

**A. FURTHER INFORMATION ABOUT OUR COMPANY****1. Incorporation**

We were incorporated as a corporation in Alberta, Canada on March 11, 2005 under the ABCA. Our principal place of business is located at 2717, 308-4th Avenue, SW, Calgary, Alberta, T2P0H7, Canada. Our principal place of business in Hong Kong is at Room 1901, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong and we are registered as a non-Hong Kong company under Part 16 of the Companies Ordinance. Ms. Chau Hing Ling has been appointed as our agent for the acceptance of service of process and notices in Hong Kong. The address for service of process on us in Hong Kong is the same as our registered place of business in Hong Kong set out above. As we are incorporated in Alberta, our corporate structure, our Articles and By-Laws are subject to the relevant laws of Alberta, Canada. A summary of the relevant provisions of our Articles and By-Laws and certain relevant aspects of Alberta company law are set out in Appendix V to this Prospectus.

**2. Changes in Share Capital of Our Company**

As at the date of incorporation, our Company's authorized share capital was an unlimited number of Class A Shares. As at June 21, 2006, our Articles were amended to create an unlimited number of Class B Shares, Class C Shares, First Preferred Shares and Second Preferred Shares. Pursuant to the Annual and Special Meeting of the Shareholders of our Company held on February 26, 2016, our Articles were further amended to re-designate the Class A Shares as Common Shares and to convert all Class B Shares and all Class C Shares for Common Shares on a 1:1 basis.

The following shows the changes in our Company's shareholdings within two years immediately preceding the date of this Prospectus:

***Class A Shares***

- (1) on December 18, 2015, JLHY and Aspen entered into a share transfer agreement pursuant to which Aspen purchased, among others, 499 Class A Shares in our Company from JLHY as part of the Reorganization at a consideration equal to market fair value thereof; and
- (2) on December 18, 2015, 164 Co and Aspen entered into a share transfer agreement pursuant to which Aspen purchased, among others, 501 Class A Shares in our Company from 164 Co as part of the Reorganization at a consideration equal to market fair value thereof;

*Class B Shares*

- (1) on December 18, 2015, 164 Co and Aspen entered into a share transfer agreement pursuant to which Aspen purchased, among others, 9,500,353 Class B Shares in our Company from 164 Co as part of the Reorganization at a consideration equal to fair market value thereof;
- (2) on January 18, 2016, our Company and Ge Ji entered into a subscription agreement pursuant to which our Company allotted and issued 40,000 Class B Shares to Ge Ji at a subscribing price of C\$1.2 per share amounting to C\$48,000;
- (3) on January 18, 2016, our Company and Yue Mao entered into a subscription agreement pursuant to which our Company allotted and issued 41,665 Class B Shares to Yue Mao at a subscribing price of C\$1.2 per share amounting to C\$49,998;
- (4) on February 24, 2016, our Company and Ting Ma entered into a subscription agreement pursuant to which our Company allotted and issued 40,000 Class B Shares to Ting Ma at a subscription price of C\$0.9 per share amounting to C\$36,000;
- (5) on February 24, 2016, our Company and Jun Xiang entered into a subscription agreement pursuant to which our Company allotted and issued 100,000 Class B Shares to Jun Xiang at a subscription price of C\$1.2 per share amounting to C\$120,000; and
- (6) on February 24, 2016, our Company and Ge Ji entered into a subscription agreement pursuant to which our Company allotted and issued 40,000 Class B Shares to Ge Ji at a subscription price of C\$1.2 per share amounting to C\$48,000;

*Class C Shares*

- (1) on October 14, 2015, our Company and Neil J. Bliss entered into a share repurchase agreement pursuant to which our Company purchased 25,000 Class C Shares in our Company from Neil J. Bliss at the purchase price of C\$50,000;
- (2) on October 28, 2015, JLHY and Jie Xiong entered into a share repurchase agreement pursuant to which Jie Xiong purchased 111,112 Class C Shares in our Company from JLHY at the purchase price of C\$0.9 per share amounting to C\$100,000.80;
- (3) on December 16, 2015, our Company and Han Jinguo entered into a subscription agreement pursuant to which our Company allotted and issued 1,100,000 Class C Shares to Han Jinguo at a subscribing price of C\$1.8 per share amounting to C\$1,980,000;
- (4) on December 18, 2015, JLHY and Aspen entered into a transfer agreement pursuant to which Aspen purchased, among others, 83,490,062.2 Class C Shares in our Company from JLHY as part of the Reorganization at the consideration equal to the fair market value thereof;

- (5) on January 6, 2016, our Company and Yujuan Ma entered into a subscription agreement pursuant to which our Company allotted and issued 117,516 Class C Shares to Yujuan Ma at a subscribing price of C\$2.0 per share amounting to C\$235,032;
- (6) on January 6, 2016, our Company and Mr. Jing entered into a subscription agreement pursuant to which our Company allotted and issued 213,666 Class C Shares to Mr. Jing at a subscribing price of C\$2.0 per share amounting to C\$427,332;
- (7) on January 6, 2016, our Company and Shuyuan Wang entered into a subscription agreement pursuant to which our Company allotted and issued 106,833 Class C Shares to Shuyuan Wang at a subscribing price of C\$2.0 per share amounting to C\$213,666;
- (8) on January 6, 2016, our Company and Shufen Cheng entered into a subscription agreement pursuant to which our Company allotted and issued 53,417 Class C Shares to Shufen Cheng at a subscribing price of C\$2.0 per share amounting to C\$106,834;
- (9) on January 6, 2016, our Company and Qingyan Liu entered into a subscription agreement pursuant to which our Company allotted and issued 26,708 Class C Shares to Qingyan Liu at a subscribing price of C\$2.0 per share amounting to C\$53,416;
- (10) on January 6, 2016, our Company and Li Mo entered into a subscription agreement pursuant to which our Company allotted and issued 53,417 Class C Shares to Li Mo at a subscribing price of C\$2.0 per share amounting to C\$106,834;
- (11) on January 6, 2016, our Company and Jun Yu entered into a subscription agreement pursuant to which our Company allotted and issued 74,783 Class C Shares to Jun Yu at a subscribing price of C\$2.0 per share amounting to C\$149,566;
- (12) on January 6, 2016, our Company and Hongbiao Xu entered into a subscription agreement pursuant to which our Company allotted and issued 53,417 Class C Shares to Hongbiao Xu at a subscribing price of C\$2.0 per share amounting to C\$106,834;
- (13) on January 6, 2016, our Company and Dapeng Ren entered into a subscription agreement pursuant to which our Company allotted and issued 85,466 Class C Shares to Dapeng Ren at a subscribing price of C\$2.0 per share amounting to C\$170,932;
- (14) on January 6, 2016, our Company and Chuping Wang entered into a subscription agreement pursuant to which our Company allotted and issued 58,758 Class C Shares to Chuping Wang at a subscribing price of C\$2.0 per share amounting to C\$117,516;
- (15) on February 25, 2016, our Company allotted and issued 0.8 Class C Share to Aspen which then holds a total of 83,490,063 Class C Shares of our Company; and

*Common Shares*

- (1) on April 29, 2016, (a) all Class A Shares were re-designated as Common Shares; (b) all Class B and Class C Shares were converted for Common Shares on a 1:1 basis; and (c) every one Common Share was split into two Common Shares.

Save as disclosed in this Prospectus, there has been no alteration in our Common Shares within two years immediately preceding the date of this Prospectus.

**3. Resolutions of Our Shareholders**

Pursuant to the Annual and Special Meeting, our Shareholders resolved, among other things, that:

- (a) the Articles of our Company, the terms of which are summarized in Appendix V to this Prospectus, to be amended;
- (b) the By-Laws of our Company, the terms of which are summarized in Appendix V to this Prospectus, to be amended effective as at the date of Listing;
- (c) the redesignation of Class A Shares as Common Shares and conversion of all Class B Shares and all Class C Shares for Common Shares;
- (d) a share split of the issued and outstanding Common Shares of our Company on every one Common Share for two Common Shares basis;
- (e) conditional upon the Global Offering, a general unconditional mandate was given to the Directors to allot, issue and deal with Shares (otherwise than pursuant to: (i) a rights issue; or (ii) an issue of Shares upon exercise of any subscription warrants issued by our Company; or (iii) the exercise of options granted under any option scheme; or (iv) any scrip dividends scheme; or (v) any issues of Shares in lieu of the whole or part of a dividend on Shares) with an aggregate of not more than 20% of the total number of Shares in issue immediately upon the completion of the Global Offering (excluding Shares which may be issued under the Over-Allotment Option);
- (f) conditional upon the Global Offering, a general unconditional mandate was given to the Directors to exercise all the powers of our Company to repurchase Shares to be listed on the Stock Exchange or on any other stock exchange on which the securities of our Company may be listed and which is recognized by the SFC and the Stock Exchange with a total number of not more than 10% of total number of Shares in issue immediately following completion of the Global Offering (excluding Shares which may be issued under the Over-Allotment Option);

the resolutions referred to in paragraphs (a) and (b) are revocable at the discretion of the Board until they become effective. The amended Articles of our Company will become effective upon filing of the Articles of Amendment with the corporate registry of Alberta, which will be completed prior to the Listing. The matters referred to in paragraphs (c) and (d) were approved by a written resolution of the Board dated February 5, 2016 and the share conversion and share split were completed on April 29, 2016. Each of the general mandates referred to in paragraphs (e) and (f) above will remain in effect until whichever is the earliest of: (i) the conclusion of the next annual general meeting of our Company; (ii) the expiration of the period within which the next annual general meeting of our Company is required to be held by any applicable law or our Articles or our By-Laws; or (iii) the time when such mandate is revoked or varied by an ordinary resolution of the Shareholders of our Company in a Shareholders' general meeting; and

- (g) the issuing mandate in paragraph (e) above was extended by the addition to the aggregate number of Shares which may be allotted or agreed conditionally or unconditionally to be allotted and issued by the Board pursuant to such issuing mandate of an amount representing the aggregate number of Shares repurchased by the Company pursuant to the repurchase mandate referred to in paragraph (f) above provided that such extended amount shall not exceed 10% of the total number of Shares immediately following the share split and the completion of the Listing (excluding any Shares which may be issued pursuant to the exercise of the Over-Allotment Option).

Pursuant to the special meeting of Shareholders held on January 10, 2017, our Shareholders resolved, among other things, that conditional on the Stock Exchange granting listing of, and permission to deal in, the Shares in issue and the Shares to be issued as mentioned in this Prospectus and such approval not subsequently having been revoked prior to the commencement of dealings in the Shares, the Global Offering and the grant of the Over-Allotment Option were approved, and the Directors were authorized to allot and issue the Offer Shares and such number of Shares as may be required to be allotted and issued upon the exercise of the Over-Allotment Option pursuant to the Global Offering to rank *pari passu* with the Shares then in issue in all respects, on and subject to the terms and conditions stated in this Prospectus and to do such acts and things as they shall deem necessary or appropriate in connection with the Global Offering.

Pursuant to the meeting of the Board held on January 17, 2017, our Board resolved, among other things, that conditional on the Stock Exchange granting the listing of, and permission to deal in, the Shares in issue, the Shares to be issued as mentioned in this Prospectus, the Global Offering and the Over-allotment Option were approved and the Directors were authorised to allot and issue the Offer Shares.

#### 4. Repurchases of Our Own Shares

This section includes information relating to the repurchase of our Shares, including information required by the Stock Exchange to be included in this Prospectus concerning such repurchase.

(a) *Relevant legal and regulatory requirements*

The Listing Rules permit our Shareholders to grant our Directors a general mandate to repurchase our Shares that are listed on the Stock Exchange. Such mandate is required to be given by way of an ordinary resolution passed by our Shareholders in a general meeting.

(i) *Shareholders' approval*

All proposed repurchases of Shares (which must be fully paid up) must be approved in advance by an ordinary resolution of our Shareholders in a general meeting, either by way of general mandate or by specific approval of a particular transaction.

On February 26, 2016, our Directors were granted a general unconditional mandate to repurchase up to 10% of the Shares of our Company in issue immediately following completion of the Global Offering on the Stock Exchange, or on any other stock exchange on which our securities may be listed, and which is recognized by the SFC and the Stock Exchange for this purpose, before any exercise of the Over-Allotment Option. This mandate will expire at the earliest of:

- a. the conclusion of our next annual Shareholders' general meeting;
- b. the date by which our next Shareholders' general meeting is required by applicable laws and our Articles and By-Laws to be held; or
- c. the revocation, variation or renewal of such mandate by an ordinary resolutions of our Shareholders in a general meeting (the "**Mandate Period**").

(ii) *Source of funds*

Repurchases must be funded out of funds legally available for the purpose in accordance with our Articles and By-Laws and the applicable laws of Alberta, Canada. We may not repurchase our Shares on the Stock Exchange for consideration other than cash or for settlement otherwise than in accordance with the trading rule of the Stock Exchange. Subject to the above, we may make repurchases with funds which would otherwise be available for dividend or distribution or out of an issue of Shares for the purpose of the repurchase.

*(iii) Trading Restrictions*

The total number of shares which a listed company may repurchase on the Stock Exchange or on another stock exchange recognized for this purpose by the SFC and the Stock Exchange under the Code on Share Buy-backs is the number of shares representing up to a maximum of 10% of the aggregate number of shares in issue as at the date of the passing of the ordinary resolution approving the mandate. A listed company may not issue or announce a proposed issue of new securities for a period of 30 days immediately following a repurchase (other than an issue of securities pursuant to an exercise of warrants, share options or similar instruments requiring the company to issue securities which were outstanding prior to such repurchase) without the prior approval of the Stock Exchange. In addition, a listed company is prohibited from repurchasing its shares on the Stock Exchange if the purchase price is 5% or more than the average closing market price for the five preceding trading days on which its shares were traded on the Stock Exchange. The Listing Rules also prohibit a listed company from repurchasing any of its securities if the result of which are the number of its shares in the hands of the public would be below the relevant prescribed minimum percentage as required by the Stock Exchange. A listed company is required to procure that the broker appointed by it to effect a repurchase of securities discloses to the Stock Exchange such information with respect to the repurchase as the Stock Exchange may require.

*(iv) Status of Repurchased Shares*

All repurchased securities (whether effected on the Stock Exchange or otherwise) will be automatically delisted and the certificates for those securities must be cancelled and destroyed as soon as reasonably practicable following settlement of any such repurchase.

*(v) Suspension of Repurchase*

We may not make any repurchase of securities at any time after inside information has come to our knowledge until such time that the information has been made publicly available. In particular, during the period of one month immediately preceding the earlier of: (a) the date of the board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of our results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and (b) the deadline for publication of an announcement of our results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules), and ending on the date of the results announcements, we may not repurchase our Shares on the Stock Exchange other than in exceptional circumstances. In addition, the Stock Exchange may prohibit a repurchase of securities on the Stock Exchange if we have breached the Listing Rules.



(vi) *Reporting Requirements*

Certain information relating to repurchases of securities on the Stock Exchange or otherwise must be reported to the Stock Exchange not later than 30 minutes before the earlier of the commencement of the morning trading session or any pre-opening session on the following Business Day. In addition, our annual report and account are required to disclose details regarding repurchases of securities made during the year, including a monthly breakdown of the number of securities repurchased, the purchase price per Share or the highest and lowest price paid for all such repurchase, where relevant, and the aggregate prices paid.

(vii) *Connected Persons*

We are prohibited from knowingly repurchasing securities on the Stock Exchange from a “core connected person”, that is, a director, chief executive or substantial shareholder of our Company or any of our subsidiaries or their close associates and a core connected person is prohibited from knowingly selling his securities to us.

**(b) *Reasons for repurchases***

Our Directors believe that it is in both our and our Shareholders’ best interests as a whole for our Directors to have general authority to execute repurchases of our shares in the market. Such repurchases may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made where our Directors believe that such repurchases will benefit our Company and our Shareholders. Our Directors sought the grant of a general mandate to repurchase Shares to give our Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by our Directors at the relevant time having regard to the circumstances then pertaining.

**(c) *Funding of repurchases***

In repurchasing securities, we may only apply funds legally available for such purpose in accordance with our Articles and By-Laws, the applicable laws of Alberta, Canada and Hong Kong and the Listing Rules.

On the basis of our current financial position, as disclosed in this Prospectus, and taking into account our current working capital position, our Directors believe that, if the repurchase mandate were to be exercised in full at any time during the Mandate Period, it might have a material adverse effect on our working capital and/or the gearing position (as compared with the position disclosed in this Prospectus). Further, our Directors do not propose to exercise the repurchase mandate to such an extent as would, in the circumstances, have a material adverse effect on our working capital requirements or the gearing levels which in the opinion of our Directors are from time to time appropriate for us.



**(d) *Share capital***

The exercise in full of the current repurchase mandate, on the basis of approximately 278,286,520 Shares being issued and outstanding immediately after completion of the Global Offering, could accordingly result in up to approximately 27,828,652 Shares being repurchased by us during the Mandate Period.

**(e) *General***

None of our Directors nor any of their close associates (as defined in the Listing Rules) currently intends to sell any of our Shares to us.

Our Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the repurchase mandate in accordance with the Listing Rules, our Articles and By-Laws, the ABCA and any other applicable laws of Alberta.

If, as a result of any repurchase of our Shares, a Shareholders' proportionate interest in our voting rights is increased, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder or a group of Shareholders acting in concert could obtain or consolidate control of us and become obliged to make a mandatory offer in accordance with rule 26 of the Takeovers Code. Save as aforesaid, our Directors are not aware of any consequences of repurchases which would arise under the Takeovers Code.

No core connected person (as defined by the Listing Rules) has notified us that he or it has a present intention to sell his or its Shares to us, or has undertaken not to do so, if the repurchase mandate is exercised.

**B. FURTHER INFORMATION ABOUT OUR BUSINESS****1. Summary of Material Contracts**

We have entered into the following contracts (not being contracts entered into in the ordinary course of business) within the two years immediately preceding the date of this Prospectus that are or may be material:

- (1) a share repurchase agreement for Class C Shares dated October 14, 2015 made between Neil J. Bliss and our Company in respect of the purchase of 25,000 Class C Shares in our Company at a purchase price of C\$50,000;
- (2) a subscription agreement for Class C Shares dated December 16, 2015 made between Han Jinguo as the subscriber and our Company in respect of subscribing 1,100,000 Class C Shares at a subscribing price of C\$1.8 per share amounting to C\$1,980,000;
- (3) a subscription agreement for Class C Shares dated January 6, 2016 made between Yujuan Ma as the subscriber and our Company in respect of subscribing 117,516 Class C Shares at a subscribing price of C\$2.0 per share amounting to C\$235,032;
- (4) a subscription agreement for Class C Shares dated January 6, 2016 made between Mr. Jing as the subscriber and our Company in respect of subscribing 213,666 Class C Shares at a subscribing price of C\$2.0 per share amounting to C\$427,332;
- (5) a subscription agreement for Class C Shares dated January 6, 2016 made between Shuyuan Wang as the subscriber and our Company in respect of subscribing 106,833 Class C Shares at a subscribing price of C\$2.0 per share amounting to C\$213,666;
- (6) a subscription agreement for Class C Shares dated January 6, 2016 made between Shufen Cheng as the subscriber and our Company in respect of subscribing 53,417 Class C Shares at a subscribing price of C\$2.0 per share amounting to C\$106,834;
- (7) a subscription agreement for Class C Shares dated January 6, 2016 made between Qingyan Liu as the subscriber and our Company in respect of subscribing 26,708 Class C Shares at a subscribing price of C\$2.0 per share amounting to C\$53,416;
- (8) a subscription agreement for Class C Shares dated January 6, 2016 made between Li Mo as the subscriber and our Company in respect of subscribing 53,417 Class C Shares at a subscribing price of C\$2.0 per share amounting to C\$106,834;
- (9) a subscription agreement for Class C Shares dated January 6, 2016 made between Jun Yu as the subscriber and our Company in respect of subscribing 74,783 Class C Shares at a subscribing price of C\$2.0 per share amounting to C\$149,566;

- (10) a subscription agreement for Class C Shares dated January 6, 2016 made between Hongbiao Xu as the subscriber and our Company in respect of subscribing 53,417 Class C Shares at a subscribing price of C\$2.0 per share amounting to C\$106,834;
- (11) a subscription agreement for Class C Shares dated January 6, 2016 made between Dapeng Ren as the subscriber and our Company in respect of subscribing 85,466 Class C Shares at a subscribing price of C\$2.0 per share amounting to C\$170,932;
- (12) a subscription agreement for Class C Shares dated January 6, 2016 made between Chuping Wang as the subscriber and our Company in respect of subscribing 58,758 Class C Shares at a subscribing price of C\$2.0 per share amounting to C\$117,516;
- (13) a subscription agreement for Class B Shares dated January 18, 2016 made between Ge Ji as the subscriber and our Company in respect of subscribing 40,000 Class B Shares at a subscribing price of C\$1.2 per share amounting to C\$48,000;
- (14) a subscription agreement for Class B Shares dated January 18, 2016 made between Yue Mao as the subscriber and our Company in respect of subscribing 41,665 Class B Shares at a subscribing price of C\$1.2 per share amounting to C\$49,998;
- (15) a subscription agreement for Class B Shares dated February 24, 2016 made between Ting Ma as the subscriber and our Company in respect of subscribing 40,000 Class B Shares at a subscribing price of C\$0.9 per share amounting to C\$36,000;
- (16) a subscription agreement for Class B Shares dated February 24, 2016 made between Jun Xiang as the subscriber and our Company in respect of subscribing 100,000 Class B Shares at a subscribing price of C\$1.2 per share amounting to C\$120,000;
- (17) a subscription agreement for Class B Shares dated February 24, 2016 made between Ge Ji as the subscriber and our Company in respect of subscribing 40,000 Class B Shares at a subscribing price of C\$1.2 per share amounting to C\$48,000;
- (18) a co-existence agreement dated 24 November 2016 made between Siepmann-Werke GmbH & Co. KG and our Company in respect of the co-existence of the “PERSTA” mark in the Canadian marketplace;
- (19) the Deed of Non-Competition dated January 17, 2017 given by the Controlling Shareholders in favor of our Company (for ourselves and as trustee for our subsidiaries), as further described in the section headed “Relationship with Controlling Shareholders — Deed of Non-Competition” in this Prospectus;
- (20) the Deed of Tax Indemnity dated January 17, 2017 given by the Controlling Shareholders in favor of our Company (for ourselves and as trustee for our subsidiaries) as further described in the section headed “Appendix VI — Statutory and General Information — E. Other information — 1. Estate Duty and Tax Indemnity” to this Prospectus; and



(21) the Hong Kong Underwriting Agreement dated February 27, 2017 relating to the Hong Kong Public Offering entered into by, among others, our Company, the Joint Global Coordinators and the Hong Kong Underwriters as further described in the section headed “Underwriting — Underwriting Arrangements and Expenses — Hong Kong Public Offering — Hong Kong Underwriting Agreement” in this Prospectus.

## 2. Intellectual Property Rights



As at the Latest Practicable Date, our Company has registered and has applied for the registration of the following intellectual property rights which are material in relation to our Company’s business.

### (a) Trademarks

As at the Latest Practicable Date, we had registered the following trademarks:

Trademark	Name of Registered Owner	Territory of Registration	Classes	Registration Number	Valid Period
	Persta Resources Inc.	Hong Kong	4, 37, 39, 40, 42	303576952	October 27, 2015 to October 26, 2025
	Persta Resources Inc.	Hong Kong	4, 37, 39, 40, 42	303576961	October 27, 2015 to October 26, 2025
<sup>^</sup> PERSTA	Persta Resources Inc.	Hong Kong	4, 37, 39, 40, 42	303576961	October 27, 2015 to October 26, 2025
<sup>^</sup> Persta	Persta Resources Inc.	Hong Kong	4, 37, 39, 40, 42	303576961	October 27, 2015 to October 26, 2025

As at the Latest Practicable Date, we had applied for the registration of the following trademarks:

Trademark	Applicant	Territory of Application	Classes	Application Date	Application Number
PERSTA	Persta Resources Inc.	Canada	4	January 14, 2016	1763407
Persta	Persta Resources Inc.	Canada	4	January 14, 2016	1763409
	Persta Resources Inc.	Canada	4	January 14, 2016	1763415
	Persta Resources Inc.	Canada	4	January 14, 2016	1763416

### (b) Domain Names

As at the Latest Practicable Date, we had registered the following domain names:

Domain Name	Registrant	Term
persta.ca	Persta Resources Inc.	From May 27, 2005 to May 27, 2019
persta.hk	Persta Resources Inc.	From September 8, 2016 to September 8, 2021
persta.com.hk	Persta Resources Inc.	From September 8, 2016 to September 8, 2021

Other than our intellectual property right sets out above, there are no trade or service marks, patents, or other intellectual property rights which are or may be material in relation to our business.

### 3. Legal Proceedings and Regulatory Matters

#### *Legal proceedings*

Save as disclosed in this Prospectus, as at the Latest Practicable Date, our Company is neither engaged in nor aware of any litigation, arbitration or claim of material importance pending or threatened against our Company.

#### *Regulatory matters*

The following table shows the key licences and permits that we have obtained for our operations and their respective validity periods.

<u>Licence/ Approval Permit</u>	<u>Authorized Entity</u>	<u>Issuance Authority</u>	<u>Issuance Date</u>	<u>Expiry Date</u>	<u>Description</u>
APEGA Permit to Practice #10965	Persta Resources Inc.	APEGA	March 1, 2016	February 28, 2017	Licence to practice engineering in Alberta, Canada

### 4. Properties

#### (a) *Our Leased Property*

As at the Latest Practicable Date, we have the following leased property (“**Leased Property**”) with the details set out below.

<u>Address and Description of location</u>	<u>Use</u>	<u>Size of area</u>	<u>Monthly rent</u>	<u>Book value</u>	<u>Restriction on use</u>	<u>Lease expiry date</u>	<u>Material encumbrances</u>	<u>Material litigations, breaches and defects</u>	<u>Future plans for construction, renovation, improvement or development and estimated associated costs</u>	<u>Other remarks</u>
#2717, 308 4th Avenue SW, Calgary, AB, Canada T2P 0H7	General business office	8,725	CS 27,866.67	N/A	N/A	31-Dec-17	N/A	N/A	N/A	N/A

**(b) PNG Licences and Crown Leases**

The following table shows the number of our PNG Licences and Crown Leases, the number of sections and the amount of hectare corresponding to each area as at the Latest Practicable Date:

Property	PNG Licences	Crown Leases	Land Section (Note 1)		Land Area			
			Gross	Net	Gross		Net	
					Acres	Hectares	Acres	Hectares
<b>Alberta Foothills</b>	<b>36</b>	<b>5</b>	<b>108</b>	<b>105</b>	<b>68,800</b>	<b>27,520</b>	<b>67,008</b>	<b>26,803</b>
Basing	8	3	15	15	9,600	3,840	9,600	3,840
Voyager	21	0	35	35	22,400	8,960	22,400	8,960
Kaydee	3	0	30	30	19,200	7,680	19,200	7,680
Stolberg	3	2	16	13	10,240	4,096	8,448	3,379
Colombia	1	0	12	12	7,360	2,944	7,360	2,944
<b>Peace River</b>	<b>0</b>	<b>17</b>	<b>5</b>	<b>5</b>	<b>3,200</b>	<b>1,280</b>	<b>3,200</b>	<b>1,280</b>
Dawson	0	17	5	5	3,200	1,280	3,200	1,280
<b>Deep Basin Devonian</b>	<b>4</b>	<b>0</b>	<b>69</b>	<b>69</b>	<b>44,320</b>	<b>17,728</b>	<b>44,320</b>	<b>17,728</b>
<b>Total</b>	<b>40</b>	<b>22</b>	<b>182</b>	<b>179</b>	<b>116,320</b>	<b>46,528</b>	<b>114,528</b>	<b>45,811</b>

Note 1: 1 Section = 256 Ha

The following table shows all PNG Licences and Crown Leases held by our Company or our brokers as at the Latest Practicable Date:

Licence or Lease No.	Mineral Rights	Working Interest	Commencement Date	Expiry Date	Location
5507010513	PNG from Surface to Base of the Spirit River	100%	11/01/2007	Indefinite	Basing
5507010514	PNG to Base of the Spirit River	100%	11/01/2007	Indefinite	Basing
Pending	PNG from Surface to Base of the Cardium	100%	11/01/2007	11/01/2018	Basing
Pending	PNG from Surface to Base of the Spirit River	100%	11/01/2007	11/01/2018	Basing
Pending	PNG from Surface to Base of the Spirit River	100%	11/01/2007	11/01/2018	Basing
5507110258	PNG from Surface to Base of the Turner Valley	30%*	01/11/2007	01/11/2017*	Stolberg
5508030752	PNG below Base of Cardium to Base of the Bluesky-Bullhead	100%	20/03/2008	20/03/2018	Basing
5508030753	PNG below Base of Cardium to Base of the Bluesky-Bullhead	100%	20/03/2008	20/03/2018	Basing
5508030754	PNG below Base of Cardium to Base of the Bluesky-Bullhead	100%	20/03/2008	20/03/2018	Basing
5510110375	PNG from Surface to Base of the Rundle, Except NG in Rundle	100%	18/11/2010	31/03/2017*	Voyager
5510110376	PNG from Surface to Base of the Rundle, Except NG in Rundle	100%	18/11/2010	31/03/2017*	Voyager
5510110377	PNG from Surface to Base of the Rundle, Except NG in Rundle	100%	18/11/2010	31/03/2017*	Voyager

<b>Licence or Lease No.</b>	<b>Mineral Rights</b>	<b>Working Interest</b>	<b>Commencement Date</b>	<b>Expiry Date</b>	<b>Location</b>
5510110378	PNG from Surface to Base of the Rundle, Except NG in Rundle	100%	18/11/2010	31/03/2017*	Voyager
5513010293	PNG from Surface to Base of the Basement	100%	10/01/2013	10/01/2018	Kaydee
5514040199	PNG from Surface to Base of the Mannville	100%	17/04/2014	17/04/2019	Stolberg
5514040200	Track 1: PNG from Surface to Base of the Mannville Track 2: PNG from Surface to Base of the Bullhead	100%	17/04/2014	17/04/2019	Stolberg
5514080126	PNG from Surface to Base of the Basement, Except NG in Rundle	100%	07/08/2014	07/08/2019	Voyager
5514080127	PNG from Surface to Base of the Basement	100%	07/08/2014	07/08/2019	Voyager
5514080128	PNG from Surface to Base of the Basement	100%	07/08/2014	07/08/2019	Voyager
5514100263	PNG from Surface to Base of the Basement	100%	30/10/2014	30/10/2019	Voyager
5514120044	PNG from Surface to Base of the Basement, Except NG in Wabamun & Rundle	100%	02/12/2014	04/12/2019	Voyager
5514120045	PNG from Surface to Base of the Basement	100%	04/12/2014	04/12/2019	Voyager
5514120046	PNG from Surface to Base of the Basement	100%	04/12/2014	04/12/2019	Voyager
5515010164	PNG from Surface to Base of the Basement	100%	15/01/2015	15/01/2020	Voyager
5515010165	PNG from Surface to Base of the Basement, Except NG in Rundle	100%	15/01/2015	15/01/2020	Voyager
5515010166	PNG from Surface to Base of the Basement, Except NG in Rundle	100%	15/01/2015	15/01/2020	Voyager
0615020072	PNG from Surface to Base of the Basement	100%	11/02/2015	12/02/2020	Stolberg
0615020074	PNG from Surface to Base of the Basement	100%	11/02/2015	12/02/2020	Stolberg
5515030166	PNG from Surface to Base of the Basement	100%	11/03/2015	12/03/2020	Voyager
5515030167	PNG from Surface to Base of the Basement	100%	11/03/2015	12/03/2020	Voyager
5515040167	PNG from Surface to Base of the Basement	100%	30/04/2015	30/04/2020	Voyager
5515040168	PNG from Surface to Base of the Basement	100%	30/04/2015	30/04/2020	Voyager
5515040169	Track 1: PNG from Surface to Base of the Basement Track 2: PNG below of the Rundle to Base of the Basement	100%	30/04/2015	30/04/2020	Voyager
5515050122	Track 1: PNG from Surface to Base of the Basement Track 2: PNG from Surface to Base of the Basement, Except Natural Gas in Rundle	100%	28/05/2015	28/05/2020	Voyager
5515050124	PNG from Surface to Base of the Basement	100%	28/05/2015	28/05/2020	Kaydee
5515070159	PNG from Surface to Base of the Basement	100%	09/07/2015	09/07/2020	Kaydee
0401030198	PNG from Below Base of the Viking to Base of the Mannville	50%*	08/03/2006	Indefinite	Provost
0506100512	PNG from Surface to Base of the Pekisko	100%	19/10/2006	Indefinite	Dawson
0507030819	PNG below Base of the Bluesky-Bullhead to Base of the Slave Point	100%	22/03/2007	Indefinite	Dawson
0508040251	PNG from Surface to Base of the Slave Point	100%	03/04/2013	Indefinite	Dawson
0510090472	PNG from Surface to Base of the Slave Point	100%	16/09/2010	09/03/2017*	Dawson
0510090473	PNG from Surface to Base of the Slave Point	100%	16/09/2010	09/03/2017*	Dawson
0510090474	PNG from Surface to Base of the Slave Point	100%	16/09/2010	09/03/2017*	Dawson
0510090475	PNG from Surface to Base of the Slave Point	100%	16/09/2010	09/03/2017*	Dawson
0511070482	PNG from Surface to Base of the Basement	100%	28/07/2011	28/07/2017*	Dawson
0511070483	PNG from Surface to Base of the Basement	100%	28/07/2011	28/07/2017*	Dawson
0511070484	PNG from Surface to Base of the Basement	100%	28/07/2011	28/07/2017*	Dawson



<b>Licence or Lease No.</b>	<b>Mineral Rights</b>	<b>Working Interest</b>	<b>Commencement Date</b>	<b>Expiry Date</b>	<b>Location</b>
0511070485	PNG from Surface to Base of the Basement	100%	28/07/2011	28/07/2017*	Dawson
0511090149	PNG from Surface to Base of the Basement	100%	08/09/2011	08/09/2017*	Dawson
0513030178	PNG from Surface to Base of the Basement	100%	07/03/2013	07/03/2018	Dawson
0513030179	PNG from Surface to Base of the Basement	100%	07/03/2013	07/03/2018	Dawson
0513030182	PNG from Surface to Base of the Basement	100%	07/03/2013	07/03/2018	Dawson
0513030183	PNG from Surface to Base of the Basement	100%	07/03/2013	07/03/2018	Dawson
0513030184	PNG from Surface to Base of the Basement	100%	07/03/2013	07/03/2018	Dawson
5415030249	Track 1: PNG below Base of Belly River to Base of the Basement Track 2: PNG below Base of the Bluesky- Bullhead to Base of the Basement Track 3: PNG below Base of the Rock Creek to Base of the Basement Track 4: PNG below Base of the Nordegg to Base of the Basement Track 5: PNG below Base of the Shunda to Base of the Basement Track 6: PNG below Base of the Nisku to Base of the Basement	100%	26/03/2015	26/03/2019	Deep Basin Denovian
5415030251	Track 1: PNG below Base of the Spirit River to Base of the Basement Track 2: PNG below Base of the Spirit River to Base of the Basement, Except NG in Bluesky- Gething Track 3: PNG below Base of the Bluesky- Bullhead to Base of the Basement Track 4: PNG below Base of the Rock Creek to Base of the Basement Track 5: PNG below Base of the Rock Creek to Base of the Basement, Except NG in Elkton- Shunda Track 6: PNG below Base of the Nordegg to Base of the Basement	100%	26/03/2015	26/03/2019	Deep Basin Denovian
5415080319	Track 1: PNG below base Rock Creek Track 2: PNG below base Duvernay	100%	19/08/2015	20/08/2019	Deep Basin Denovian
5415080320	Track 1: PNG below base Rock Creek Track 2: PNG below base Duvernay	100%	19/08/2015	20/08/2020	Deep Basin Denovian
5515080329	All PNG	100%	19/08/2015	20/08/2020	Voyager
5416010103	PNG below base Cardium	100%	14/01/2016	14/01/2020	Columbia
0616040110	PNG from Surface to Base of the Basement	100%	28/04/2016	28/04/2021	Basing
0616040111	PNG from Surface to Base of the Basement	100%	28/04/2016	28/04/2021	Basing

\*: Application for renewal will be submitted.

A crude oil and/or natural gas lease has been defined by Canadian case law to constitute a “profit a prendre” or an incorporeal interest in land providing a licence to explore for and extract minerals from the specified formation or range. As such, our PNG Licences and Crown Leases are considered to be a type of interest in land under Alberta law.

**(c) Miscellaneous**

Except as disclosed in this Prospectus, there are no environmental issues, pending litigation, breaches of law or title defects in respect of our Property which would have a material adverse impact on the businesses and operations of the Company. As at the Latest Practicable Date, except as disclosed in this Prospectus, our Company does not intend to undertake any major plans for construction, renovation, improvement or development of our Properties in the next 12 months. We confirm that, as at the Latest Practicable Date, no single property interest owned or leased by our Company is material to our Company as a whole and has a carrying amount of 15% or above of the total assets of our Company. We further confirm that none of our Property is individually material to our Company in terms of revenue contribution and/or rental expense. We hold the appropriate documents evidencing title for the Leased Property.

**C. FURTHER INFORMATION ABOUT OUR DIRECTORS, MANAGEMENT AND SUBSTANTIAL SHAREHOLDERS****1. Disclosure of Interests**

So far as the Directors are aware, as at the Latest Practicable Date and immediately following completion of the Global Offering (taking no account of any Shares which may be taken up under the Global Offering and assuming that the Over-Allotment Option is not exercised), the interests and short positions of our Directors and our Chief Executive Officer in the equity or debentures of our Company or any associated corporations (within the meaning of Part XV of the SFO) which will have to be notified to us and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and/or short positions which they are taken or deemed to have under such provisions of the SFO) once our Shares are listed, or which will be required, pursuant to section 347 of the SFO or the Model Code for Securities Transactions by Directors of Listed Companies in the Listing Rules to be notified to us and the Stock Exchange or which will be required pursuant to section 352 of the SFO to be entered in the register referred to therein once our Shares are listed, are as follows:

<u>Name of Director/chief executive officer</u>	<u>Capacity/Nature of interest</u>	<u>Number of Shares</u> <i>(Note 4)</i>	<u>Approximate percentage of shareholding interests of our Company</u>
Mr. Bo <i>(Notes 1 and 3)</i>	Beneficial owner, interest of spouse, interest in controlled corporation and parties acting in concert	187,290,164 (L)	67.30%
Mr. Jing <i>(Notes 2 and 3)</i>	Beneficial owner, interest in controlled corporation and parties acting in concert	187,290,164 (L)	67.30%

*Notes:*

1. Mr. Bo holds 440,000 Common Shares, equivalent to approximately 0.16% of our total issued Common Shares. He is the spouse of Ms. Hou and is therefore deemed to be interested in 440,000 Common Shares held by Ms. Hou under the SFO. Mr. Bo is one of the trustees of The Bo Family Trust.

Mr. Bo also holds 1,000 class D voting preferred shares in 164 Co, representing approximately 99.01% of the voting rights of 164 Co.

Pursuant to the Unanimous Shareholders Agreement and the First Supplemental Unanimous Shareholders Agreement, Aspen, Mr. Jing, JLHY, Mr. Bo, 164 Co and Liyuan become parties acting in concert and therefore Mr. Bo is deemed to be interested in the Common Shares in which Aspen, Mr. Jing, JLHY, 164 Co and Liyuan are interested in under the SFO, which in aggregate represent approximately 67.30% of our total issued Common Shares.

2. Mr. Jing holds 427,332 Common Shares, equivalent to approximately 0.15% of our total issued Common Shares. Mr. Jing is also interested in 60% of the equity interest in JLHY.

Pursuant to the Unanimous Shareholders Agreement and the First Supplemental Unanimous Shareholders Agreement, Aspen, Mr. Jing, JLHY, Mr. Bo, 164 Co and Liyuan become parties acting in concert and therefore Mr. Jing is deemed to be interested in the Common Shares in which Aspen, JLHY, Mr. Bo, 164 Co and Liyuan are interested in under the SFO, which in aggregate represent approximately 67.30% of our total issued Common Shares.

3. Aspen holds 185,982,832 Common Shares and is owned as to 41.09%, 39.69% and 19.22% by JLHY, 164 Co and Liyaun respectively. Pursuant to the Unanimous Shareholders Agreement and the First Supplemental Unanimous Shareholders Agreement, Aspen, Mr. Jing, JLHY, Mr. Bo, 164 Co and Liyuan become parties acting in concert and therefore Aspen is deemed to be interested in all the Common Shares in which Mr. Jing and Mr. Bo are interested in under the SFO, which in aggregate represent approximately 67.3% of our total issued Common Shares.

4. The letter “L” denotes the person’s long position in our Shares.

## **2. Substantial Shareholders**

Please refer to the section headed “Substantial Shareholders” in this Prospectus for information about the substantial Shareholders.

## **3. Particulars of Service Agreement and Letters of Appointment**

Our executive Director has entered into a service agreement with our Company for a term of three years commencing from February 26, 2016. Each of our non-executive Director and independent non-executive Directors has entered into a letter of appointment with our Company for a term of three years commencing from February 26, 2016.

Save as disclosed in this Prospectus, none of our Directors has or is proposed to have a service contract or letter of appointment with our Company (other than contracts expiring or determinable by our Company within one year without payment of compensation other than statutory compensation).

#### 4. Directors' Remuneration

The remuneration that our executive Director received (including fees, salaries, discretionary bonus, contributions to defined contribution benefit plans, housing and other allowances, share-based compensation, and other benefits in kind) for the years ended December 31, 2013, 2014 and 2015 and the nine months ended September 30, 2016 were C\$402,356, C\$740,426, C\$432,480 and C\$296,378 respectively. Our executive Director will receive a remuneration (including fees, salaries, discretionary bonus, contributions to defined contribution benefit plans, housing and other allowances, and other benefits in kind) of approximately C\$390,000 for 2016.

Each of our Directors has been appointed for a term of three years commencing from February 26, 2016. Our Non-executive Director will not receive any director's fee for his service. We intend to pay a director's fee to each of our Independent non-executive Directors who are entitled to participate in the Phantom Unit Plan for payment of part of their remuneration, details of which are disclosed in the section headed "D. Phantom Unit Plan" in this Appendix VI.

The aggregate annual remuneration of our executive Director, non-executive Director and each of our independent non-executive Directors payable by us for the year ended December 31, 2016 and the year ending December 31, 2017 are set out below:

	<u>For year ended December 31, 2016</u>	<u>For year ending December 31, 2017</u>
<i>Executive Director</i>		
Mr. Bo	approximately C\$390,000	approximately C\$430,000
<i>Non-executive Director</i>		
Mr. Jing	Nil	Nil
<i>Independent non-executive Directors</i>		
Mr. Richard Dale Orman	approximately C\$83,333	approximately C\$100,000
Mr. Bryan Daniel Pinney	approximately C\$83,333	approximately C\$100,000
Mr. Peter David Robertson	approximately C\$83,333	approximately C\$100,000

Under the arrangement currently in force, the aggregate remuneration payable to, and benefits in kind receivable by, our Directors in respect of the financial year ended December 31, 2016 and the financial year ending December 31, 2017 are approximately C\$640,000 and C\$730,000 respectively.

## D. PHANTOM UNIT PLAN

### Background

On May 2, 2016, our Board approved and established a phantom unit plan (the “**Phantom Unit Plan**” or the “**Plan**”) for the benefit of our Company’s independent non-executive directors, who are neither salaried employees, officers, employees of our Company or a related Company, but shall not include any public in Hong Kong (“**Eligible Directors**”). The Plan was established to provide the Eligible Directors with compensation opportunities which: (a) are compatible with shareholder interests; (b) will encourage a sense of ownership; and (c) will enhance our Company’s ability to retain key personnel and reward significant performance achievements.

Our Board intends to use the phantom units issued under the Plan (the “**Phantom Units**”) as part of our Company’s compensation plan for our Eligible Directors. As the value of the Phantom Units will fluctuate with the price of our Shares, by increasing or decreasing based on the market value of our Shares, the Phantom Units reflect an alignment of the interests of the Eligible Directors with those of our Shareholders by tying the value of compensation to the performance of our Shares.

The Plan will become effective once our Shares commence trading on the Main Board.

### Summary of the Plan

Under the Plan, a percentage (the “**Designated Percentage**”) of the Eligible Director’s fees, as determined by the Administrator (defined below), payable to the Eligible Directors for their participation on our Board and on committees of our Board, including all annual retainer fees (including annual fees on a prorated basis) but excluding any reimbursement of expenses paid to such Eligible Directors (the “**Fees**”) will be paid in Phantom Units. For the Fee Period (defined below) ending December 2016, the Designated Percentage is 60%.

Pursuant to the Plan each Eligible Director shall agree in writing prior to the commencement of the next fee period to receive the applicable Designated Percentage of Fees in the form of Phantom Units under the Plan for each twelve-month period commencing on January 1 and ending on December 31 (the “**Fee Period**”). The first Fee Period for the Plan will commence on the date on which our Shares commence trading on the Main Board of the Stock Exchange and shall end on December 31 of that calendar year. Once such participation becomes effective, it is irrevocable in respect of that Fee Period and no modifications to such participation shall be permitted.

On each date in which Phantom Units are to be allotted (the “**Unit Allotment Date**”) to an Eligible Director participating in the Plan (a “**Participant**”), a number of Phantom Units (including fractional Phantom Units calculated to two decimal points) determined by dividing (i) an amount equal to the Designated Percentage of the Fees to have credited in Phantom Units on that Unit Allotment Date, by (ii) the Fair Market Value (defined below) of a Share on that Unit Allotment Date, shall be credited to the Participant’s Account (defined below).

For purposes of the Plan, the “**Fair Market Value of a Share**” means, as applicable: (i) the weighted average trading price of our Shares on any exchange where our Shares are listed (including the Main Board for the last five trading days prior to such day; or (ii) on a day during any period when our Shares are not listed on an exchange: (A) the weighted average trading price of our Shares on an over-the-counter market for the last five trading days prior to such day on which at least one board lot of our Shares was traded, or (B) the value attributed to our Shares on such day by our Board, in its sole discretion.

### **Administration of the Plan**

The Plan is currently administered by our Board and may be administered by such other person(s) as our Board may designate from time to time (the “**Administrator**”). It is anticipated that our Board will designate the remuneration committee, as the Administrator. The Administrator has the power and authority to:

- (a) adopt rules and regulations for implementing the Plan;
- (b) determine the eligibility of persons to participate in the Plan;
- (c) determine the Designated Percentage for each Fee Period: (i) on or after the 10th trading day following the release of the financial results of our Company for the period ended September 30, 2016 and prior to December 31, 2016 in respect of the Fee Period ending December 31, 2017; and (ii) on or after the 10th trading day following the release of the financial results of our Company for the fiscal period ended September 30 and prior to December 31 of the year ending prior to the commencement of each subsequent Fee Period;
- (d) interpret and construe the provisions of the Plan;
- (e) make exceptions to the Plan in circumstances which it determines to be exceptional, provided that any such exceptions are made in compliance with the ITA; and
- (f) make all other determinations and take all other actions as it determines to be necessary or desirable to implement, administer and give effect to the Plan.

**Redemption of Phantom Units**

Subject to the Plan, as at a Participant's Termination Date (being the date on which the Participant ceases to be a member of our Board by way of retirement, non-re-election as a director, resignation or death), the Participant (or his or her legal representative) is entitled to, by giving written notice to our Company, redeem all or a portion of the Phantom Units recorded on his or her account as at a particular date (the "**Redemption Date**").

The Participant is entitled on the Redemption Date to receive an amount equal to the number of Phantom Units to be redeemed on such Redemption Date multiplied by the Fair Market Value of a Share on such Redemption Date, net of any applicable deductions and withholdings.

The Redemption Date may not be a date on which: (a) the Participant possesses inside information in relation to our Shares; (b) our Company's quarterly, half-yearly or annual financial results are published; (c) during the period of 60 days immediately preceding the publication date of the annual financial results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; (d) during the period of 30 days immediately preceding the publication date of the quarterly or half-yearly financial results, or if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results; and (e) prior to the 10th trading day following the release of our Company's quarterly, half-yearly or annual financial results immediately following the Participant's Termination Date or (e) later than December 1 of the first calendar year commencing after such Termination Date.

Upon our Company making payment to a Participant (or the Participant's legal representative, as the case may be) pursuant to the Redemption provisions of the Plan, the Phantom Units upon which such payment was based shall be cancelled and no further payments shall be made from the Plan in relation to such Phantom Units and, upon our Company making payment in respect of the last applicable Redemption Date, the Participant's (or the Participant's legal representative's, as the case may be) participation in the Plan will be terminated.

**Limitations**

Notwithstanding any provisions of the Plan: (a) all amounts that may be received under the Plan by a Participant (or his or her legal representative) shall be received after the Termination Date for the Participant, and no later than the end of the first calendar year commencing after the Termination Date; (b) the aggregate of all amounts, each of which may be received by each Participant under the Plan, depends on the Fair Market Value of our Shares, the number of which are equivalent to the number of Phantom Units recorded in each Participant's Account, within the period that commences one year before the Termination Date and ends at the time such amounts are received; and (c) if an Eligible Director becomes a salaried officer or an employee of our Company or a related corporation, he or she shall be suspended from further participation in the Plan and shall not be entitled to redeem any



Phantom Units until the date which is 10 days following the release of our Company's quarterly, half-yearly or annual financial results immediately following the Termination Date, being the later of: (i) his or her cessation of employment with our Company or our related corporation; and (ii) his or her Termination of Service and that all such redemptions must occur by December 1 of the first calendar year commencing after the applicable Termination Date.

#### **No Rights as a Shareholder**

Under no circumstances shall the Phantom Units be considered Shares nor shall the Phantom Units entitle any Participant to exercise voting rights or any other rights attaching to the ownership of Shares.

#### **Transferability**

A Participant is not entitled to transfer, assign, charge, pledge or hypothecate, or otherwise alienate, whether by operation of law or otherwise, his or her Phantom Units or any rights he/she has under the Plan, other than pursuant to a will or by the laws of descent and distribution as provided thereunder.

#### **Accounts**

A separate notional account shall be maintained for each Participant (an "**Account**"). Each Account will be credited with Phantom Units issued to the Participant from time to time pursuant to the Plan by way of a bookkeeping entry in the books of our Company. The Phantom Units credited to the Participant's Account will be cancelled as at the applicable Redemption Date and following redemption of all Phantom Units credited to the Participant's Account, such Participant's Account will be closed.

#### **Adjustments**

Appropriate adjustments with respect to the number of Phantom Units recorded in each Participant's Account may be made by the Administrator in its sole discretion to give effect to any change in the number of Shares resulting from rights offerings or subdivisions, consolidations or reclassifications of the Shares, the payment of cash or stock dividends by our Company or other relevant changes in the capital stock of our Company.

#### **Funding of the Plan**

Unless otherwise determined by the Administrator, the Plan shall remain an unfunded obligation of our Company. Neither our Company nor the Administrator is or may be deemed to be a trustee of any amounts to be paid under the Plan.

### Amendments to and Termination of the Plan

Our Board may from time to time in its absolute discretion amend, modify and change the provisions of the Plan or terminate the Plan. The Plan prohibits any amendment of the Plan to operate in a manner which will deprive a Participant of any rights acquired prior to the date of such amendment without such Participant's consent in writing. Any such amendment or termination shall be such that the Plan continuously meets the requirements of ITA. The Plan may be terminated pursuant to and in accordance with the terms of the Plan. If the Administrator terminates the Plan, no additional Phantom Units will be credited to the Accounts of Participants following such termination.

## E. OTHER INFORMATION

### 1. Estate Duty and Tax Indemnity

Our Controlling Shareholders (the “**Indemnifiers**”) have, under the Deed of Tax Indemnity, given joint and several indemnities to our Company in connection with, among other things:

- (a) any taxation liability of our Company which has arisen or may arise wholly or partly:
  - (i) in respect of or in consequence of any act, omission or event occurring or deemed to occur on or before the date on which the Global Offering becomes unconditional; or
  - (ii) in respect of income, profits or gains earned, accrued or received or deemed to have been earned, accrued or received on or before the date on which the Global Offering becomes unconditional;
- (b) any taxation liability under or by virtue of the provisions of section 35 and section 43 of the Estate Duty Ordinance (Cap. 111 of the Laws of Hong Kong) or any similar laws and regulations of any relevant jurisdiction arising on the death of any person at any time by reason of any transfer of any property to our Company made or deemed to have been made on or before the date on which the Global Offering becomes unconditional or by reason of any property of any of the companies being deemed for the purpose of estate duty to be included in the property passing on death of any of the Indemnifiers by reason of that person making or having made a transfer to our Company on or before the date on which the Global Offering becomes unconditional; and
- (c) any costs, fees or expenses incurred by our Company in investigating, assessing or contesting any such taxation liability or taking or defending any action under paragraph (a) or (b) above.

The Indemnifiers will, however, not be liable under the Deed of Tax Indemnity for taxation to the extent that, among others:

- (a) specific provision or reserve (if any) has been made for such taxation liabilities and claims in the audited accounts of our Company for the Track Record Period as set out in the Accountants' Report in Appendix I to this Prospectus;
- (b) the taxation liability would not have arisen but for any voluntary act of our Company after the date on which the Global Offering becomes unconditional which our Company ought reasonably to have known would give rise to such taxation liability but excluding any act:
  - (i) carried out pursuant to a legally binding obligation of our Company entered into or incurred on or before the date on which the Global Offering becomes unconditional; or
  - (ii) pursuant to an obligation imposed by any law, regulation or requirement having the force of law; or
  - (iii) taking place with the written approval of the Indemnifiers or pursuant to the Global Offering or any document executed pursuant to the Global Offering; or
  - (iv) occurring in the ordinary course of business of our Company; or
- (c) the taxation liability arises in the ordinary course of business of our Company after September 30, 2016 up to and including the date on which the Global Offering becomes unconditional;
- (d) taxation liability arises or is increased as a result only of:
  - (i) an increase in the rates of taxation made after the date on which the Global Offering becomes unconditional with retrospective effect; or
  - (ii) the passing of any legislation after the date on which the Global Offering becomes unconditional with retrospective effect.

Our Directors have been advised that no material liability for estate duty under the laws of Canada is likely to fall on our Company.

## **2. Expenses**

Our estimated aggregated expenses in respect of the Global Offering are approximately HK\$39.4 million (approximately C\$6.5 million) and are payable by us.

### 3. Qualifications of Experts

The qualifications of the experts (as defined under the Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance) who have given their opinions or advice in this Prospectus are as follows:

Changjiang Corporate Finance (HK) Limited	a licensed corporation to conduct type 6 (advising on corporate finance) regulated activities under the SFO
KPMG LLP	Chartered Professional Accountants, Calgary, Canada
KPMG	Certified Public Accountants, Hong Kong
Gowling WLG (Canada) LLP	Canadian solicitors and barristers
GLJ Petroleum Consultants Ltd.	Competent Person
Frost & Sullivan (Singapore) Pte Ltd	Industry consultant

### 4. Consents

Each of Changjiang Corporate Finance (HK) Limited, KPMG LLP, KPMG, Gowling WLG (Canada) LLP, GLJ Petroleum Consultants Ltd. and Frost & Sullivan (Singapore) Pte Ltd has given and has not withdrawn their respective written consents to the issue of this Prospectus with the inclusion of their reports and/or letters and/or opinions and/or advice and the references to their names included herein in the form and context in which they respectively appear.

None of the experts named above has any shareholding interests in our Company or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in our Company.

### 5. Share Register

Our principal register of members will be maintained by the Principal Share Registrar, Computershare Trust Company of Canada, in Canada and our Hong Kong Share Register will be maintained by the Hong Kong Share Registrar, Computershare Hong Kong Investor Services Limited, in Hong Kong.

Dealings in the Shares will be subject to Hong Kong stamp duty. For further details of Hong Kong stamp duty, please seek professional tax advice. Unless otherwise determined by our Board, dividends will be paid to Shareholders whose names are listed on our register of members in Hong Kong, by ordinary post at the Shareholders' risk, in Hong Kong dollars. We have not declared or paid any dividends during the Track Record Period, nor do we have any present intentions of

paying any dividends in the near future. We do not have a fixed dividend payout ratio. Our determination of future dividend is further described in the section headed “Financial Information — Dividend” in this Prospectus.

## **6. Application for Listing of the Shares and Admission into CCASS**

We have applied to the Listing Committee for the granting of listing of, and permission to deal in, our Shares in issue and to be issued, including: (i) our Offer Shares to be issued pursuant to the Global Offering; and (ii) any Shares which may be issued pursuant to the exercise of the Over-Allotment Option.

Subject to the granting of the listing of, and permission to deal in, the Shares on the Stock Exchange and compliance with the stock admission requirements of HKSCC, the Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the Listing Date or on any other date as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second Business Day after any trading day. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

All necessary arrangements have been made for the Shares to be admitted into CCASS. Investors should seek the advice of their stockbroker or other professional adviser for details of those settlement arrangements and how such arrangements will affect their rights and interests.

## **7. Taxation**

### *Hong Kong*

Dealings in Shares will be subject to Hong Kong stamp duty. The sale, purchase and transfer of Shares are subject to Hong Kong stamp duty, the current rate of which is 0.2% of the consideration or, if higher, the value of the Shares being sold or transferred. Profits from dealings in the Shares derived by persons carrying on a business of trading or dealing in securities in Hong Kong arising in or derived from Hong Kong may also be subject to Hong Kong profits tax.

### *Alberta*

In general, there are no specific taxes eligible in Alberta in respect of the acquisition or disposition of Shares other than tax on gains arising on the disposition of Shares for those Shareholders that are resident in or have been resident in Alberta, or that have or have had a permanent establishment in Alberta, at any time during which the Shareholders dealt with such Shares.

**Professional Advice**

Applicants for the Offer Shares are recommended to consult their professional tax advisers if they are in any doubt as to the taxation implications of subscribing for, purchasing, holding, disposing of and dealing in the Shares. It is emphasized that neither we, nor our Directors, the Sole Sponsor, the Joint Global Coordinators, the Joint Bookrunners, the Joint Lead Managers, the Underwriters, any of our/their respective affiliates, directors, supervisors, employees, agents or advisers or any other party involved in the Global Offering accepts responsibility for any tax affects or liabilities resulting from the subscription, purchase, holding, dealing or disposal of the Shares or the exercise of any rights attaching to the Shares.

**8. Promoter**

We have no promoter for the purposes of the Listing Rules or the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

**9. Preliminary Expenses**

Our estimated preliminary expenses are approximately C\$1,000 (equivalent to approximately HK\$6,122.8) and have been paid by us.

**10. Sole Sponsor**

The Sole Sponsor made an application on our behalf to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, our Shares. All necessary arrangements have been made to enable such Shares to be admitted into CCASS.

The Sole Sponsor satisfies the independence criteria applicable to sponsors under Rule 3A.07 of the Listing Rules. Our Company agreed to pay the Sole Sponsor a fee of approximately HK\$4.68 million to act as the sole sponsor to our Company in relation to the Global Offering. The Sole Sponsor is further entitled to a fee of HK\$1 million upon the successful listing of our Company.

**11. Bilingual Prospectus and Language**

The English language and Chinese language versions of this Prospectus are being published separately in reliance upon the exemption provided by Section 4 of the Companies (Exemption of Companies and Prospectuses from Compliance with Provisions) Notice (Chapter 32L of the Laws of Hong Kong).

**12. Binding Effect**

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

**F. MISCELLANEOUS****1. Save as otherwise disclosed in this Prospectus:**

- (a) none of our Directors nor any of the parties listed in the section headed “E. Other Information — 3. Qualifications of Experts” in this Appendix VI is interested in our promotion, or in any assets which have, within the two years immediately preceding the issue of this Prospectus, been acquired or disposed of by or leased to, or are proposed to be acquired or disposed of by or leased to our Company;
- (b) none of our Directors nor any of the parties listed in the section headed “E. Other Information — 3. Qualifications of Experts” in this Appendix VI is materially interested in any contract or arrangement subsisting at the date of this Prospectus which is significant in relation to our business;
- (c) our Company has no subsidiary as at the date of this Prospectus;
- (d) no share or loan capital of our Company is under option or is agreed conditionally or unconditionally to be put under option;
- (e) we have not issued nor agreed to issue any founder shares, management shares or deferred shares;
- (f) within the two years preceding the date of this Prospectus, no commission has been paid or was payable (except commissions to the Underwriters) for subscription, agreeing to subscribe, procuring subscription or agreeing to procure subscription of any shares in our Company;
- (g) no cash or securities or other benefit has been paid or allotted or given or is proposed to be paid, allotted or given to any promoters within the two years preceding the date of this Prospectus;
- (h) no part of the share or loan capital of our Company is listed on or dealt in on any other stock exchange and no such listing or permission to list is being proposed to be sought in the near future. At present, our Company is not seeking or proposing to seek such listing of or permission to deal in the share or loan capital of our Company on any other stock exchange;
- (i) none of our Directors is interested in any business apart from our Company’s business which competes or is likely to compete, directly or indirectly, with the business of our Company;
- (j) save for the Underwriting Agreements, none of the parties listed in the section headed “E. Other Information — 3. Qualifications of Experts” in this Appendix VI:
  - (i) is interested legally or beneficially in any of our Shares; or



- (ii) has any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribed for our securities;
- (k) within the two years preceding the date of this Prospectus, we have not issued nor agreed to issue any share or loan capital fully or partly paid either for cash or for a consideration other than cash;
- (l) we have no outstanding convertible equity or debt securities or debentures;
- (m) within the two years immediately preceding the date of this Prospectus, no commissions, discounts, brokerages or other special items have been granted in connection with the issue or sale of any share or loan capital of our Company; and
- (n) there is no arrangement under which financial dividends are waived or agreed to be waived.

Our Directors confirm that there has not been any interruption in the business of our Company which may have or has had a significant effect on the financial position of our Company in the 12 months preceding the date of this Prospectus.