
CORPORATE STRUCTURE AND HISTORY

HISTORY AND DEVELOPMENT

Introduction

Our Company was incorporated as a corporation in Alberta, Canada on March 11, 2005 under the ABCA. Our Company has principally engaged in natural gas and crude oil exploration and production, with a focus on natural gas since its inception to present. We are focused on long-term growth through exploration, development, production and acquisition in WCSB.

Our Company was founded by Mr. Bo who currently acts as our executive Director, President, Chairman of our Board and Chief Executive Officer, and Mr. Jing, who currently acts as our non-executive Director, with a mutual aim to establish a natural gas and oil exploration development company based in Calgary. The source of funds for founding our Company by Mr. Bo and Mr. Jing was from their respective personal financial resources, for Mr. Bo from his personal savings in Canada whereas for Mr. Jing from borrowing funds in Canada. Mr. Jing's borrowing was obtained without any security over our Company's assets and was fully repaid. For more information about the background and relevant industry experience of our founders, please refer to the section headed "Directors and Senior Management" in this Prospectus.

In January 2007, we made our first acquisition of land for natural gas and crude oil exploration and production. During the first decade since incorporation, we acquired our first 6,400 acres of land in the Alberta Foothills in WCSB. Our Company then shot 3D seismic data to define drilling targets and drilled and commercially produced liquids-rich natural gas from our first deep well in WCSB in December 2008. Since then our natural gas and oil production rate has organically grown and reached approximately 3,363 Boe/d of average production in the first nine months of 2016. The exit production of 2016 is 4,500 Boe/d. While focusing on developing our key assets, we continued to expand our land inventory, drilled more wells and put more wells into production. As at the Latest Practicable Date, our Company held PNG rights in approximately 114,528 net acres of land in WCSB which we intend to explore and develop through a multi-year drilling location inventory. With our three-year development plan, we aim to increase our production from the first nine months of 2016 of an average production rate of approximately 3,363 Boe/d in the first nine months of 2016 to approximately 5,448 Boe/d based on Proved plus Probable Reserves and as additional 2,389 Boe/d based on Best Estimate Unrisked Contingent Resources in 2019.

Key Milestones

Our key business development milestones are set out below:

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|------|--|
| 2006 | <ul style="list-style-type: none">evaluated prospective properties in WCSB by undertaking G&G studies and field scouting, and targeted the Alberta Foothills as one of the core areas with deep gas play potential |
| 2007 | <ul style="list-style-type: none">began our first acquisition of land for natural gas and crude oil exploration and production in January 2007 |

CORPORATE STRUCTURE AND HISTORY

- began 3D seismic acquisition of a broad area of 31,630 acres in May 2007
 - discovered significant liquids-rich natural gas resources through our first exploration well known as “Moosebar” (which was subsequently known as “Wilrich”) in October 2007
- 2008
- conducted geological and geophysical studies for light oil resources in January 2008
 - drilled our first liquids-rich natural gas horizontal well in July 2008 targeted in the Wilrich formation in Basing, which achieved a production rate of 800 Boe/d in December 2008
 - acquired a total of approximately 4,480 net acres of land with PNG rights in 2008
- 2009
- drilled our second Wilrich liquids-rich natural gas horizontal well in Basing in August 2009 and commenced production in December 2009
 - acquired a total of approximately 3,200 net acres of land with PNG rights in 2009
- 2010
- drilled our first Mountain-park liquids-rich natural gas horizontal well in Basing in July 2010 and commenced production in December 2010
 - acquired a total of approximately 12,480 net acres of land with PNG rights in 2010
- 2011
- drilled our first light oil well in Dawson in Peace River in February 2011 and brought the well online with 150 Bbl/d of production in April 2011
 - drilled our second light oil well in Dawson in September 2011 and brought the well online with 150 Bbl/d of production in October 2011
 - acquired a total of approximately 2,400 net acres of land with PNG rights in 2011
- 2012
- shot 3D seismic over Dawson lands and drilled our third light oil well 02-35 in August 2012 and brought the well online with 180 Bbl/d of production in September 2012
 - acquired a total of approximately 56,320 net acres of land with PNG rights in 2012

CORPORATE STRUCTURE AND HISTORY

- 2013
 - drilled our third Wilrich liquids-rich natural gas horizontal well in Basing and brought the well online for production in November 2013
 - acquired a total of approximately 5,920 net acres of land with PNG rights in 2013
- 2014
 - drilled our fourth Wilrich liquids-rich natural gas horizontal well in Basing, and brought the well online for production in September 2014
 - acquired a total of approximately 10,880 net acres of land with PNG rights in 2014
- 2015
 - acquired a total of approximately 76,960 net acres of land with PNG rights in 2015
- 2016
 - acquired a total of approximately 8,640 net acres of land with PNG rights in 2016
 - reached a daily production rate of approximately 3,363 Boe/d in the first nine months of 2016

We have established a three-year development plan to drill 13 wells in Basing in the Alberta Foothills areas from 2017 to 2019 to increase our production from approximately 3,363 Boe/d averaged in the first nine months of 2016 to approximately 5,448 Boe/d based on Proved plus Probable Reserves and an additional 2,389 Boe/d based on Best Estimated Unrisked Contingent Resources in 2019.

OUR CONTROLLING SHAREHOLDERS

Mr. Bo

Mr. Bo is one of our founders and our executive Director, President, Chairman of the Board and Chief Executive Officer. Upon the incorporation of our Company on March 11, 2005, Mr. Bo and Mr. Jing respectively subscribed for 100 and 900 Class A Shares at a subscription price of C\$0.01 per share, equivalent to approximately 10% and 90% of the then issued Class A Shares of our Company, respectively.

Pursuant to a declaration of trust dated March 22, 2005 made between Mr. Bo as the beneficial shareholder and Mr. Jing as the trustee, Mr. Jing declared that he held 401 Class A Shares out of the 900 Class A Shares in trust for Mr. Bo.

On July 1, 2006, our Company issued 499 Class B Shares to Mr. Bo at a price of C\$0.01 per share, equivalent to 100% of the total issued Class B Shares of our Company.

CORPORATE STRUCTURE AND HISTORY

Pursuant to a transfer and power of attorney made by Mr. Jing on July 2, 2006, Mr. Jing transferred to Mr. Bo the 401 Class A Shares held by him in trust for Mr. Bo. Our Company was then held as to approximately 50.1% of the total issued Class A Shares by Mr. Bo.

On December 28, 2011, for personal tax planning purposes Mr. Bo transferred 501 Class A Shares and 499 Class B Shares to 164 Co (the entire issued Class A shares of which are held by The Bo Family Trust) for nominal consideration. Our Company was then held as to approximately 50.1% of the total issued Class A Shares by 164 Co till and prior to the Reorganization.

Upon Mr. Bo transferring 501 Class A and 499 Class B Shares held by him in our Company to 164 Co, 164 Co issued 1,000 class D voting preferred shares in 164 Co to Mr. Bo pursuant to a Section 85 rollover. The fair market value of 1,000 class D voting preferred shares issued to Mr. Bo in the share capital of 164 Co on the rollover was determined to be C\$1,000,000.

Mr. Bo was further issued 220,000 Class B Shares on April 15, 2014 at a price of C\$0.90 per share.

Ms. Hou

Ms. Hou is the spouse of Mr. Bo and was issued 220,000 Class B Shares on April 15, 2014 at a price of C\$0.90 per share. Ms. Hou is deemed to be a Controlling Shareholder by virtue of her being the spouse of Mr. Bo.

The Bo Family Trust

The Bo Family Trust was set up in December 2011 as a discretionary trust for the benefit of Mr. Bo's family members. The trustees of The Bo Family Trust are Mr. Bo and Ms. Hou. The beneficiaries of The Bo Family Trust are Mr. Bo, Ms. Hou and their family members. 10 class A voting shares of 164 Co, being all issued class A shares of 164 Co, are held by The Bo Family Trust, representing 0.99% of the total voting rights of 164 Co. 1,000 class D voting preferred shares of 164 Co, being all issued class D shares of 164 Co, are held by Mr. Bo, representing approximately 99.01% of the total voting rights of 164 Co.

Mr. Jing

Mr. Jing is one of the founders of our Company and our non-executive Director. Upon the incorporation of our Company on March 11, 2005, Mr. Bo and Mr. Jing respectively subscribed for 100 and 900 Class A Shares at a subscription price of C\$0.01 per share, equivalent to approximately 10% and 90% of the then issued Class A Shares of our Company, respectively.

Pursuant to a declaration of trust dated March 22, 2005 made between JLHY as the beneficial shareholder and Mr. Jing as the trustee, Mr. Jing declared that he held 499 Class A Shares out of the 900 Class A Shares in trust for JLHY.

CORPORATE STRUCTURE AND HISTORY

Pursuant to a transfer and power of attorney made by Mr. Jing on July 2, 2006, Mr. Jing transferred to JLHY the 499 Class A Shares held by him in trust for JLHY. Our Company was then held as to approximately 49.9% of its total issued Class A Shares by JLHY.

JLHY

JLHY was established in Jilin Province in the PRC on January 29, 1996. Mr. Jing is the president and legal representative of JLHY. As at the Latest Practicable Date, JLHY is held as to 60% by Mr. Jing, and 40% by Guang Jing, brother of Mr. Jing. The scope of business of JLHY includes, amongst others, the sale and purchase of building materials, metal hardware and electrical and mechanical equipment.

On July 1, 2006, our Company issued 8,501 Class C Shares to JLHY at a price of C\$0.01 per share, equivalent to 100% of the total issued Class C Shares of our Company.

Pursuant to a transfer and power of attorney made by Mr. Jing on July 2, 2006, Mr. Jing transferred to JLHY the 499 Class A Shares held by him in trust for JLHY. Our Company was then held as to approximately 49.9% of its total issued Class A Shares by JLHY.

Pursuant to a share repurchase agreement with JLHY dated December 3, 2014, our Company repurchased from JLHY 1,661,766.8 Class C Shares for C\$3,323,533.60 at C\$2 per share for JLHY's reducing its shareholding in our Company.

Pursuant to a share repurchase agreement with JLHY dated February 6, 2015, our Company repurchased from JLHY 250,000 Class C Shares for C\$500,000 at a C\$2 per share for JLHY's reducing its shareholding in our Company.

Pursuant to a share repurchase agreement with JLHY dated October 28, 2015, JLHY transferred to an Independent Third Party transferee 111,112 Class C Shares for C\$100,000.80 at C\$0.9 per share.

Liyuan

Liyuan was established in Jilin Province in the PRC on December 25, 2008. As at the Latest Practicable Date, Liyuan is owned as to 98%, 1% and 1% by JLHY, Zhou Li Mei and Jing Yue Li, sister of Mr. Jing, respectively. Zhou Li Mei is also the director and legal representative of Liyuan. The scope of business of Liyuan includes, amongst others, sales of metal hardware, steel materials and building materials.

Pursuant to a declaration of trust effective as at April 14, 2014 (the "**April 2014 Trust**") made between Liyuan as the beneficial shareholder and JLHY as the trustee, JLHY declared that it held 11,707,514 Class C Shares in trust for Liyuan, out of 35,126,054 Class C Shares issued by our Company to JLHY on April 14, 2014 for partial discharge of our Company's indebtedness and obligation for an advanced loan of C\$56,201,687 made by JLHY. The April 2014 Trust was terminated on December 18, 2015 when JLHY ceased to be a registered shareholder of our Company pursuant to the Reorganization.

CORPORATE STRUCTURE AND HISTORY

Pursuant to a declaration of trust effective as at December 18, 2015 (the “**December 2015 Trust**”) made between Liyuan as the beneficial shareholder and JLHY as the trustee, JLHY declared that it held 45,276,931 common shares of Aspen in trust for Liyuan, out of 83,490,560 common shares issued by Aspen to JLHY on December 18, 2015 in exchange for all our Shares held by JLHY. As confirmed by JLHY and Liyuan, the December 2015 Trust was made between Liyuan and JLHY for their own commercial reasons.

Pursuant to a share transfer agreement made by JLHY and Liyuan on April 29, 2016, JLHY transferred to Liyuan 45,276,931 common shares of Aspen held by it in trust for Liyuan and Liyuan became the registered shareholder holding 45,276,931 common shares of Aspen (the “**Liyuan Share Transfer**”).

Due to an inadvertent error in the entry of the register of members of Aspen, and in order to rectify the aforesaid error, Liyuan and 164 Co entered into a share transfer agreement on April 29, 2016 pursuant to which Liyuan transferred to 164 Co 27,406,749 common shares of Aspen for a deemed value of C\$18,016,904 (the “**164 Co Share Transfer**”). Upon completion of the Liyuan Share Transfer and the 164 Co Share Transfer, Aspen was held as to approximately 41.09%, 39.69% and 19.22% by JLHY, 164 Co and Liyuan, respectively.

164 Co

164 Co was incorporated in Alberta, Canada on December 23, 2011. Upon its incorporation, 10 class A voting shares of 164 Co, representing all the then issued shares of 164 Co, were held by The Bo Family Trust. Upon Mr. Bo transferring 501 Class A and 499 Class B Shares held by him to 164 Co on December 28, 2011, 1,000 class D voting preferred shares in 164 Co were issued to and held by Mr. Bo pursuant to a Section 85 rollover. The voting rights of 164 Co were then held as to approximately 99.01% by Mr. Bo and approximately 0.99% by The Bo Family Trust respectively.

Aspen

As part of the Reorganization, Aspen was incorporated in Alberta, Canada on November 20, 2015 with an authorized share capital of an unlimited number of common shares and preferred shares, of which one common share was issued to each of JLHY and 164 Co upon its incorporation.

As part of the Reorganization and on December 18, 2015, JLHY, Mr. Bo, Mr. Jing, 164 Co and Aspen (the “**Parties**”) signed the Unanimous Shareholders Agreement pursuant to which they confirmed, among other things, the Parties had acted in concert as to previous voting in the shareholders’ and board meetings of our Company and the Parties further confirmed that they will act in concert as to voting in the shareholders’ and board meetings of our Company and/or Aspen. Further, on April 29, 2016, the Parties and Liyuan entered into the First Supplemental Unanimous Shareholders Agreement to supplement the Unanimous Shareholders Agreement. Aspen was further issued 0.8 Class C Share on February 25, 2016 at a price of C\$1.28.

CORPORATE STRUCTURE AND HISTORY

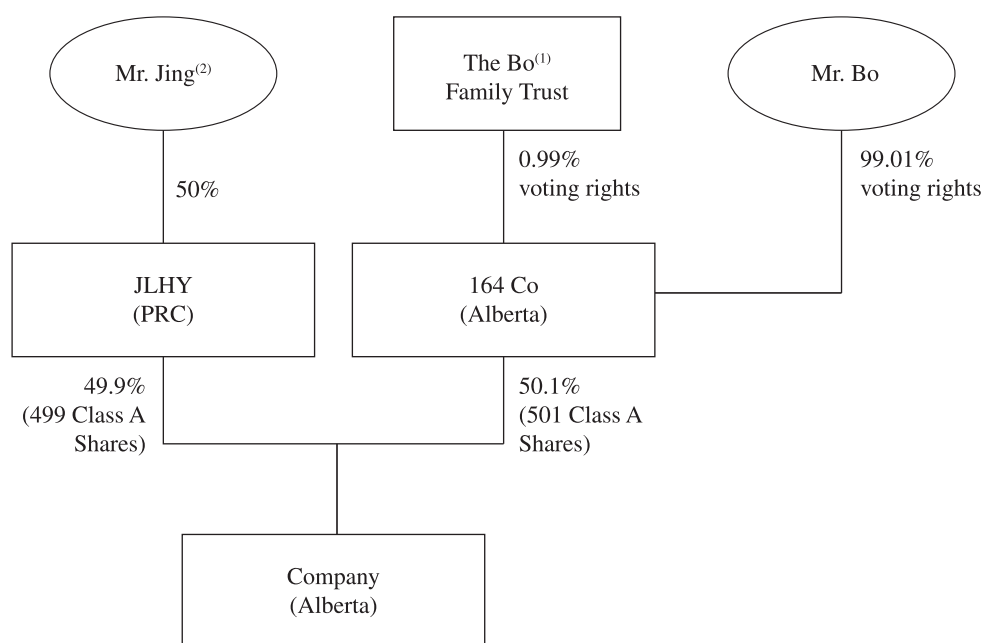
Upon completion of the Reorganization and as at the Latest Practicable Date, JLHY, Mr. Bo, Ms. Hou, Mr. Jing, 164 Co, Liyuan and Aspen became and are currently a group of our Controlling Shareholders acting in concert. For details of the Unanimous Shareholders Agreement and the First Supplemental Unanimous Shareholders Agreement, please refer to the section headed “Relationship with Controlling Shareholders” in this Prospectus.

CORPORATE STRUCTURE

Prior to the Reorganization, our Company’s issued shares consisted of Class A voting Shares, Class B non-voting Shares and Class C non-voting Shares. Class B Shares were issued and allotted to the Directors, then employees and consultants of our Company at the time of issue and their respective spouses (the “**Employees**”), whereas Class C Shares were issued and allotted to Independent Third Parties.

Our shareholding structure prior to the Reorganization is set out as follows:

For Class A Shares (voting)



Notes:

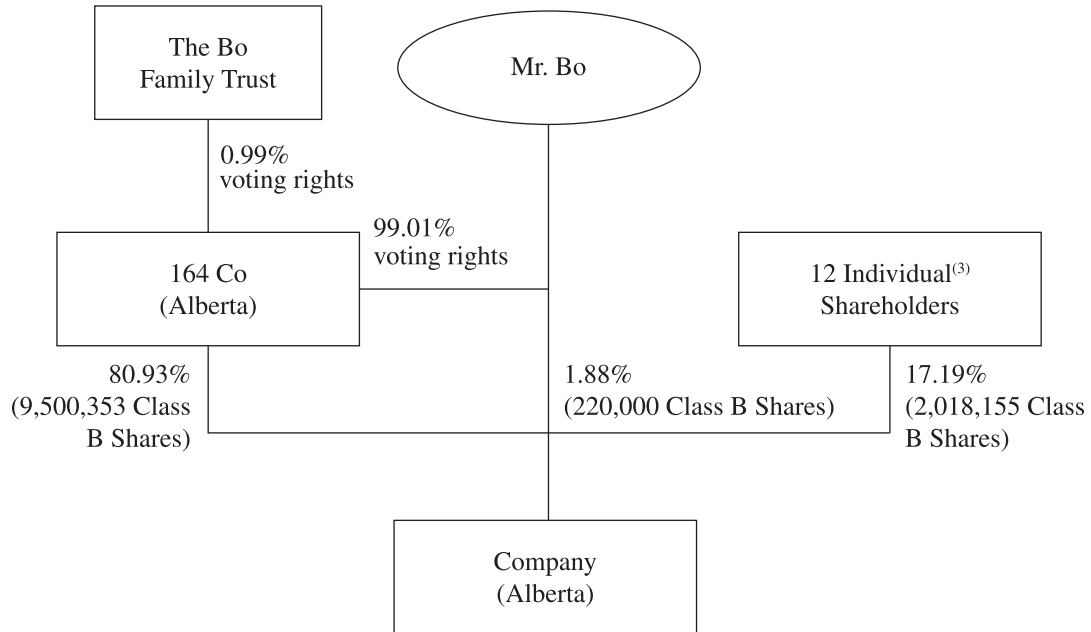
- (1) The 10 class A voting shares of 164 Co are held by The Bo Family Trust.

Mr. Bo also holds 1,000 class D voting preferred shares in 164 Co. These shares were issued pursuant to a Section 85 rollover wherein Mr. Bo transferred 501 Class A and 499 Class B Shares held by him in our Company to 164 Co on December 28, 2011. The fair market value of 1,000 class D voting preferred shares issued to Mr. Bo in the capital of 164 Co on the rollover was determined to be C\$1,000,000.

- (2) Prior to the Reorganization, JLHY was held as to 50% by Mr. Jing and as to 50% by his family members, none of whom held more than 10% of the equity interest in JLHY.

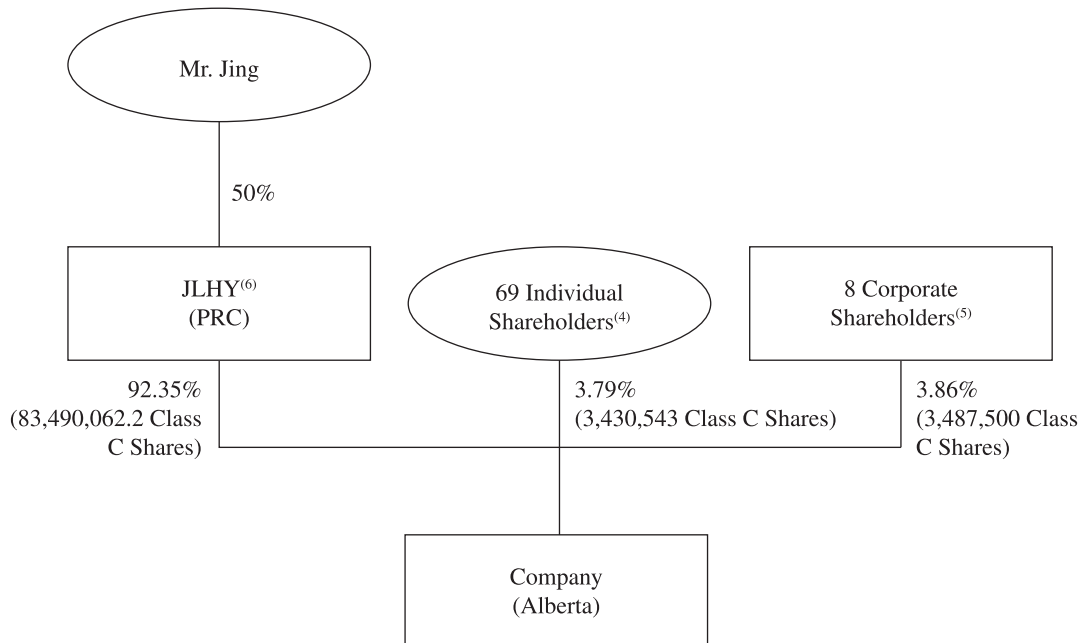
CORPORATE STRUCTURE AND HISTORY

For Class B Shares (non-voting)



- (3) The 12 individuals, save for Ms. Hou, holding 220,000 Class B Shares equivalent to approximately 1.88% of the then issued Class B Shares, are Independent Third Parties and, together with Mr. Bo, are Employees.

For Class C Shares (non-voting)



- (4) The 69 individual Shareholders are Independent Third Parties.
- (5) The 8 corporate Shareholders are Independent Third Parties.

CORPORATE STRUCTURE AND HISTORY

- (6) JLHY held 28,494,567.1 Class C Shares on trust for Liyuan pursuant to the April 2014 Trust and after the split of 1 Class C Share into 2.43387 Class C Shares on April 14, 2014.

CHANGES IN SHAREHOLDING STRUCTURE

During the Track Record Period and as at the Latest Practicable Date, there have been various changes in our shareholding structure as a result of issues, splits and repurchases of Shares.

The following shows the significant shareholding changes during the Track Record Period:

Date	Shareholder	Number & Type of Shares Issued/ Repurchased	Consideration & basis of Consideration	Completion Date	Reason for Issue/Share Split/ Repurchase
April 14, 2014	164 Co	3,902,895 Class B Shares were issued	C\$6,244,632 at a deemed price of C\$1.60 per share	April 14, 2014	Pursuant to a shareholder resolution dated April 14, 2014 to discharge and satisfy our Company's indebtedness and obligations for advanced loans of C\$6,244,632 made by 164 Co
April 14, 2014	164 Co	3,903,394 Class B Shares were split into 9,500,353 Class B Shares	on the basis of each 1 Class B Share being changed into 2.43387 Class B Shares	April 14, 2014	Pursuant to a shareholder resolution dated April 14, 2014 to effect a split of the issued and outstanding 3,903,394 Class B Shares held by 164 Co
April 14, 2014	JLHY	35,126,054 Class C Shares were issued	C\$56,201,687 at C\$1.60 per share at a deemed price of C\$1.60 per share	April 14, 2014	Pursuant to a shareholder resolution dated April 14, 2014 to discharge and satisfy our Company's indebtedness and obligations for advanced loans of C\$56,201,687 made by JLHY
April 14, 2014	JLHY	35,134,555 Class C Shares were split into 85,512,941 Class C Shares	on the basis of each 1 Class C Share being split into 2.43387 Class C Shares	April 14, 2014	Pursuant to a shareholder resolution dated April 14, 2014 to effect a split of the issued and outstanding 35,134,555 Class C Shares held by JLHY
April 15, 2014	Mr. Pingzai Wang	220,000 Class B Shares were issued	C\$198,000 at C\$0.90 per share for employee benefit and partial settlement of employee loan	April 15, 2014	Pursuant to a subscription agreement dated April 15, 2014 for employee benefit

CORPORATE STRUCTURE AND HISTORY

<u>Date</u>	<u>Shareholder</u>	<u>Number & Type of Shares Issued/ Repurchased</u>	<u>Consideration & basis of Consideration</u>	<u>Completion Date</u>	<u>Reason for Issue/Share Split/ Repurchase</u>
April 15, 2014	Mr. Bo	220,000 Class B Shares were issued	C\$198,000 at C\$0.90 per share for employee benefit and partial settlement of employee loan	April 15, 2014	Pursuant to a subscription agreement dated April 15, 2014 for employee benefit
April 15, 2014	Mr. Binyou Dai	220,000 Class B Shares were issued	C\$198,000 at C\$0.90 per share for employee benefit and partial settlement of employee loan	April 15, 2014	Pursuant to a subscription agreement dated April 15, 2014 for employee benefit
April 15, 2014	Ms. Hou	220,000 Class B Shares were issued	C\$198,000 at C\$0.90 per share as employee benefit and partial settlement of employee loan	April 15, 2014	Pursuant to a subscription agreement dated April 15, 2014 for employee benefit
April 15, 2014	6 Independent Third Party subscribers	1,116,155 Class B Shares were issued	C\$1,004,539 at C\$0.90 per share for employee benefit and partial settlement of employee loan	April 15, 2014	Pursuant to 6 subscription agreements all dated April 15, 2014 for employee benefit
April 15, 2014	3 Independent Third Party subscribers	242,000 Class B Shares were issued	C\$290,400 at C\$1.20 per share for consultant benefit	April 15, 2014	Pursuant to 3 subscription agreements all dated April 15, 2014 for consultant benefit
	Mr. Lei Song, our Production Engineer	42,000 Class B Shares were issued	C\$50,400 at C\$1.20 per share for employee benefit	April 15, 2014	Pursuant to a subscription agreement dated April 15, 2014 for employee benefit
April 15, 2014	43 Independent Third Party subscribers	2,709,375 Class C Shares were issued	C\$4,335,000 at C\$1.60 per share at the then fair market value	April 15, 2014	Pursuant to 43 subscription agreements all dated April 15, 2014 for Company's private equity financing
July 16, 2014	One Independent Third Party Shareholder, a resigning consultant	42,000 Class B Shares were repurchased by our Company	C\$50,400 at C\$1.20 per share at the then fair market value	July 16, 2014	Pursuant to a share repurchase agreement dated July 16, 2014 due to resignation of consultant
September 30, 2014	32 Independent Third Party subscribers	872,500 Class C Shares were issued	C\$1,745,000 at C\$2 per share at the then fair market value	September 30, 2014	Pursuant to 32 subscription agreements all dated September 30, 2014 for Company's private equity financing

CORPORATE STRUCTURE AND HISTORY

<u>Date</u>	<u>Shareholder</u>	<u>Number & Type of Shares Issued/Repurchased</u>	<u>Consideration & basis of Consideration</u>	<u>Completion Date</u>	<u>Reason for Issue/Share Split/Repurchase</u>
October 23, 2014	One Independent Third Party subscriber	2,500,000 Class C Shares were issued	C\$5,000,000 at C\$2 per share at the then fair market value	October 23, 2014	Pursuant to a subscription agreement dated October 23, 2014 for Company's private equity financing
November 20, 2014	3 Independent Third Party subscribers	500,056 Class C Shares were issued	C\$1,000,112 at C\$2 per share at the then fair market value	November 20, 2014	Pursuant to 3 subscription agreements all dated November 20, 2014 for Company's private equity financing
December 3, 2014	JLHY	1,661,766.8 Class C Shares were repurchased by our Company	C\$3,323,533.60 at C\$2 per share at the then fair market value	December 3, 2014	Pursuant to a share repurchase agreement with JLHY dated December 3, 2014 for JLHY's reducing its shareholding in the Company
February 6, 2015	2 Independent Third Party corporate subscribers	250,000 Class C Shares were issued	C\$500,000 at C\$2 per share at the then fair market value	February 6, 2015	Pursuant to 2 subscription agreements both dated February 5, 2015 for Company's private equity financing
February 6, 2015	JLHY	250,000 Class C Shares were repurchased by our Company	C\$500,000 at a C\$2 per share at the then fair market value	February 6, 2015	Pursuant to a share repurchase agreement with JLHY dated February 6, 2015 for JLHY's reducing its shareholding in the Company
October 14, 2015	One Independent Third Party Shareholder	25,000 Class C Shares were repurchased by our Company	C\$50,000 at C\$2 per share at the then fair market value	October 14, 2015	Pursuant to a share repurchase agreement dated October 14, 2015 for Company's private equity financing
October 28, 2015	One Independent Third Party transferee	111,112 Class C Shares were transferred by JLHY	C\$100,000.80 at C\$0.9 per share as agreed consideration	October 28, 2015	Pursuant to a share repurchase agreement dated October 28, 2015 for share transfer
December 16, 2015	One Independent Third Party subscriber	1,100,000 Class C Shares were issued	C\$1,980,000 at C\$1.80 per share at the then fair market value	December 16, 2015	Pursuant to a subscription agreement dated December 16, 2015 for Company's private equity financing
December 18, 2015	Aspen	499 Class A Shares were transferred by JLHY to Aspen	As part of the Reorganization at fair market value	December 18, 2015	As part of the Reorganization
December 18, 2015	Aspen	501 Class A Shares were transferred by 164 Co to Aspen	As part of the Reorganization at fair market value	December 18, 2015	As part of the Reorganization

CORPORATE STRUCTURE AND HISTORY

<u>Date</u>	<u>Shareholder</u>	<u>Number & Type of Shares Issued/ Repurchased</u>	<u>Consideration & basis of Consideration</u>	<u>Completion Date</u>	<u>Reason for Issue/Share Split/ Repurchase</u>
December 18, 2015	Aspen	9,500,353 Class B Shares were transferred by 164 Co to Aspen	As part of the Reorganization at fair market value	December 18, 2015	As part of the Reorganization
December 18, 2015	Aspen	83,490,062.2 Class C Shares were transferred by JLHY to Aspen	As part of the Reorganization at fair market value	December 18, 2015	As part of the Reorganization
January 6, 2016	9 Independent Third Party subscribers	A total of 630,315 Class C Shares were issued	A total of C\$1,260,630 at C\$2 per share at the then fair market value	January 6, 2016	Pursuant to 9 subscription agreements all dated January 6, 2016 for Company's private equity financing
January 6, 2016	Mr. Jing, our non-executive Director	213,666 Class C Shares were issued	A total of C\$427,332 at C\$2 per share at the then fair market value	January 6, 2016	Pursuant to a subscription agreement dated January 6, 2016 for Company's private equity financing
January 18, 2016	2 Independent Third Party subscribers	A total of 81,665 Class B Shares were issued	C\$97,998 at C\$1.20 per share for employee benefit	January 18, 2016	Pursuant to 2 subscription agreements both dated January 18, 2016 for employee benefit
February 24, 2016	One Independent Third Party subscriber	40,000 Class B Shares were issued	C\$36,000 at C\$0.90 per share for employee benefit	February 24, 2016	Pursuant to a subscription agreement dated February 24, 2016 for employee benefit
February 24, 2016	Jun Xiang, our Interim Chief Financial Officer	100,000 Class B Shares were issued	C\$120,000 at C\$1.20 per share for employee benefit	February 24, 2016	Pursuant to a subscription agreement dated February 24, 2016 for employee benefit
February 24, 2016	One Independent Third Party subscribers	40,000 Class B Shares were issued	C\$48,000 at C\$1.20 per share for employee benefit	February 24, 2016	Pursuant to a subscription agreement dated February 24, 2016 for employee benefit
February 25, 2016	Aspen	0.8 Class C Share was issued	C\$1.28 at C\$1.60 per share for purchase by Aspen of remainder fractional Share	February 25, 2016	Pursuant to a subscription agreement dated February 25, 2016

The subscription agreements for Class B Shares and Class C Shares contain no special right terms except for the resale restriction under Alberta securities law (details of which are disclosed in the section headed “Key Canadian Legal and Regulatory Matters — Certain Canadian Securities Law Restrictions and Steps to Enforce Resale Restriction”). Save as disclosed above, all the

CORPORATE STRUCTURE AND HISTORY

subscribers are Independent Third Parties. None of the above subscriptions are pre-IPO investments of our Company. The net proceeds of the share issuances listed above were applied as working capital of our Company.

Please refer to the sections headed “A. Further Information About Our Company — 2. Changes in Share Capital of Our Company” and “B. Further Information About Our Business — 1. Summary of Material Contracts” in the section headed “Appendix VI — Statutory and General Information” to this Prospectus for details of each of the share subscriptions, share transfers and share repurchases and their respective agreements within the two years immediately preceding the date of this Prospectus.

REORGANIZATION

For the purpose of the Listing, our Company has undergone Reorganization which consists of the following major steps:

1. Incorporation of Aspen

On November 20, 2015, Aspen was incorporated in Alberta, Canada with an authorized share capital of an unlimited number of common shares and preferred shares, of which one common share was issued by Aspen to each of JLHY and 164 Co.

2. Signing of the Unanimous Shareholders Agreement

On December 18, 2015, JLHY, 164 Co, Mr. Bo, Mr. Jing and Aspen signed the Unanimous Shareholders Agreement, pursuant to which 164 Co, JLHY, Mr. Bo and Mr. Jing (the “**Parties**”) confirmed, among other things, the Parties had acted in concert as to previous votings and there was no dispute as to previous voting in the shareholders’ and board meetings of our Company and the Parties and Aspen further confirmed that they will act in concert as to voting in the shareholders’ and board meetings of our Company and/or Aspen from the date of signing of the Unanimous Shareholders Agreement and during the term of the Unanimous Shareholders Agreement. If the Parties and Aspen are unable to reach an agreement after full negotiation and consultation, the views of 164 Co and Mr. Bo shall prevail.

3. Transfer of our Company’s Shares from JLHY and 164 Co to Aspen and Issuance of New Shares in Aspen to JLHY and 164 Co

On December 18, 2015, Aspen acquired from JLHY 499 Class A Shares and 83,490,062.2 Class C Shares (for JLHY and under instructions of Liyuan) at fair market value and the consideration of which was satisfied by way of issue and allotment by Aspen to JLHY 83,490,560 common shares of Aspen. On the same date, Aspen acquired from 164 Co 501 Class A Shares and 9,500,353 Class B Shares at fair market value and the consideration of which was satisfied by way of issue and allotment by Aspen to 164 Co of 9,500,853 common

CORPORATE STRUCTURE AND HISTORY

shares of Aspen. The April 2014 Trust was thus terminated. Further, pursuant to the December 2015 Trust, JLHY declared that it held 45,276,931 common shares of Aspen in trust for Liyuan.

4. Signing of the First Supplemental Unanimous Shareholders Agreement

On April 29, 2016, JLHY, Liyuan, 164 Co, Mr. Bo, Mr. Jing and Aspen entered into the First Supplemental Unanimous Shareholders Agreement supplemental to the Unanimous Shareholders Agreement, pursuant to which Liyuan was included as a party thereto, and pursuant to which JLHY, Liyuan, 164 Co, Mr. Bo and Mr. Jing (the “**Parties**”) confirmed, among other things, (i) the Parties’ shareholding in Aspen; (ii) the Parties had acted in concert as to previous votings and there was no dispute as to previous voting in the shareholders’ and board meetings of our Company; and (iii) the Parties will act in concert as to voting in the shareholders’ and board meetings of our Company and/or Aspen from the date of the Unanimous Shareholders Agreement.

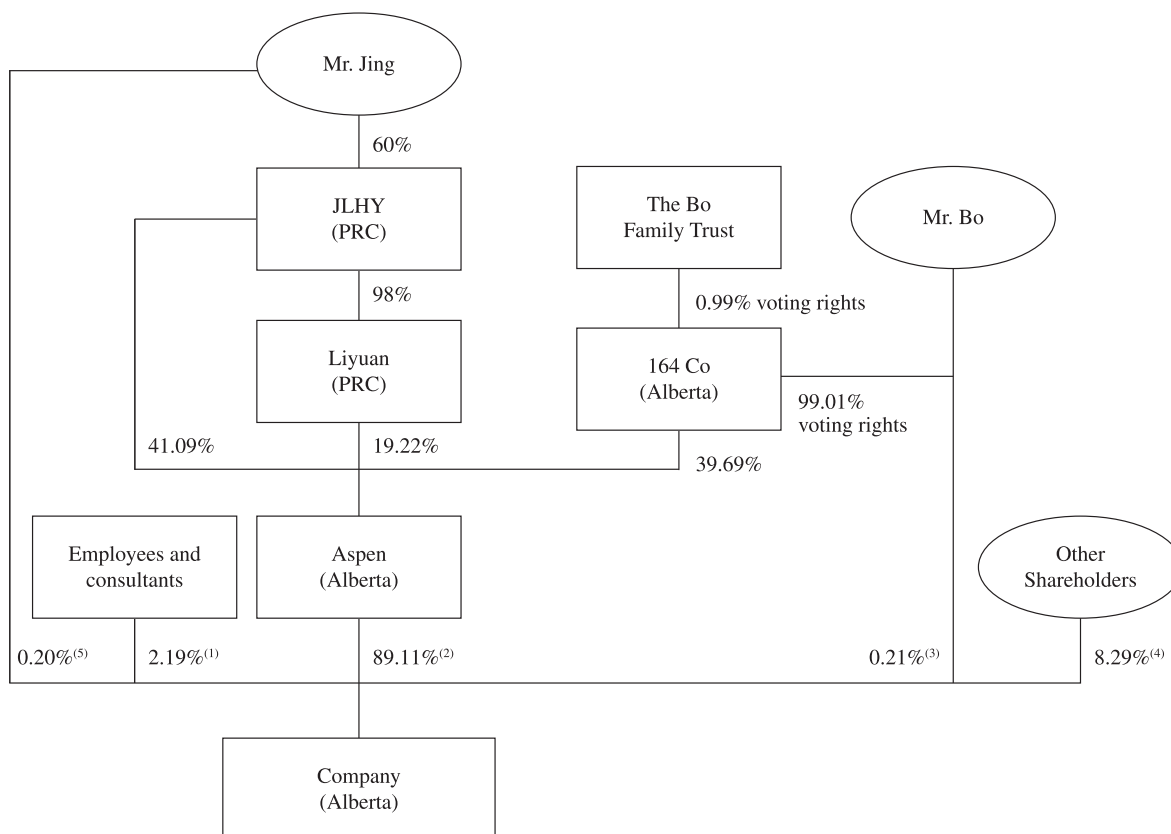
5. Conversion of Class B Shares and Class C Shares into Common Shares and Share Split

On February 5, 2016, our Company issued the Information Circular, form of proxy and notice of shareholders’ meeting to approve the re-designation of Class A Shares and the conversion of Class B and Class C Shares. On February 26, 2016, at the Annual and Special Meeting, our then Shareholders approved, among others, re-designation of Class A Shares as Common Shares, conversion of all Class B and Class C Shares for Common Shares on a 1:1 basis, and a share split of the issued and outstanding shares of our Company on the basis of every one Common Share for two Common Shares. The aforesaid re-designation and share conversion and the 1 for 2 share split were completed on April 29, 2016.

All the relevant regulatory requirements and approval under Canadian laws for the Reorganization have been complied with and obtained.

CORPORATE STRUCTURE AND HISTORY

The following chart shows our shareholding structure immediately upon completion of the Reorganization and the share subscriptions in our Company completed since the commencement of the Reorganization but before the commencement of the Global Offering:



Notes:

- (1) These represent the former Class B Shareholders (excluding Mr. Bo) who previously held 2,279,820 Class B Shares prior to the share conversion and share split, now hold 4,559,640 Common Shares after the share conversion and share split as part of the Reorganization. Among these Shareholders include Ms. Hou, the spouse of Mr. Bo, who held 440,000 Common Shares (representing approximately 0.21% of all the issued Shares).
- (2) Aspen, which previously held 1,000 Class A Shares, 9,500,353 Class B Shares and 83,490,063 Class C Shares of our Company prior to the share conversion and share split, now holds 185,982,832 Common Shares after the share conversion and share split as part of the Reorganization.
- (3) Mr. Bo, who previously held 220,000 Class B Shares of our Company prior to the share conversion and share split, now holds 440,000 Common Shares after the share conversion and share split as part of the Reorganization.
- (4) These represent the former Class C Shareholders (excluding Mr. Jing) who previously held 8,648,358 Class C Shares of our Company prior to the share conversion and share split, who now hold 17,296,716 Common Shares after the share conversion and share split as part of the Reorganization.
- (5) Mr. Jing, who previously held 213,666 Class C Shares of our Company prior to the share conversion and share split, now holds 427,332 Common Shares after the share conversion and share split as part of the Reorganization.

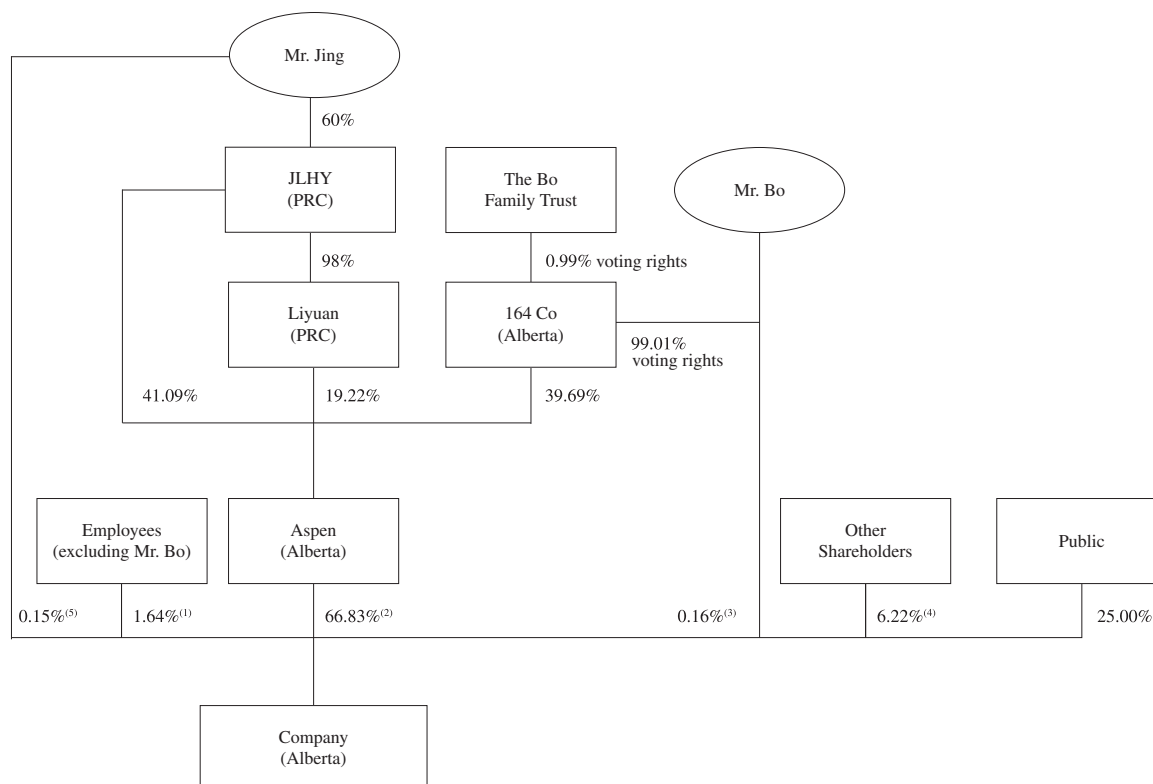
CORPORATE STRUCTURE AND HISTORY

The table below shows the breakdown of the holders of the Common Shares of our Company after completion of the Reorganization and the share subscriptions in our Company since the commencement of the Reorganization but before the commencement of the Global Offering.

<u>Shareholder</u>	<u>Number of Shares held</u>	<u>Approximate percentage in our issued Shares as at the Latest Practicable Date</u>
Aspen	185,982,832	89.11%
	185,982,832	89.11%
Employees		
Mr. Bo	440,000	0.21%
Ms. Hou	440,000	0.21%
Binyou Dai	440,000	0.21%
Pingzai Wang	440,000	0.21%
Jun Xiang	200,000	0.10%
Lei Song	84,000	0.04%
Other 10 Employees	2,955,640	1.42%
	4,999,640	2.40%
Other Shareholders		
Mr. Jing	427,332	0.20%
Other 87 Shareholders	17,296,716	8.29%
	17,724,048	8.49%
	<u>208,706,520</u>	<u>100%</u>

CORPORATE STRUCTURE AND HISTORY

The following chart shows our shareholding immediately after completion of the Global Offering (without taking into account the Shares which may be allotted and issued pursuant to the exercise of the Over-Allotment Option):



Notes:

- (1) Employees, excluding Mr. Bo, hold 4,559,640 Common Shares of our Company, equivalent to approximately 1.64% of our issued Common Shares. Among these Shareholders include Ms. Hou, the spouse of Mr. Bo, who holds 440,000 Common Shares (representing approximately 0.16% of all the issued Shares).
- (2) Aspen holds 185,982,832 Common Shares of our Company, equivalent to approximately 66.83% of our issued Common Shares.
- (3) Mr. Bo holds 440,000 Common Shares of our Company, equivalent to approximately 0.16% of our issued Common Shares.
- (4) Other Shareholders, excluding Mr. Jing, hold 17,296,716 Common Shares of our Company, equivalent to approximately 6.22% of our issued Common Shares. None of the Other Shareholders hold more than 5% equity interest of our Company.
- (5) Mr. Jing holds 427,332 Common Shares of our Company, equivalent to approximately 0.15% of our issued Common Shares.