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## HISTORY, REORGANISATION AND CORPORATE STRUCTURE

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### OUR HISTORY

Our history traces back to 2003 when we, through Nanning Maiyue, started to engage in the provision of IT services in Guangxi. We expanded our business and began offering integrated IT solutions services to customers in the education sector in Guangxi in 2010. In 2015, leveraging our technology capabilities, we began to primarily focus on the provision of integrated IT solutions services to customers in the education sector for the purpose of smart campus development and our self-developed products. In 2018, we replicated our successful operation model in the education sector to the government sector with an aim to assist customers in the government sector in relation to smart government development. In 2019, we formed Shuguang Maiyue, an associate company of our Group upon its establishment which subsequently became our non-wholly owned subsidiary in April 2021, with Digital Guangxi, with an aim to support our long term growth.

Leveraging the experience and knowledge of Mr. Li, our executive Director, chief executive officer and Chairman, who has been a senior management of Nanning Maiyue since 2003 and a director of Nanning Maiyue since 2007, and Mr. Wang, Ms. Deng and Mr. Zhang, our executive Directors who have joined our Group since 2008, 2011 and 2006, respectively, our Group has experienced steady growth. See “Directors and Senior Management — Directors — Executive Directors” for the biography of Mr. Li, Mr. Wang, Ms. Deng and Mr. Zhang. We have now developed into an integrated IT solutions services provider in Guangxi, providing customised integrated IT solutions services to cater for the specific requirements of our customers. We have undertaken numbers of integrated IT solutions projects, including landmark projects such as the Big Data Platform (大數據平台) in Beibu Gulf University (北部灣大學), the public class learning centre (公共課學習中心) and the virtual reality innovation laboratory (虛擬現實創新實驗中心) in Guangxi University and the informatisation project of Guangxi Modern Polytechnic College (廣西現代職業技術學院) and the digitalisation and informatisation project of Qingxiu District Government Service Centre (青秀區政務服務中心), all located in Guangxi. We are a technology-driven company with research and development capability. We have a research and development team with two research and development centres located in Nanning and Chengdu, respectively. Our continuous research and development efforts have led to (i) two of our major operating subsidiaries, Nanning Maiyue and Guangxi Silunjie, being recognised as a “High and New Technology Enterprise (高新技術企業)” by the relevant PRC governmental authorities in November 2016 (renewed in October 2022) and November 2019, respectively; (ii) a number of awards and recognitions received at both regional and national levels, including our “Maiyue Big Data Smart Campus Platform (邁越大數據智慧校園平台)” was selected into the list of 2022 pilot demonstration projects for the development of the big data industry (2022年大數據產業發展試點示範項目名單) in August 2022 by the MIIT and ranked first among 59 national enterprises selected under the category of “Service Industry Big Data Applications (服務業大數據應用)”, and Nanning Maiyue was awarded the “National Intellectual Property Advantage Enterprise (國家知識產權優勢企業)”

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by the China National Intellectual Property Administration in September 2022; (iii) a number of subsidies received in recognition of our research and development capability; and (iv) a number of patented technological know-hows.

### BUSINESS MILESTONES

The following table sets out a summary of the key business and corporate development milestones of our Group:

<u>Year</u>	<u>Events</u>
2003	<p>Our first operating subsidiary, Nanning Maiyue, was established</p> <p>We began to provide IT services in Guangxi</p>
2010	<p>Our second operating subsidiary, Guangxi Yuchang, was established</p> <p>We expanded our business and began to provide integrated IT solutions services to customers in the education sector</p>
2015	<p>We began to provide integrated IT solutions services to customers in the education sector for the purpose of smart campus development</p> <p>We establish a research and development centre in Nanning City, Guangxi</p>
2016	<p>Nanning Maiyue first obtained the qualification of “High and New Technology Enterprise (高新技術企業)” from Guangxi Zhuang Autonomous Region Science and Technology Department (廣西壯族自治區科學技術廳)</p>
2017	<p>Our third operating subsidiary, Guangxi Silunjie was established</p> <p>We launched our self-developed product, Maiyue Big Data Smart Campus Platform v1.0 (邁越大數據智慧校園平台v1.0)</p> <p>Guangxi Silunjie received the National Encouraging Industry Certification (國家鼓勵類產業認定) from Nanning Development and Reform Commission (南寧市發展和改革委員會)</p> <p>Nanning Maiyue was recognised as Nanning Recognised Enterprise Technology Centre (南寧市認定企業技術中心) by Nanning Industry and Information Commission (南寧市工業和信息化委員會)</p>

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Year	Events
2018	<p>We started to provide integrated IT solutions services to customers in the government sector for the purpose of smart government development</p> <p>We established a research and development centre in Chengdu, Sichuan province</p> <p>Nanning Maiyue was recognised as “Guangxi Zhuang Autonomous Region Enterprise Technology Centre” (廣西壯族自治區企業技術中心) in Guangxi by Guangxi Zhuang Autonomous Region Industry and Informatisation Commission (廣西壯族自治區工業和信息化委員會), Guangxi Zhuang Autonomous Region Science and Technology Department (廣西壯族自治區科學技術廳), Guangxi Zhuang Autonomous Region Development and Reform Commission (廣西壯族自治區發展和改革委員會), Guangxi Zhuang Autonomous Region Finance Department (廣西壯族自治區財政廳), Guangxi Zhuang Autonomous Region Tax Department (廣西壯族自治區稅務局) and Nanning Customs Department (南寧海關)</p>
2019	<p>Shuguang Maiyue, was formed by Guangxi Silunjie with Digital Guangxi as an associate company of our Group</p> <p>Guangxi Silunjie obtained the qualification of “High and New Technology Enterprise (高新技術企業)” from Guangxi Zhuang Autonomous Region Science and Technology Department (廣西壯族自治區科學技術廳)</p> <p>Nanning Maiyue received the National Encouraging Industry Certification (國家鼓勵類產業認定) from Nanning Development and Reform Commission (南寧市發展和改革委員會)</p>
2020	<p>The research and development centre of Nanning Maiyue received certification of “Capability Maturity Model Integration (CMMI) Development v1.3 Maturity Level 3” from the CMMI Institute</p>
2021	<p>Shuguang Maiyue became a non-wholly owned subsidiary of our Group</p>
2022	<p>Guangxi Qianyue was established by Nanning Maiyue and Guangxi Qianlong Education Technology Co., Ltd. (廣西千龍教育科技有限公司) as a project company for the development of a business park. We own 19% of Guangxi Qianyue’s equity interest and treat it as a financial asset</p>

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### CORPORATE HISTORY AND DEVELOPMENT

We set out below the corporate history and shareholding changes of our major operating subsidiaries, joint venture company and associate company.

#### **Nanning Maiyue**

Nanning Maiyue was established in the PRC as a limited liability company on 13 March 2003 with a registered and paid up capital of RMB300,000. It is principally engaged in provision of integrated IT solutions services. Upon its establishment, Nanning Maiyue was held as to 50%, 30% and 20% by Ms. Yang Shengfeng (楊聖鳳) (“**Ms. Yang**”), Ms. Wan Peiqi (萬裴琦) (“**Ms. Wan**”) and Mr. Zhuo Dongxiang (卓東祥) (“**Mr. Zhuo**”), respectively, all of which are independent third parties.

On 3 May 2011, the registered capital of Nanning Maiyue increased from RMB300,000 to RMB1.0 million. Mr. Li contributed RMB700,000 as capital contribution. Immediately after such capital contribution, Nanning Maiyue was held as to 70%, 15%, 9% and 6% by Mr. Li, Ms. Yang, Ms. Wan and Mr. Zhuo, respectively. On 19 December 2013, the registered capital of Nanning Maiyue further increased from RMB1.0 million to RMB5.1 million. Mr. Li contributed RMB4.1 million as capital contribution. Immediately after such capital contribution, Nanning Maiyue was held as to 94.1%, 2.9%, 1.8% and 1.2% by Mr. Li, Ms. Yang, Ms. Wan and Mr. Zhuo, respectively.

On 5 June 2015, Mr. Li transferred (i) RMB1,275,000 registered and paid up capital to Mr. Wang; (ii) RMB765,000 registered and paid up capital to Ms. Deng; and (iii) RMB108,000 registered and paid up capital to Mr. Zhang; Ms. Yang transferred RMB150,000 registered and paid up capital to Mr. Zhang; Ms. Wan transferred RMB90,000 registered and paid up capital to Mr. Zhang; and Mr. Zhuo transferred RMB60,000 registered and paid up capital to Mr. Zhang. All the above transfers were made with reference to the then registered and paid up capital of Nanning Maiyue. Immediately after such equity transfers, Nanning Maiyue was held as to 52%, 25%, 15% and 8% by Mr. Li, Mr. Wang, Ms. Deng and Mr. Zhang, respectively.

#### **Guangxi Yuchang**

Guangxi Yuchang was established in the PRC as a limited liability company on 15 November 2010 with a registered and paid up capital of RMB1.0 million. It is principally engaged in provision of integrated IT solutions services. Upon its establishment, Guangxi Yuchang was held as to 70% and 30% by Mr. Li and Mr. Wang, respectively.

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On 26 December 2014, the registered capital of Guangxi Yuchang increased from RMB1.0 million to RMB5.0 million. Mr. Li contributed RMB2.55 million and Mr. Wang contributed RMB1.45 million as capital contribution. Immediately after such capital contribution, Guangxi Yuchang was held as to 65% and 35% by Mr. Li and Mr. Wang, respectively.

In relation to the equity interests in Guangxi Yuchang, Mr. Li, Mr. Wang, Ms. Deng and Mr. Zhang confirmed that they were beneficially held as to 52%, 25%, 15% and 8% by Mr. Li, Mr. Wang, Ms. Deng and Mr. Zhang, respectively. Such shareholding percentages were agreed by Mr. Li, Mr. Wang, Ms. Deng and Mr. Zhang as they considered that their respective beneficial interests in Guangxi Yuchang, Nanning Maiyue and Guangxi Silunjie should be aligned given that the companies were commonly controlled and managed by them. However, since Mr. Li, Mr. Wang, Ms. Deng and Mr. Zhang at the material time focused on the daily business operations of the Group, and Mr. Li and Mr. Wang were considered to be entrusted persons by Ms. Deng and Mr. Zhang, they did not undergo the relevant registration formalities. Such shareholdings were put in place at the time of the transfer of the equity interests in Guangxi Yuchang to Guangxi Silunjie as one of the Reorganisation steps. See “— Reorganisation — 1. Transfer of Nanning Maiyue and Guangxi Yuchang to Guangxi Silunjie” for further details of the equity transfer.

### **Guangxi Silunjie**

Guangxi Silunjie was established in the PRC as a limited liability company on 25 October 2017 with a registered and paid up capital of RMB5.1 million. It is principally engaged in software development and provision of integrated IT solutions services. Upon its establishment, Guangxi Silunjie was held as to 52%, 25%, 15% and 8% by Mr. Li, Mr. Wang, Ms. Deng and Mr. Zhang, respectively.

### **Shuguang Maiyue**

Shuguang Maiyue was established in the PRC as a limited liability company on 10 October 2019 with a registered capital of RMB50 million. It is principally engaged in software development and provision of integrated IT solutions services. Upon its establishment, Shuguang Maiyue was held as to 49% and 51% by Guangxi Silunjie and Digital Guangxi, respectively.

Shuguang Maiyue had been an associate company of our Group since its establishment and at the material time during the Track Record Period. See Note 15 in the Accountants’ Report in Appendix I to this document for further details.

On 21 April 2021, we entered into a capital contribution agreement, pursuant to which the registered capital of Shuguang Maiyue increased from RMB50 million to RMB52,041,000 and Guangxi Silunjie would increase its total capital contribution by RMB2,041,000 from

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RMB24,500,000 to RMB26,541,000. Immediately after such increase in registered capital, Shuguang Maiyue was held as to 51% and 49% by Guangxi Silunjie and Digital Guangxi, respectively. Shuguang Maiyue became a non-wholly owned subsidiary of our Group.

See “Business — Strategic Partnerships” for further details of Digital Guangxi and our partnership.

### **Fangchenggang City Investment Digital**

Fangchenggang City Investment Digital was established in the PRC as a limited liability company on 25 November 2020 with a registered capital of RMB10 million. It is principally engaged in software development and provision of integrated IT solutions services. Upon its establishment, Fangchenggang City Investment Digital was held as to 65% and 35% by Nanning Maiyue and Fangchenggang City Investment Development Group Limited (防城港市城市投資發展集團有限公司), respectively. Fangchenggang City Investment Development Group Limited is an independent third party.

Fangchenggang City Investment Digital is a joint venture company of our Group. See Note 16 in the Accountants’ Report in Appendix I to this document for further details.

On 26 April 2023, we were informed by Fangchenggang City Investment Development Group Limited that, due to its internal restructuring and change of business plans, it intended to transfer its 35% interests in Fangchenggang City Investment Digital to Nanning Maiyue. After the transfer is completed, we will assess and consider whether to deregister Fangchenggang City Investment Digital. See “Business — Strategic Partnerships” for further details of Fangchenggang City Investment Development Group Limited and our partnership.

## COMPLIANCE WITH THE RELEVANT PRC LAWS AND REGULATIONS

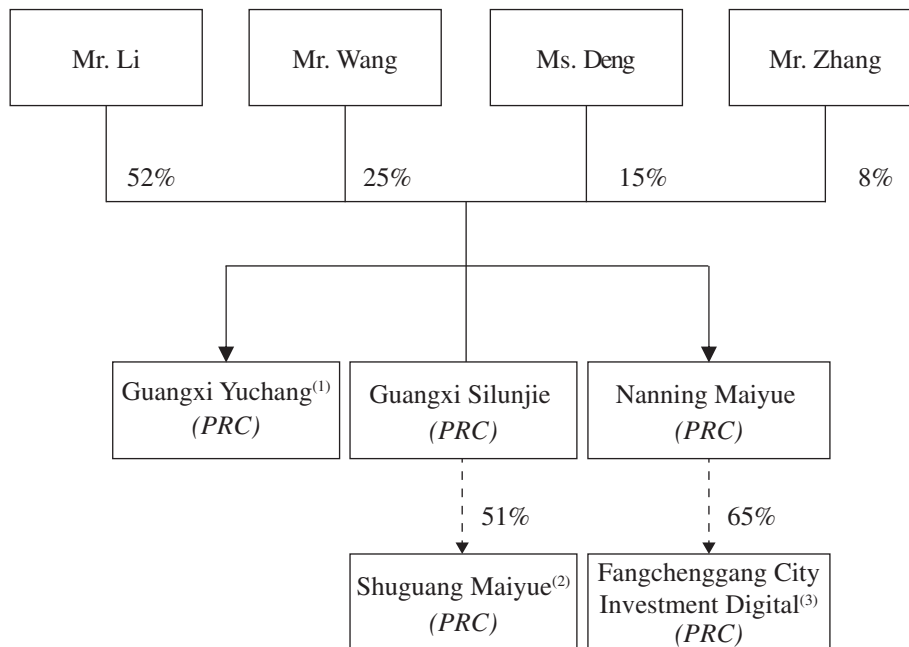
As at the Latest Practicable Date, the establishment of Nanning Maiyue, Guangxi Yuchang, Guangxi Silunjie, Shuguang Maiyue and Fangchenggang City Investment Digital, the transfers of equity interests and changes in registered capital (where applicable) had been properly and legally completed, and duly settled.

As advised by our PRC Legal Advisers, all the abovementioned transfers and changes in registered capital of our Group’s onshore subsidiaries are effective, legally binding, duly settled and in compliance with the relevant PRC laws and regulations, all permits, authorisations, approvals and consents necessary for the above transactions have been obtained from the relevant PRC governmental authorities.

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### REORGANISATION

The following chart sets out the corporate structure of our Group immediately before the Reorganisation:



*Notes:*

- (1) In relation to the equity interests in Guangxi Yuchang, Mr. Li, Mr. Wang, Ms. Deng and Mr. Zhang confirmed that they were beneficially held as to 52%, 25%, 15% and 8% by Mr. Li, Mr. Wang, Ms. Deng and Mr. Zhang, respectively, until the transfer in the equity interests of Guangxi Yuchang to Guangxi Silunjie as one of the Reorganisation step.
- (2) Shuguang Maiyue was established on 10 October 2019 and was held as to 49% and 51% by Guangxi Silunjie and Digital Guangxi. It was an associate company of our Group upon establishment and subsequently became our non wholly-owned subsidiary in April 2021.
- (3) Fangchenggang City Investment Digital was established on 25 November 2020 and is held as to 65% and 35% by Nanning Maiyue and Fangchenggang City Investment Development Group Limited (防城港市城市投資發展集團有限公司). It is a joint venture company of our Group.

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In preparation for the [REDACTED], we underwent a series of reorganisation, details of which are set out below:

### 1. Transfer of Nanning Maiyue and Guangxi Yuchang to Guangxi Silunjie

On 22 November 2018, Mr. Li, Mr. Wang, Ms. Deng and Mr. Zhang transferred their 52%, 25%, 15% and 8% equity interests in Nanning Maiyue, respectively, to Guangxi Silunjie, resulting in the increase in capital reserve of Guangxi Silunjie of RMB26.3 million, which were determined with reference to the net assets of Nanning Maiyue as at 31 October 2018.

On 22 November 2018, Mr. Li and Mr. Wang transferred their 65% and 35% equity interests in Guangxi Yuchang, respectively, to Guangxi Silunjie, resulting in the increase in capital reserve of Guangxi Silunjie of RMB11.8 million, which were determined with reference to the net assets of Guangxi Yuchang as at 31 October 2018. Mr. Li, Mr. Wang, Ms. Deng and Mr. Zhang confirmed that the equity interests in Guangxi Yuchang were beneficially held as to 52%, 25%, 15% and 8% by Mr. Li, Mr. Wang, Ms. Deng and Mr. Zhang, respectively, and the arrangement terminated after the above transfer of the equity interests in Guangxi Yuchang to Guangxi Silunjie.

Immediately after such equity transfers, Nanning Maiyue and Guangxi Yuchang became wholly-owned subsidiaries of Guangxi Silunjie. The relevant registration procedures in respect of such transfers were completed with the relevant industrial and commercial administration authority on 28 November 2018.

### 2. Capital contribution in Guangxi Silunjie

Pursuant to a capital injection agreement dated 25 December 2018 between Mr. Li, Mr. Wang, Ms. Deng, Mr. Zhang and Mr. Chan, who is a natural person of Singapore and one of our [REDACTED] [REDACTED], Mr. Chan contributed RMB2,560,000 to Guangxi Silunjie, resulting in the increase in the registered capital of Guangxi Silunjie from RMB5.1 million to RMB5,368,500 and the increase in capital reserve of RMB2,291,500. Such consideration was determined with reference to the appraised net asset value of Guangxi Silunjie as at 30 November 2018. Immediately after such capital contribution, Guangxi Silunjie was held as to 49.40%, 23.75%, 14.25%, 7.60% and 5% by Mr. Li, Mr. Wang, Ms. Deng, Mr. Zhang and Mr. Chan, respectively. As advised by our PRC Legal Advisers, the above capital contribution was duly settled on 20 June 2019. The relevant registration procedure in respect of such capital contribution was completed with the relevant industrial and commercial administration authority on 25 April 2019. Guangxi Silunjie became a sino-foreign joint enterprise and the relevant registration procedure was completed with the relevant commercial department on 8 May 2019.



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### 3. Incorporation of our Company, offshore subsidiaries and establishment of onshore subsidiary

#### *Our Company*

Our Company was incorporated in the Cayman Islands with limited liability on 21 March 2019 with an authorised share capital of HK\$380,000 divided into 38,000,000 shares of par value of HK\$0.01 each. On 21 March 2019, one Share was allotted and issued to the initial subscriber, an independent third party, who in turn transferred such one Share to Deep Blue Ocean at par. On 16 February 2021, our Company allotted and issued 9,999 Shares, fully paid at par, to Deep Blue Ocean.

#### *Hanyu Information*

Hanyu Information was incorporated in the BVI as a BVI business company with limited liability on 4 February 2019 with an authorised share capital of US\$50,000 divided into 50,000 ordinary shares of US\$1.0 each. On the same day, one ordinary share was allotted and issued to Deep Blue Ocean, which in turn transferred such one original share to our Company at par on 21 March 2019. It is directly wholly owned by our Company as an intermediate holding company.

#### *Hong Kong Chenyang*

Hong Kong Chenyang was incorporated in Hong Kong as a limited liability company on 24 April 2019 with an issued share capital of HK\$1.0. It is directly wholly owned by Hanyu Information as an intermediate holding company.

#### *Wanjia Hongxin*

Wanjia Hongxin was incorporated in Hong Kong as a limited liability company on 8 August 2019 with an issued share capital of HK\$1.0. It is directly wholly owned by Hanyu Information. Since its incorporation and until the Latest Practicable Date, it has no business operation.

#### *Guangxi Huahe*

Guangxi Huahe was established in the PRC as a limited liability company on 21 August 2019 with a registered capital of RMB10 million. It is directly wholly owned by Hong Kong Chenyang as an intermediate holding company. The relevant registration procedure of Guangxi Huahe as a wholly foreign-owned enterprise was completed with the relevant industrial and commercial administration authority on 27 December 2019.

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### 4. Transfer of Guangxi Silunjie to Guangxi Huahe

On 18 November 2019, Mr. Li, Mr. Wang, Ms. Deng, Mr. Zhang and Mr. Chan transferred their respective 49.40%, 23.75%, 14.25%, 7.60% and 5% equity interests in Guangxi Silunjie to Guangxi Huahe at consideration of RMB26,648,300, RMB12,811,700, RMB7,687,000, RMB4,099,700 and RMB2,560,000, respectively. The consideration for the equity interests of Mr. Li, Mr. Wang, Ms. Deng and Mr. Zhang was determined with reference to the appraised net asset value of Guangxi Silunjie as at 30 November 2018 and the capital contribution by Mr. Chan on 25 December 2018. The consideration for equity interests of Mr. Chan was determined with reference to capital contribution by Mr. Chan on 25 December 2018, having considered the relatively short time gap between this transfer and the capital contribution in December 2018. Immediately after such equity transfers, Guangxi Silunjie became directly wholly owned by Guangxi Huahe. As advised by the PRC Legal Advisers, the above transfers were duly settled on 29 December 2020. The relevant registration procedures in respect of such transfers were completed with the relevant industrial and commercial administration authority on 28 November 2019.

### 5. Establishment of Shuguang Maiyue and Fangchenggang City Investment Digital

See “— Corporate History and Development — Shuguang Maiyue” for further details of the establishment of Shuguang Maiyue. Shuguang Maiyue had been an associate company of our Group since its establishment and during the Track Record Period. Pursuant to a capital contribution agreement dated 21 April 2021, the registered capital of Shuguang Maiyue increased from RMB50,000,000 to RMB52,041,000 and Guangxi Silunjie will increase its total capital contribution by RMB2,041,000 from RMB24,500,000 to RMB26,541,000. Immediately after such increase in registered capital, Shuguang Maiyue was held as to 51% by Guangxi Silunjie and became a non-wholly owned subsidiary of our Group.

Fangchenggang City Investment Digital is a joint venture company of our Group. On 26 April 2023, we were informed by Fangchenggang City Investment Development Group Limited that it intended to transfer its 35% interest in Fangchenggang City Investment Digital to Nanning Maiyue. See “— Corporate History and Development — Fangchenggang City Investment Digital” for details of the establishment and recent development of Fangchenggang City Investment Digital.

### [REDACTED] INVESTMENTS

On 10 February 2021, Mr. Ye (through Canwest Profits), Mr. Chan (through Million Oak) and Mr. Chua respectively entered into a share purchase agreement with Deep Blue Ocean, Mr. Li, Mr. Wang, Ms. Deng and Mr. Zhang. The share purchase agreements were entered into to ratify the verbal agreements made between Mr. Li, Mr. Wang, Ms. Deng and Mr. Zhang (the “**Original**

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Shareholders”) and (i) Mr. Ye in September 2017; and (ii) Mr. Chan and Mr. Chua in January 2018, and the settlement of the consideration completed by Mr. Ye, Mr. Chan and Mr. Chua on 7 May 2019, 15 January 2019 and 23 May 2019, respectively.

Pursuant to the share purchase agreements, Mr. Ye (through Canwest Profits), Mr. Chan (through Million Oak) and Mr. Chua acquired 800 Shares, 750 Shares and 290 Shares from Deep Blue Ocean, representing 8.0%, 7.5% and 2.9% of the then issued share capital of our Company, at a consideration of HK\$8.0 million, HK\$7.5 million and HK\$2.9 million, respectively, based on arm’s length negotiations after taking into consideration the business valuation of our Company, the timing of the investment and the prospect of our business. In particular, the consideration of the [REDACTED] Investments was agreed by the Original Shareholders at a relatively early stage of our business development, namely in September 2017 with Mr. Ye and in January 2018 with Mr. Chan and Mr. Chua. Such consideration was determined after taking into account a business valuation adopting an agreed price-to-earnings multiple to the forecasted profit of our Group at the time of such investments. The basis of determination of the consideration for the [REDACTED] Investments was identical despite the slightly different timing of investment by (i) Mr. Ye; and (ii) Mr. Chan and Mr. Chua, and such timing difference was considered to be insignificant. The said Shares were transferred by Deep Blue Ocean on 16 February 2021. The terms of the share purchase agreements imposed a six-month lock-up obligation over the shareholding interests of our Company held by each of the [REDACTED] [REDACTED] through [REDACTED] Investments. Our Directors confirm that the [REDACTED] Investments were conducted in compliance with all applicable laws and regulations.

The following table sets out the key particulars of the [REDACTED] Investments:

Name of [REDACTED]	Mr. Ye (through Canwest Profits)	Mr. Chan (through Million Oak)	Mr. Chua
<b>Date of agreement.</b> . . . . .	10 February 2021 <sup>(1)</sup>	10 February 2021 <sup>(1)</sup>	10 February 2021 <sup>(1)</sup>
<b>Amount of consideration paid</b> . . . . .	HK\$8.0 million	HK\$7.5 million	HK\$2.9 million
<b>Settlement date of the consideration.</b> . . . . .	22 June 2018; 3 August 2018; 26 September 2018; 28 April 2019; 29 April 2019; 30 April 2019; and 7 May 2019 <sup>(1)</sup>	15 January 2019 <sup>(1)</sup>	23 May 2019 <sup>(1)</sup>

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Name of [REDACTED]	Mr. Ye (through Canwest Profits)	Mr. Chan (through Million Oak)	Mr. Chua
<b>Number of Shares acquired immediately before the [REDACTED] and the [REDACTED] . . . . .</b>	800 Shares, representing 8.0% of the then issued share capital of our Company	750 Shares, representing 7.5% of the then issued share capital of our Company	290 Shares, representing 2.9% of the then issued share capital of our Company
<b>Number of Shares and approximate percentage of shareholding upon [REDACTED]<sup>(2)</sup> . . . . .</b>	[REDACTED] Shares, representing [REDACTED]% of the issued share capital of our Company	[REDACTED] Shares, representing [REDACTED]% of the issued share capital of our Company	[REDACTED] Shares, representing [REDACTED]% of the issued share capital of our Company
<b>Cost per Share and discount of the [REDACTED] . . . . .</b>	HK\$[REDACTED] per Share, representing a discount of [REDACTED]% to an [REDACTED] of HK\$[REDACTED] per [REDACTED] (being the mid-point of the [REDACTED] range as stated in this document)		
<b>Public float . . . . .</b>	The shareholding of Mr. Ye, Mr. Chan and Mr. Chua in our Company upon completion of the [REDACTED] and the [REDACTED] will be less than 10%, the acquisition of our Shares by Mr. Ye, Mr. Chan and Mr. Chua was not directly or indirectly financed by any core connected person of our Company, and they are not accustomed to take instructions from a core connected person in relation to the acquisition, disposal, voting or other disposition of Shares registered in their name or otherwise held by them. Accordingly, our Shares held by Mr. Ye, Mr. Chan and Mr. Chua will be considered as public float for the purpose of Rule 8.08 of the Listing Rules		
<b>Lock-up . . . . .</b>	Six month after the [REDACTED] for the shareholding interests of our Company held by each of the [REDACTED] [REDACTED] through [REDACTED]		
<b>Special Rights . . . . .</b>	Mr. Ye was granted a director appointment right. Such right will be terminated upon [REDACTED]. Mr. Ye was appointed in April 2021, and subsequently resigned in March 2022, as executive Director (as detailed in “— Background of [REDACTED] [REDACTED] — Mr. Ye”). Save for the above, no special right was granted to the [REDACTED] [REDACTED].		
<b>[REDACTED] . . . . .</b>	Not applicable <sup>(3)</sup>		

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*Notes:*

- (1) Each of the share purchase agreements was entered into to ratify the verbal agreements made between Mr. Li, Mr. Wang, Ms. Deng and Mr. Zhang and (i) Mr. Ye in September 2017; and (ii) Mr. Chan and Mr. Chua in January 2018, and the settlement of the consideration completed by Mr. Ye, Mr. Chan and Mr. Chua on 7 May 2019, 15 January 2019 and 23 May 2019, respectively.
- (2) For illustration purpose only, on the basis of our enlarged capital immediately upon completion of the [REDACTED] and the [REDACTED] (without taking into account the Shares which may be issued pursuant to the exercise of the [REDACTED] and any Shares to be issued upon the exercise of any options which may be granted under the Share Option Scheme).
- (3) The [REDACTED] Investments were conducted by way of transfers of shares by the Original Shareholders. Therefore, no [REDACTED] were received by the Company in relation to the [REDACTED] Investments.

### **Background of [REDACTED] [REDACTED]**

#### ***Mr. Ye***

Canwest Profits is a BVI business company incorporated in the BVI with limited liability and wholly-owned by Mr. Ye. Mr. Ye is a Hong Kong resident. He was appointed as our Director on 15 October 2020 and redesignated as our executive Director on 20 April 2021. During his tenure, he was principally responsible for assisting the Chairman in developing and implementing corporate strategies of our Group. He then resigned as our executive Director on 15 March 2022.

At the time of his resignation, there was a civil litigation of Mr. Ye in relation to a loan agreement entered into by a company owned as to 28% by Mr. Ye. The loan was secured by, among others, five joint and several guarantees, with Mr. Ye as one of the guarantors. Under the civil litigation, as one of the guarantors, Mr. Ye was classified as a person subject to enforcement. Our Directors were of the view that such litigation would not affect the competency, integrity, and suitability of Mr. Ye as a Director at the material time, having considered, among others, that:

- Mr. Ye held an equity interest of 28% of such company at the material time and, being a minority shareholder, he held the equity interests as a passive investor and did not hold any position or take any part in the decision-making or in the management thereof;
- Mr. Ye did not have any interest nor involvement in the loan arrangement concerned, other than being one of the guarantors. He was requested by the lender to provide the joint and several guarantee together with the borrower and its controlling shareholder as one of the securities of the loan;

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## HISTORY, REORGANISATION AND CORPORATE STRUCTURE

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- as confirmed by Mr. Ye, he agreed to provide such joint and several guarantee in favour of the lender to secure the loan because (i) the borrower applied for the loan to conduct ordinary course of business; (ii) the strong financial background of the borrower at the material time; and (iii) the borrower had provided a pledge of its own property as one of the securities, the estimated value of which should exceed the principal amount of the loan;
  
- as advised by our PRC Legal Advisers, it is a common arrangement for the equity holders of a PRC company to provide joint and several guarantee to secure a loan of the PRC company; and
  
- As confirmed by Mr. Ye, he has been ordinarily residing in Hong Kong and hence he has never received any notice, court judgement or decision and/or executable documentation in respect of the civil litigation until the conclusion of an appeal in August 2020. After following up on the civil litigation, Mr. Ye entered into a counter-guarantee agreement with the borrower and its controlling shareholder, pursuant to which the controlling shareholder agreed to, among others, provide a counter-guarantee in favour of Mr. Ye for the principal amount and all the accrued interest of the loan, as well as all the expenses incurred by Mr. Ye in recovery of the debt by the lender through providing his 51% equity interests in the borrower as a security.

However, having considered the fact that the aforesaid civil litigation was unsettled at the time of his resignation, Mr. Ye resigned in order to avoid any concern over the aforesaid civil litigation, which remained unsettled as at the Latest Practicable Date, as well as due to his personal reasons to pursue his other business engagements. Mr. Ye has confirmed that he had no disagreement with the Board. After his resignation, save for being a [REDACTED] of our Group and the beneficial owner of a company which is the lessor of some of our leased properties, Mr. Ye has no other role or involvement in the [REDACTED] and our operations. Our Directors confirm that his resignation does not have any material impact on our operations and financial position.

Mr. Ye has over five years of experience in management and finance. Mr. Ye worked as the head of the development department at Guijiang Enterprises Co., Ltd. (桂江企業有限公司), an investment company in 2015. From 2015 to 2016, Mr. Ye served as the director of Guijiang International Commercial (Hong Kong) Co., Ltd (桂江國際商務(香港)有限公司), a company principally engaged in international business trading. Since 2017, Mr. Ye has been the supervisor of Nanning City Wanjin Enterprise Investment Co., Ltd (南寧市萬錦企業投資有限公司). Since 2018, Mr. Ye has also been a director of Pearl Bridge Securities Limited, a securities firm, and Pearl Bridge Asset Management Limited, a company principally engaged in asset management. He is also an individual private investor who from time to time participates in various investment

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## HISTORY, REORGANISATION AND CORPORATE STRUCTURE

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opportunities in different target companies with a primary focus on IT, education, healthcare, informatisation and Internet-related sectors. Mr. Ye became acquainted with Mr. Li through a social occasion of their respective business network and was introduced to our Group by Mr. Li in May 2017. Mr. Ye decided to invest in our Group because he was attracted to our Group's growth potential and prospects.

### *Mr. Chan*

Million Oak is a limited liability company incorporated in the Marshall Islands and wholly-owned by Mr. Chan. Mr. Chan is a Singapore resident and an independent third party. Mr. Chan had extensive experience in finance and commodity trade. He was a trader in a trading company in Singapore and a vice-president of the iron ore division in a commodity trader based in Hong Kong. He was then the managing partner of an investment company in Singapore. He is currently the head of investment of a registered fund management company in Singapore and from time to time participates in various investment opportunities in different target companies encompassing various business sectors. Mr. Chan became acquainted with Mr. Ye in early 2017 through the introduction of Mr. Hui, our executive Director, whom Mr. Chan had known for more than 10 years. Mr. Chan was then introduced to our Group by Mr. Ye in January 2018. Mr. Chan decided to invest in our Group because he was attracted to our Group's growth potential and prospects.

### *Mr. Chua*

Mr. Chua is a Singapore resident and an independent third party. Mr. Chua had around 25 years of working experience with the Monetary Authority of Singapore and was the special adviser (financial supervision) of Monetary Authority of Singapore before his retirement in 2017. Mr. Chua is currently an adviser of a registered fund management company in Singapore and from time to time participates in various investment opportunities in different target companies encompassing various business sectors. Mr. Chua was awarded the Public Administration Medal by the President of Singapore in 2014. Mr. Chua became acquainted with Mr. Ye in late 2017 through introduction of Mr. Chan, whom Mr. Chua had known for more than 20 years through their social networks. Mr. Chua was introduced to our Group by Mr. Ye in January 2018. Mr. Chua decided to invest in our Group because he was attracted to our Group's growth potential and prospects.

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## HISTORY, REORGANISATION AND CORPORATE STRUCTURE

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### Strategic benefits to the Company brought by the [REDACTED]

Our Directors believe that the [REDACTED] [REDACTED] will introduce new business opportunities and strengthen and diversify the shareholders’ portfolio of our Group. In particular, our Directors believe that Mr. Ye may bring benefits to our Group since he would be able to introduce business partners to our Group by leveraging his business and social network in Guangxi and other regions in the PRC. Since Mr. Ye joined our Group, he has been involved in various matters of our Group, such as assisting in obtaining tax exemption (e.g. the preferential tax in relation to the engagement in the national encouraged industries in the PRC western region and national autonomous area) and government grant (e.g. awards in relation to research and development from Guangxi government authority) and forming Shuguang Maiyue with Digital Guangxi. On the other hand, we believe that the [REDACTED] by the [REDACTED] [REDACTED] in our Group demonstrate their confidence in the operations of our Group and serve as an endorsement for our Group’s performance, strength and prospects, which can assist us in broadening our shareholder base. We further consider that their respective investment backgrounds and business management experience could provide insights and advice on our business development and expansion.

### Compliance with Interim Guidance and Guidance Letters

After reviewing the terms of the agreements relating to the [REDACTED], and given that (i) no special rights granted to the [REDACTED] will survive after the [REDACTED] in respect of the [REDACTED]; and (ii) the [REDACTED] were completed more than 28 clear days before the date of submission of the application for the [REDACTED], the Sole Sponsor confirms that the [REDACTED] are in compliance with the Guidance Letters HKEx-GL29-12 (January 2012) (updated in March 2017) and HKEx-GL43-12 (October 2012) (updated in July 2013 and March 2017).

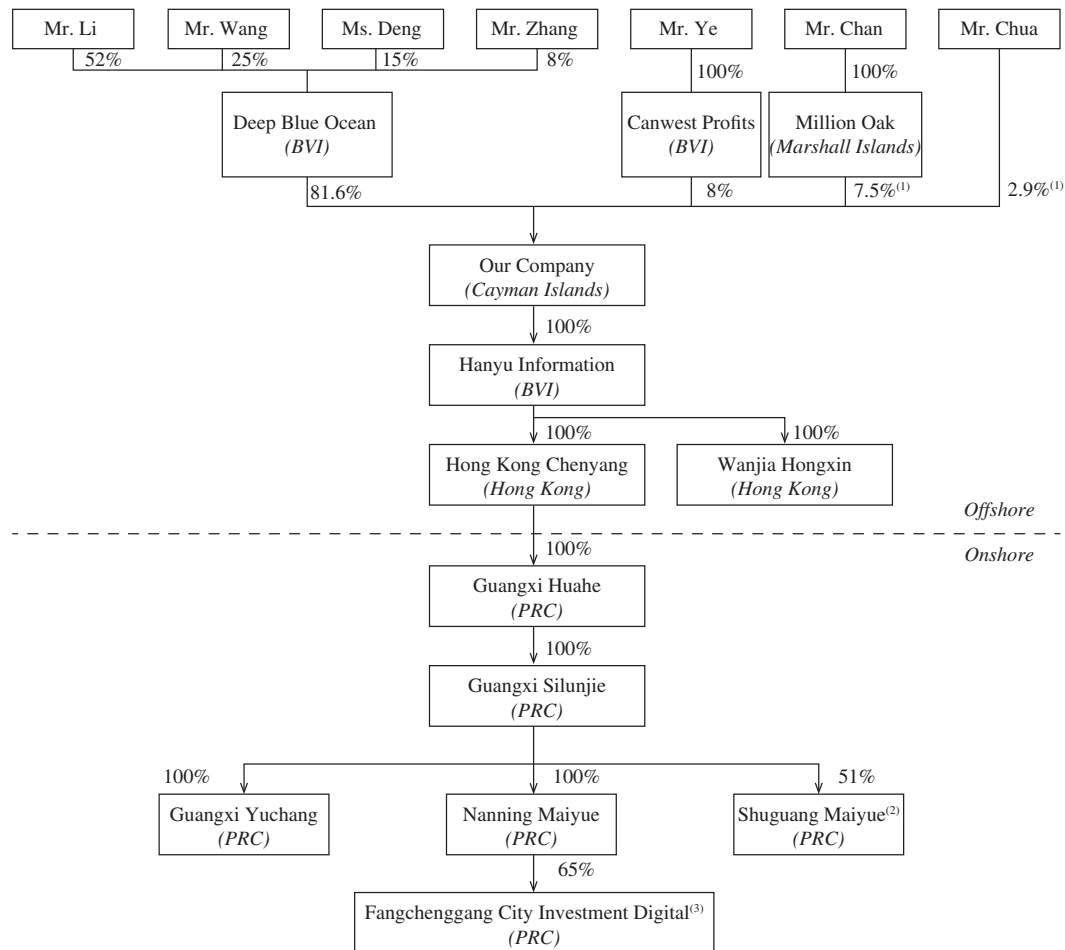


## HISTORY, REORGANISATION AND CORPORATE STRUCTURE

### SHAREHOLDING AND CORPORATE STRUCTURE

Our shareholding and corporate structure immediately after completion of the Reorganisation but before the [REDACTED] and the [REDACTED]

The following chart illustrates our shareholding and corporate structure immediately after the Reorganisation but before the [REDACTED] and the [REDACTED] (without taking into account our Shares which may be issued pursuant to the exercise of the [REDACTED] and any Shares to be issued upon the exercise of any options which may be granted under the Share Option Scheme):



Notes:

- (1) The shareholding of Million Oak and Mr. Chua in our Company upon completion of the [REDACTED] and the [REDACTED] will be considered as public float for the purpose of Rule 8.08 of the Listing Rules.
- (2) Shuguang Maiyue is held as to 51% and 49% by Guangxi Silunjie and Digital Guangxi.
- (3) Fangchenggang City Investment Digital is held as to 65% and 35% by Nanning Maiyue and Fangchenggang City Investment Development Group Limited (防城港市城市投資發展集團有限公司). It is a joint venture company of our Group. On 26 April 2023, we were informed by Fangchenggang City Investment Development Group Limited that it intended to transfer its 35% interest in Fangchenggang City Investment Digital to Nanning Maiyue. See “— Corporate History and Development — Fangchenggang City Investment Digital” for details.

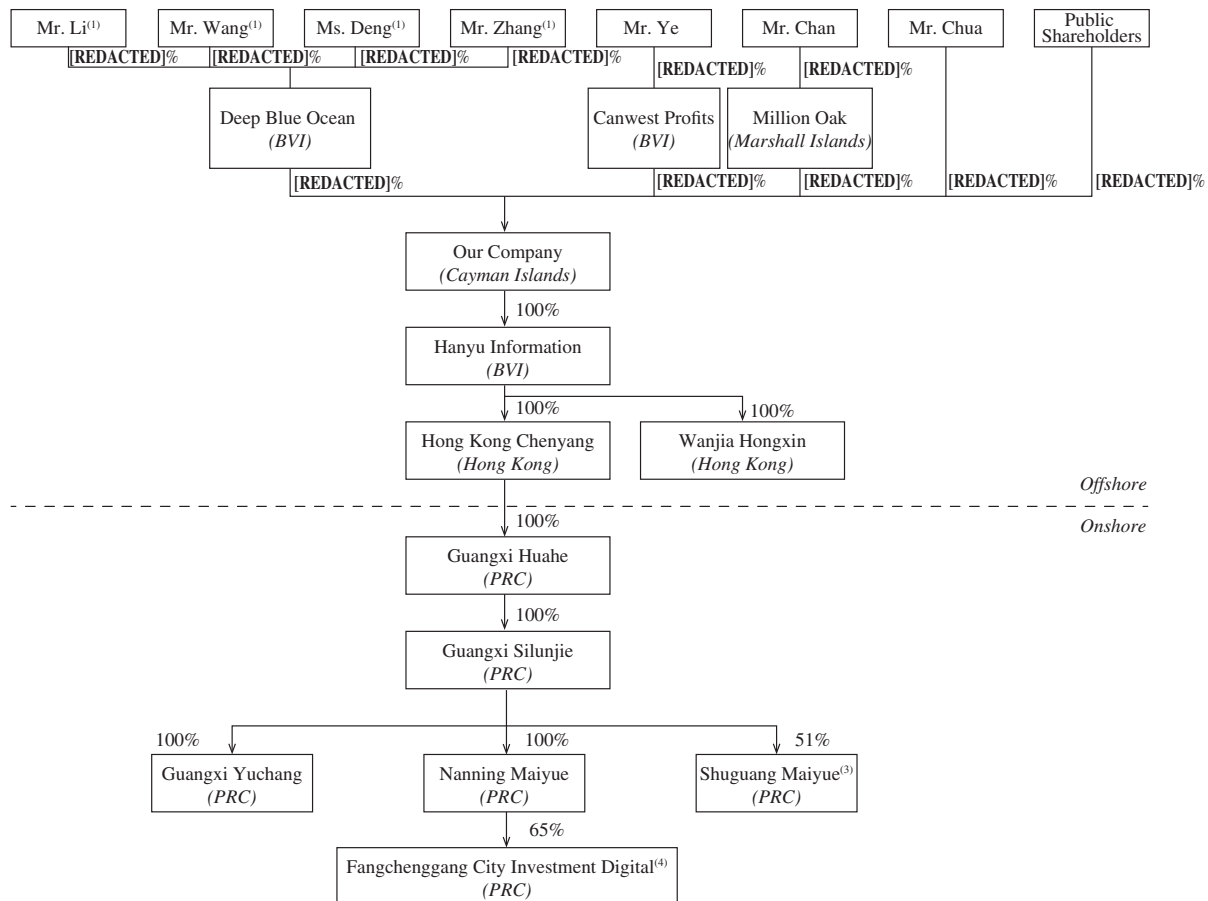
## HISTORY, REORGANISATION AND CORPORATE STRUCTURE

[REDACTED]

Condition upon the share premium account of our Company having sufficient balance, or otherwise being credited as a result of the allotment and issue of the [REDACTED] pursuant to the [REDACTED], a sum of HK\$[3,749,900] (or any such amount any one Director may determine) standing to the credit of the share premium account of our Company will be capitalised by applying such sum in paying up in full at par a total of [374,990,000] Shares (or any such number of Shares any one Director may determine) for the [REDACTED] and issue to the then existing Shareholders in proportion to their respective shareholding in our Company.

### Our shareholding and corporate structure immediately after completion of the [REDACTED] and the [REDACTED]

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



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## HISTORY, REORGANISATION AND CORPORATE STRUCTURE

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*Notes:*

- (1) Mr. Li, Mr. Wang, Ms. Deng, Mr. Zhang and Deep Blue Ocean will be our Controlling Shareholders and will comprise a group of Controlling Shareholders within the meaning of the Listing Rules.
- (2) The shareholding of Million Oak and Mr. Chua in our Company upon completion of the [REDACTED] and the [REDACTED] will be considered as public float for the purpose of Rule 8.08 of the Listing Rules.
- (3) Shuguang Maiyue was held as to 51% and 49% by Guangxi Silunjie and Digital Guangxi.
- (4) Fangchenggang City Investment Digital was held as to 65% and 35% by Nanning Maiyue and Fangchenggang City Investment Development Group Limited (防城港市城市投資發展集團有限公司). It is a joint venture company of our Group. On 26 April 2023, we were informed by Fangchenggang City Investment Development Group Limited that it intended to transfer its 35% interest in Fangchenggang City Investment Digital to Nanning Maiyue. See “— Corporate History and Development — Fangchenggang City Investment Digital” for details.

Our PRC Legal Advisers have confirmed that the Reorganisation in respect of the PRC companies in our Group are effective, legally binding, duly settled and in compliance with the laws and regulations, and all permits, authorisation, approvals and consents necessary for the above transactions have been obtained from the relevant PRC governmental authorities.

### **The Rules on the Mergers and Acquisitions of Domestic Enterprises by Foreign Investors in the PRC**

According to the Provisions on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (關於外國投資者併購境內企業的規定) (“**Provisions on Mergers or Acquisitions**”), a foreign investor shall obtain necessary approvals for the following circumstances: (i) when a foreign investor acquires the equity interests of a domestic non-foreign invested enterprise and is subsequently converted to a foreign invested enterprise, or subscribes for the new equity interests of a domestic non-foreign invested enterprise based on the increase in its registered capital; or (ii) when a foreign investor establishes a foreign invested enterprise to acquire and operate the assets of a domestic non-foreign invested enterprise or to acquire the assets of and inject capital in a domestic non-foreign invested enterprise to set up a foreign invested enterprise. According to Article 11 of the Provisions on Mergers or Acquisitions, if any domestic company, enterprise or natural person, in the name of a company legally established or controlled by it in foreign countries or regions, merges its affiliated domestic company, it shall be subject to the approval of the MOFCOM.

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## HISTORY, REORGANISATION AND CORPORATE STRUCTURE

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On 30 December 2019, the Ministry of Commerce and the State Administration of Market Regulation issued the Measures for the Reporting of Foreign Investment Information (《外商投資信息報告辦法》), which came into effect on 1 January 2020. Since 1 January 2020, for foreign investors carrying out investment activities directly or indirectly in China, the foreign investors or foreign-invested enterprises shall submit investment information to the commerce authorities pursuant to these measures.

As advised by our PRC Legal Advisers, Mr. Chan's subscription of 5% equity interest in Guangxi Silunjie (the "**First Acquisition**") shall be conducted in accordance with the Provisions on Mergers or Acquisitions. As Mr. Chan is not a domestic natural person and had no association with Guangxi Silunjie as defined in the Provisions on Mergers or Acquisitions, Article 11 of the Provisions on Mergers or Acquisitions does not apply to the First Acquisition. Upon completion of the First Acquisition, Guangxi Silunjie became a sino-foreign joint venture. Regarding the acquisition of the entire equity interest of Guangxi Silunjie by Guangxi Huahe (the "**Second Acquisition**"), as advised by our PRC Legal Advisers, the Second Acquisition, which happened after the transformation of Guangxi Silunjie into a sino-foreign joint venture, was deemed as having caused changes in shareholders due to the acquisition of equities of a foreign invested enterprise, so the Provisions on Mergers or Acquisitions do not apply to the Second Acquisition. While the Second Acquisition should comply with the Several Provisions on the Changes in Equity Interest of Investors in Foreign Invested Enterprises (外商投資企業投資者股權變更的若干規定), Guangxi Silunjie has obtained the receipt for registration of changes in foreign invested enterprises and for its new business licence on 28 November 2019.

Our PRC Legal Advisers confirmed that regarding the [REDACTED], we do not need to seek approval from the CSRC, MOFCOM or other relevant PRC government authorities.

### SAFE Registration in the PRC

Circular 37 was promulgated by the SAFE on 4 July 2014 and took effect on the same day. According to the Circular 37, a domestic resident (including PRC individuals and institutions) shall, before contributing lawful domestic and overseas assets or interests to a special purpose vehicle, register with the SAFE or its local branch to effect foreign exchange registration. As advised by our PRC Legal Advisers, Mr. Li, Mr. Wang, Ms. Deng and Mr. Zhang completed the registration under the SAFE Circular No. 37 by 22 July 2019.