
HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

Our history can be traced back to 2015 when Mr. Yang, Mr. Meng and Mr. Li established Henan Guoquan Supply Chain Management Co., Ltd. (河南鍋圈供應鏈管理有限公司) to start providing home meal products in the PRC. In 2019, Guoquan Supply Chain (Shanghai) Co., Ltd. (鍋圈供應鏈(上海)有限公司), being the predecessor of our Company, was established as our headquarters. In 2023, our Company was converted into a joint stock company with limited liability and was renamed as Guoquan Food (Shanghai) Co., Ltd. (鍋圈食品(上海)股份有限公司). We are a leading one-stop home meal products brand with nationwide retail store network and proprietary products. As of April 30, 2023, our store network had a total of 9,844 stores located in 29 provinces and municipalities across China.

BUSINESS DEVELOPMENT MILESTONES

The following table summarizes the key milestones in our business development:

<u>Year</u>	<u>Milestone</u>
2015	Henan Guoquan Supply Chain Management Co., Ltd. (河南鍋圈供應鏈管理有限公司), which subsequently became our subsidiary, was established in the PRC.
2017	In January, our first retail store was launched in Zhengzhou, Henan Province.
2018	In January, we expanded our retail store network to over 100 stores.
2019	In January, we expanded our retail store network to over 500 stores. In July, Guoquan Supply Chain (Shanghai) Co., Ltd. (鍋圈供應鏈(上海)有限公司), being our predecessor, was established in the PRC.
2020	In June, Guoquan APP was launched.
2022	In December, the number of our cumulative contracted stores exceeded 10,000.
2023	The Company was converted into a joint stock company with its name changed to Guoquan Food (Shanghai) Co., Ltd. (鍋圈食品(上海)股份有限公司).

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OUR MAJOR SUBSIDIARIES

As of the Latest Practicable Date, our Company carried out our business through our Company and our operating subsidiaries in the PRC. Among all of our subsidiaries, Luyi Heyi is the only significant subsidiary of our Company pursuant to Rule 14A.09. Set out below is the corporate information of our major subsidiaries that made a material contribution to our performance during the Track Record Period:

Henan Guoquan

Henan Guoquan was established as a limited liability company under the laws of the PRC on January 5, 2015, with an initial registered capital of RMB2,000,000. As of the date of establishment, Henan Guoquan was owned as to 52% by Mr. Yang, 36% by Mr. Meng, 10% by Mr. Li and 2% by Mr. Liu Yawei (劉亞威). In August 2018, the registered capital of Henan Guoquan was increased from RMB2,000,000 to RMB10,000,000 with shareholding structure unchanged.

In July 2019, Mr. Yang, Mr. Meng, Mr. Li and Mr. Liu Yawei transferred the entire equity interest in Henan Guoquan to the Company, at a consideration of RMB6,640,000. The consideration was determined after arm’s length negotiations with reference to the then paid-up registered capital of Henan Guoquan.

As of the Latest Practicable Date, Henan Guoquan was a direct wholly-owned subsidiary of the Company.

Henan Guoquan is principally engaged in the supply chain management.

Luyi Heyi

Luyi Heyi was established as a limited liability company under the laws of the PRC on May 13, 2020, with an initial registered capital of RMB10,000,000. As of the date of establishment, Luyi Heyi was wholly owned by a family member of Mr. Liu Yawei (劉亞威). After several rounds of transfer, in July 2021, Luyi Heyi was owned as to 51% by Mr. Liu Yawei and 49% by Shanghai Niuxian Roupin Enterprise (Limited Partnership) (上海牛鮮肉品合夥企業(有限合夥)) (“**Shanghai Niuxian Roupin**”), both were Independent Third Parties at the time of such transfer.

As part of our Company’s development strategy to i) expand its layout in upstream industry chain, ii) control the production and supply of our major products, and iii) cooperate with the then shareholders of Luyi Heyi and leverage their resources and operation experience in the beef supply chain, in August 2021, Guoquan Investment Management (Shanghai) Co., Ltd. (鍋圈投資管理(上海)有限公司) (“**Guoquan Investment**”), a wholly-owned subsidiary of the Company, acquired 51% of the equity interest in Luyi Heyi from Mr. Liu Yawei at nil consideration. The consideration was determined after arm’s length negotiation with reference to its net asset value (0.05 million) and the respective unpaid share capital, as well as the fact

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

that Luyi Heyi was yet to be commercialized, as of the date of such acquisition. Upon completion of such acquisition, Luyi Heyi was owned as to 51% by Guoquan Investment and 49% by Shanghai Niuxian Roupin. In August 2021, the registered capital of Luyi Heyi was increased from RMB10,000,000 to RMB50,000,000 with shareholding structure unchanged.

As of the Latest Practicable Date, Luyi Heyi was owned as to 51% by Guoquan Investment and 49% by Shanghai Niuxian Roupin which in turn was owned as to 35% by Mr. Yang Ran (楊冉) as its general partner, 35% by Mr. Liu Guodong (劉國棟) as its limited partner and 30% by Mr. Liu Yawei as its limited partner. Due to the acquisition of Luyi Heyi, Mr. Yang Ran became a connected person of the Company as he is a substantial shareholder and supervisor of Luyi Heyi, Mr. Liu Yawei became a connected person of the Company as he is a general manager of Luyi Heyi, Mr. Liu Guodong became a connected person of the Company as he is a director of Luyi Heyi.

Luyi Heyi is principally engaged in food production and sales, such as beef products.

Luyi Chengming

In order to develop hotpot soup base products, Luyi Chengming was established as a limited liability company under the laws of the PRC on October 29, 2019, with an initial registered capital of RMB50,000,000. As at the date of the establishment, Luyi Chengming was owned as to 70.00% by Ms. Yang, the daughter of Mr. Yang and a manager in Luyi Chengming, and 30.00% by Mr. Zhao Yueping (趙躍平), an Independent Third Party.

In 2020, Luyi Chengming started to set up its production plant and commenced production of hotpot soup base products in late 2020. To develop its business, Luyi Chengming has received several rounds of investments and acquired Sichuan Chengming. On November 17, 2022, Luyi Chengming was owned as to approximately 51.30% by Ms. Yang, 11.70% by Henan Chengming Management Service Center (Limited Partnership) (河南澄明管理服務中心(有限合夥)) (“**Henan Chengming**”), 11.00% by Henan Yixiang Management Service Center (Limited Partnership) (河南溢香管理服務中心(有限合夥)) (“**Henan Yixiang**”), 10.00% by Suzhou Yizhong, 6.00% by Renzhe Buyou, 5.00% by Generation Pi HK, 2.50% by Guoquan Investment (a wholly-owned subsidiary of our Company), 2.25% by CMB Growth and 0.25% Zhuhai Gongying. Each of Suzhou Yizhong, Renzhe Buyou, Generation Pi HK, CMB Growth and Zhuhai Gongying is a strategic or financial investor and Independent Third Party. Henan Chengming was an employee incentive platform for Mr. Wei Deli (危得利) and Ms. Shi Yunxia (史雲霞) (“**Ms. Shi**”), the core employees of Luyi Chengming. Henan Yixiang was a limited partnership controlled by Mr. Zhao Yueping, an Independent Third Party.

On November 21, 2022, as part of our development strategy to continue our operation in upstream industry chain, in order to control the production and supply of our major products, as well as to improve our financial performance by developing upstream production plant, we acquired 74.8% of the equity interest in Luyi Chengming, after which Luyi Chengming became our subsidiary. For further details, see the subsection headed “Establishment and Development of Our Company – (8) Series C-2 Financing via Luyi Chengming Acquisition” in this section.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

The consideration for the acquisition of 74.8% of the equity interest in Luyi Chengming (RMB261.8 million) was determined after arm’s length negotiations between the Company and the then shareholders of Luyi Chengming, with reference to its plant output, financial performance, as well as the asset valuation report of Luyi Chengming as of August 31, 2022, of which the total appraised value of Luyi Chengming was RMB350.0 million.

As of the Latest Practicable Date, Luyi Chengming was a non wholly-owned subsidiary of our Company, which was owned as to 77.30% by our Company, 11.70% by Henan Chengming and 11.0% by Henan Yixiang. As of the Latest Practicable Date, both Henan Chengming and Henan Yixiang were Independent Third Parties. Henan Chengming was owned as to 76.93% by Mr. Wei Deli as its general partner and 23.07% by Ms. Shi as its limited partner. Mr. Wei Deli is an Independent Third Party and Ms. Shi is a supervisor of Luyi Chengming.⁽¹⁾ Henan Yixiang was owned as to 90.00% by Mr. Zhao Yueping as its general partner and 10.00% by Ms. Fu Ruizhen (付瑞珍) as its limited partner, both Independent Third Parties.

Luyi Chengming is principally engaged in the production of hotpot soup base products.

Wanlai Wanqu

Ms. Shi, who was a core employee in Luyi Chengming with deep management and operation experience and has over 10 years experience in operational and financial management, established Wanlai Wanqu meatball production business with several financial investors including Mr. Wei Guohua (魏國華), Mr. Liu Chuanshen (劉傳申), Mr. Liu Chuanjie (劉傳傑) and Mr. Zheng Guibin (鄭桂彬). Mr. Wei Guohua is an Independent Third Party and each of Mr. Liu Chuanshen, Mr. Liu Chuanjie and Mr. Zheng Guibin is a brother-in-law of Mr. Yang. Wanlai Wanqu was founded as a limited liability company under the laws of the PRC in February 2021 with a registered share capital of RMB5,000,000.

In August 2021, as part of our development strategy to continue our operation in upstream industry chain, in order to control the production and supply of our major products, and improve our financial performance by developing upstream production plant, we acquired 51% equity interest in Wanlai Wanqu at nil consideration. The consideration was determined after arm’s length negotiation with reference to its net asset value (nil), the respective unpaid share capital, as well as the fact that Wanlai Wanqu has yet to commence production as of the date of such acquisition.

As of the Latest Practicable Date, Wanlai Wanqu was owned as to 51% by our Company and 49% by Hainan Jiumu Enterprise Management Center (Limited Partnership) (海南久木企業管理中心(有限合伙)) (“**Hainan Jiumu**”). As of the Latest Practicable Date, Hainan Jiumu

Note:

(1) Ms. Shi is a core connected person of the Company due to her position as a supervisor of Luyi Chengming under Chapter 1 of the Listing Rules.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

was owned as to 18.37% by Ms. Shi as its general partner, 38.78% by Mr. Liu Chuanshen, 19.39% by Mr. Liu Chuanjie, 19.39% by Mr. Wei Guohua and 4.08% by Mr. Zheng Guibin as its limited partners. All the voting rights, all powers to control and manage the business and affairs in Hainan Jiumu are exclusively vested in its sole general partner, Ms. Shi, a director and general manager of Wanlai Wanqu, and none of the limited partners of Hainan Jiumu have any voting rights, any power to control or manage the business and affairs in Hainan Jiumu. Save as disclosed above, Hainan Jiumu has no other relationship with the Company.

Wanlai Wanqu is principally engaged in the production of meatballs.

Our Directors have confirmed that none of the applicable percentage ratios as defined under the Listing Rules in respect of our acquisition of Luyi Heyi, Luyi Chengming or Wanlai Wanqu exceed 25%. Accordingly, the relevant pre-acquisition financial information of Luyi Heyi is not required to be disclosed pursuant to Rule 4.05A. Each of Henan Guoquan, Luyi Chengming and Wanlai Wanqu is an insignificant subsidiary pursuant to Rule 14A.09.

ESTABLISHMENT AND DEVELOPMENT OF OUR COMPANY

(1) Establishment of Our Company

On July 11, 2019, our Company was established as a limited liability company under the laws of the PRC, with an initial registered capital of RMB10,000,000. The shareholding structure of our Company upon establishment was set forth in the table below:

<u>Shareholders</u>	<u>Registered capital subscribed for</u> (RMB)	<u>Percentage of shareholding</u> (%)
Mr. Yang ⁽¹⁾	5,300,000	53.00
Mr. Meng ⁽²⁾	3,600,000	36.00
Mr. Li ⁽³⁾	1,000,000	10.00
Henan Guoquan Supply Chain Management Co., Ltd. (河南鍋圈供應鏈管理有限公司 (“Henan Guoquan”)) ⁽⁴⁾	<u>100,000</u>	<u>1.00</u>
Total	<u><u>10,000,000</u></u>	<u><u>100</u></u>

Notes:

- (1) Mr. Yang is an executive Director of our Company and one of our Controlling Shareholders.
- (2) Mr. Meng is an executive Director of our Company and one of our Controlling Shareholders.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

- (3) Mr. Li is one of our Controlling Shareholders and a former director of our Company. In September 2021, Mr. Li transferred the registered capital of the Company of RMB206,013 to Top New Development Limited (達隆發展有限公司), with Mr. Jiang Nanchun (an Independent Third Party) as its ultimate beneficial owner, at the consideration of USD20 million. The consideration was determined after arm's length negotiations with reference to the then market value of the Company. Mr. Li resigned from the Board with effective from March 2023 since he is unable to devote sufficient time to the affairs of the Board due to other work arrangements. There is no disagreement between Mr. Li and the Group.
- (4) Henan Guoquan was controlled by Mr. Yang, Mr. Meng and Mr. Li as at the establishment of our Company and has been our wholly-owned subsidiary since July 16, 2019.

(2) Equity Transfer in July 2019

In July 2019, Henan Guoquan transferred the registered capital of our Company of RMB100,000 (representing 1.00% of the shareholding of the Company) to Mr. Yang at nil consideration, taking into account the fact that the registered capital of our Company had not been paid up.

Upon completion of such transfer, the Company was owned as to 54.00% by Mr. Yang, 36.00% by Mr. Meng and 10.00% by Mr. Li, respectively.

(3) Equity Transfers in October 2019 and Series Pre-A Financing

In October 2019, Mr. Yang, Mr. Meng and Mr. Li transferred the registered capital of our Company of RMB963,380, RMB642,253 and RMB178,404 (representing 9.63%, 6.42% and 1.78% of the shareholding of the Company, respectively) to Shanghai Guoxiaoquan Enterprise Management Center (Limited Partnership) (上海鍋小圈企業管理中心(有限合夥)) ("**Guoxiaoquan EM**"), which has been ultimately controlled by Mr. Yang, at nil consideration as the respective share capital of our Company was not paid as of the date of such transfer. The equity transfer was completed on October 16, 2019.

In October 2019, Mr. Yang, Mr. Meng and Mr. Li transferred the registered capital of our Company of RMB363,384, RMB242,248 and RMB67,294 (representing 3.63%, 2.42% and 0.67% of the shareholding of the Company, respectively) to Shanghai Guoxiaoquan Agriculture Technology Service Center (Limited Partnership) (上海鍋小圈農業科技服務中心(有限合夥)) ("**Guoxiaoquan Tech**"), which has been ultimately controlled by Mr. Yang, at nil consideration as the respective share capital of our Company was not paid as of the date of such transfer. The equity transfer was completed on October 16, 2019.

In October 2019, Chengdu Quanyi acquired the registered capital of our Company of RMB219,721, RMB146,480 and RMB40,689 (representing respectively 2.20%, 1.46% and 0.41% of the registered capital of the Company immediately after such transfer) from Mr. Yang, Mr. Meng and Mr. Li at the consideration of approximately RMB13,500,000, RMB9,000,000 and RMB2,500,000, respectively. The consideration was determined after arm's length negotiations with reference to the then market value of our Company.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

We have completed Series Pre-A Financing in April 2020, through capital increases as detailed below. For further details, see “— Pre-[REDACTED] Investments” below. As a result, the registered capital of our Company was increased to RMB11,893,578.

<u>Subscribers</u>	<u>Registered capital subscribed for/acquired (RMB)</u>	<u>Consideration (RMB)</u>	<u>Percentage of shareholding subscribed immediately after this round financing (%)</u>
<i>Series Pre-A Financing</i>			
<i>Shanghai Buyue Ertong Venture Capital Partnership (Limited Partnership) (上海不約而同創 業投資合夥企業(有限合夥)) (“Buyue Ertong”)⁽¹⁾</i>	888,889	33,000,000	7.47
<i>Huzhou Buqi Zhiqi Equity Investment Partnership (Limited Partnership) (湖州不 器之器股權投資合夥企業(有 限合夥)) (“Buqi Zhiqi”)⁽²⁾</i>	222,222	12,000,000	1.87
<i>Chengdu Quanyi Food Co., Ltd. (成都全益食品有限公司) (“Chengdu Quanyi”)⁽³⁾</i>	782,467	25,000,000	6.58
Total	<u>1,893,578</u>	<u>70,000,000</u>	<u>15.92</u>

Notes:

- (1) The ultimate beneficial owner of Buyue Ertong is Mr. Li Zhujie (李祝捷), an Independent Third Party.
- (2) The ultimate beneficial owners of Buqi Zhiqi are Mr. Li Zhujie and Mr. Gao Hejian (高賀健), both Independent Third Parties.
- (3) The ultimate beneficial owner of Chengdu Quanyi is Sanquan Food Co., Ltd. (三全食品股份有限公司), a company listed on Shenzhen Stock Exchange (stock code: 002216).

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Upon completion of such equity transfers and the Series Pre-A Financing, our shareholding structure was as follows:

Shareholders	Registered capital (RMB)	Percentage of shareholding (%)
Mr. Yang	3,853,519	32.40
Mr. Meng	2,569,013	21.60
Mr. Li	713,615	6.00
Guoxiaoquan EM	1,784,037	15.00
Guoxiaoquan Tech	672,926	5.66
Buyue Ertong	888,889	7.47
Buqi Zhiqi	222,222	1.87
Chengdu Quanyi	1,189,357	10.00
Total	11,893,578	100.00

(4) Series A Financing

We have completed the Series A Financing in August 2020 through capital increases as detailed below. For further details, see “— Pre-[REDACTED] Investments” below. As a result, the registered capital of our Company was increased to RMB14,636,581.

Subscribers	Registered capital subscribed for/acquired (RMB)	Consideration (RMB)	Percentage of shareholding subscribed immediately after this round financing (%)
Series A Financing			
<i>Famous Wealthy Limited</i> ⁽¹⁾	1,463,658	135,000,138	10.00
<i>Generation One Holdings Ltd</i> (“ <i>Generation One</i> ”) ⁽²⁾	758,934	70,000,092	5.19
<i>Suzhou Yizhong Venture Capital</i> <i>Partnership (Limited Partnership)</i> (蘇州宜仲創業投資合夥企業(有限合夥)) (“ <i>Suzhou Yizhong</i> ”) ⁽²⁾	325,257	30,000,000	2.22
<i>Buqi Zhiqi</i> ⁽³⁾⁽⁴⁾	195,154	18,000,000	1.33
Total	2,743,003	253,000,230	18.74

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Note:

- (1) The ultimate beneficial owners of Famous Wealthy Limited are Mr. Ho Chi Sing and Mr. Zhou Quan, both Independent Third Parties.
- (2) The ultimate beneficial owner of Generation One and Suzhou Yizhong is Mr. Wei Zhe (衛哲), an Independent Third Party.
- (3) In November 2020, Buqi Zhiqi transferred the registered capital of our Company of RMB98,783 to Buhuovc Platinum at the consideration of USD4,000,000. The consideration was determined after arm’s length negotiations with reference to the then market value of the Company.
- (4) In August 2021, Buqi Zhiqi transferred the registered capital of our Company of RMB117,588 to TN Titanium Limited (“**Titanium**”) at the consideration of USD10,000,000.

Upon completion of the Series A Financing, our shareholding structure was as follows:

Shareholders	Registered capital (RMB)	Percentage of shareholding (%)
Mr. Yang	3,853,519	26.33
Mr. Meng	2,569,013	17.55
Mr. Li	713,615	4.88
Guoxiaoquan EM	1,784,037	12.19
Guoxiaoquan Tech	672,926	4.60
Buyue Ertong	888,889	6.07
Buqi Zhiqi	417,376	2.85
Chengdu Quanyi	1,189,357	8.13
Famous Wealthy Limited	1,463,658	10.00
Generation One	758,934	5.19
Suzhou Yizhong	325,257	2.22
Total	14,636,581	100.00

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

(5) Series B Financing

We have completed the Series B Financing in December 2020 through capital increases as detailed below. For further details, see “— Pre-[REDACTED] Investments” below. As a result, the registered capital of our Company was increased to RMB16,462,368.

<u>Subscribers</u>	<u>Registered capital subscribed for/acquired</u> (RMB)	<u>Consideration</u> (RMB)	<u>Percentage of shareholding subscribed immediately after this round financing</u> (%)
Series B Financing			
<i>Famous Wealthy Limited</i>	331,961	70,577,213	2.02
<i>Generation One</i>	331,961	70,577,213	2.02
<i>Generation Pi HK Investment Limited (“Generation Pi HK”)⁽¹⁾</i>	663,923	141,154,638	4.03
<i>Buhuovc Platinum Limited (“Buhuovc Platinum”)⁽²⁾</i>	232,373	49,404,113	1.41
<i>Lighthouse Development (HK) Limited (“Lighthouse”)⁽³⁾</i>	165,981	35,288,713	1.01
<i>Ningbo Buyi Zhongneng Equity Investment Partnership (Limited Partnership (寧波不一眾能股權投資合夥企業(有限合夥) (formerly known as Ningbo Buhuo Zhongpei Equity Investment Partnership (Limited Partnership) (寧波不豁眾配股權投資合夥企業(有限合夥)) (“Ningbo Buhuo”)⁽⁴⁾</i>	99,588	21,173,100	0.60
Total	1,825,787	388,174,988	11.09

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Notes:

- (1) Mr. Chang Bin (常斌) was appointed as our former director pursuant to the previous special rights granted to Generation Pi HK. The ultimate beneficial owner of Generation Pi HK is Ms. Li Mao Chun, an Independent Third Party other than being an associate of Mr. Chang Bin.
- (2) The ultimate beneficial owner of Buhuovc Platinum is Mr. Li Zhujie, an Independent Third Party.
- (3) The ultimate beneficial owner of Lighthouse is Mr. Zheng Xuanle (鄭烜樂), an Independent Third Party.
- (4) In November 2020, Ningbo Buhuo transferred the registered capital of our Company of RMB99,588 to Buhuovc Platinum at nil consideration as the respective share capital of our Company was not paid as of the date of such transfer.

Upon completion of the Series B Financing, our shareholding structure was as follows:

Shareholders	Registered capital	Percentage of shareholding
	(RMB)	(%)
Mr. Yang	3,853,519	23.41
Mr. Meng	2,569,013	15.61
Mr. Li	713,615	4.33
Guoxiaoquan EM	1,784,037	10.84
Guoxiaoquan Tech	672,926	4.09
Buyue Ertong	888,889	5.40
Buqi Zhiqi	417,376	2.54
Chengdu Quanyi	1,189,357	7.22
Famous Wealthy Limited	1,795,619	10.91
Generation One	1,090,895	6.63
Suzhou Yizhong	325,257	1.98
Generation Pi HK	663,923	4.03
Buhuovc Platinum	232,373	1.41
Lighthouse	165,981	1.01
Ningbo Buhuo	99,588	0.61
Total	16,462,368	100.00

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

(6) Series C-1 Financing and capital increase from Guoxiaoquan EM

We have completed the Series C-1 Financing and capital increase from Guoxiaoquan EM in August 2021 through capital increases as detailed below. For further details, see “—Pre-[REDACTED] Investments” below. As a result, the registered capital of our Company was increased to RMB20,601,378.

<u>Subscribers</u>	<u>Registered capital subscribed for/acquired</u>	<u>Consideration</u>	<u>Percentage of shareholding subscribed immediately after this round financing</u>
	(RMB)	(RMB)	(%)
Series C-1 Financing			
Mr. Wei Kun (魏坤) ⁽¹⁾⁽²⁾	345,710	193,599,000	1.68
Chongqing Zhaoying Langyao Growth Phase II Equity Investment Fund Partnership (Limited Partnership) (重慶市 招贏朗曜成長二期股權投資 基金合夥企業(有限合夥) (“Chongqing Langyao”) ⁽³⁾	1,515,361	848,608,950	7.36
Generation Pi HK Titanium ⁽⁴⁾	115,237	64,533,236	0.56
Mr. Wang Hongbo (王紅波) ⁽¹⁾	345,710	193,599,149	1.68
Tiantu China Consumer Fund II Limited (天圖中國消費基金 二期有限公司) (“Tiantu Fund”) ⁽⁵⁾	97,951	54,852,999	0.48
Shenzhen Tongfu Trading Co., Ltd. (深圳通福商貿有限公司 (“Shenzhen Tongfu”) ⁽⁶⁾	345,710	193,599,149	1.68
Shenzhen Xintonglu Supply Chain Technology Co., Ltd. (深圳市新通路供應鏈技術有 限公司 (“Shenzhen Xintonglu”) ⁽⁶⁾	230,473	129,091,938	1.12
茅台(貴州)投資基金合夥企業(有 限合夥) Moutai (Guizhou) Investment Fund Partnership (Limited Partnership) (“Moutai Fund”) ⁽⁷⁾	230,473	129,091,938	1.12
	89,267	50,000,000	0.43
Total	3,315,892	1,856,976,358	16.10

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Notes:

- (1) Such investors are Independent Third Parties.
- (2) In May 2021, Mr. Wei Kun transferred the registered capital of our Company of RMB149,999 and RMB195,711 to Oakwise Consumer Trends Investment Limited (瑞橡新消費投資有限公司) (“Oakwise”), with Mr. Wang Fengyu (王風雨) (an Independent Third Party) as its ultimate beneficial owner, and Chengdu Quanyi at nil consideration as the respective share capital of our Company was not paid as of the date of such transfer.
- (3) Chongqing Langyao is managed by CMB International Capital Management (Shenzhen) Co., Ltd. (招銀國際資本管理(深圳)有限公司), an indirect wholly-owned subsidiary of China Merchants Bank Co., Ltd. which is a company listed on Shanghai Stock Exchange (stock code: 600036) and the Stock Exchange (stock code:03968).
- (4) The ultimate beneficial owner of Titanium is TPG Inc., a company listed on NASDAQ (Nasdaq: TPG).
- (5) The ultimate beneficial owner of Tiantu Fund is Mr. Wang Yonghua (王永華), an Independent Third Party.
- (6) The ultimate beneficial owner of Shenzhen Tongfu and Shenzhen Xintonglu is Mr. Zhang Wenzhong (張文中), an Independent Third Party. The Pre-[REDACTED] Investments from Shenzhen Tongfu and Shenzhen Xintonglu are irrevocable.
- (7) The ultimate beneficial owners of Moutai Fund are State-owned Assets Supervision and Administration Commission of Guizhou Province (貴州省人民政府國有資產監督管理委員會) and China Construction Bank Corporation, a company listed on Shanghai Stock Exchange (stock code: 601939) and the Stock Exchange (stock code: 00939).

In March 2021, Guoxiaoquan EM subscribed the registered capital of our Company of RMB823,118 at the consideration of RMB823,118.

Upon completion of the Series C-1 Financing and capital increase from Guoxiaoquan EM, our shareholding structure was as follows:

<u>Shareholders</u>	<u>Registered capital</u> (RMB)	<u>Percentage of</u> <u>shareholding</u> (%)
Mr. Yang	3,853,519	18.71
Mr. Meng	2,569,013	12.47
Mr. Li	713,615	3.46
Guoxiaoquan EM	2,607,155	12.66
Guoxiaoquan Tech	672,926	3.27
Buyue Ertong	888,889	4.31
Buqi Zhiqi	201,005	0.98
Chengdu Quanyi	1,385,068	6.72
Famous Wealthy Limited	1,795,619	8.72
Generation One	1,090,895	5.30
Suzhou Yizhong	325,257	1.58
Generation Pi HK	779,160	3.78

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Shareholders	Registered capital (RMB)	Percentage of shareholding (%)
Buhuovc Platinum	430,744	2.09
Lighthouse	165,981	0.81
Chongqing Langyao	1,515,361	7.36
Mr. Wang Hongbo	97,951	0.48
Titanium	463,298	2.25
Tiantu Fund	345,710	1.68
Oakwise	149,999	0.73
Shenzhen Tongfu	230,473	1.12
Shenzhen Xintonglu	230,473	1.12
Moutai Fund	89,267	0.43
Total	20,601,378	100.00

(7) Equity transfer in December 2021

In December 2021, as part of the reorganization, Mr. Yang, Mr. Meng and Mr. Li transferred all the registered capital of the Company of RMB3,853,519, RMB2,569,013 and RMB507,602 (representing 18.71%, 12.47% and 2.46% of the shareholding of the Company, respectively), respectively to Guoquan Industry (Shanghai) Co., Ltd. (鍋圈實業(上海)有限公司) (“**Guoquan Industry**”). Guoquan Industry has been owned to 55.61%, 37.07% and 7.32% by Mr. Yang, Mr. Meng and Mr. Li, respectively since its establishment.

Upon completion of such transfer, our shareholding structure was as follows:

Shareholders	Registered capital (RMB)	Percentage of shareholding (%)
Guoquan Industry	6,930,134	33.64
Guoxiaoquan EM	2,607,155	12.66
Guoxiaoquan Tech	672,926	3.27
Buyue Ertong	888,889	4.31
Buqi Zhiqi	201,005	0.98
Chengdu Quanyi	1,385,068	6.72
Famous Wealthy Limited	1,795,619	8.72
Generation One	1,090,895	5.30
Suzhou Yizhong	325,257	1.58
Generation Pi HK	779,160	3.78
Buhuovc Platinum	430,744	2.09

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Shareholders	Registered capital (RMB)	Percentage of shareholding (%)
Lighthouse	165,981	0.81
Chongqing Langyao	1,515,361	7.36
Mr. Wang Hongbo	97,951	0.48
Titanium	463,298	2.25
Tiantu Fund	345,710	1.68
Oakwise	149,999	0.73
Shenzhen Tongfu	230,473	1.12
Shenzhen Xintonglu	230,473	1.12
Moutai Fund	89,267	0.43
Top New Development Limited	206,013	1.00
Total	20,601,378	100.00

(8) Series C-2 Financing via Luyi Chengming Acquisition

In November 2022, as part of our Company’s development strategy to continue its layout in upstream industry chain, in order to control the production and supply of our major products, as well as to increase our gross profit by developing upstream plant, we entered into an acquisition agreement with the then shareholders of Luyi Chengming, pursuant to which we agreed to acquire the registered capital of RMB41,554,112 of Luyi Chengming from its then shareholders at a total consideration of RMB261,790,903 (“**Luyi Chengming Acquisition**”), which was settled by the issue of the registered capital of RMB391,382 of our Company to such shareholders. The consideration was determined after arm’s length negotiations between our Company and the shareholders of Luyi Chengming, with reference to the asset valuation report of our Company and Luyi Chengming as of August 31, 2022. The shareholders of Luyi Chengming became our registered Shareholders on November 28, 2022. Upon completion of such equity transfer, we controlled 77.30% equity interest in Luyi Chengming. The following table sets forth the details of registered capital issued to the shareholders of Luyi Chengming pursuant to the equity transfer agreement:

Name of Shareholders of Luyi Chengming	Registered capital subscribed for (RMB)	Percentage of shareholding subscribed immediately after this round financing (%)
Ms. Yang Tongyu (楊童雨) ⁽¹⁾	268,417	1.28
Suzhou Yizhong ⁽²⁾	52,326	0.25
Generation Pi HK ⁽²⁾	26,163	0.12

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Name of Shareholders of <u>Luyi Chengming</u>	Registered capital subscribed for (RMB)	Percentage of shareholding subscribed immediately after this round financing (%)
Wuhan Renzhe Buyou Equity Investment Partnership (Limited Partnership) (武漢 仁者不憂股權投資合夥企業 (有限合夥)) (“ Renzhe Buyou ”) ⁽²⁾	31,395	0.15
China Merchants Bank Growth No. 3 Investment (Shenzhen) Partnership (Limited Partnership) (招銀 成長叁號投資(深圳)合夥企 業(有限合夥)) (“ CMB Growth ”) ⁽³⁾	11,773	0.06
Zhuhai Growth and Win-Win Venture Capital Fund (Limited Partnership) (珠海 市成長共贏創業投資基金 (有限合夥)) (“ Zhuhai Gongying ”) ⁽⁴⁾	1,308	0.01
Total	391,382	1.87

Notes:

- (1) Ms. Yang Tongyu is the daughter of Mr. Yang.
- (2) The ultimate beneficial owner of Renzhe Buyou is Mr. Li Zhujie, an Independent Third Party.
- (3) The ultimate beneficial owner of CMB Growth is China Merchants Bank Co., Ltd., a company listed on Shanghai Stock Exchange (stock code: 600036) and the Stock Exchange (stock code:03968).
- (4) Zhuhai Gongying is managed by Shenzhen Hongshu Growth Investment Management Co., Ltd. (深圳紅樹成長投資管理有限公司), which in turn is held as to 60% by Mr. Zeng Xinghai (曾興海), a non-executive Director of the Company, and as to 30% by Mr. Wang Hongbo (王紅波).

In November 2022, Ms. Yang Tongyu transferred the entire equity interest in the Company to Chunyu Feifei (Shanghai) Industrial Co., Ltd. (春雨霏霏(上海)實業有限公司) (“**Chunyu Feifei**”), a company which is wholly owned by Ms. Yang Tongyu.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Upon completion of Series C-2 Financing via Luyi Chengming Acquisition, our shareholding structure was as follows:

<u>Shareholders</u>	<u>Registered capital</u> (RMB)	<u>Percentage of</u> <u>shareholding</u> (%)
Guoquan Industry	6,930,134	33.01
Guoxiaoquan EM	2,607,155	12.42
Guoxiaoquan Tech	672,926	3.21
Buyue Ertong	888,889	4.23
Buqi Zhiqi	201,005	0.96
Chengdu Quanyi	1,385,068	6.60
Famous Wealthy Limited	1,795,619	8.55
Generation One	1,090,895	5.20
Suzhou Yizhong	377,583	1.80
Generation Pi HK	805,323	3.84
Buhuovc Platinum	430,744	2.05
Lighthouse	165,981	0.79
Chongqing Langyao	1,515,361	7.22
Mr. Wang Hongbo	97,951	0.47
Titanium	463,298	2.21
Tiantu Fund	345,710	1.65
Oakwise	149,999	0.71
Shenzhen Tongfu	230,473	1.10
Shenzhen Xintonglu	230,473	1.10
Moutai Fund	89,267	0.43
Top New Development Limited	206,013	0.98
Chunyu Feifei	268,417	1.28
Renzhe Buyou	31,395	0.15
CMB Growth	11,773	0.06
Zhuhai Gongying	1,308	0.01
Total	20,992,760	100.00

(9) Conversion into a Joint Stock Limited Company in February 2023

On February 5, 2023, our Shareholders’ resolutions approved, among other matters, the conversion of our Company from a limited liability company into a joint stock limited company and the change of name of our Company from Guoquan Supply Chain (Shanghai) Co., Ltd. (鍋圈供應鏈(上海)有限公司) to Guoquan Food (Shanghai) Co., Ltd. (鍋圈食品(上海)股份有限公司). Pursuant to the promoters’ agreement dated February 20, 2023 entered into by all the then

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Shareholders, all promoters approved the conversion of the net assets value of our Company as of November 30, 2022 into 2,670,000,000 Shares of our Company with a nominal value of RMB1.00 each, with the remaining RMB8,174,351.71 net assets included as capital reserves of our Company.

On February 20, 2023 our Company convened the inaugural meeting, and passed related resolutions approving the conversion of our Company into a joint stock limited company, the articles of association of the Company and the relevant procedures. Upon completion of the conversion, the registered capital of our Company became RMB2,670,000,000 divided into 2,670,000,000 Shares with a nominal value of RMB1.00 each, which were subscribed by all the then Shareholders in proportion to their respective interests in our Company before the conversion. The conversion was completed on February 23, 2023 when our Company obtained a new business license.

THE CONCERT PARTY GROUP

On July 16, 2019, Mr. Yang, Mr. Meng and Mr. Li entered into a concert party agreement, which was supplemented on March 1, 2023, pursuant to which Mr. Meng and Mr. Li have agreed and confirmed that during the period starting from July 16, 2019 to the date when they cease to be our direct or indirect Shareholder, they have acted and will continue to act in concert in respect of the management and operations of our Company by aligning their votes in accordance with Mr. Yang’s decisions when exercising their rights as Shareholders of the Company prior to December 2021 and as shareholders of Guoquan Industry since December 2021 when their direct interests in the Company were reflected at the level of Guoquan Industry.

PRE-[REDACTED] INVESTMENTS

Overview

Our Company concluded several rounds of financing with the Pre-[REDACTED] Investors. For further details, see the subsection headed “Establishment and Development of Our Company” in this section. We became acquainted with i) Buyue Ertong, Buqi Zhiqi, Buhuovc Platinum, Generation One and Suzhou Yizhong through introduction by Mr. Yang, our executive Director and one of the Controlling Shareholders, who became acquainted with senior managements of such Pre-[REDACTED] Investors at startups acceleration programs; ii) IDG, Chongqing Langyao, Wang Hongbo, Generation Pi HK, Titanium, Tiantu Fund, Top New Development Limited, Lighthouse, Oakwise and Moutai Fund through introduction by other Pre-[REDACTED] Investors; iii) Renzhe Buyou, CMB Growth and Zhuhai Gongying through Luyi Chengming Acquisition; and iv) Chengdu Quanyi, WM Tech and Dmall Inc. through our business network. In view of their understanding of our development and the prospects of our business, the Pre-[REDACTED] Investors invested in our Company.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

The following table summarizes the key terms of the Pre-[REDACTED] Investments to our Company made by the Pre-[REDACTED] Investors:

	Series Pre-A	Series A	Series B	Series C-1	Series C-2
Amount of registered capital subscribed for/acquired (RMB)	1,893,578	2,743,003	1,825,787	3,315,892	391,382
Amount of consideration paid (RMB)	70,000,000	253,000,231	388,174,988	1,856,976,358	261,790,903
Basis of determining the consideration paid	<i>Series Pre-A, Series A, Series B and Series C-1</i>				

The consideration for the Pre-[REDACTED] Investments was determined based on arm's length negotiations between the Company and the Pre-[REDACTED] Investors after taking into consideration various factors including but not limited to, the historical operating performance, the market share, the timing of the investments, the market value, and the prospects of our business. The growth in the valuation of our Company has been in line with the growth in our total revenue. The increased implied valuation for our Series C-1 Financing as compared to Series B financing reflects the substantial business growth we achieved during this period, including without limitation, the number of retail stores expanding to over 5,000.

Series C-2 Financing

The consideration was settled by Series C-2 Financing Investors transferring 74.80% equity interest of Luyi Chengming, the appraised value of which was RMB261.8 million, to our Company. The consideration was determined after arm's length negotiations between our Company and Series C-2 Financing Investors with reference to business prospects and appraised value of Luyi Chengming, the business of our Company, the timing of the investment and the prospects of our business.

Other factors were taken into account in the determination of the consideration including but not limited to: (i) the investment risk assumed by the Pre-[REDACTED] Investors in investing in an [REDACTED] company, including, among others, the lack of liquidity and open market for [REDACTED] in our Shares prior to the completion of the [REDACTED] and the [REDACTED]; (ii) the strategic or financial benefits which would be brought by the Pre-[REDACTED] Investors to our Group; and (iii) the twelve-month lock-up restriction undertaken by the Pre-[REDACTED] Investors commencing on the [REDACTED].

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

	Series A	Series B	Series C-1	Series C-2
Date of agreements	March 2020	July 2020	March 2021 August 2021	November 2022
Date of payment in full	August 20, 2020	December 3, 2020	August 30, 2021	November 24, 2022
Consideration Cost per Share (RMB) Discount to the [REDACTED] (approximation)⁽¹⁾	[0.29] [REDACTED] [0.73] [REDACTED]	[1.67] [REDACTED] [REDACTED]	[4.40] [REDACTED] [REDACTED]	[5.26] [REDACTED] [REDACTED]

Pursuant to the applicable PRC law, within the 12 months following the [REDACTED], all current Shareholders (including the Pre-[REDACTED] Investors) could not dispose of any of the Shares held by them.

Use of proceeds from the Pre-[REDACTED] Investments

We utilized the proceeds from the Pre-[REDACTED] Investments for the principal business of our Group, including but not limited to research and development activities, the growth and expansion of our Company’s business and general working capital purposes. As of the Latest Practicable Date, approximately 78% of the net proceeds from the Pre-[REDACTED] Investments had been utilized.

Strategic benefits to our Company brought by the Pre-[REDACTED] Investors

At the time of the Pre-[REDACTED] Investments, our Directors were of the view that our Company would benefit from the additional capital provided by the Pre-[REDACTED] Investors’ investments in our Company and the Pre-[REDACTED] Investors’ knowledge and experience. Our Pre-[REDACTED] Investors include experienced investors who can share their experience on brand building and market expansion as well as their insight on business strategies and operations, their professional advice on our Group’s corporate governance and internal control, some of which are especially experienced in information technology, food production and consumer industry. Moreover, our Directors were also of the view that our Company could benefit from the Pre-[REDACTED] Investments as the Pre-[REDACTED] Investors’ investments demonstrated their confidence in our operations and served as an endorsement of our performance, strengths and prospects.

Note:

(1) Calculated based on the assumption that the [REDACTED] is HK\$[REDACTED] per Share (being the mid-point of the indicative [REDACTED] of HK\$[REDACTED]) to HK\$[REDACTED]).

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Rights of the Pre-[REDACTED] Investors

In connection with the pre-[REDACTED] investments, certain Pre-[REDACTED] Investors had been granted certain special rights against our Company, including, among others, (i) pre-emptive right, (ii) information rights and (iii) most favorable treatment and certain special rights against Mr. Yang, Mr. Meng and Mr. Li, including, among others, (i) redemption rights, (ii) anti-dilution rights, (iii) right of first refusal and co-sale, and (iv) liquidation preferences. Pursuant to a termination agreement entered into between our Company, our Controlling Shareholders and the Pre-[REDACTED] Investors dated January 18, 2023, the redemption rights and liquidation preferences against our Controlling Shareholders were automatically terminated prior to our Company’s submission of [REDACTED] to the Stock Exchange for its [REDACTED] of H Shares on the Stock Exchange, provided that the rights so terminated shall resume automatically in certain circumstances, including: (i) the [REDACTED] has been withdrawn or rejected; or (ii) the [REDACTED] does not take place within 24 months from such termination. In addition, the Pre-[REDACTED] investors are entitled to subscribe for Shares at [REDACTED] in the [REDACTED] in order to maintain their shareholding ratio immediately before completion of the [REDACTED]. The other special rights shall cease to be effective and be discontinued upon [REDACTED].

Joint Sponsors’ Confirmation

On the basis that (i) the consideration for the Pre-[REDACTED] Investments was irrevocably settled more than 28 clear days before the date of our first submission of the [REDACTED] to the Stock Exchange; and (ii) the special rights granted to the Pre-[REDACTED] Investors shall cease to be effective and be discontinued upon the [REDACTED] (save for the redemption rights and liquidation preferences against our Controlling Shareholders as described above), the Joint Sponsors confirm that the Pre-[REDACTED] Investments are in compliance with the Interim Guidance on Pre-[REDACTED] Investments issued by the Stock Exchange on 13 October 2010 and as updated in March 2017 and the Guidance Letter HKEX-GL43-12 issued by the Stock Exchange in October 2012 and as updated in July 2013 and March 2017.

Information about Our Major Pre-[REDACTED] Investors

Set out below is a description of our major Pre-[REDACTED] Investors, most of them being private equity funds and strategic investment corporations, which have made meaningful investments in our Company. Each of the following Pre-[REDACTED] Investors is an Independent Third Party.

Buhuo

Each of Buyue Ertong, Buqi Zhiqi and Renzhe Buyou is a limited partnership established in the PRC and is managed by Shanghai Buhuo Private Equity Fund Management Co., Ltd. (上海不惑私募基金管理有限公司) (“**Buhuo Ventures**”). Buhuo Ventures was founded in 2016 and is a professional investment manager with a long-term investment policy focusing on early-stage and growth-stage investments centered on the innovative supply chains, including

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

supply chain consumption, supply chain industry, supply chain overseas market, and technology replacing human labor. Buhuovc Platinum is a company incorporated under the laws of Hong Kong and is ultimately controlled by Mr. Li Zhujie (李祝捷).

IDG

Famous Wealthy Limited is an investment holding company incorporated under the laws of Hong Kong and is owned as to 94.61% by IDG China Venture Capital Fund V L.P. and 5.39% by IDG China V Investors L.P.. IDG China Venture Capital Fund V L.P. and IDG China V Investors L.P., both Cayman exempted limited partnership, are venture capital funds with a primary purpose of making equity investments, mainly in seed and growth stage companies in China, focusing on companies in the information technology, media, healthcare, energy, clean technology and non-technology consumer businesses and services related industries, including, but not limited to, companies engaged in software, internet, telecom, media and managed healthcare business.

CMBI

Each of Chongqing Langyao and CMB Growth (“CMBI”) is a limited partnership established in the PRC and is primarily engaged in equity investment and investment management businesses. Each of Chongqing Langyao and CMB Growth is managed by CMB International Capital Management (Shenzhen) Co., Ltd. (招銀國際資本管理(深圳)有限公司) (“CMB Shenzhen”) as its general partner. CMB Shenzhen is a wholly owned subsidiary of CMB Financial Holdings (Shenzhen) Co., Ltd. (招銀金融控股(深圳)有限公司) which is in turn wholly-owned by CMB International Capital Corporation Limited (招銀國際金融有限公司). In addition to the investments in our Company, CMBI and its affiliates invested in healthcare companies including but without limitation to Biocytogen Pharmaceuticals (Beijing) Co., Ltd. (百奧賽圖(北京)醫藥科技股份有限公司) (SEHK: 2315) and AIM Vaccine Co., Ltd (SEHK: 6660). To the best knowledge of our Directors, except for the fact that Zhuhai Gongying is one of the limited partners of Chongqing Langyao, Mr. Wang Hongbo (王紅波) is one of the limited partners of Zhuhai Gongying, and that both Chongqing Langyao and CMB Growth are managed by CMB Shenzhen, there is no past or present relationships among CMBI, its existing shareholders, its existing directors and other Pre-[REDACTED] Investors.

Zhuhai Gongying

Zhuhai Gongying is a limited partnership established in the PRC and is mainly engaged in equity investment. Zhuhai Gongying is managed by Shenzhen Hongshu Growth Investment Management Co., Ltd. (深圳紅樹成長投資管理有限公司) as its general partner, which in turn is owned as to 60% by Mr. Zeng Xinghai (曾興海) and 30% by Mr. Wang Hongbo (王紅波). Mr. Wang Hongbo is one of the limited partners of Zhuhai Gongying, which in turn is one of the limited partners of Chongqing Langyao.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Wang Hongbo (王紅波)

Mr. Wang Hongbo was the chief investment officer of CMB International Capital Corporation Limited (招銀國際金融有限公司) and is one of the limited partners of Zhuhai Gongying, one of our Pre-[REDACTED] investors.

Generation One

Generation One is an investment holding company incorporated under the laws of BVI and is owned as to 95.45% by Vision Knight Capital (China) Fund II, L.P. and 4.55% by Vision Knight Capital (China) Entrepreneur Fund II, L.P.. The general partner of both Vision Knight Capital (China) Fund II, L.P. and Vision Knight Capital (China) Entrepreneur Fund II, L.P. is Vision Knight Capital (China) GP II, L.P., which is in turn ultimately controlled by Mr. Wei Zhe (衛哲), an Independent Third Party.

Suzhou Yizhong

Suzhou Yizhong is a limited partnership established in the PRC and is principally engaged in equity investment. Suzhou Yizhong is owned as to 0.55% by Suzhou Hongwei Xinli Investment Management Co., Ltd. (蘇州宏維新力投資管理有限公司) (“**Suzhou Hongwei**”) as its general partner, and 99.45% by Independent Third Parties. Suzhou Yizhong is managed by Suzhou Weitelixin Venture Capital Management Co., Ltd. (蘇州維特力新創業投資管理有限公司), which is ultimately controlled by Mr. Wei Zhe, an Independent Third Party.

Chengdu Quanyi

Chengdu Quanyi is a limited liability company established in the PRC and is principally engaged in food production and sales, which is owned as to 98% by Sanquan Food Co., Ltd. (三全食品股份有限公司), a company listed on Shenzhen Stock Exchange (stock code: 002216), and 2% by Gongqingcheng Runhenghongzhan Investment Management Partnership (Limited Partnership) (共青城潤恒鴻展投資管理合夥企業(有限合夥)). Gongqingcheng Runhenghongzhan Investment Management Partnership (Limited Partnership) is controlled by Zhengzhou Quanxing Information Technology Co., Ltd. (鄭州全興信息技術有限公司), a wholly-owned subsidiary of Sanquan Food Co., Ltd..

Generation Pi HK

Generation Pi HK is a limited liability company incorporated in Hong Kong and is primarily engaged in equity investments. Generation Pi HK is ultimately controlled by GenBridge Capital Fund I, L.P., which is a private equity investment fund managed by GenBridge Capital (啓承資本). GenBridge Capital (啓承資本) was founded in 2016 and is a professional investment manager dedicating to investing in Chinese consumer sectors with a focus on the new generation of brands, retail and services.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Titanium

Titanium is a company incorporated under the laws of Hong Kong and is ultimately controlled by TPG Inc., a company listed on NASDAQ (Nasdaq: TPG).

WM Tech

Shenzhen Tongfu is a limited liability company established in the PRC and is wholly owned by WM Sourcing (HK) Limited, which in turn is indirectly wholly owned by WM Tech Corporation Limited (物美科技有限公司) (“**WM Tech**”), WM Tech is controlled by Dr. Zhang Wenzhong (張文中) and is a fully digitalized multi-channel fresh food and FMCG retailer conducted primarily under two highly-acclaimed brands, Wumart (物美) and Maidelong (formerly known as Metro China, 麥德龍中國).

Dmall Inc.

Shenzhen Xintonglu is a limited liability company established in the PRC and is wholly owned by Dmall (Shenzhen) Digital Technology Co., Ltd. (多點(深圳)數字科技有限公司), which in turn is indirectly wholly owned by Dmall Inc.. Dmall Inc. is controlled by Dr. Zhang Wenzhong (張文中) and is one of the largest retail cloud solution digital retail providers in China and Asia by gross merchandise value (“**GMV**”), according to Frost & Sullivan. We have invested in Dmall Inc., which provided us with consulting and co-development services for digital systems.

Tiantu Fund

Tiantu Fund is an investment holding company incorporated under the laws of Hong Kong, primarily engaged in equity investments in the consumer goods sector. Tiantu Fund is wholly owned by Tiantu China Consumer Fund II, L.P, which in turn is owned as to 50% by Tiantu GP Limited Company (“**Tiantu GP**”) as its sole general manager and 50% by three Independent Third Parties. Tiantu GP is indirectly wholly owned by TIAN TU CAPITAL CO., LTD. (深圳市天圖投資管理股份有限公司), which in turn is controlled by Mr. Wang Yonghua (王永華), an Independent Third Party.

Chunyu Feifei

Chunyu Feifei is wholly owned by Ms. Yang Tongyu, the daughter of Mr. Yang.

Top New Development Limited

Top New Development Limited is an investment holding company incorporated under the laws of Hong Kong. It is ultimately controlled by Mr. Jiang Nanchun, who is an Independent Third Party and the founder and chairman of Focus Media Information Technology Co., Ltd. (分眾傳媒信息技術股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002027.SZ).

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Lighthouse

Lighthouse is an investment holding company incorporated under the laws of Hong Kong, whose ultimate beneficial owner is Mr. Xuanle Zheng (鄭烜樂).

Oakwise

Oakwise is an investment holding company incorporated under the laws of Hong Kong, primarily engaged in equity investments. Oakwise is wholly owned by Oakwise Innovation Fund SPC — New Technology III SP, which in turn is managed by Oakwise Asset Management Limited. Oakwise Asset Management Limited is ultimately beneficially owned as to 90.1% by Mr. Wang Fengyu (王風雨) (a professional investor) and 9.9%, by COSCO SHIPPING Investment Holdings Co., Limited, a company incorporated in the Hong Kong, each an Independent Third Party.

Moutai Fund

Moutai Fund is a limited partnership established in the PRC and is mainly engaged in equity investment. Moutai Fund is owned as to i) 39.67% by China Kweichow Moutai Distillery (Group) Co., Ltd. (中國貴州茅台酒廠(集團)有限責任公司) as its general partner, a company controlled by State-owned Assets Supervision and Administration Commission of Guizhou Province (貴州省人民政府國有資產監督管理委員會) (“**Guizhou SASAC**”); ii) 38.11% by CCB Investment Funds Management Co., Ltd. (建信(北京)投資基金管理有限責任公司) as its limited partner, a company controlled by China Construction Bank Corporation whose shares are listed on the Stock Exchange (stock code: 0939.HK); and iii) 22.22% by Moutai (Guizhou) Investment Management Co., Ltd. (茅台(貴州)私募基金管理有限公司), a company controlled by Guizhou SASAC.

Our Company currently engages in or historically engaged in business dealings with certain Pre-[REDACTED] Investors, and/or their respective associates, which are/were carried out in our ordinary course of business, on an arm’s length basis and with normal commercial terms. Apart from the foregoing, to the best knowledge of the Company, there exists no past or present relationships (business, employment, trust, family, financing or otherwise) between each of the Pre-[REDACTED] investors and/or their respective associates, on the one hand, and the Company and its subsidiaries, their shareholders, directors, supervisors or senior management, or any of their respective associates, on the other hand, during the Track Record Period.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

POST-TRACK RECORD PERIOD ACQUISITION

Proposed [REDACTED] Acquisition

We are currently considering a subscription of certain shares in [REDACTED], an Independent Third Party, [REDACTED], with the total consideration not exceeding [REDACTED] (the “Proposed [REDACTED] Acquisition”). The consideration of the Proposed [REDACTED] Acquisition will be paid by our internal funds. For the avoidance of doubt, the Proposed [REDACTED] Acquisition will not be financed by our Company’s [REDACTED] from the [REDACTED].

[REDACTED]

[REDACTED] To the best of the information, knowledge and belief of the Directors having made all reasonable enquiries, [REDACTED] and their ultimate beneficial owners are Independent Third Parties of our Company and its connected persons.

PUBLIC FLOAT

To the best knowledge, information and belief of our Directors, none of the Pre-[REDACTED] Investors is a core connected person (as defined under the Listing Rules) of our Company. The [REDACTED] H Shares to be held by 21 Pre-[REDACTED] Investors which have filed for conversion of their Domestic [REDACTED] Shares to H Shares, representing approximately [REDACTED] of our total issued share capital as of the Latest Practicable Date, or approximately [REDACTED] of our total issued Shares upon [REDACTED] (assuming the [REDACTED] is not exercised) will be counted towards the [REDACTED] upon [REDACTED]. Taking into consideration of the H Shares to be issued pursuant to the [REDACTED], the [REDACTED] of the Company will be [REDACTED]% upon [REDACTED] (assuming the [REDACTED] is not exercised).

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

PRC REGULATORY REQUIREMENTS

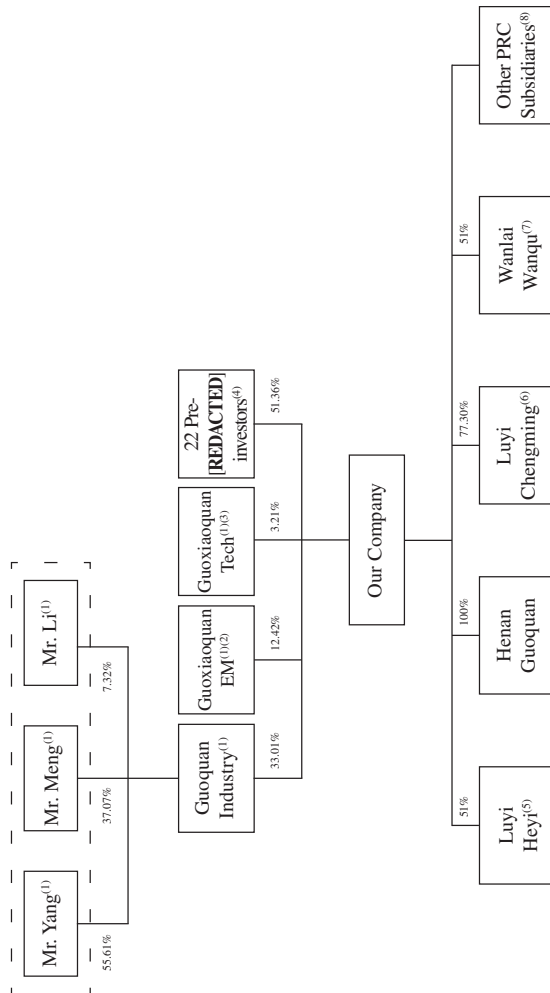
Our PRC Legal Advisor has confirmed that we have legally and properly completed, settled, and obtained the requisite legal approvals and completed requisite governmental registrations with the relevant governmental authorities in the PRC with respect to the foresaid acquisition.

[REDACTED]

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CORPORATE STRUCTURE IMMEDIATELY BEFORE COMPLETION OF THE [REDACTED]

The chart below sets out the shareholding structure of our Company immediately before completion of the [REDACTED]:



Notes:

- (1) Mr. Yang, Mr. Meng, Mr. Li, Guoqian Industry, Guoxiaoquan EM and Guoxiaoquan Tech are a group of the Controlling Shareholders. See “Relationship with Our Controlling Shareholders” for further details.
- (2) As of the Latest Practicable Date, Guoxiaoquan EM was owned as to i) 80% by Mr. Yang as its general partner and ii) 20% by Mr. An as its limited partner, each an executive Director of our Company. Guoxiaoquan EM was set to award Mr. Yang and Mr. An’s performance contribution to our Group. All the award Shares have been vested and there are no further conditions.
- (3) As of the Latest Practicable Date, Guoxiaoquan Tech was owned as to i) 44.09% by Mr. Yang as its general partner; ii) 0.6% by Mr. Li as its limited partner and iii) 40.00% by Ms. Zhang Weiwei (張微微), 8.53% by Mr. Liu Bo (劉博) and 6.78% by Anji Xinze Enterprise Management Partnership (Limited Partnership) (安吉欣澤企業管理合夥企業(有限合夥)), each an Independent Third Party, as its limited partners rewarding their previous consulting service contribution to the Company. Anji Xinze Enterprise Management Partnership (Limited Partnership) was owned as to 3.23% by Shaanxi Taifaxiang Investment Management Co. Ltd. (陝西泰發祥投資管理有限公司) as its general partner and 96.77% by Mr. Zhao Xin (趙欣), an Independent Third Party, as its limited partner. Shaanxi Taifaxiang Investment Management Co. Ltd. was wholly owned by Shaanxi Taifaxiang Industrial Group Co., Ltd. (陝西泰發祥實業集團有限公司), which in turn was owned as to 66% by Mr. Zhao Shuanming (趙拴明) and 34% by Ms. Liu Tuoxiu (劉拖秀), each an Independent Third Party.

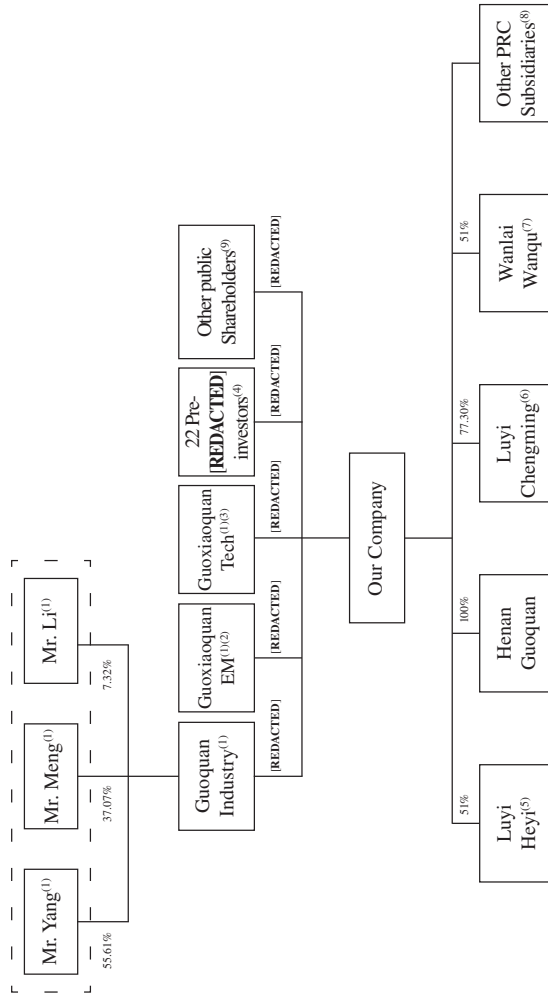
HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

- (4) See "— Capitalization of our Company" above for details of other Shareholders.
- (5) As of the Latest Practicable Date, the remaining interest of Luyi Heyi was owned by Shanghai Niuxian Roupin Partnership (Limited Partnership) (上海牛鮮肉品合夥企業(有限合伙)), which in turn is owned as to (i) 35% by Mr. Yang Ran (楊冉), the supervisor of Luyi Heyi; (ii) 30% by Mr. Liu Yawei (劉亞威), the general manager of Luyi Heyi; and (iii) 35% by Mr. Liu Guodong (劉國棟), the director of Luyi Heyi.
- (6) As of the Latest Practicable Date, the remaining interest of Luyi Chengming was owned as to 11.70% by Henan Chengming Management Service Center (Limited Partnership)(河南澄明管理服務中心(有限合伙)), and 11.00% by Henan Yixiang Management Service Center (Limited Partnership)(河南益香管理服務中心(有限合伙)), both Independent Third Parties. Henan Chengming Management Service Center (Limited Partnership) was owned as to 76.93% by Mr. Wei Deli (危得利) as its general partner and 23.07% by Ms. Shi Yunxia (史雲霞) as its limited partner. Mr. Wei Deli is an Independent Third Party and Ms. Shi Yunxia is a supervisor of Luyi Chengming. Henan Yixiang Management Service Center (Limited Partnership) was owned as to 90% by Mr. Zhao Yueping (趙躍平) as its general partner and 10% by Ms. Fu Ruizhen (付瑞珍) as its limited partner, both Independent Third Parties. Luyi Chengming is an insignificant subsidiary pursuant to Rule 14A.09.
- (7) As of the Latest Practicable Date, the remaining interest of Wanlai Wanqu was owned by Hainan Jiumu Enterprise Management Center (Limited Partnership)(海南久木企業管理中心(有限合伙)). Hainan Jiumu Enterprise Management Center (Limited Partnership) was owned as to 18.37% by Ms. Shi Yunxia (史雲霞) as its general partner, 38.78% by Mr. Liu Chuanshen (劉傳申), 19.39% by Mr. Liu Chuanjie (劉傳傑), 19.39% by Mr. Wei Guohua (魏國華) and 4.08% by Mr. Zheng Guibin (鄭桂彬) as its limited partners. Each of Mr. Liu Chuanshen, Mr. Liu Chuanjie and Mr. Zheng Guibin is Mr. Yang's brother-in-law. Mr. Wei Guohua is an Independent Third Party and Ms. Shi Yunxia is a director and general manager of Wanlai Wanqu. Wanlai Wanqu is an insignificant subsidiary pursuant to Rule 14A.09.
- (8) Our subsidiaries are set out in Note 1 of the Accountants' Report in Appendix I to this document.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CORPORATE STRUCTURE IMMEDIATELY FOLLOWING COMPLETION OF THE [REDACTED]

The chart below sets out the shareholding structure of our Company immediately following completion of the [REDACTED] (assuming the [REDACTED] is not exercised):



Note:

- (1) See the respective notes under “Corporate Structure Immediately Before Completion of The [REDACTED].”
- (9) The Shares held by these other public Shareholders are H Shares, which will be counted towards the [REDACTED] together with [REDACTED] H Shares to be converted from Domestic [REDACTED] Shares. See “Share Capital” for further details of the conversion of Domestic [REDACTED] Shares into H Shares.