

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

OVERVIEW

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Law on 22 November 2016 and is the holding company of our Group. As at the Latest Practicable Date, the subsidiaries of our Company is comprised of Zhonglian Logistics (BVI), Zhonglian Logistics (HK) and Guangzhou World-Link, which has branches in Taicang, Tianjin and Shenzhen. Details of the subsidiaries of our Company and the corporate structure of our Group are set out in the paragraph headed “Establishment and development of the subsidiaries of our Company” in this section below.

Prior to the [REDACTED], our Group underwent the Reorganisation and immediately following the completion of the Reorganisation and the [REDACTED] Investment, our Company was owned as to approximately 50.55% by Goal Rise, 34.45% by Portree Wealth, 9.00% by Junliet Profits and 6.00% by Hemann Capital Management.

BUSINESS DEVELOPMENT

We are an established logistics service provider in the PRC which offered a wide range of logistics services to meet different needs of our customers’ supply chains, including (i) transportation; (ii) warehousing; (iii) in-plant logistics; and (iv) customisation services.

The history of our Group can be traced back to 1996 when our operating subsidiary, Guangzhou World-Link which was formerly known as Guangzhou Zhonglian World-Link Warehousing and Transportation Company Limited*, (廣州中聯環宇貨業儲運有限公司) was established by several Independent Third Parties. At the inception stage, the scope of operation of Guangzhou World-Link included, inter alia, local transportation services, freight information services and warehousing services. During 2005 and 2007, Mr. Li JX, who joined Guangzhou World-Link in 1997 and held the position as the then supervisor thereof, acquired the controlling stake of Guangzhou World-Link with his personal resources. Thereafter, Mr. Li JX and his brother Mr. Li JM further expanded the scope of the logistics services of our Group over the years.

In 2015, in order to streamline our corporate structure, Guangzhou World-Link took up, the logistics service contracts and assets, including delivery vehicles, from Dafenghang (a joint stock cooperative enterprise wholly owned by Mr. Li JM, Mr. Li JX and his spouse which carried out part of our Group’s logistics business at that time), by way of novation and transfer of assets. For further details, please refer to the sub-paragraphs headed “Dafenghang” in this section below.

During the Track Record Period, we rented five warehouses located at Guangdong Province with an approximate aggregate area of 59,000 sq.m.. We have maintained long-standing relationships with our major customers. Most notably, we have maintained approximately 15 years and 20 years of business relationship with our two largest customers, Customer A and Customer B, respectively, up to the Latest Practicable Date. For further details regarding Customer A and Customer B, please refer to the section headed “Business — Customers” in this document.

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Milestones of our Group

The following table sets forth the important milestones in the development of our business up to the Latest Practicable Date:

Year	Milestone
1996	Guangzhou World-Link was established in the PRC as a limited liability company. We were awarded the first contract to provide logistics services to Customer B. For further information regarding Customer B, please refer to the section headed “Business — Customers” in this document.
1998	We were engaged by Customer B to extend our logistics services to include in-plant services.
1999	Our first warehouse began operation.
2001	We were engaged by Customer B to provide (i) warehousing services; and (ii) in-plant services in Tianjin.
2002	We were engaged by Customer A to provide transportation and warehousing services. For further information regarding Customer A, please refer to the section headed “Business — Customers” in this document.
2004	Guangzhou World-Link was accredited with ISO 9001:2000 certification (quality management system standard) for its road transportation and warehousing services.
July 2005	Mr. Li JX acquired controlling stake of Guangzhou World-Link.
2012	We were engaged by Customer B to provide in-plant logistics services in Taicang, Jiangsu Province.
2013	We were engaged by Customer A to provide in-plant logistics services in Guangzhou, Guangdong Province.
2015	Guangzhou World-Link was awarded 2014 Top 10 Logistics Enterprises in Guangzhou (2014年度廣州十佳物流企業) by the Guangzhou Logistics & Supply Chain Association (廣州物流與供應鏈協會).
2016	Guangzhou World-Link was awarded 2015 Top 10 Logistics Enterprises in Guangzhou (2015年度廣州十佳物流企業) by the Guangzhou Logistics & Supply Chain Association (廣州物流與供應鏈協會).
2017	We leased our sixth warehouse and the aggregate site area of our six warehouses will reach approximately 68,000 sq.m once our sixth warehouse begins operation, which is expected to be October 2017.

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ESTABLISHMENT AND DEVELOPMENT OF THE SUBSIDIARIES OF OUR COMPANY

Our Company was incorporated in the Cayman Islands under the Companies Law on 22 November 2016 in preparation for the [REDACTED] and is the holding company of our Group. As at the Latest Practicable Date, our Group is comprised of our Company, Zhonglian Logistics (BVI), Zhonglian Logistics (HK), Guangzhou World-Link and four branches of Guangzhou World-Link in Shenzhen, Huangbu, Tianjin and Taicang in the PRC. Set out below is the brief corporate history of the subsidiaries of our Company.

Guangzhou World-Link

Guangzhou World-Link (formerly known as Guangzhou World-Link Zhonglian Warehousing and Transportation Company Limited* (廣州中聯環宇貨業儲運有限公司)) was established in the PRC on 27 November 1996 as a limited liability company. During the Track Record Period and up to the Latest Practicable Date, Guangzhou World-Link offered a wide range of logistics services to meet different needs of our customers’ supply chains, including (i) transportation; (ii) warehousing; (iii) in-plant logistics; and (iv) customisation services.

Since its establishment, the shareholding and registered capital of Guangzhou World-Link underwent certain changes. As at the date of establishment, Guangzhou World-Link had a registered capital of RMB100,000, which was owned by four Independent Third Parties.

Immediately prior to July 2005, Guangzhou World-Link’s registered capital was increased to RMB4,800,000, which was owned as to 70.00% and 30.00% by two Independent Third Parties, namely Guangdong Gaofeng Enterprise Company Limited* 廣東高豐企業有限公司 (“**Guangdong Gaofeng**”) and Mr. Huang Weibo, respectively.

On 20 July 2005, Mr. Li JX acquired 70.00% equity interests of Guangzhou World-Link from Guangdong Gaofeng at the consideration of RMB3,360,000, which was determined with reference to the then registered capital of Guangzhou World-Link. After completion of the above transfer, Guangzhou World-Link was owned as to 70.00% by Mr. Li JX (of which approximately 4.45% and 15.00% was held on trust for Mr. Huang Weibo and another Independent Third Party, namely Ms. Ye Lishan, respectively) and 30.00% by Mr. Huang Weibo. As such, Guangzhou World-Link was beneficially owned as to 50.55%, 34.45% and 15.00% by Mr. Li JX, Mr. Huang Weibo and Ms. Ye Lishan at that time, respectively. As confirmed by our Directors, the parties entered into this trust management as Mr. Huang Weibo and Ms. Ye Lishan were not involved in the management and operation of Guangzhou World-Link and seldom stayed in Guangzhou, the trust arrangement could therefore facilitate Mr. Li JX to make decisions on their behalf in the daily operation of Guangzhou World-Link.

On 14 December 2007, the registered capital of Guangzhou World-Link was increased by RMB200,000 from RMB4,800,000 to RMB5,000,000. The additional registered capital was contributed by Mr. Li JX, Mr. Huang Weibo and Ms. Ye Lishan on a pro rata basis based on their then beneficial interests in Guangzhou World-Link. As confirmed by Mr. Li JX, Mr. Huang Weibo and Ms. Ye Lishan, after the increase of registered capital, Mr. Li JX held the additional equity interests of Mr. Huang Weibo and Ms. Ye Lishan in Guangzhou World-Link on trust for and on behalf of them. As a result, Guangzhou World-Link remained to be beneficially owned as to 50.55% by Mr. Li JX, 34.45% by Mr. Huang Weibo and 15.00% by Ms. Ye Lishan.

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On 30 July 2011, at the instruction of Mr. Huang Weibo and Ms. Ye Lishan, Mr. Li JX transferred the relevant equity interests held in trust back to them at nil consideration. After completion of the said transfers, Guangzhou World-Link continued to be legally and beneficially owned as to 50.55% by Mr. Li JX, 34.45% by Mr. Huang Weibo and 15.00% by Ms. Ye Lishan.

In July 2015, Guangzhou World-Link entered into several business transfer agreements with Dafenghang in order to consolidate our logistics business under Guangzhou World-Link. Pursuant to the business transfer agreements, Dafenghang (i) novated the then existing logistics service contracts undertaken by it to Guangzhou World-Link; and (ii) transferred its logistics related operating assets, including delivery vehicles, to Guangzhou World-Link. For further details, please refer to the subparagraphs headed "Dafenghang" in this section below.

On 30 October 2015, Mr. Li JX transferred his entire equity interest in Guangzhou World-Link to Guangzhou Jiansheng (a limited partnership which was owned as to 80.00% by Mr. Li JX and 20.00% by Mr. Li JM) at the consideration of RMB2,527,500, which was determined with reference to the then registered capital of Guangzhou World-Link. On the same date, the registered capital of Guangzhou World-Link was increased by RMB7,582,500 from RMB5,000,000 to RMB12,582,500. The additional registered capital was solely contributed by Guangzhou Jiansheng in cash. Following completion of the above transfer and increase of registered capital, Guangzhou World-Link was owned as to approximately 80.35% by Guangzhou Jiansheng, 13.69% by Mr. Huang Weibo, and 5.96% by Ms. Ye Lishan.

On 17 December 2015, Mr. Huang Weibo disposed of his entire equity interest in Guangzhou World-Link to Max Fame (a company which was wholly owned by Mr. Zhu) at the consideration of RMB1,722,500. On the same date, Ms. Ye Lishan disposed of her entire equity interest in Guangzhou World-Link to Joyful Huge (a company which was wholly owned by Mr. Lee) at the consideration of RMB750,000. The consideration for both disposals were determined with reference to the then registered capital of Guangzhou World-Link. As a result of the transfers, Guangzhou World-Link transformed into a sino-foreign joint venture company, which was approved and registered by the Guangzhou Administration for Industry & Commerce on 17 December 2015.

On the same date of the above disposals, the registered capital of Guangzhou World-Link was increased by RMB7,417,500 from RMB12,582,500 to RMB20,000,000, of which RMB5,167,500 was contributed by Max Fame, and RMB2,250,000 was contributed by Joyful Huge. Following the completion of the above disposals and increase in registered capital, Guangzhou World-Link was owned as to approximately 50.55% by Guangzhou Jiansheng, 34.45% by Max Fame and 15.00% by Joyful Huge.

On 23 August 2016, Guangzhou World-Link was transformed from a sino-foreign joint venture company into a non-listed joint stock limited company under the PRC laws. The audited net assets of Guangzhou World-Link as of 30 April 2016 (prepared in accordance with the China Accounting Standards for Business Enterprise and audited by a certified public accountant registered in the PRC) was RMB26,999,175.09, among which RMB20,000,000 was converted into share capital of 20 million shares of Guangzhou World-Link and were owned by Guangzhou Jiansheng, Max Fame and Joyful Huge as to approximately 50.55%, 34.45% and 15.00%, respectively. The remaining net asset of RMB6,999,175.09 was converted into capital surplus. The name of Guangzhou World-Link was changed to Guangzhou Zhonglian World-Link Modern Logistics Joint Stock Company Limited* (廣州中聯環宇現代物流股份有限公司) on the same date.

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On 1 December 2016, in preparation for the [REDACTED], Guangzhou World-Link was transformed back to a sino-foreign joint venture company. On the same date, the name of Guangzhou World-Link was changed back to Guangzhou Zhonglian World-Link Modern Logistics Company Limited* (廣州中聯環宇現代物流有限公司).

In December 2016, as part of the Reorganisation, Zhonglian Logistics (HK) acquired the entire equity interest of Guangzhou World-Link from Guangzhou Jiansheng, Max Fame and Joyful Huge. For details, please refer to the paragraphs headed “Reorganisation” in this section below. Following the completion of the said acquisitions, Guangzhou World-Link became a wholly-owned subsidiary of Zhonglian Logistics (HK).

Zhonglian Logistics (HK)

Zhonglian Logistics (HK) was incorporated in Hong Kong with limited liability on 2 December 2016. It was incorporated to serve as an intermediate holding company of our Group.

As at the date of incorporation, Zhonglian Logistics (HK) allotted and issued as fully paid one share (representing the then entire issued shares of Zhonglian Logistics (HK)) to Zhonglian Logistics (BVI). Zhonglian Logistics (HK) remained to be a wholly-owned subsidiary of Zhonglian Logistics (BVI) since then.

Zhonglian Logistics (BVI)

Zhonglian Logistics (BVI) was incorporated with limited liability under the laws of the BVI on 28 November 2016. It was incorporated to serve as an intermediate holding company of our Group.

As at the date of incorporation, Zhonglian Logistics (BVI) was authorised to issue a maximum of 50,000 shares of a single class with a par value of US\$1.00 each, and 100 shares were allotted and issued as fully paid (representing the entire issued share of Zhonglian Logistics (BVI) at the time) to our Company on the same date. Zhonglian Logistics (BVI) remained to be a wholly-owned subsidiary of our Company since then.

The following company ceased to be part of our Group after the Reorganisation and will not be included in our Group upon [REDACTED]:

Information on Dafenghang

Dafenghang was established in the PRC on 3 March 1992 as a collective enterprise. As at the date of establishment, Dafenghang had a registered capital of RMB50,000, which was owned as to 40.00% by Mr. Li JX, 20.00% by Ms. Chen, 20.00% by Mr. He and 20.00% by an Independent Third Party. As at the date of establishment.

In May 1996, the scope of operation of Dafenghang was expanded to include delivery services.

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Over the years, Dafenghang underwent several shareholding changes. As confirmed by our Directors, immediately prior to October 2003, Dafenghang was owned as to 40.00% by Mr. Li JX, 20.00% by Ms. Chen, 20.00% by Mr. He and 20.00% by an Independent Third Party. In October 2003, Ms. Chen acquired the entire equity interest of Dafenghang from Mr. He and the said Independent Third Party and Dafenghang was then owned as to 40.00% by Mr. Li JX and 60.00% by Ms. Chen. Subsequently in October 2003, the registered capital of Dafenghang was increased by RMB1,950,000 from RMB50,000 to RMB2,000,000. The additional registered capital was contributed as to (i) RMB970,000 by Ms. Chen; (ii) RMB480,000 by Mr. Li JX; and (iii) RMB500,000 by Mr. Li JM, in cash. After completion of the above equity transfers and the increase in registered capital, Dafenghang was owned as to 50.00% by Ms. Chen, 25.00% by Mr. Li JX and 25.00% by Mr. Li JM. In October 2003, Dafenghang was transformed from a collective enterprise into a joint-stock cooperative enterprise, and its scope of operation was expanded to include goods handling cartage services.

In June 2015, Dafenghang entered into several business transfer agreements with Guangzhou World-Link, pursuant to which Dafenghang (i) novated the then existing logistics service contracts undertaken by it to Guangzhou World-Link; and (ii) transferred its logistics related operating assets, including delivery vehicles, to Guangzhou World-Link at the aggregate consideration of approximately RMB833,000, which was arrived based on the book value of the operating assets and delivery vehicles.

After the above business transfer, Dafenghang ceased to carry out any logistics service related business. Since March 2016 and up to the Latest Practicable Date, the scope of operation of Dafenghang consisted of property management only. After the Reorganisation, Dafenghang ceased to be part of our Group.

PARTIES ACTING IN CONCERT

On 19 April 2017, Mr. Li JX and Mr. Li JM entered into the Concert Parties Confirmatory Deed to acknowledge and confirm that:

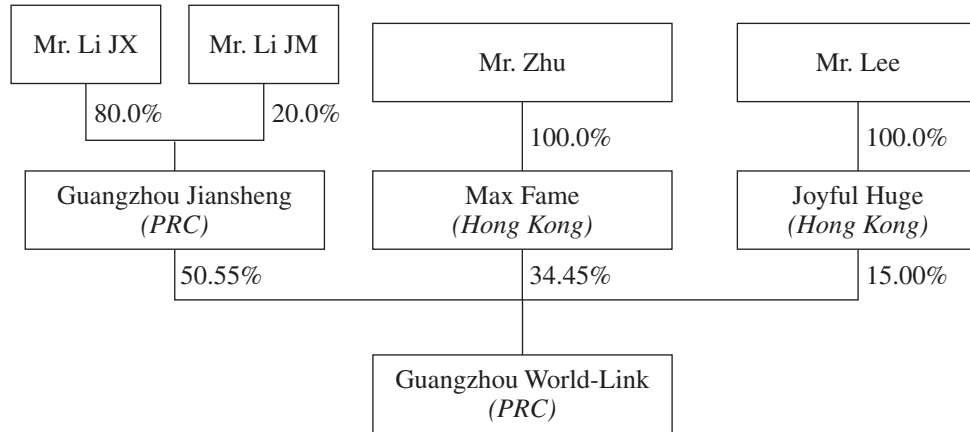
- (a) amongst each of them that they are parties acting in concert in respect of each of the members of the Group (the "**Relevant Companies**") since the date they both held direct or indirect shareholding interests in each of the Relevant Companies, and shall continue to do the same as at and after the date of the Concert Parties Confirmatory Deed;
- (b) they shall continue to give unanimous consent, approval or rejection on any other material issues and decisions in relation to the business of the Relevant Companies;
- (c) they shall continue to cast an unanimous vote collectively for or against all resolutions in all meetings and discussions of the Relevant Companies;
- (d) they shall continue to cooperate with each other to obtain and maintain the consolidated control and the management of the Relevant Companies; and
- (e) they shall continue to obtain written consent from all the parties to the Concert Parties Confirmatory Deed in advance of purchasing, selling, pledging or creating any right to acquire or dispose of any securities of our Company and/or any of the Relevant Companies.

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REORGANISATION

Prior to the Reorganisation, the structure of our Group was as follows:

A. Guangzhou World-Link



Corporate restructuring

To rationalise our Group’s structure in preparation for the [REDACTED], our Group underwent various corporate restructuring, more particularly described as follows:

1. On 1 December 2016, Guangzhou World-Link was transformed from a joint stock limited company into a sino-foreign joint venture company.
2. Goal Rise was incorporated under the laws of the BVI with limited liability on 17 November 2016. As at the date of incorporation, Goal Rise was authorised to issue a maximum of 50,000 shares of a single class with a par value of US\$1.00 each, and 80 shares (representing 80.00% of the issued shares of Goal Rise at the time) and 20 shares (representing 20.00% of the issued shares of Goal Rise at the time) were allotted and issued as fully paid to Mr. Li JX and Mr. Li JM, respectively.
3. Junliet Profits was incorporated under the laws of the BVI with limited liability on 21 November 2016. As at the date of incorporation, Junliet Profits was authorised to issue a maximum of 50,000 shares of a single class with a par value of US\$1.00 each, and 100 shares (representing the only issued share of Junliet Profits at the time) were allotted and issued as fully paid to Mr. Lee.
4. Portree Wealth was incorporated under the laws of the BVI with limited liability on 21 November 2016. As at the date of incorporation, Portree Wealth was authorised to issue a maximum of 50,000 shares of a single class with a par value of US\$1.00 each, and 100 shares (representing the only issued share of Portree Wealth at the time) were allotted and issued as fully paid to Mr. Zhu.

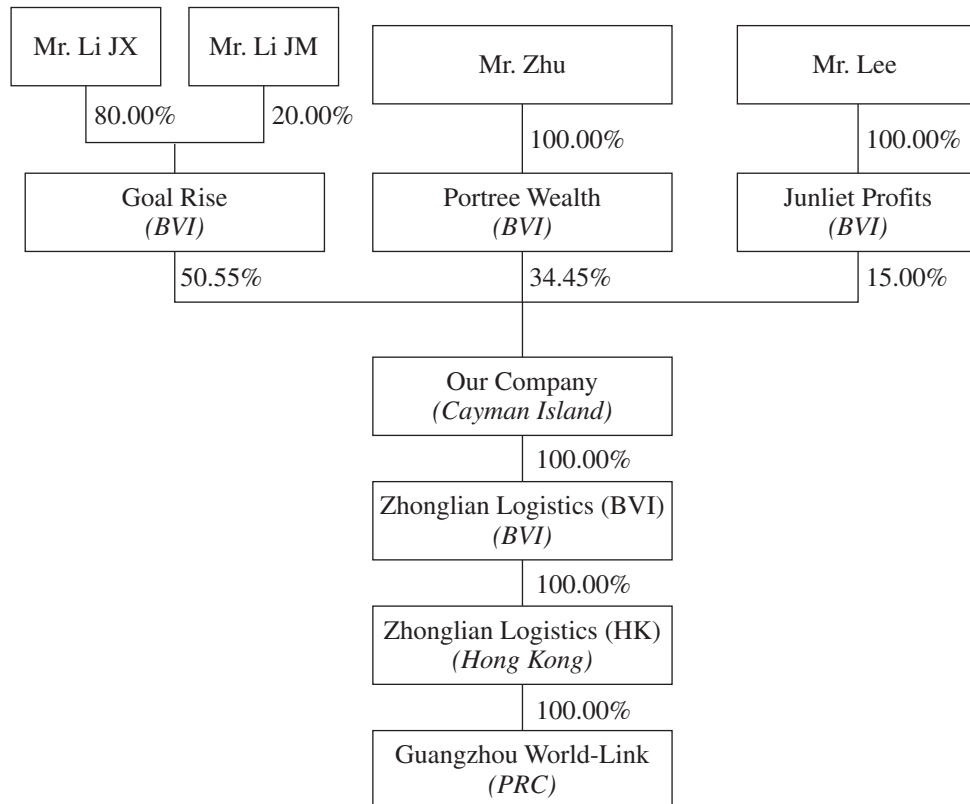
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5. Our Company was incorporated in the Cayman Islands on 22 November 2016 as an exempted company with limited liability under the Companies Law. As at the time of incorporation, our Company had an authorised share capital of HK\$380,000 divided into 38,000,000 Shares of HK\$0.01 each, of which one Share was allotted and issued as fully paid to an initial subscriber. On the same day, (i) the subscriber Share was transferred to Goal Rise at par; and (ii) 5,054 Shares, 3,445 Shares and 1,500 Shares were allotted and issued as fully paid to Goal Rise, Portree Wealth and Junliet Profits, respectively. Immediately following the above transfer and allotment of shares, our Company was owned as to approximately 50.55% by Goal Rise, 34.45% by Portree Wealth and 15.00% by Junliet Profits.
6. Zhonglian Logistics (BVI) was incorporated with limited liability under the laws of the BVI on 28 November 2016. As at the date of incorporation, Zhonglian Logistics (BVI) was authorised to issue a maximum of 50,000 shares of a single class with a par value of US\$1.00 each, and 100 shares were allotted and issued as fully paid (representing the entire issued share of Zhonglian Logistics (BVI) at the time) to our Company on the same date.
7. Zhonglian Logistics (HK) was incorporated in Hong Kong with limited liability on 2 December 2016. As at the date of incorporation, Zhonglian Logistics (HK) allotted and issued as fully paid one share (representing the only issued share of Zhonglian Logistics (HK) at the time) to Zhonglian Logistics (BVI).
8. On 9 December 2016, Zhonglian Logistics (HK) entered into an equity transfer agreement with Guangzhou Jiansheng, Max Fame and Joyful Huge (the “**Equity Transfer Agreement**”). Pursuant to the equity transfer agreement, Zhonglian Logistics (HK) agreed to (i) acquire the entire equity interest held by Guangzhou Jiansheng in Guangzhou World-Link at the consideration of RMB10,110,000; (ii) acquire the entire equity interest held by Max Fame in Guangzhou World-Link at the consideration of RMB6,890,000; and (iii) acquire the entire equity interest held by Joyful Huge in Guangzhou World-Link at the consideration of RMB3,000,000. The consideration for each of the above transfers was agreed between the relevant parties on an arm’s length basis and determined with reference to the registered capital of Guangzhou World-Link at the time.
9. The aforesaid consideration for acquisition of Guangzhou Jiansheng’s equity interests in Guangzhou World-Link was financed by a shareholder’s loan advanced by Mr. Li JX to Zhonglian Logistics (HK) (the “**Shareholder’s Loan**”). Pursuant to a deed of novation entered into among Zhonglian Logistics (HK), Mr. Li JX and Zhonglian Logistics (BVI) dated 19 April 2017, Zhonglian Logistics (BVI) has assumed and become solely responsible for the repayment of the Shareholder’s Loan and become responsible for the discharge of all liabilities and claims against Zhonglian Logistics (HK) arising out of or in connection with the Shareholder’s Loan. As a result, the Shareholder’s Loan together with all claims and liabilities owing by Zhonglian Logistics (HK) to Mr. Li JX have been novated to Zhonglian Logistics (BVI).

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10. Pursuant to a deed of assignment entered into between Mr. Li JX and our Company dated 19 April 2017, Mr. Li JX assigned his rights to the Shareholder’s Loan to our Company. On 19 April 2017, the directors of Zhonglian Logistics (BVI) were authorised to allot and issue as fully paid one new Share to our Company in consideration of the capitalisation of the Shareholder’s Loan.
11. On 19 April 2017, Max Fame assigned its rights to the aforesaid sum of RMB6,890,000, being the consideration payable to it under the Equity Transfer Agreement, to Mr. Zhu pursuant to a deed of assignment dated the even date. Subsequently, at the instruction of Mr. Zhu, such sum of RMB6,890,000 payable to him was settled by the allotment and issue of one share of Zhonglian Logistics (BVI) to our Company.
12. On 19 April 2017, Joyful Huge assigned its rights to the aforesaid sum of RMB3,000,000, being the consideration payable to it under the Equity Transfer Agreement, to Mr. Lee pursuant to a deed of assignment dated the even date. Subsequently, at the instruction of Mr. Lee, such sum of RMB3,000,000 payable to him was settled by the allotment and issue of one share of Zhonglian Logistics (BVI) to our Company.

Upon completion of the Reorganisation set out above, our Company became the holding company of our Group. The following chart sets out the shareholding and corporate structure of our Group immediately after the Reorganisation:



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The PRC Legal Adviser confirmed that all relevant approvals and permits in relation to the transfer of equity interest of the PRC established company in our Group, as described above as part of the Reorganisation, had been obtained and the procedures involved had been carried out in accordance with PRC laws and regulations. As advised by the PRC Legal Adviser, Mr. Li JX and Mr. Li JM, who are our ultimate beneficial owners and are also PRC residents, have completed the registration of their foreign investment pursuant to Circular 37 and Circular 13 on 27 December 2016.

All the share transfers mentioned above in this section have been properly and legally completed and settled.

[REDACTED] INVESTMENT

Background of the [REDACTED] Investor

Hemann Capital Management is an investment holding company incorporated in the BVI on 3 January 2017, and the shares of which are legally and beneficially wholly owned by Mr. He, who is also the sole director of Hemann Capital Management and has been acquainted with Mr. Li JX and Mr. Li JM for over 20 years. Prior to its investment in our Group, Hemann Capital Management was an Independent Third Party. To the best knowledge and belief of our Directors, Mr. He decided to invest in our Group through Hemann Capital Management in view of the prospects and growth potential of our Group. The source of funding of Hemann Capital Management was from the personal resources of Mr. He..

Investment

Pursuant to a sale and purchase agreement dated as of 11 January 2017, Hemann Capital Management purchased 600 Shares from Junliet Profits at the consideration of HK\$7,000,000. The consideration was agreed between the parties on an arm's length basis and determined (i) after taking into account the prospective growth potential of the business of our Group; and (ii) with reference to the prevailing price-to-earnings ratios of comparable listed companies in Hong Kong. The said share transfer was properly and legally completed and settled. Mr. He is experienced in the investment and corporate management of logistics services companies. He was the authorised representative of Guangzhou City Dongshan District Jinze Trading Company Limited* (廣州市東山區金澤貿易有限公司), an ex-shareholder of Guangzhou World-Link since its establishment and up to December 1999. Mr. He was also a shareholder and director of Dafenghang since its establishment and up to October 2003. With Mr. He's experience in the logistics industry and his business connection in the PRC, Hemann Capital Management is expected to (i) offer advice on the business positioning, strategies, corporate development and management to the Group; and (ii) refer business opportunities to our Group through Mr. He's business connections.

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The following table sets out the summary of the [REDACTED] Investment by Hemann Capital Management:

Amount of consideration	HK\$7,000,000
Payment date of consideration in full	20 January 2017
Approximate cost per Share paid under [REDACTED] Investment (Note)	HK\$[REDACTED]
Discount to the [REDACTED]	Approximately [REDACTED]% (based on HK\$[REDACTED] per [REDACTED], being the mid-point of [REDACTED] range stated in this document)
Use of proceeds from the [REDACTED] Investment	The sale proceeds were for the own use and direction of Junliet Profits
Benefit from the [REDACTED] Investment	Through Mr. He, Hemann Capital Management is expected to (i) [REDACTED] advice on the business positioning and strategies and corporate development and management to the Group; and (ii) refer business opportunities to our Group through Mr. He's business connections
Approximate shareholding upon [REDACTED] (Note)	[REDACTED]%

Note: This is derived based on [REDACTED] Shares to be held by Hemann Capital Management upon completion of the Capitalisation Issue and the [REDACTED] (without taking into account any Shares which may be issued upon the exercise of the [REDACTED] and the options which may be granted under the Share Option Scheme).

The said sale and purchase agreement does not provide any guaranteed discount to the [REDACTED]. Hemann Capital Management confirmed that the consideration paid by it under the [REDACTED] Investment was irrevocable. No special right was granted to Hemann Capital Management in connection with its investment.

Public Float

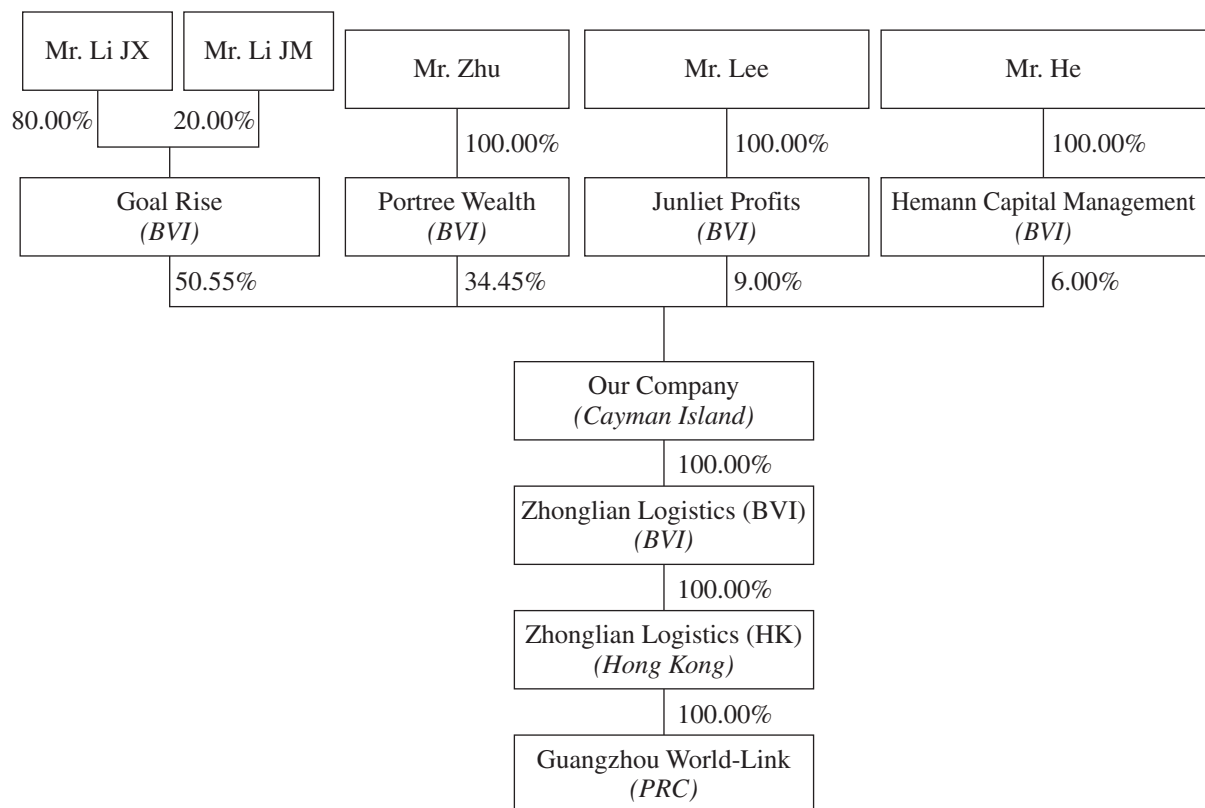
As each of Hemann Capital Management and its beneficial owner is not a connected person of our Company, Shares held by Hemann Capital Management will be counted towards the public float after the [REDACTED].

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Sponsor’s confirmation

Given that (i) no special rights have been granted to Hemann Capital Management in respect of its investment; (ii) our Directors having confirmed that the terms of the investment by Hemann Capital Management (including the consideration) were determined on an arm’s length basis after taking into account the prospective growth potential of our Group; and (iii) the completion of the [REDACTED] Investment took place more than 28 clear days before the submission of the [REDACTED] application, the Sole Sponsor is of the view that the [REDACTED] Investment by Hemann Capital Management is in compliance with the “Interim Guidance on Pre-IPO Investments” (HKEx-GL29-12) and the “Guidance on [REDACTED] Investments” (HKEx-GL43-12) issued by the Stock Exchange.

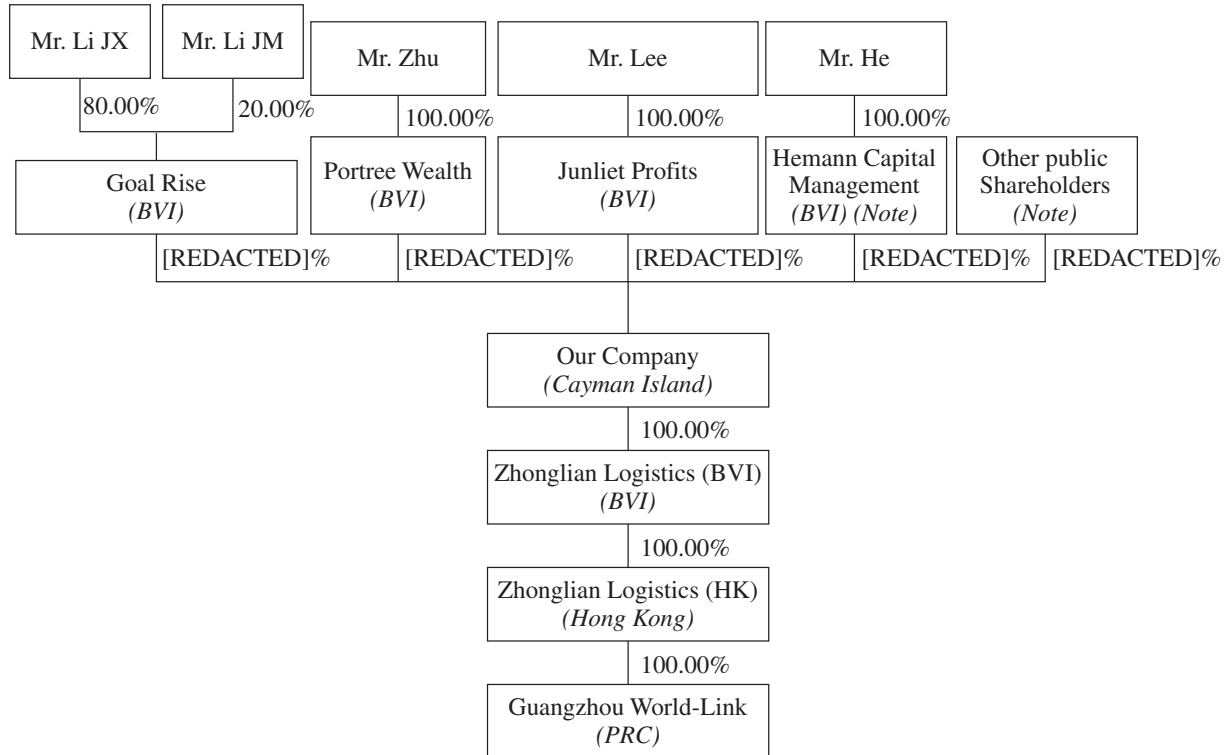
The following chart sets out the shareholding structure of our Group immediately following the [REDACTED] Investment, but prior to the [REDACTED] and the Capitalisation Issue:



Conditional on the share premium account of our Company being credited as a result of the [REDACTED], certain amounts standing to the credit of the share premium account of our Company will be capitalised and applied in paying up in full such number of Shares for allotment and issue to our Shareholders (i.e. Goal Rise, Portree Wealth, Junliet Profits and Hemann Capital Management) in proportion to their respective shareholdings prior to trading and dealing of the Shares commence on GEM, so that the number of Shares so allotted and issued, when aggregated with the number of Shares already owned by them, will constitute not more than [REDACTED]% of the total issued share capital of our Company. Details of the Capitalisation Issue are set out in the paragraph headed “A. Further information about our Company and our subsidiaries — 3. Written resolutions of our Shareholders” in Appendix IV to this document.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

The following chart sets out the shareholding structure of our Group immediately following the [REDACTED] and the Capitalisation Issue (without taking into account any Shares which may be issued upon the exercise of the [REDACTED] and any options which may be granted under the Share Option Scheme):



Note: Immediately following the [REDACTED] and the Capitalisation Issue, the public (including Hemann Capital Management) will hold [REDACTED]% of the enlarged issued share capital of the Company, assuming the [REDACTED] is not exercised.