(3) Immediately after the completion of the [REDACTED] and the [REDACTED] (assuming that the [REDACTED] or any option which may be granted under the Share Option Scheme is not exercised)





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## HISTORY AND REORGANISATION

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### LISTING ON NEEQ AND NEEQ LISTING WITHDRAWAL

On 25 January 2017, all issued shares of Zhonggan Communication were listed and quoted for trading on NEEQ (delisted, previous stock code: 870720). On 9 August 2019, the NEEQ Listing Withdrawal was effective.

The market capitalisation of Zhonggan Communication at the time of the NEEQ Listing Withdrawal was RMB149.70 million based on the closing price of each share of Zhonggan Communication of RMB2.05 on NEEQ and 73,014,600 share of Zhonggan Communication in issue. Following the quotation of the shares of Zhonggan Communication on NEEQ, the Directors found that the trading volume of the shares of Zhonggan Communication remained low due to the fact that trading on NEEQ is restricted to qualified investors using a market maker approach and its corporate profile was not enhanced with the shares of Zhonggan Communication quoted for trading on NEEQ. Against this background, the Directors started to explore the possibility of withdrawing the shares of Zhonggan Communication from NEEQ and to list on other stock exchanges, which would allow it to have direct access to the capital markets and build on its reputation to attract investors as well as to recruit, motivate and retain management personnel.

The NEEQ Listing Withdrawal was approved by the majority shareholders at an extraordinary general meeting of Zhonggan Communication held on 21 June 2019. As part of the arrangements for the NEEQ Listing Withdrawal, on 24 June 2019, Ms. Tao Xiulan had undertaken to purchase such number of shares of Zhonggan Communication at such prices from the then minority equity holders of Zhonggan Communication, so that those shareholders could realise their investments in Zhonggan Communication after the NEEQ Listing Withdrawal without incurring any loss as compared with their investment cost. Such undertakings resulted in various transfers of the shares of Zhonggan Communication which took place between June to August 2019. See the paragraphs under “Subsidiaries – Zhonggan Communication – Transfers of shares of Zhonggan Communication following the NEEQ Listing Withdrawal” for further information.

As confirmed by the PRC Legal Advisers, the Listing Withdrawal was duly completed and the necessary approvals had been obtained and (i) during the period in which the shares of Zhonggan Communication were quoted on the NEEQ, Zhonggan Communication and its directors were not involved in any breach or suspected breach of the applicable rules or regulations of the NEEQ in any material aspects; and (ii) there has not been any matter that needs to be brought to the attention of the regulators and investors in Hong Kong in respect of Zhonggan Communication’s quotation on the NEEQ.

On the basis of the above, along with searches performed by the Sole Sponsor, the Sole Sponsor concurs with the view of the PRC Legal Advisers that during the period which the shares of Zhonggan Communication were quoted on the NEEQ, Zhonggan Communication was not involved in any breach or suspected breach of the applicable rules or regulations of the NEEQ in any material aspects.

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## HISTORY AND REORGANISATION

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### Previous plan for A-share listing

After the NEEQ Listing Withdrawal, Zhonggan Communication entered into a pre-listing tutoring engagement agreement in June 2020 with a sponsor, AVIC Securities Co., Ltd. (中航證券有限公司), registered with the CSRC (the “**A-share Sponsor**”) to explore the possibility of listing of the shares of Zhonggan Communication to one of the two recognised stock exchanges in the PRC.

As part of the preparation works for such preliminary listing plan, in July 2020, the A-share Sponsor filed a notice of pre-listing tutoring for A-share listing application with the local office of CSRC in Jiangxi Province. However, subsequently, the Directors decided to proceed with a **[REDACTED]** on the Stock Exchange as this would (i) enable the Group to have direct access to international markets, which in turn would provide the Group with a viable source of capital to support its business growth; (ii) strengthen the Group’s reputation, credibility and competitiveness as the Stock Exchange is an established exchange with a longstanding reputation as one of the leading stock exchanges globally; and (iii) facilitate the Group to attract more investors as there are fewer companies of the same industry that are listed in Hong Kong. In light of the above and taking into account the efficiency of the listing application process on the Stock Exchange, the Directors decided not to proceed with A-share listing. On 24 December 2021, the A-share Sponsor filed a notice of cessation on the pre-listing tutoring with the local office of CSRC in Jiangxi Province. No formal listing application has been submitted by Zhonggan Communication to CSRC. On 27 December 2021, Zhonggan Communication terminated the pre-listing tutoring engagement agreement with the A-share Sponsor in the PRC.

As the A-share Sponsor is not a corporation licensed or registered to carry out Type 6 (Advising on corporate finance) regulated activity under the SFO, which is one of the criterion to act as a sponsor for listing in Hong Kong, nor does it have a group company operating in Hong Kong which can satisfy the relevant requirement, the Company has engaged the Sole Sponsor for the **[REDACTED]**. The A-share Sponsor confirmed that there was no disagreement with the Company regarding the termination of the pre-listing tutoring engagement with the A-share Sponsor. The Directors further confirm that there are no matters relating to the pre-listing tutoring of Zhonggan Communication that would affect the Company’s suitability for the **[REDACTED]** or otherwise require to be brought to the attention of the Stock Exchange and potential investors. Based on the independent due diligence performed by the Sole Sponsor, the Sole Sponsor is not aware of any matter relating to the Zhonggan Communication’s previous plan for A-share listing which would affect the Company’s suitability for the **[REDACTED]**.

### PRC REGULATORY REQUIREMENTS

The PRC Legal Advisers advised that the Reorganisation has been conducted in compliance with applicable laws and regulations of the PRC and all necessary regulatory approvals in connection with the Reorganisation have been obtained.

### Foreign Investment Law

According to the Foreign Investment Law of the PRC (中華人民共和國外商投資法), foreign investment refers to investment activities conducted directly or indirectly by foreign investors including foreign natural persons, foreign enterprises or other foreign organisations in the PRC. The PRC Legal Advisers confirmed that the business of Zhonggan Communication was not

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## HISTORY AND REORGANISATION

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listed under the Special Administrative Measures (Negative List) for Foreign Investment Access (2022 Edition)(外商投資准入特別管理措施)(負面清單)(2022年版)) issued by MOFCOM and NDRC. The PRC Legal Advisers further confirmed that since Zhonggan Communication was converted into a sino-foreign joint venture at the time of the acquisition of 100% equity interest of Zhonggan Communication by Jiangxi Zhongge, no approval from MOFCOM is required for the aforesaid acquisition under the Foreign Investment Law of the PRC.

### SAFE registration

Pursuant to SAFE Circular 37, (a) a PRC resident must register with the local SAFE branch before he or she contributes assets or equity interests to an overseas special purpose vehicle (the “**Overseas SPV**”) that is directly established or indirectly controlled by the PRC resident for the purpose of conducting investment or financing, and (b) following the initial registration, the PRC resident is also required to register with the local SAFE branch for any major change, in respect of the Overseas SPV, including, among other things, a change of Overseas SPV’s PRC resident shareholder(s), the name of the Overseas SPV, terms of operation, or any increase or reduction of the Overseas SPV’s capital, share transfer or swap, and merger or division. In the event that a PRC shareholder holding interests in a special purpose vehicle fails to fulfill the required SAFE registration, the PRC subsidiaries of that special purpose vehicle may be restricted from making profit distributions to the offshore parent and from carrying out subsequent cross-border foreign exchange activities, and the special purpose vehicle may be restricted in its ability to contribute additional capital into its PRC subsidiary. Furthermore, failure to comply with the various SAFE registration requirements described above could result in liability under PRC law for evasion of foreign exchange controls.

Pursuant to SAFE Circular 13, promulgated by SAFE and which became effective on 1 June 2015, the power to accept SAFE registration was delegated from local SAFE to local banks where the assets or interests in the domestic entity are located.

As advised by the PRC Legal Advisers, each of Mr. Liu Haoqiong, Ms. Tao Xiulan, Mr. Liu Dingli and Mr. Liu Dingyi, who are known to the Company as being a PRC citizen, completed the initial registration in compliance with the SAFE Circular 37 on 20 May 2022.

### ODI REGISTRATION

Pursuant to the Measures for the Administration of Overseas Investment (《境外投資管理辦法》) promulgated by the NDRC on 26 December 2017, and became effective on 1 March 2018 and the Administrative Measures for Overseas Investment by Enterprises (《企業境外投資管理辦法》) promulgated by the MOFCOM on 6 September 2014 and became effective on 6 October 2014 (collectively, the “**ODI Rules**”), a domestic institution shall undergo registration procedure for foreign investment in accordance with the provisions of the ODI Rules, which requires the domestic institution to register with relevant authorities prior to its overseas direct investment and obtain relevant record-filing, approval, certificate or permit.

As advised by the PRC Legal Advisers, the PRC ultimate corporate shareholders of the Company, namely Ying Hua Investment, Shu Zhi Shen Kong, Rui Da Xin Tao and You Po Investment have completed their overseas direct investment registration with Shenzhen Development and Reform Commission on 29 August 2022, respectively, and have complied with the relevant ODI Rules.