
HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

We are a proven enterprise IT consulting and digital solution service provider in China. We serve large and top-tier enterprises with a full range of digitalization and intelligentization solutions. Leveraging AI-powered applications, proprietary software products, and ERP implementation services, we help enterprises achieve digitalization and intelligentization, improve operating efficiency, and build their core competence.

Our history can be traced back to July 15, 2002 when our Predecessor, Shanghai Quanfu Hand Software Technology Co., Ltd. (上海全富漢得軟件技術有限公司) (the “**Predecessor**”) was established in Shanghai, and Mr. Fan and Mr. Chen, our founders, then served as directors of the Predecessor. In February 2010, the Predecessor was converted into a joint stock limited company.

In February 2010, the then shareholders of the Predecessor, or the Promoters of our Company, resolved to establish our Company. In February 2011, our A Shares have been listed on the ChiNext Market of the Shenzhen Stock Exchange (stock code: 300170).

As of the Latest Practicable Date, our total issued share capital was RMB1,040,419,711, including 529,690 A Shares which were held as treasury shares, of which approximately 5.11% of our issued capital (including treasury shares) was held by Mr. Chen, our Chairman, Executive Director and the Single Largest Shareholder.

OUR MILESTONES

The following is a summary of our Group’s key business development milestones:

2002	Our Predecessor was established in Shanghai, PRC
2007	Our Company established Hand Japan, our first overseas subsidiary in Japan, marking the official commencement of our overseas business operations
2011	Our Company was listed on the ChiNext Market of the Shenzhen Stock Exchange (stock code: 300170)
2016	Our Company successfully incubated Shanghai Zhenhui, marking its initial expansion into the SaaS industry
2020	Our Company completed the public issuance of the Hand Convertible Bonds
2021	Our Company formed an initial capability ecosystem of subsidiaries focusing on the development of SaaS products
2023	Our Company has built a comprehensive portfolio of AI technologies and application service capabilities

For more details on awards won by our Company, see “Business — Awards and Recognition” of this Document.

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OUR PRINCIPAL SUBSIDIARIES

The following sets forth information about our each of our principal subsidiaries that made a material contribution to our results of operation or are regarded as otherwise significant to our business operations during the Track Record Period:

Name	Date of Incorporation and Commencement of Business	Principal Business Activities	Paid-in Capital/Registered Capital	Ownership as of the Latest Practicable Date (%)
Hand International	December 19, 2011	Provision of software services	USD14,000,000	100%
Hand Japan	August 17, 2007	Provision of software services	JPY30,000,000	100%
Shanghai Hand Vyung	March 23, 2015	Provision of software & related services	RMB10,000,000	51%
Shanghai Share Software	October 21, 2002	Provision of software & related services	RMB20,000,000	100%
Shanghai Deyi Information Technology	August 20, 2018	Provision of software & related services	RMB20,000,000	75%
Xi'an Hand	October 18, 2022	Provision of software and information technology services	RMB200,000,000	100%
Shanghai Zhenpeng Technology	July 2, 2021	Provision of software and information technology services	RMB20,000,000	90%
Yiai Technology	September 17, 2019	Provision of software and information technology services	RMB11,111,110	54%

MAJOR SHAREHOLDING CHANGES IN OUR COMPANY

Early Development of our Company

Our history can be traced back to July 15, 2002, when Sino-Twinwood Pte., Ltd., a company incorporated and existing under the laws of Singapore, established our Predecessor as its wholly-owned subsidiary in Shanghai. Our Predecessor was principally engaged in the research, development and production of computer software information systems and network products. Mr. Fan and Mr. Chen, our founders, then served as directors of the Predecessor. On January 6, 2010, as approved by the relevant PRC regulatory authorities, our Predecessor was converted from a limited liability company into a joint stock limited company and changed its name to Hand Enterprise Solutions Co., Ltd (上海漢得信息技術股份有限公司). The Company also completed its change of business registration on February 26, 2010.

On February 25, 2010, the then shareholders of the Predecessor, or the Promoters of our Company, resolved to establish our Company, with an initial registered capital of RMB85,724,482, which was based on our Predecessor's audited net assets of RMB140,356,794.09 as of October 31, 2009. As verified by an independent auditor, such initial registered capital was fully paid up on the same day.

Upon establishment, the shareholding structure of our Company was as follows:

Promoters/Shareholders	Number of Shares	Percentage of shareholding (%)
China Fund	8,027,241	9.36
Defan Investment	6,510,000	7.59
Dejing Investment	4,485,000	5.23
Detuo Investment	4,925,000	5.75
Deyi Investment	10,400,000	12.13
Dixuan Investment	43,350,000	50.57
Inspire East	8,027,241	9.36
Total	85,724,482	100.0

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A-Share Listing on the ChiNext Market of the Shenzhen Stock Exchange

On February 1, 2011, we completed the initial public offering of our A Shares and listing on the ChiNext Market of the Shenzhen Stock Exchange (stock code: 300170) (“**A-Share Listing**”), involving an issue of 30,000,000 new A Shares. Immediately after the A-Share Listing, the shareholding structure of our Company was as follows:

Shareholder	Percentage of shareholding (%)
China Fund	6.94
Defan Investment	5.63
Dejing Investment	3.88
Detuo Investment	4.26
Deyi Investment	8.99
Dixuan Investment	37.46
Inspire East	6.94
Other A Share Shareholders	25.92
Total	100.0

Since the A-Share Listing and up to the Latest Practicable Date, we had not received any notification from the Shenzhen Stock Exchange indicating that we were involved in any material non-compliance issues. Our Directors confirm that we had no instances of non-compliance with the rules or regulations of the Shenzhen Stock Exchange or the relevant laws and regulations in the PRC in all material respects, and to the best knowledge of our Directors after having made all reasonable enquiries, save as disclosed in “Directors and Senior Management — Directors — Executive Directors — Regulatory Letter Issued by the Shenzhen Stock Exchange in 2017” and the 2020 Regulatory Letter (as defined below), there is no matter that should be brought to investors’ attention in relation to our compliance record on the Shenzhen Stock Exchange during the Track Record Period and up to the Latest Practicable Date.

2020 Regulatory Letter

On February 5, 2020, a regulatory letter (the “**2020 Regulatory Letter**”) was issued by the ChiNext Market Company Management Department of the Shenzhen Stock Exchange to the Company in relation to its aggregate related party transactions during the period from 2018 to December 27, 2019 (the “**Material Time for 2020 Regulatory Letter**”) between the Company and its related persons, Shanghai Zhenyun Information Technology Co., Ltd. (上海甄雲信息科技有限公司) (“**Shanghai Zhenyun**”) (in which the Company then held approximately 37.5% equity interest during the Material Time for 2020 Regulatory Letter) and Shanghai Zhenhui (in which the Company then held approximately 31.5% equity interest at the relevant time), both being the related persons of the Company under the listing rules for the Shenzhen Stock Exchange, having exceeded the estimated annual transaction amount for the period from 2018 to December 27, 2019, in an aggregate amount of approximately RMB138,858,000.

The above transactions with both Shanghai Zhenyun and Shanghai Zhenhui consisted of software implementation services, software sales and other technology-related services entered into in the ordinary course of the Group’s business. Among which, Shanghai Zhenyun served as the implementation entity for the Group’s cloud SRM business, providing SRM system management services to enterprises and institutions, whilst Shanghai Zhenhui served as the implementation entity for the Group’s “Huilianyi” (匯聯易) SaaS product business. Our Directors are of the view that all such transactions were on fair and reasonable, on normal commercial terms and in the interests of the Shareholders as a whole.

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For each of the years ended December 31, 2023, 2024 and 2025 and for the four months ended April 30, 2026, the Company continued to transact with each of Shanghai Zhenyun and Shanghai Zhenhui of the same nature as the transactions as that for the period from 2018 to December 27, 2019 abovementioned. The historical transaction amount between the Company and Shanghai Zhenyun was approximately RMB18,773,000, RMB27,439,000, RMB23,760,000 and RMB559,000 for the year ended December 31, 2023, 2024 and 2025 and for the four months ended April 30, 2026, respectively. The historical transaction amount between the Company and Shanghai Zhenhui was approximately RMB1,827,000, RMB1,860,000, RMB1,810,000 and RMB2,612,000 for the years ended December 31, 2023, 2024 and 2025 and for the four months ended April 30, 2026, respectively.

The above was a one-off incident which was primarily as a result of an inaccurate estimate of the relevant transaction value by the Company. Following the incident, the Company enhanced its internal control measures and implemented a computerised monitoring system so that the Company would be notified when the amount of any accumulated transactions with any related person may exceed the pre-determined maximum transaction amount of the Company. Since the 2020 Regulatory Letter, our Directors confirmed that the Company has not received any further regulatory letter, or be subject to any administrative penalty or enforcement action by the Shenzhen Stock Exchange, the CSRC or any other regulatory authority in relation to the above incident.

With regards to the Company’s interest in Shanghai Zhenyun, Shanghai Zhenyun received investment from external investors in September 2018, as a result of which the Company’s equity interest in Shanghai Zhenyun was diluted from a controlling interest to 37.50%. In November 2018, Shanghai Zhenyun ceased to be a controlling subsidiary and became an associate of the Company. The Company’s equity interest of 37.5% referred to above reflects the Company’s interest in Shanghai Zhenyun at the material time of the 2020 Regulatory Letter. Following the dilution of the Company’s interest to 19.76% as at December 31 2021 and as at the Latest Practicable Date, the Company’s interest in Shanghai Zhenyun remain unchanged as to 19.76%.

The 2020 Regulatory Letter did not result in any civil or administrative proceedings against the Company. Since February 2020, our Directors confirmed that there has been no further regulatory letter, administrative penalty or enforcement action taken against the Company by the Shenzhen Stock Exchange, the CSRC or any other regulatory authority in relation to this matter.

Having considered (i) the nature of the 2020 Regulatory Letter as a regulatory measure, (ii) the one-off nature of the incident, and (iii) the remediation measures implemented by the Company following the incident, the Directors are of the view that the 2020 Regulatory Letter is an immaterial non-compliance incident that does not affect the suitability of the Company for [REDACTED].

To the best of the knowledge, information and belief of our Directors having made all reasonable enquiries, the Group has complied with all laws and regulations applicable to the Company’s A-share listing in all material respects during the Track Record Period and up to the Latest Practicable Date.

Subsequent Shareholding Changes

Since our A-Share Listing in 2011, there have been several instances of share capital changes of our Company, which primarily included (i) adoption of the Share Incentive Schemes from 2011 to 2025; (ii) a series of dividend declarations involving issuance of A Shares in August 2011, June 2014, April 2015 and April 2016, respectively; (iii) acquisition of the entire equity interests in Yangzhou Damei Investment Management Co., Ltd. (揚州達美投資管理有限公司), a non-significant subsidiary of our Company, through issuance of a total of 6,750,000 A Shares in January 2016; and (iv) issuance of Hand Convertible Bonds in November 2020. For details of the share incentive schemes and Issuance of Hand Convertible Bonds, see “— Share Incentive Schemes” and “— Issuance of Hand Convertible Bonds” in this section, respectively.

As of the Latest Practicable Date, the total issued share capital of our Company was 1,040,419,711 A Shares (including 529,690 A shares which were held as treasury shares).

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SHARE INCENTIVE SCHEMES

To attract, motivate and retain key members of management and core employees critical to our long-term development, our Company has, since its establishment, adopted a series of share incentive schemes, comprising (i) nine restricted share incentive plans; (ii) two share option incentive plans; and (iii) two share incentive plans (collectively, the “**Share Incentive Schemes**”). The Share Incentive Schemes involved the grant, vesting, exercise, repurchase, cancellation and grant of the A Shares from time to time and, together with our continued business expansion, resulted in the gradual enlargement of our Company’s total issued share capital and corresponding dilution to the shareholdings of existing shareholders. The Share Incentive Schemes were implemented in compliance with applicable PRC laws and regulations and the rules of the Shenzhen Stock Exchange, as advised by the PRC Legal Adviser. For details of the effective Share Incentive Schemes as of the Latest Practicable Date, see “Appendix VI — Statutory and General Information — D. Our Incentive Schemes” of this Document.

Restricted Share Incentive Plans

Since 2011, our Company has adopted nine restricted share incentive plans (collectively, the “**Restricted Share Incentive Plans**”) to incentivize and retain members of senior management, technical specialists and other core employees who are integral to our long-term development. These plans were implemented in multiple phases with differing grant sizes, grant prices and vesting schedules, aligning with our evolving operational needs and business expansion.

A summary of the principal terms of the Restricted Share Incentive Plans is set out below:

Plan/Tranche	Grant Date	Number of Grantees	Number of Underlying A Share Issued and Granted ('000)
2011 Restricted Share Incentive Plan (First Tranche)	August 2011	244	5,380.0
2011 Restricted Share Incentive Plan (Reserved Tranche)	August 2011	70	613.5
2012 Restricted Share Incentive Plan	January 2013	293	9,635.0
2013 Restricted Share Incentive Plan	February 2014	231	5,526.0
2014 Restricted Share Incentive Plan	October 2014	556	12,696.0
2015 Restricted Share Incentive Plan	September 2015	251	5,026.0
2016 Restricted Share Incentive Plan	July 2016	1,039	27,095.5
2017 Restricted Share Incentive Plan	January 2018	565	19,085.0
2018 Restricted Share Incentive Plan	January 2019	480	14,588.0
2024 Restricted Share Incentive Plan (First Tranche)	May 2024	268	33,980.0
2024 Restricted Share Incentive Plan (Reserved Tranche)	September 2024	63	8,000.0

As of the Latest Practicable Date, certain restricted A Shares granted under the 2024 Restricted Share Incentive Plan (the “**2024 Plan**”) remained unvested in accordance with the applicable vesting schedule. In particular, an aggregate of 4,000,000 restricted A Shares (being the reserved tranche under the 2024 Plan) remained subject to the corresponding second vesting period. Such restricted A Shares will vest strictly in accordance with the original terms of the 2024 Plan. Save as disclosed above, all previously granted restricted A Shares under earlier plans have either fully vested or have been repurchased and cancelled pursuant to their respective terms. For details of 2024 Plan, see “Appendix VI — Statutory and General Information — D. Our Incentive Schemes — 2024 Plan” of this Document.

Share Option Incentive Plans

Since 2021, our Company has also implemented two share option incentive plans (the “**Share Option Incentive Plans**”) to complement the Restricted Share Incentive Plans and further incentivize and retain core management members, technical personnel and other key employees, and therefore align their interests with the long-term development of our Group. Pursuant to the Share Option Incentive Plans, among which, each share option granted shall entitle the holder to subscribe for one

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A Share upon exercise. The Share Option Incentive Plans are not subject to the provisions of Chapter 17 of the Listing Rules as such plans do not involve the grant of options by our Company to [REDACTED] new Shares after the [REDACTED].

A summary of the principal terms of the Share Option Incentive Plans is set out below:

Plan	Grant Date	Number of Grantees	Number of Underlying A Share Issued and Granted ('000)
2021 First Share Option Incentive Plan	February 2021	912	51,200
2021 Second Share Option Incentive Plan	January 2022	153	49,370

Pursuant to the 2021 First Share Option Incentive Plan, an aggregate of 51,200,000 A Shares were granted to 912 key employees critical to our Group’s business operations and strategic development. Pursuant to the 2021 Second Share Option Incentive Plan, 49,370,000 A Shares were granted to 153 directors, senior management member and other key employees critical to our Group’s business operations and strategic development. Among which, an aggregate of 17,280,000 A Shares were granted to Mr. Huang Yiquan, our Executive Director and General Manager under the 2021 Second Share Option Incentive Plan. As of the Latest Practicable Date, all share options granted under both of the 2021 First Share Option Incentive Plan and the 2021 Second Share Option Incentive Plan have been duly exercised or cancelled pursuant to the applicable vesting, exercise and adjustment mechanisms.

Share Incentive Plans

To further enhance management stability, strengthen long-term performance incentives and promote sustainable corporate growth, our Company also adopted the 2015 Share Incentive Plan (the “**2015 Plan**”) and 2023 Share Incentive Plan (the “**2023 Plan**”, collectively, the “**Share Incentive Plans**”). The Share Incentive Plans are not subject to the provisions of Chapter 17 of the Listing Rules as such plans do not involve the grant of new Shares by our Company after the [REDACTED].

A summary of the principal terms of the Share Incentive Plans is set out below:

Plan	Grant Date	Number of Grantees	Number of Underlying A Share Issued and Granted ('000)
2015 Share Incentive Plan	February 2015	22	12,890.839
2023 Share Incentive Plan	October 2023	4	12,000.0

Pursuant to the 2015 Plan, an aggregate of 12,890,839 A Shares were granted to 22 key employees critical to our Group’s business operations and strategic development at the time of the grant, including two then senior management members, namely Ms. Wang Xinyi and Mr. Zhang Weifeng. Pursuant to the 2023 Plan, an aggregate of 12,000,000 A Shares were granted to four key employees of the Group, including Mr. Huang Yiquan, our Executive Director and General Manager.

The 2015 Plan and the 2023 Plan have expired in August 2020 and May 2025, respectively, and all underlying A shares under both Share Incentive Plans have been vested as of the Latest Practicable Date.

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ISSUANCE OF HAND CONVERTIBLE BONDS

To further optimize our capital structure, broaden financing channels and support the implementation of key strategic initiatives, our Company completed the public issuance of RMB937.15 million convertible corporate bonds (“**Hand Convertible Bonds**”) on November 23, 2020. The Hand Convertible Bonds were subsequently listed and commenced trading on the Shenzhen Stock Exchange on December 15, 2020, under the bond code 123077.

On April 6, 2023, the Board resolved to exercise the right of early redemption to redeem all the outstanding Hand Convertible Bonds at a redemption price of RMB100.43 per bond (inclusive of accrued interest and tax), effective after market close on April 28, 2023 (the “**Early Redemption Date**”). As at the Early Redemption Date, all 28,939 outstanding Hand Convertible Bonds were redeemed by our Company at a total consideration of RMB2,906,343.77. On May 11, 2023, the Hand Convertible Bonds were delisted from the Shenzhen Stock Exchange.

The principal terms of the Hand Convertible Bonds are summarized below.

Issuer	Our Company
Subscriber	The then Shareholders of our Company and public investors
Offering Size	RMB937,150,000
Denomination	RMB100
Interest Rate	First year: 0.4%; Second year: 0.6%; Third year: 1.0%; Fourth year: 1.5%; Fifth year: 2.0%; and Sixth year: 2.5%
Maturity Date	November 22, 2026 (six years after the issuance of Hand Convertible Bonds), subject to early redemption
Conversion period	From May 27, 2021 to the Maturity Date (or earlier termination upon full redemption)
Conversion price	RMB9.72 per A Share and not lower than (i) the average trading price of the A Shares of the 20 trading days before the date of the Hand Convertible Bonds offering document; and (ii) the average trading price of the trading day before conversion date. Such conversion price shall be adjusted in the event of increase of share capital, issuance of new shares and distribution of cash dividend
Conversion shares	A Shares
Redemption at maturity	Unless otherwise converted, each unconverted Hand Convertible Bond will be redeemed at 120% of their principal amount (inclusive of the interest for the final interest period) within five trading days of the Maturity Date
Redemption at the option of the issuer	During the conversion period, the issuer has the right to redeem part or all of the Hand Convertible Bonds at its principal amount together with accrued and unpaid interest if either situation occurred: <ul style="list-style-type: none"> i. during the conversion period, if at least 15 trading day in 30 consecutive trading days the closing price of the A Shares is not lower to the 130% of the conversion price; or ii. when the total outstanding amount of the unconverted Hand Convertible Bond is less than RMB30,000,000

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Use of proceeds

A total of net proceeds of approximately RMB923.38 million was used in the following manner:

- i. RMB700 million was used to develop our Company’s enterprise information platform based on an integrated middle-platform architecture; and
- ii. Approximately RMB223.38 million was used for supplementing working capital

THE ACTING-IN-CONCERT AGREEMENT

On March 21, 2019, Mr. Chen and Mr. Fan (the “**AIC Parties**”) entered into an acting-in-concert agreement, as supplemented by a subsequent confirmation on historical matters (together, the “**AIC Agreement**”) as part of the corporate-structure optimization and with a view to maintaining a stable shareholding structure as Mr. Fan, who resigned as a director in the same month, gradually ceased to be engaged in the business management and daily operation of our Group at the time. Pursuant to the AIC Agreement, among others, the AIC Parties agreed to consult and act in concert in respect of any Shareholders’ resolution and, in the event of disagreement, Mr. Fan’s voting should be bound to align with Mr. Chen’s view. The AIC Agreement, on the other hand, did not confer any additional management authority beyond their respective rights under the Articles of Association and applicable PRC laws. As confirmed by the AIC Parties, there has been no disagreement or difference in views between each other during the AIC Period.

Since entering into the AIC Agreement and the commencement of the Track Record Period, Mr. Chen has been responsible for the Group’s overall strategic planning, operational management, financial supervision and key personnel decisions, while Mr. Fan has not held any executive or management position or engaged in the business management or daily operation of the Group. In this context, the voting alignment arrangement under the AIC Agreement did not affect the Company’s governance structure, senior management composition or operational leadership. As the Company’s governance framework became more formalized in preparation for proposed [REDACTED], the AIC Parties mutually agreed to terminate the AIC Agreement to enhance transparency of the Company’s governance structure and reflect Mr. Chen’s established leadership role in the management and operation of the Group. Therefore, on August 15, 2025, the AIC Parties entered into an agreement, pursuant to which the AIC Parties terminated the AIC Agreement (the “**AIC Termination**”). As confirmed by the AIC Parties, and as set out in the PRC legal opinion dated August 18, 2025 issued by the Company’s then PRC legal adviser in connection with the AIC & related matters (the “**AIC Termination Opinion**”), the AIC Termination did not involve any transfer of Shares, change in shareholding percentages, alteration of voting rights, change in board composition or change in management structure, and was in compliance with the applicable PRC laws, rules and regulations. Set out below is a table illustrating the total number of shares held by the AIC Parties showing the changes of their shareholdings since January 1, 2024 and up to the Latest Practicable Date:

	As at January 1, 2024		As at January 1, 2025		Immediately before the AIC Termination		Immediately after the AIC Termination		Subsequent to the Share Acquisition and as at the Latest Practicable Date	
	Number of Shares	(%)	Number of Shares	(%)	Number of Shares	(%)	Number of Shares	(%)	Number of Shares	(%)
Mr. Chen	48,082,549	4.88	48,082,549	4.88	48,082,549	4.75	48,082,549	4.75	53,139,426	5.11
Mr. Fan	48,082,372	4.88	48,082,372	4.88	48,082,372	4.75	48,082,372	4.75	43,025,495	4.14
The AIC Parties	96,164,921	9.76	96,164,921	9.76	96,164,921	9.51	—	—	—	—

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During the AIC Period, Mr. Chen and Mr. Fan remained the two largest shareholders of the Group and acted in concert pursuant to the AIC Agreement. During the same period when Mr. Chen had already held slightly more Shares than Mr. Fan, the remaining shareholding base was highly dispersed, and the respective shareholdings of the AIC Parties as well as other shareholders were diluted over time as a natural result of market trading, with the aggregate shareholding of the top ten shareholders (excluding the AIC Parties) not exceeding approximately 15% and no other individual shareholder holding 2% or more of the Company’s issued shares. Accordingly, throughout the AIC Period, the Company’s ownership structure remained stable, with Mr. Chen consistently holding the largest individual stake, and the AIC Parties together constituting the group of Single Largest Shareholders prior to the AIC Termination.

Upon the AIC Termination, the AIC Parties were no longer the Single Largest Shareholder group and Mr. Chen became the Single Largest Shareholder of our Company in his own capacity. Although the AIC Termination resulted in a formal adjustment in the identification of the Single Largest Shareholder, it did not give rise to any substantive alteration in our Group’s ownership, governance or decision-making structure, with Mr. Chen remaining as the Single Largest Shareholder from January 1, 2024 to the Latest Practicable Date.

Further, following the AIC Termination, Mr. Chen acquired an additional 0.5% shareholding from Mr. Fan in September 2025 through a block trade (the “**Share Acquisition**”), thereby further strengthening his position as the Single Largest Shareholder. Pursuant to the AIC Termination Opinion, Mr. Chen has also undertaken not to reduce his shareholding within the 18 months immediately following completion of the Share Acquisition. As required under the applicable rules of the Shenzhen Stock Exchange, the AIC Termination and the Share Acquisition were submitted for review and pre-vetting with no objection raised by the relevant regulatory authority, and the Share Acquisition was duly completed in September 2025. As of the Latest Practicable Date, Mr. Chen held 53,139,426 Shares, representing approximately 5.11% of our total Shares, and remained as our Single Largest Shareholder.

Our Group was also able to maintain a stable core management team (the “**Core Management Team**”) and consistent operational leadership under Mr. Chen, with no changes in the actual dynamics between Mr. Chen and the Core Management Team before and after the AIC Termination. The Core Management Team comprised professionals with complementary expertise who have remained in their key positions throughout the Track Record Period. Each member had clear functional responsibilities and has continued to perform their duties under the leadership of Mr. Chen. This long-term stability has ensured the effective implementation of strategic plans, the continuity of business decisions and the consistent execution of major projects. The AIC Termination, on the other hand, did not result in any change in the reporting lines, responsibilities and work allocations, or the decision-making mechanisms between Mr. Chen and the Core Management Team members. Our management and operational decision-making framework has remained intact and effective, and there has been no material change to our Directors and senior management members before and after the AIC Termination. For details, see “Relationship with the Single Largest Shareholder” and “Directors and Senior Management” of this Document.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

During the Track Record Period and up to the Latest Practicable Date, we had not conducted any acquisitions, disposals or mergers that we considered to be material to us.

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REASONS FOR THE [REDACTED] ON THE STOCK EXCHANGE

We are seeking [REDACTED] of our H Shares on the Stock Exchange in order to (i) promote our public profile and visibility in both domestic and international markets so that we may expand our customer base and promote our brand recognition, (ii) further broaden our access to international capital markets so that we may raise capital more efficiently both upon and after the [REDACTED] to support our growth, and (iii) attract talent and incentivize our employees.

For further details, see “Future Plans and Use of [REDACTED]” and “Business — Our Strategies” to this Document.

COMPLIANCE WITH LAWS AND REGULATIONS

As confirmed by our PRC Legal Adviser, our Company has obtained the relevant approvals or confirmation and has registered or filed with the relevant competent authorities (where applicable) in accordance with the relevant laws and regulations in respect of its establishment and subsequent transfers of equity interests and changes in registered capital (where applicable), and the establishment of our Company and subsequent transfers of equity interests and changes in registered capital (where applicable) have been properly and legally completed and/or settled, and are effective and legally binding.

PUBLIC FLOAT AND FREE FLOAT

Satisfaction of the Public Float Requirement

Rules 8.08(1) (as amended and replaced by Rule 19A.13A) of the Listing Rules provides that, where a new applicant is a PRC issuer with other listed shares at the time of listing, this will normally mean that the portion of the H Shares for which the [REDACTED] is sought that are held by the public, at the time of the [REDACTED], must (a) represent at least 10% of the Company’s total number of issued Shares in the class to which H Shares belong (excluding treasury shares); or (b) have an expected market value of not less than HK\$3 billion.

Our A Shares are listed on the ChiNext Market of the Shenzhen Stock Exchange. The total number of the H Shares to be issued pursuant to the [REDACTED] represents approximately 10% of the enlarged issued share capital of the Company (assuming the [REDACTED] is not exercised). It is expected that upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised), the total number of H Shares expected to be held by the public represent approximately [REDACTED]% of the total issued capital of our Company (excluding 529,690 A Shares repurchased by our Company as treasury shares as of the Latest Practicable Date), which is higher than the prescribed percentage of H Shares required to be held in public hands as required under Rule 19A.13A(2)(a) of the Listing Rules, thereby satisfying Rule 8.08(1) (as amended and replaced by Rule 19A.13A) of the Listing Rules.

Satisfaction of the Free Float Requirement

Rule 8.08A (as amended and replaced by Rule 19A.13C) of the Listing Rules provides that, where a new applicant is a PRC issuer with other listed shares at the time of listing, this will normally mean that the portion of H shares for which listing is sought that are held by the public and not subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise), at the time of listing, must: (a) represent at least 5% of the total number of issued shares in the class to which H shares belong at the time of listing (excluding treasury shares), with an expected market value at the time of listing of not less than HK\$50,000,000; or (b) have an expected market value at the time of listing of not less than HK\$600,000,000.

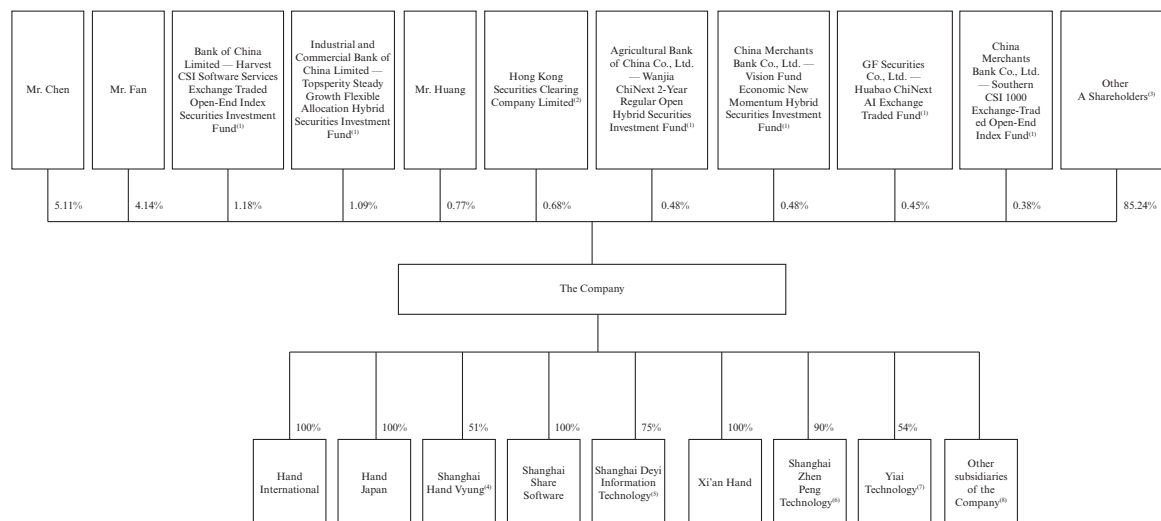
Based on an [REDACTED] of HK\$[REDACTED] per H Share, being the low end of the indicative [REDACTED] range, the market value of the H shares for which the [REDACTED] is sought that are held by the public is HK\$[REDACTED] million, thereby satisfying the free float requirement under Rule 8.08A (as amended and replaced by Rule 19A.13C) of the Listing Rules.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OUR SHAREHOLDING AND CORPORATE STRUCTURE

Shareholding and Corporate Structure Immediately prior to the [REDACTED]

The following chart illustrates the simplified shareholding and corporate structure of our Group immediately prior to the completion of the [REDACTED]:



Notes:

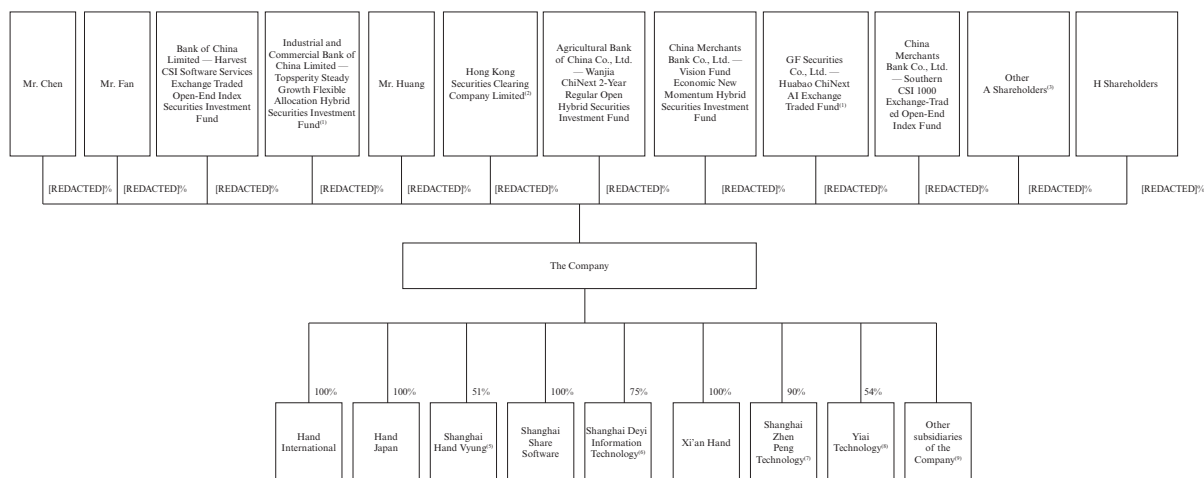
- (1) Each of Bank of China Limited — Harvest CSI Software Services Exchange Traded Open-End Index Securities Investment Fund (中國銀行股份有限公司 — 嘉實中證軟件服務交易型開放式指數證券投資基金), Industrial and Commercial Bank of China Limited — Topserity Steady Growth Flexible Allocation Hybrid Securities Investment Fund (中國工商銀行股份有限公司 — 德邦穩盈增長靈活配置混合型證券投資基金), Agricultural Bank of China Co., Ltd. — Wanjia ChiNext 2-Year Regular Open Hybrid Securities Investment Fund (中國農業銀行股份有限公司 — 萬家創業板2年定期開放混合型證券投資基金), China Merchants Bank Co., Ltd. — Vision Fund Economic New Momentum Hybrid Securities Investment Fund (招商銀行股份有限公司 — 萬家經濟新動能混合型證券投資基金), GF Securities Co., Ltd. — Huabao ChiNext AI Exchange Traded Fund (廣發證券股份有限公司 — 華寶創業板人工智能交易型開放式指數證券投資基金) and China Merchants Bank Co., Ltd. — Southern CSI 1000 Exchange-Traded Open-End Index Fund (招商銀行股份有限公司 — 南方中證1000交易型開放式指數證券投資基金) represents an insurance product, publicly offered securities investment fund or asset management product established and managed by a PRC licensed financial institution. In addition, the Shares registered in the name of the relevant product fund or its manager in accordance with the PRC securities registration and settlement regime were administered by China Securities Depository and Clearing Corporation Limited, which recorded only the product or nominee holder as the corresponding registered shareholders and did not provide us with any look-through information of the underlying investors. Therefore, to the best knowledge of the Directors after having made all reasonable enquiries, we were not in a position to ascertain the identities or background of the controllers or ultimate beneficial owners of such Shares. As of the Latest Practicable Date, none of the above holders was able to exercise control or exert any material influence over the Company.
- (2) The Shares registered under the name of Hong Kong Securities Clearing Company Limited (“HKCASS”) represent shares held through the Northbound Trading Link (the “**Northbound Trading**”) of the Shenzhen-Hong Kong Stock Connect (深港通) (the “**Stock Connect**”) by Hong Kong and overseas investors (as the ultimate investors/beneficial owners, the “**Underlying Investors**”). Our A Shares were included in the Stock Connect on December 5, 2016. To the best knowledge of the Directors after having made all reasonable enquiries, under the Stock Connect nominee holding structure, shares acquired through Northbound Trading are registered in the name of the nominee holder. Accordingly, our shareholder register, which are maintained by reference to the records made available through the applicable PRC securities registration and settlement mechanism, can only reflect HKCASS as the registered holder of such Shares. Therefore, consistent with the indirect holding structure, we are then not provided with, or in a position to ascertain, the identities and background of the Underlying Investors or the corresponding ultimate beneficial owners of the Shares collectively held under HKCASS.
- (3) As of the Latest Practicable Date, none of other A shareholders in his/her/its individual capacity, to the best knowledge of the Directors after having made all reasonable enquiries, was able to hold 1% or more of our total Shares in its individual capacity.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

- (4) As of the Latest Practicable Date, the remaining 49% shareholding interest in Shanghai Hand Vyung was held by Mr. Zhan Ge (展軻), the executive director and general manager of Shanghai Hand Vyung, and Shanghai Yuzhe Investment Management Partnership Enterprise (Limited Partnership) (上海禹哲投資管理合夥企業(有限合夥)), the employee incentive scheme platform of Shanghai Hand Vyung, respectively.
- (5) As of the Latest Practicable Date, the remaining 25% shareholding interest in Shanghai Deyi Information Technology was held by (i) Mr. Shang Yunfang (商雲方), one of the co-founders of Shanghai Deyi Information Technology and its former executive director and general manager and an employee of our Group; (ii) Mr. Liu Yumin (劉煜民), the other co-founders of Shanghai Deyi Information Technology and a former employee of the Group; and (iii) Shanghai Yide Enterprise Management Partnership (Limited Partnership) (上海逸鐸企業管理合夥企業(有限合夥)), the employee incentive scheme platform of Shanghai Deyi Information Technology, respectively.
- (6) As of the Latest Practicable Date, the remaining 10% shareholding interest in Shanghai Zhen Peng Technology was held by Ningbo Xiangbao Cooperation Zone Newnem Enterprise Management Consulting Partnership (Limited Partnership) (寧波象保合作區紐耐姆企業管理諮詢合夥企業(有限合夥)), which was an Independent Third Party.
- (7) See “— Shareholding and Corporate Structure Immediately prior to the [REDACTED]” above for details.
- (8) Other subsidiaries included 29 subsidiaries established in various jurisdictions as of the Latest Practicable Date.

Shareholding and Corporate Structure Immediately following the [REDACTED]

The following chart illustrates the simplified shareholding and corporate structure of our Group immediately following the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised and no changes are made to the issued share capital of our Company except for the [REDACTED]):



Notes:

- (1)-(8) See “— Shareholding and Corporate Structure Immediately prior to the [REDACTED]” above for details.