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OVERVIEW

We are an unmanned retail operator in China. Leveraging our core capabilities and our expansive network, we are able to provide consumers with services. Our unmanned retail business can be traced back to 2011 when Mr. Wang, our principal Founder, together with our other Founders, namely Mr. Shen, Ms. Wu Songfeng (吳松鋒) (“**Ms. Wu**”), Mr. Lin Rong (林榮) (“**Mr. Lin**”), Mr. Li Minghao (李明浩) (“**Mr. Li**”), Mr. Huang Cinan (黃次南) (“**Mr. Huang**”) and Ms. An Yufang (安煜芳) (“**Ms. An**”), commenced our vending machine business through Beijing Youbaokesi. For details of credentials and experience of Mr. Wang and Ms. An, please see “Directors, Supervisors and Senior Management — Directors.”

Our Company was initially established on March 1, 2012 in the PRC as a wholly foreign-owned enterprise in order to facilitate our Group’s financing opportunities outside China. In 2015, as we became more optimistic about the PRC domestic capital market, we unwound our offshore structure and streamlined our operations in the PRC, in which our Company became the onshore holding company of our Group’s current business.

In preparation for the listing on the NEEQ, our Company was converted from a limited liability company into a joint stock company with limited liability on September 10, 2015 and was listed on the NEEQ on February 24, 2016. For further details, see “— Information on Our Group — Our Company” and “— Evolution of Our Group — 3. Listing and Delisting in relation to the NEEQ.” Our Company then voluntarily delisted from the NEEQ on March 12, 2019. For further details, see “— Evolution of Our Group — 3. Listing and Delisting in relation to the NEEQ” below.

BUSINESS MILESTONES

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

| Year | Event |
|-------------|---|
| 2011 | <ul style="list-style-type: none">• Our Founders commenced our vending machine business through Beijing Youbaokesi, which built our first prototype vending machine |
| 2012 | <ul style="list-style-type: none">• Our number of POSs reached 5,000 |
| 2013 | <ul style="list-style-type: none">• Our number of POSs reached 10,000 |
| 2015 | <ul style="list-style-type: none">• Our Company was converted from a limited liability company into a joint stock company with limited liability• We were recognized as “China’s Most Promising Company” (中國最具潛力企業) by Ernst & Young and Fudan University School of Management |

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| Year | Event |
|------|---|
| 2016 | <ul style="list-style-type: none">• Our Shares began trading on the NEEQ in the PRC (stock code: 836053) |
| 2017 | <ul style="list-style-type: none">• We were recognized as “The Best Operating Brand in the Auto Vending Industry” (無人售貨行業最佳運營品牌獎) by the China Commerce Association for General Merchandise in the PRC |
| 2018 | <ul style="list-style-type: none">• We collaborated with Alipay and launched our first biometrics authentication ready vending machine• Our investee, namely JR Vending Pte. Ltd. (“JR Vending”), placed our first overseas vending machines in Singapore Changi Airport |
| 2019 | <ul style="list-style-type: none">• Our Company voluntarily delisted from the NEEQ• Shanghai Yunxin, a wholly-owned subsidiary of Ant Group, invested in our Group as a Pre-[REDACTED] Investor• We received the “ONE Payment Business Transformation Award” (ONE支付商業轉型獎) by Alibaba |
| 2020 | <ul style="list-style-type: none">• We launched the People’s Bank of China’s first vending machine that supported payment with e-CNY• We were ranked first in the “Top 200 of China’s New Economy Quasi Unicorns” (2020中國新經濟準獨角獸200強榜單) by iMedia Research• We were awarded as “Most Influential Enterprise in China’s New Economy in 2020” (2020年中國新經濟之王最具影響力企業) in the new retail industry by 36Kr Research Institute (36氪研究院)• We strongly promoted our partner model |

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| Year | Event |
|------|--|
| 2021 | <ul style="list-style-type: none">• We launched the first vending machine with 5G network• We were nominated as an offline licensed retail store for the Hangzhou 2022 19th Asian Games• We were recognized “New Consumer Ecological Service Provider of 2021” (2021年度新消費生態服務商) by TMTPost Media Group for the 2021 Edge Awards for Global Innovation• Our number of POSs reached 100,000 |

INFORMATION ON OUR GROUP

Our Company

Our Company was established as a wholly foreign-owned enterprise in the PRC on March 1, 2012 with a registered capital of US\$320,000 under its former name Beijing UBOX Technology & Trade Company Limited (北京友博科斯科貿有限公司), and was wholly owned by UBOX (Hong Kong) Company Limited (“**Youbao (HK)**”), which was in turn indirectly wholly owned by UBOX International Holdings Co Limited (“**Youbao (Cayman)**”). For details of the then shareholding of Youbao (Cayman), see “— Evolution of Our Group — 2. Establishment and unwinding of our offshore structure.” Our Company was initially established as a wholly foreign-owned enterprise in order to facilitate our Group’s financing opportunities outside China.

Between March 2012 and February 2014, our Company underwent a series of capital increase, in which the registered capital of our Company increased from US\$320,000 to US\$26,000,000. Each of the capital increase was contributed by Youbao (HK) and was settled by cash.

Pursuant to an equity transfer agreement dated May 25, 2015, Youbao (HK) transferred the entire equity interest it held in our Company to Mr. Wang, Mr. Shen, Mr. Lin, Ms. Wu, Mr. Huang, Mr. Li, Mr. Xu Ge, Huazhu Investment (Shanghai) Co., Ltd. (華住投資(上海)有限公司) (“**Huazhu Investment**”), Mr. Chen, Hainan Changyang Venture Capital Co., Ltd. (海南長陽創業投資有限公司) (“**Hainan Changyang**”), Horgos Fengmao Equity Investment Management Partnership (L.P.) (霍爾果斯鋒茂股權投資管理合夥企業(有限合夥)) (“**Horgos Fengmao**”), Nanjing Hanergy Venture Capital Center (L.P.) (南京漢能創業投資中心(有限合夥)) (“**Nanjing Hanergy**”), Chongqing Hanergy Venture Capital Center (L.P.) (重慶漢能科技創業投資中心(有限合夥)) (“**Chongqing Hanergy**”) and Ms. Yi Jiaping (衣嘉平) (“**Ms. Yi**”), respectively, for an aggregate consideration of RMB10,000,000 (the “**2015 Equity Transfer**”), which was fully settled on July 16, 2015. The consideration was made after arm’s length negotiations between the parties with reference to the net asset value of our Company as at December 31, 2014, after taking into account the fact that the transferees were either the

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beneficial owners of Youbao (Cayman) or the individuals/entities as designated by the shareholders of Youbao (Cayman) to undertake the equity transfers under the Restructuring Framework Agreement. Upon completion of the 2015 Equity Transfers on June 5, 2015, our Company was converted from a wholly foreign-owned enterprise to a limited liability company, in which the registered capital of our Company was converted from US\$26,000,000 to RMB161,209,504, and its shareholding was as follows:

| Shareholders | Registered capital (RMB) | Percentage of shareholding (%) |
|-------------------|--------------------------------|--------------------------------------|
| Mr. Wang | 53,372,759 | 33.11 |
| Mr. Shen | 20,488,761 | 12.71 |
| Mr. Xu Ge | 18,425,924 | 11.43 |
| Mr. Lin | 13,884,330 | 8.61 |
| Ms. Wu | 13,884,330 | 8.61 |
| Mr. Huang | 13,864,982 | 8.60 |
| Mr. Li | 9,078,191 | 5.63 |
| Huazhu Investment | 6,011,180 | 3.73 |
| Mr. Chen | 5,122,110 | 3.18 |
| Hainan Changyang | 3,984,454 | 2.47 |
| Horgos Fengmao | 1,734,937 | 1.08 |
| Nanjing Hanergy | 472,183 | 0.29 |
| Chongqing Hanergy | 472,183 | 0.29 |
| Ms. Yi | 413,180 | 0.26 |
| Total | 161,209,504 | 100 |

On June 19, 2015, a capital subscription agreement was entered into between the then shareholders of our Company, Beijing Hanergy Zhonghong Investment Center (L.P.) (北京漢能中宏投資中心(有限合夥)) (“**Beijing Hanergy**”) and Jiaxing Yingfei Investment Center (L.P.) (嘉興英飛投資中心(有限合夥)) (“**Jiaxing Yingfei**”), pursuant to which Beijing Hanergy, Jiaxing Yingfei and the then shareholders of our Company, namely Mr. Wang, Mr. Shen, Mr. Lin, Ms. Wu, Mr. Li, Mr. Huang, Mr. Xu Ge, Mr. Chen, Ms. Yi, Huazhu Investment, Hainan Changyang, Horgos Fengmao, Nanjing Hanergy and Chongqing Hanergy, agreed to make capital contributions to our Company and subscribed for RMB487,459, RMB1,949,838, RMB5,909,895, RMB2,268,693, RMB1,537,393, RMB1,537,393, RMB1,200,155, RMB1,954,318, RMB2,040,278, RMB14,215,614, RMB630,638, RMB1,416,471, RMB441,193, RMB192,107, RMB52,284 and RMB1,514,587, representing approximately 0.25%, 0.98%, 2.98%, 1.14%, 0.77%, 0.77%, 0.60%, 0.98%, 1.03%, 7.16%, 0.32%, 0.71%, 0.22%, 0.10%, 0.03% and 0.76% of our Company’s registered capital as enlarged upon completion of the capital contribution, respectively, at an aggregate consideration of RMB378,505,138. It was agreed that RMB37,348,316 shall be contributed to our Company’s registered capital and the remaining consideration amount shall be contributed to our

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Company’s capital reserves. The consideration was made after arm’s length negotiations between the parties with reference to our Company’s then valuation of approximately RMB2 billion as agreed between the parties based on the then operating results and industry outlook of our Group’s business, and was fully settled on July 27, 2015. Jiaxing Yingfei was an Independent Third Party, and Beijing Hanergy, together with Nanjing Hanergy and Chongqing Hanergy, are affiliated to The Hina Group (漢能投資集團). On June 19, 2015, the registered capital of our Company increased from RMB161,209,504 to RMB198,557,820 (the “**First 2015 Capital Increase**”).

Pursuant to the Previous Deed of AIC entered into between Mr. Wang and Mr. Chen on July 20, 2015, which upon expiry was succeeded by the Deed of AIC entered into between Mr. Wang and Mr. Chen on July 18, 2019 with a term until July 17, 2023 (both such deeds together, the “**Deeds of AIC**”), (i) Mr. Wang and Mr. Chen had agreed to consult each other and reach a unanimous consensus between themselves on the subject matters of any shareholders’ resolutions or board resolutions of our Company to be passed pursuant to applicable constitutional documents or applicable laws and regulations during the period each party remains a shareholder of our Company, and (ii) where a consensus cannot be reached, the matter shall be decided by the individual who holds more Shares. Mr. Wang has, since the beginning of the acting-in-concert arrangement as described above, held more Shares and been entitled to control more voting rights in the Company than Mr. Chen. Mr. Wang and Mr. Chen believed that the entering into of the Deeds of AIC was based on the mutual trust and confidence among them and the term of the Deeds of AIC would enable them to regularly evaluate the effectiveness of the Deeds of AIC in achieving the benefits of the concert party arrangement, and make necessary modifications to the terms thereof if needed, further allowing flexibility in altering the composition to the concert party arrangement, if needed. It is expected that Mr. Wang and Mr. Chen will enter into a further deed of acting-in-concert agreement upon expiry of the Deed of AIC under similar terms as the Deeds of AIC. By virtue of the Deeds of AIC, Mr. Wang and Mr. Chen are collectively our Single Largest Group of Shareholders.

Further, the registered capital of our Company increased from RMB198,557,820 to RMB207,486,509 on July 28, 2015 (the “**Second 2015 Capital Increase**”). The Second 2015 Capital Increase was contributed by (i) Mr. Wen Ruifeng (溫瑞峰) (“**Mr. Wen**”), who controlled Beijing Taiming Investment Management Co., Ltd. (北京泰銘投資管理有限公司) (“**Beijing Taiming**”), which was a then minority shareholder of our Company’s subsidiary, Beijing Taihe; and (ii) Mr. Zhou Jianghua (周江華) (“**Mr. Zhou**”), who controlled Guangzhou Dongji Industrial Co., Ltd. (廣州東吉實業有限公司) (“**Guangzhou Dongji**”), which was a then minority shareholder of our Company’s subsidiary, Guangzhou Weiji, pursuant to which Mr. Wen and Mr. Zhou made capital contributions to our Company with reference to our Company’s then registered capital, and subscribed for RMB4,870,194 and RMB4,058,495 of our Company’s registered capital, representing approximately 2.35% and 1.96% of our Company’s registered capital as enlarged upon completion of the capital contribution, respectively, at an aggregate consideration of RMB8,928,689, which was fully settled on July 30, 2015. The Second 2015 Capital Increase was entered into pursuant to the Restructuring Framework Agreement and the consideration of the Second 2015 Capital Increase formed a part

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of the consideration of our Group’s acquisition of Beijing Taihe and Guangzhou Weiji from companies controlled by Mr. Wen and Mr. Zhou, respectively. For further details of such acquisitions and our Group’s relationship with Mr. Wen and Mr. Zhou, see “— Evolution of Our Group — 1. Establishment of Our Principal Subsidiaries” below.

On September 10, 2015, in anticipation for the application for listing on the NEEQ, our Company was converted into a joint stock company with limited liability and renamed as Beijing Ubox Online Technology Corp. (北京友寶在線科技股份有限公司). The conversion was made with reference to the Company’s net asset value as at July 31, 2015 of approximately RMB582 million, among which, RMB450 million was converted into 450,000,000 Shares with a par value of RMB1.00 each, and the remaining amount was classified as capital reserves.

Our Company was then listed on the NEEQ on February 24, 2016. Upon completion of the First 2015 Capital Increase and the Second 2015 Capital Increase and immediately prior to the listing on the NEEQ, our Company’s shareholding was as follows:

| Shareholders | Registered capital before converting into a joint stock company (RMB) | Shares | Percentage of shareholding (%) |
|---|--|--------------------|--------------------------------------|
| Mr. Wang and Mr. Chen ^(Note) | 78,620,378 | 170,513,550 | 37.89 |
| Mr. Shen | 22,757,454 | 49,356,900 | 10.97 |
| Mr. Xu Ge | 20,466,202 | 44,387,550 | 9.86 |
| Mr. Huang | 15,819,300 | 34,309,350 | 7.63 |
| Mr. Lin | 15,421,723 | 33,446,700 | 7.43 |
| Ms. Wu | 15,421,723 | 33,446,700 | 7.43 |
| Mr. Li | 10,278,346 | 22,291,650 | 4.95 |
| Huazhu Investment | 7,427,651 | 16,109,100 | 3.58 |
| Mr. Wen | 4,870,194 | 10,562,400 | 2.35 |
| Hainan Changyang | 4,425,647 | 9,598,500 | 2.13 |
| Mr. Zhou | 4,058,495 | 8,802,000 | 1.96 |
| Chongqing Hanergy | 1,986,770 | 4,308,750 | 0.96 |
| Jiaxing Yingfei | 1,949,838 | 4,228,650 | 0.94 |
| Horgos Fengmao | 1,927,044 | 4,179,600 | 0.93 |
| Ms. Yi | 1,043,818 | 2,263,950 | 0.50 |
| Nanjing Hanergy | 524,467 | 1,137,600 | 0.25 |
| Beijing Hanergy | 487,459 | 1,057,050 | 0.24 |
| Total | 207,486,509 | 450,000,000 | 100 |

Note: Pursuant to the Previous Deed of AIC, Mr. Wang and Mr. Chen were parties acting in concert.

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On May 11, 2016, our Company issued 46,660,000 Shares, representing approximately 9.39% of our total number of issued Shares as enlarged upon completion of the share issuance, at a subscription price of RMB7.50 per Share. The 46,660,000 Shares were subscribed by 22 investors, at an aggregate consideration of RMB349,950,000, which was fully settled on March 28, 2016, among which (i) each investor was an Independent Third Party; (ii) there were 10 individual investors and 12 corporate investors; and (iii) the largest investor, being Ms. Liu Xia (劉霞) (“**Ms. Liu Xia**”), acquired 13,326,500 Shares, representing approximately 2.68% of our total number of issued Shares as enlarged upon completion of the share issuance. Upon completion, our issued Shares increased from 450,000,000 Shares to 496,660,000 Shares (the “**2016 Capital Increase**”). The purpose of the 2016 Capital Increase was principally to increase the then working capital of our Company for Group expansion, and the consideration was made with reference to the then operating results and industry outlook of our Group’s business.

On July 6, 2017, our Company issued 22,412,184 Shares and 89,648,737 Shares, representing approximately 3.68% and 14.73% of our issued Shares as enlarged upon completion of the share issuance, respectively, to Beijing Kaibao Investment Center (L.P.) (北京凱寶投資中心(有限合夥)) (“**Beijing Kaibao**”), a then affiliate of The Carlyle Group, a global investment firm, and Qingdao Haier, at a consideration of RMB106,009,630.32 and RMB424,038,526.01, or approximately RMB4.73 per Share, respectively, which had been fully settled on April 21, 2017. Upon completion, our issued Shares increased from 496,660,000 Shares to 608,720,921 Shares (the “**2017 Capital Increase**”). Prior to the 2017 Capital Increase, an investment agreement (the “**Kaibao Investment Agreement**”) was entered into in June 2015 between, among others, Beijing Kaibao and our Company, pursuant to which Beijing Kaibao agreed to provide a loan to our Company for the purpose of financing our business operations, which would be convertible into a certain number of Shares upon our Company’s application of a qualified IPO with reference to a business valuation of our Company to be further determined between the parties and in accordance with the terms of the Kaibao Investment Agreement. Beijing Kaibao then provided a loan in the principal amount of RMB530,000,000 to our Company, at an annual interest rate of 13% and for a term of six years (the “**2015 Convertible Loan**”). In October 2015, it was determined between the parties that our Company’s then valuation was approximately RMB2.66 billion, which was made with reference to the targeted earnings for the years ended December 31, 2015 and 2016 as agreed between the parties, and a maximum of 112,060,921 Shares would be issued upon exercise in full of the conversion rights attached to the 2015 Convertible Loan at a conversion price of approximately RMB4.73 per Share. In February 2017, Beijing Kaibao transferred 80% of the rights and obligations in relation to the 2015 Convertible Loan to Qingdao Haier. Although our Company’s listing on the NEEQ was not a qualified IPO under the Kaibao Investment Agreement, it was nevertheless agreed between the parties that the basis of valuation adopted for the 2017 Capital Increase would be made with reference to the conversion price in the Kaibao Investment Agreement (as supplemented and amended) and the proceeds from the 2017 Capital Increase would be used to repay the 2015 Convertible Loan. As at the Latest Practicable Date, the 2015 Convertible Loan has been fully repaid.

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On October 26, 2018, our Company issued 22,222,223 Shares, representing approximately 3.52% of our total number of issued Shares as enlarged upon completion of the share issuance, at a subscription price of RMB9.00 per Share to Shantou Haiyi Investment (Group) Co., Ltd. (汕頭市海逸投資(集團)有限公司) (“**Shantou Haiyi**”), at a consideration of RMB200,000,007, which had been fully settled on August 31, 2018. The consideration was made with reference to, among others, the timing of the investment, the then trading price of our Company and the then growth prospects of our Group. Upon completion, our issued Shares increased from 608,720,921 Shares to 630,943,144 Shares (the “**2018 Capital Increase**”). The purpose of the 2018 Capital Increase was principally for repayment of loans and increasing the then working capital of our Company.

Our Company was delisted from the NEEQ on March 12, 2019. For details, see “ — Previous Listing on the NEEQ, Previous Listing Plan and Proposed Merger Arrangement — Listing and Delisting in Relation to the NEEQ.” Immediately after the delisting from the NEEQ, our Company’s shareholding was as follows:

| Shareholders | Shares | Percentage of shareholding (%) |
|---|-------------|--------------------------------|
| Mr. Wang and Mr. Chen ^(Note 1) | 159,543,550 | 25.29 |
| Qingdao Haier | 59,648,737 | 9.45 |
| Mr. Shen | 49,356,900 | 7.82 |
| Mr. Huang | 27,988,350 | 4.44 |
| Beijing Kaibao | 22,412,184 | 3.55 |
| Shantou Haiyi | 22,222,223 | 3.52 |
| Mr. Lin | 12,588,700 | 2.00 |
| Huazhu Investment | 11,299,100 | 1.79 |
| Mr. Wen | 10,562,400 | 1.67 |
| Mr. Xu Ge | 10,114,550 | 1.60 |
| Hainan Changyang | 9,598,500 | 1.52 |
| Mr. Zhou | 9,493,000 | 1.51 |
| Horgos Fengmao | 4,179,600 | 0.66 |
| Ms. Yi | 2,263,950 | 0.36 |
| Mr. Li | 536,650 | 0.09 |
| <i>Remaining Shareholders</i> ^(Note 2) | 219,134,750 | 34.73 |
| Total | 630,943,144 | 100 |

Notes:

- Pursuant to the Deed of AIC, Mr. Wang and Mr. Chen were parties acting in concert.
- Among the remaining Shareholders, (i) there were a total of 316 Shareholders; (ii) the largest Shareholder was CICC Qiyuan National Emerging Industry Venture Capital Guidance Fund (Hubei) Equity Investment Enterprise (Limited Partnership) (中金啟元國家新興產業創業投資引導基金(湖北)股權投資企業(有限合夥)) (“**CICC Qiyuan**”), an Independent Third Party, which held 30,000,000 Shares, representing approximately 4.76% of our then total number of issued Shares; and (iii) the shareholding of the other remaining Shareholders ranged from approximately 0.01% to 2.37%.

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As a protective measure for Shareholders who dissented to the delisting of our Shares from NEEQ, our Company and Mr. Wang undertook that they (or Mr. Wang’s designated person acting in his/her own capacity) would repurchase any dissenting or abstaining Shareholders’ Shares after the completion of the delisting. Later, Mr. Wang designated Ms. Liu Xia, an Independent Third Party and a then Shareholder holding 3,317,500 Shares, which represented approximately 0.53% of the then total number of issued Shares, to be the person to undertake the purchase of shares from dissenting Shareholders. Mr. Wang considered Ms. Liu Xia as a suitable person because Ms. Liu Xia had been a Shareholder since 2016. Ms. Liu Xia entered into share purchase agreements with 69 dissenting Shareholders, pursuant to which 34,144,550 Shares, representing an aggregate of 5.41% of our then total number of issued Shares were transferred to Ms. Liu Xia during the period from May 23, 2019 to July 17, 2019. The price paid by Ms. Liu Xia for the purchase of Shares from the 69 dissenting Shareholders ranged from RMB9.50 to RMB15.00 per Share, which was determined largely based on the arm’s length negotiations between Ms. Liu Xia and each of the dissenting Shareholders, and made with reference to the original price paid by these dissenting Shareholders in relation to their respective Shares. The Company made various advances in the aggregate amount of RMB362.9 million to facilitate her share purchases. The share purchases had all been completed and the considerations for the share purchase had all been settled as at July 17, 2019. Upon completion of the share purchases, Ms. Liu Xia reassessed her financial position and her total shareholding in the Company, in which she then (A) purchased an aggregate of 9,857,325 Shares from five individual Shareholders at a total consideration of RMB93,500,009.10 between August 2019 and July 2020; and (B) disposed of (i) 19,692,700 Shares and 3,000,000 Shares to Chunhua Rongshun and Mr. Xiao Lin, each a Pre-[REDACTED] Investor, at a consideration of RMB187,080,650 and RMB28,500,000 in August 2019 and December 2019, respectively; (ii) 2,188,569 Shares to Mr. Li Weiwei (李衛偉), an Independent Third Party, at a total consideration of RMB10,395,702.75 in September 2019^(Note); and (iii) an aggregate of 22,438,106 Shares to Mr. Wang, Mr. Chen, Ms. Cui Yan (an executive Director), Mr. Wang Ge (a senior management of our Group) and Shenzhen Youhui, our employee incentive platform, at a total consideration of approximately RMB213.2 million, for the purpose of implementing the 2020 Incentive Scheme in December 2020 and January 2021, among which approximately RMB2.2 million were paid by Mr. Wang, Mr. Chen, Ms. Cui Yan, Mr. Wang Ge and Shenzhen Youhui as the grant price of the options under the 2020 Incentive Scheme and the remaining amount of approximately RMB211.0 million was partially set off against the advances owed by Ms. Liu Xia to our Company and such advances were fully repaid by Ms. Liu Xia as at the Latest Practicable Date.

Ms. Liu Xia was a friend of Mr. Wang, who then introduced Ms. Liu Xia to Mr. Chen. She was a sole shareholder, director and legal representative of Beijing Qile Jiujiu Technology Co., Ltd. (北京其樂久久科技有限公司), a wholly-owned subsidiary of our Company from December 2015 to June 2017, and was a minority shareholder, legal representative and general manager of Shenzhen Mibao New Retail Technology Co., Ltd. (深圳蜜寶新零售科技有限公司) (“**Shenzhen Mibao**”), a then subsidiary of our Company which was disposed of in December 2021. Save as disclosed herein, to the best of our Directors’ knowledge, there was no other past

Note: As confirmed by Ms. Liu Xia, the consideration was determined after arm’s length negotiations and as agreed between the parties. At the time of the transfer, since Ms. Liu Xia intended to increase the liquidity of her assets, she was willing to dispose of such Shares at a lower price.

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or present relationships between Ms. Liu Xia and our Group, our Directors or senior management, or any of their respective associates. As at the Latest Practicable Date, Ms. Liu Xia ceased to be a Shareholder. For details of the above transfer of Shares to Chunhua Rongshun, Mr. Xiao Lin and Shenzhen Youhui, see “— Pre-[REDACTED] Investments” and “— 2020 Incentive Scheme and Pre-[REDACTED] Incentive Scheme.”

Subsequent to the delisting from the NEEQ, on September 10, 2019, our Company issued 126,315,789 Shares, representing approximately 16.68% of our total number of issued Shares as enlarged upon completion of the share issuance, of RMB9.50 each to Shanghai Yunxin, one of our Pre-[REDACTED] Investors and a wholly-owned subsidiary of Ant Group, at a consideration of RMB1,199,999,995.50 (the “**2019 Capital Increase**”). The consideration had been fully settled on August 21, 2019. For further details, see “— Pre-[REDACTED] Investments.” Upon completion, our issued Shares increased from 630,943,144 Shares to 757,258,933 Shares.

Apart from the share purchases and disposals undertaken by Ms. Liu Xia and the Pre-[REDACTED] Investments undertaken by the Pre-[REDACTED] Investors as set out in the section headed “— Pre-[REDACTED] Investments”, there were certain shareholding changes of our Company from the date immediately after our Company’s delisting from the NEEQ and up to April 18, 2022 involving share transfers among the then Shareholders. Such share transfers were undertaken by a total of 57 individuals and entities, as transferees, involving an aggregate of 102,962,902 Shares, representing approximately 13.60% of our total number of issued Shares as at the Latest Practicable Date, whereby on individual transaction basis, save for the share transfer as detailed in the table below, the number of Shares involved in these share transfers were very insignificant, ranging from 0.0002% to 1.27% of our then total number of issued Shares.

| Transferor | Transferee | Date of share transfer agreement | Number of Shares acquired | Total amount of consideration | Date of full settlement of consideration |
|------------|------------|----------------------------------|--|-------------------------------|--|
| Mr. Huang | Mr. Li Wei | August 6, 2019 | 26,988,350 (representing approximately 4.28% of our then total number of issued Shares) | RMB256,389,325.00 | August 8, 2019 |

Except for (i) Mr. Li Wei (李偉) (“**Mr. Li Wei**”), who is the controller of Shenzhen Baihang Management Consulting Partnership (Limited Partnership) (深圳市佰航管理諮詢合夥企業(有限合夥)) (“**Shenzhen Baihang**”), which holds as to 14.8% equity interest in Shenzhen Youye, a subsidiary of our Company; and (ii) Mr. Yang Ling (楊凌) (“**Mr. Yang Ling**”), who holds 13% equity interest in Shenzhen Youbao Online Technology Co., Ltd. (深圳市優寶在線科技有限公司) (“**Youbao Online**”), a subsidiary of our Company, our Directors have confirmed that all these individuals and entities from the above-mentioned share transfers are Independent Third Parties, and to the best of our Directors’ knowledge, information and belief

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having made reasonable enquiries, the basis of consideration of these share transfers were determined after arm’s length negotiations between the parties while the Company was not involved in these negotiations at all. Our Directors have further confirmed that none of these Shareholders were granted any special rights relating to our Company and the consideration for these share transfers have all been fully settled. Since April 18, 2022, being the final settlement date of the share transfer to Mr. Xiao Lin as set out in the section headed “— Pre-[REDACTED] Investments”, no other shareholding changes of the Company has taken place.

For further details of our Company’s shareholding structure as at the Latest Practicable Date, see “— Corporate Structure.”

Adoption of the WVR Structure

From August 20, 2019 to May 30, 2021, in contemplation of the capital subscription by Shanghai Yunxin which had completed on September 10, 2019, our Company had in place a weighted voting rights structure (the “**WVR Structure**”) under which our Shares were redesignated into 75,725,893 class A ordinary shares (“**Class A Shares**”, which were held solely by Mr. Wang) and 681,533,040 class B ordinary shares (“**Class B Shares**, which were held by Mr. Wang, Mr. Chen and other Shareholders), respectively, for the purpose of enabling our Company to benefit from the continuing vision and leadership of Mr. Wang, the sole holder of Class A Shares, who, together with Mr. Chen, would control more than 50% voting rights of our Company. Each Class A Share entitled its holder to exercise eight votes, and each Class B Share entitled the holder to exercise one vote, on any resolution proposed at our Company’s general meetings, except for resolutions for the approval of the following matters, on which the holders of the Class A Shares and the Class B Shares were entitled to the same voting rights:

- i. any amendment to the articles of association of our Company;
- ii. variation of voting rights attached to the Class A Shares;
- iii. the appointment or removal of the independent directors of our Company;
- iv. the appointment or removal of our Company’s auditors which issues audit opinions on the periodic reports of our Company; and
- v. the combination, division, dissolution and change of legal form of our Company.

HISTORY AND DEVELOPMENT

Our Company’s shareholding upon the completion of the 2019 Capital Increase and the adoption of the WVR Structure was as follows:

| Shareholders | Shares ^(Note 2) | Percentage of shareholding (%) | Percentage of voting rights (%) ^(Note 3) |
|---|----------------------------|--------------------------------------|---|
| Mr. Wang and Mr. Chen ^(Note 1) | 159,543,550 | 21.07 | 53.57 |
| Shanghai Yunxin | 126,315,789 | 16.68 | 9.81 |
| Qingdao Haier | 59,648,737 | 7.78 | 4.63 |
| Mr. Shen | 49,356,900 | 6.52 | 3.83 |
| Shantou Haiyi | 22,222,223 | 2.93 | 1.73 |
| Mr. Lin | 12,588,700 | 1.66 | 0.98 |
| Huazhu Investment | 11,299,100 | 1.49 | 0.88 |
| Mr. Wen | 10,562,400 | 1.39 | 0.82 |
| Mr. Xu Ge | 9,914,550 | 1.31 | 0.77 |
| Hainan Changyang | 9,598,500 | 1.27 | 0.75 |
| Mr. Zhou | 9,393,000 | 1.24 | 0.73 |
| Horgos Fengmao | 4,179,600 | 0.55 | 0.32 |
| Ms. Yi | 2,263,950 | 0.30 | 0.17 |
| Mr. Li | 536,650 | 0.07 | 0.04 |
| <i>Remaining Shareholders</i> ^(Note 4) | <u>269,835,384</u> | <u>35.74</u> | <u>20.97</u> |
| Total | <u><u>757,258,933</u></u> | <u><u>100</u></u> | <u><u>100</u></u> |

Notes:

- Pursuant to the Deed of AIC, Mr. Wang and Mr. Chen were parties acting in concert.
- As of September 10, 2019, the Company’s issued Shares was 757,258,933 Shares, comprising 75,725,893 Class A Shares (which were held solely by Mr. Wang) and 681,533,040 Class B Shares (which were held by Mr. Wang, Mr. Chen and other Shareholders).
- On the basis that Class A Shares entitled the Shareholder to eight votes per Share and Class B Shares entitled the Shareholder to one vote per Share.
- Among the remaining Shareholders, (i) there were a total of 254 Shareholders; (ii) the largest Shareholder was CICC Qiyuan, which held 30,000,000 Class B Shares, representing approximately 3.96% and 2.33% of the issued Shares and total voting rights of our Company; and (iii) the shareholding and total voting rights of our Company of the other remaining Shareholders ranged from approximately 0.01% to 3.56% and approximately 0.01% to 2.10%, respectively.

Nonetheless, during the process of preparation for [REDACTED], in light of the requirements under Rule 8.11 of the Listing Rules, our Company terminated the WVR Structure with effect on May 31, 2021.

HISTORY AND DEVELOPMENT

Our Principal Subsidiaries

We set forth below information about the principal subsidiaries of our Company that made a material contribution to our results of operations:

| No. | Company name | Date of establishment and commencement of business | Ownership as of the Latest Practicable Date | Principal business activity | Major shareholding changes during the Track Record Period |
|-----|------------------|--|---|--|---|
| 1. | Guangzhou Weiji | January 20, 2012 | 100% | Operation of unmanned retail machine in Guangzhou, the PRC | None |
| 2. | Beijing Beiguo | September 28, 2012 | 100% | Operation of unmanned retail machine in Beijing, the PRC | None |
| 3. | Shanghai Huilin | February 28, 2013 | 100% | Operation of unmanned retail machine in Shanghai, the PRC | None |
| 4. | Beijing Taihe | January 16, 2014 | 100% | Operation of wholesale and retail in the PRC | None |
| 5. | Shenzhen Yousuan | June 13, 2016 | 100% | Operation of wholesale and retail in the PRC | None |

We have adopted a complex group structure with a number of subsidiaries as our Group has set up a company for each of the principal geographical area of our unmanned retail business across China. Establishing a company for each principal geographical area allows our Group’s direct sales force to be primarily located in tier one, new tier one or tier two cities and highly populated areas in the PRC, which allows us to maximize POS acquisition efficiency for our self-operated machines. For details of the principal activities of the other subsidiaries of our Group, see Note 14 to the Accountant’s Report as set out in Appendix I.

EVOLUTION OF OUR GROUP

1. Establishment of Our Principal Subsidiaries

Guangzhou Weiji

Guangzhou Weiji was established in the PRC on January 20, 2012 as a limited liability company with a registered capital of RMB50,000,000 and was owned as to 75% by Mr. Li Wei, and 25% by Guangzhou Dongji, a company controlled by Mr. Zhou.

On April 26, 2012, Mr. Li Wei transferred the 75% equity interest he held in Guangzhou Weiji to our Company for a consideration of RMB2,000,000, which was made with reference to the paid-up registered capital of Guangdong Weiji and was fully settled.

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Subsequently, pursuant to the Restructuring Framework Agreement and in contemplation of the Second 2015 Capital Increase, Guangzhou Dongji transferred the 25% equity interest it held in Guangzhou Weiji to our Company at a consideration of RMB4,058,495, which was made after arm’s length negotiation between the parties with reference to the registered capital of Guangzhou Weiji. The consideration was fully settled on July 28, 2015 and the acquisition was properly and legally completed.

Since completion of the above acquisition and up to the Latest Practicable Date, Guangzhou Weiji remained wholly owned by our Company and is principally engaged in the operation of unmanned retail machine in Guangzhou, the PRC.

Beijing Beiguo

Beijing Beiguo was established in the PRC on September 28, 2012 as a limited liability company with a registered capital of RMB3,000,000 and was wholly owned by our Company. On September 15, 2014, the registered capital of Beijing Beiguo was increased from RMB3,000,000 to RMB10,000,000.

Since its establishment and up to the Latest Practicable Date, Beijing Beiguo remained wholly owned by our Company and is principally engaged in the operation of unmanned retail machine in Beijing, the PRC.

Shanghai Huilin

Shanghai Huilin was established in the PRC on February 28, 2013 as a limited liability company with a registered capital of RMB3,000,000 and was wholly owned by our Company. On February 13, 2015, the registered capital of Shanghai Huilin was increased from RMB3,000,000 to RMB10,000,000.

Since its establishment and up to the Latest Practicable Date, Shanghai Huilin remained wholly owned by our Company and is principally engaged in the operation of unmanned retail machine in Shanghai, the PRC.

Beijing Taihe

Beijing Taihe was established in the PRC on January 16, 2014 as a limited liability company with a registered capital of RMB30,000,000 and was owned as to 60% by Beijing Beiguo and 40% by Beijing Taiming, a company controlled by Mr. Wen. Pursuant to the Restructuring Framework Agreement and an equity transfer agreement dated July 29, 2015, and in contemplation of the Second 2015 Capital Increase, Beijing Taiming agreed to transfer the 40% equity interest it held in Beijing Taihe to Beijing Beiguo at a consideration of RMB18,870,194, which was made after arm’s length negotiation between the parties with reference to the registered capital of Beijing Taihe. The consideration was fully settled on July 29, 2015 and the acquisition has been properly and legally completed.

HISTORY AND DEVELOPMENT

Since completion of the above acquisition and up to the Latest Practicable Date, Beijing Taihe was wholly owned by our Company and is principally engaged in our Group’s vending machine operations located in airports and subway stations in the PRC.

Shenzhen Yousuan

Shenzhen Yousuan was established in the PRC on June 13, 2016 as a limited liability company with a registered capital of RMB10,000,000 and was wholly owned by Shenzhen Youbaokesi, a wholly-owned subsidiary of our Company throughout the Track Record Period and up to the Latest Practicable Date.

Since its establishment and up to the Latest Practicable Date, Shenzhen Yousuan remained wholly owned by Shenzhen Youbaokesi and was principally engaged in the operation of wholesale and retail in the PRC.

2. Establishment and unwinding of our offshore structure

Incorporation of and investments in Youbao (Cayman)

On October 19, 2011, Youbao (Cayman), the indirect holding company of our Company, was incorporated in the Cayman Islands in order to facilitate our Group’s financing opportunities outside China, and was owned as to 35% by Ever Surpass Limited (wholly owned by Mr. Wang), 20% by Excel Dignity Limited (wholly owned by Mr. Shen), 13% by Best Bond Investment Limited (wholly owned by Mr. Lin), 13% by Ding Sheng Investments Limited (wholly owned by Mr. Yu Long as nominee for and on behalf of Ms. Wu), 8% by Prolific Ocean Group Limited (wholly owned by Mr. Huang), 6% by Top Sleek Limited (wholly owned by Mr. Li) and 5% by Great Distinct Investments Limited (wholly owned by Ms. An), mirroring the then shareholding structure of Beijing Youbaokesi.

In connection with the establishment of our offshore structure, we entered into contractual arrangements with the onshore entities within our Group, namely Beijing Youbaokesi and Shenzhen Youbaokesi.

Between 2012 and 2014, Youbao (Cayman) received several rounds of investments amounting to approximately US\$67 million.

Unwinding of our offshore structure and reorganization of onshore structure

In 2015, as we became more optimistic about the PRC domestic capital market, we underwent a corporate restructuring of our Group on the terms of the Restructuring Framework Agreement. Pursuant to the Restructuring Framework Agreement, among others, (i) Youbao (Cayman) would repurchase all its issued shares from its then existing shareholders; (ii) the equity interest in our Company would be transferred from Youbao (HK) to those as named in the Restructuring Framework Agreement, being either the

HISTORY AND DEVELOPMENT

beneficial owners of Youbao (Cayman) or the individuals/entities designated by the shareholders of Youbao (Cayman) to undertake the equity transfer; (iii) Mr. Chen was one of the parties named therein to participate in the restructuring process and would be entitled to acquire equity interests in our Company; (iv) our Group terminated the contractual arrangements entered into by Youbao (Cayman) with Beijing Youbaokesi and Shenzhen Youbaokesi; (v) the onshore assets, liabilities and employees of Beijing Youbaokesi were also transferred to our Company; and (vi) the minority interests in Beijing Taihe and Guangzhou Weiji would be transferred to our Company from Mr. Wen and Mr. Zhou, respectively. Mr. Chen joined our Group in April 2011 and was promoted to chief operating officer in 2014. See “Directors, Supervisors and Senior Management” for his further details.

On July 23, 2015, Youbao (Cayman) entered into a share repurchase agreement and a series A preferred share repurchase agreement with the then ordinary shareholders and series A preferred shareholders of Youbao (Cayman), respectively, to implement the corporate restructuring as contemplated under the Restructuring Framework Agreement. Pursuant to the share repurchase agreements, save for one ordinary share held by Ever Surpass Limited (wholly owned by Mr. Wang), Youbao (Cayman) repurchased all its shares for an aggregate consideration of RMB16,338,370, which was made with reference to the consideration received by our Group’s offshore entities as a result of the reorganization pursuant to the Restructuring Framework Agreement.

Subsequent to the completion of the repurchases, the offshore entities within our Group were deregistered.

3. Listing and Delisting in relation to the NEEQ

For details on the listing and delisting of our Shares on the NEEQ, see “— Previous Listing on the NEEQ, Previous Listing Plan and Proposed Merger Arrangement — Listing and Delisting in Relation to the NEEQ.”

4. Overseas Expansion

In order to expand our vending machines operations overseas, we invested in JR Vending, a limited liability company incorporated in Singapore on May 11, 2012.

Pursuant to an investment agreement dated November 28, 2016 made between, among others, our Company and JR Vending, we agreed to subscribe for 1,406,850 shares of JR Vending for a consideration of SGD4 million, which was made with reference to the then prospects and industry outlook of JR Vending, and was fully settled on November 1, 2019. Further, our Company was also granted an option to subscribe for a further 351,715 shares pursuant to the terms of the investment agreement (the “**Option**”). Upon completion, our Company held approximately 43.48% of JR Vending’s issued shares.

HISTORY AND DEVELOPMENT

Pursuant to an investment agreement dated April 15, 2020 made between, among others, our Company and JR Vending, we agreed to further subscribe for 1,406,850 shares for a consideration of SGD4 million, among which, 351,715 Shares were subscribed upon the exercise of the Option, and an additional 1,055,135 shares were subscribed based on the exercise price under the Option. Such arrangement was made after arm’s length negotiations and with reference to the then prospects and industry outlook of JR Vending, and was fully settled on March 1, 2021. Upon completion, our Company was interested in approximately 60.61% of JR Vending’s issued shares.

Since our Company had the right to appoint only two board members out of five in JR Vending, the financial results of JR Vending were accounted for as an associate of our Group upon completion of the above share subscriptions. For further details, see Note 20 to the Accountant’s Report as set out in Appendix I. As at the Latest Practicable Date, JR Vending principally engaged in automated vending machine operations located in Singapore, and was owned as to 60.61%, 37.88% and 1.51% by our Company, JR Group Holdings Pte. Ltd. (an Independent Third Party) and AYA Asia Holding Pte. Ltd. (an Independent Third Party), respectively.

5. Disposals and Deregistration during the Track Record Period and up to the Latest Practicable Date

In order to rationalize our corporate structure, our Group deregistered certain subsidiaries of our Company during the Track Record Period and up to the Latest Practicable Date as (i) these subsidiaries had no business operations immediately prior to their respective deregistration; (ii) our Group intended to streamline its business operations; or (iii) our Group ceased to continue a business line that was not profit generating. The relevant deregistered subsidiary that was not profit-generating was principally engaged in the provision of software development and technical services in Qinhuangdao City, and its financial results prior to the deregistration had been consolidated into our Company’s financial statements and included in our Group’s others segment during the Track Record Period. The discontinued business line is insignificant to the Group.

HISTORY AND DEVELOPMENT

The following sets out certain unaudited financial information of the relevant deregistered subsidiary which was principally engaged in the provision of software development and technical services in Qinhuangdao City during the years ended December 31, 2019 and 2020 and the one month ended January 31, 2021:

| | For the year ended | | For the one |
|--|---------------------------|------------------|-----------------------------------|
| | December 31, | | month ended |
| | 2019 | 2020 | January 31, |
| | <i>(RMB'000)</i> | <i>(RMB'000)</i> | 2021 |
| | | | <i>(RMB'000)^(Note)</i> |
| Revenue | 3,277 | 194 | – |
| <i>Percentage of our total revenue</i> | <i>0.120%</i> | <i>0.001%</i> | – |
| Profit/(Loss) before tax | 152 | (242) | (1) |
| <i>Percentage of our total profit/loss</i> | | | |
| <i>before tax</i> | <i>0.357%</i> | <i>0.021%</i> | <i>0.004%</i> |
| | | | |
| | | | As of |
| | As of December 31, | | January 31, |
| | 2019 | 2020 | 2021 |
| | <i>(RMB'000)</i> | <i>(RMB'000)</i> | <i>(RMB'000)^(Note)</i> |
| Assets | 3,369 | 2,313 | 2,103 |
| <i>Percentage of our total assets</i> | <i>0.093%</i> | <i>0.105%</i> | <i>0.101%</i> |
| (Liabilities) | (831) | (29) | (71) |
| <i>Percentage of our total liabilities</i> | <i>0.085%</i> | <i>0.004%</i> | <i>0.011%</i> |

Note: The relevant financial information in terms of percentage to the Group for the one month ended January 31, 2021 was calculated based on the unaudited consolidated management accounts of the Company for the one month ended January 31, 2021.

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Further, during the Track Record Period and up to the Latest Practicable Date, the following subsidiaries had been disposed of:

| PRC subsidiary disposed of ^(Note 4) | Date of agreement | Transferee(s) ^(Note 1) | Interest disposed of ^(Note 2) | Reason for disposal | Total consideration (RMB) | Basis of consideration | Consideration settlement date |
|--|-------------------|---|--|--|------------------------------|---|-------------------------------|
| Beijing Youyang Technology Co., Ltd. (北京友陽科技有限公司) | June 9, 2020 | Lu Jihong (路繼紅) and her wholly-owned company, namely Shenzhen Shengshi Aicai Network Technology Co., Ltd. (深圳市盛世愛彩網絡技術有限公司) (“Shenzhen Shengshi Aicai”) | 100% | The subsidiary was principally engaged in the operation of advertising and system support services in the PRC, and our Group decided to transfer its assets to another subsidiary prior to the disposal of this subsidiary in order to streamline our Group’s business | 500,000 | Registered capital of the subsidiary | February 15, 2022 |
| Beijing Youbaokesi | June 25, 2021 | Liu Zuquan (劉祖權) | 100% | The only business of such subsidiary was the holding of an ICP license and our Group’s operation no longer required such license ^(Note 3) | Nil | Net asset value of Beijing Youbaokesi as at June 30, 2021 | N/A |
| Shenzhen Mibao | December 29, 2021 | Shenzhen Shengshi Aicai | 56% | The subsidiary was initially used to explore the market of vending machines for female sanitary napkins. Nonetheless, the relevant project held by the subsidiary had ended | 250,000 | Paid-up registered capital of the subsidiary | December 30, 2021 |

Notes:

- Each of the transferees and their respective ultimate beneficial owners is an Independent Third Party.
- Our Group ceased to have any interests in the relevant subsidiaries upon completion of the disposals.

HISTORY AND DEVELOPMENT

3. Our Group initially obtained an ICP license as it contemplated to engage in the value-added telecommunications business. Nonetheless, our Group did not commence such business line after obtaining the ICP license.
4. Our Directors confirm that each of these subsidiaries were solvent immediately prior to their respective disposal.

To the best of our Directors’ knowledge, and based on independent litigation search and public search on the National Enterprise Credit Information Publicity System (國家企業信用信息公示系統) and the Website of Administrative Penalties for the State Administration for Market Regulation (中國市場監管行政處罰文書網), each of the deregistered or disposed subsidiaries did not have any material non-compliance with relevant laws and regulations or any material litigation, claims or legal proceedings during the Track Record Period prior to their respective deregistration or disposal.

HISTORY AND DEVELOPMENT

PRE-[REDACTED] INVESTMENTS

The following table summarizes the key terms of the Pre-[REDACTED] Investments to our Company made by the Pre-[REDACTED] Investors. As confirmed by our PRC Legal Advisor, the Pre-[REDACTED] Investments have been approved, filed and registered by relevant regulatory authorities subject to the then effective PRC Law.

| Date of agreement(s) | Subscription by Qingdao Haier in 2017 ^(Note 3) | Subscription by Shanghai Yunxin in 2019 | Transfer to Chunhua Rongshun in 2019 | Transfer to Gongqingcheng Changyou in 2020 | Transfers to Guoxin Energy Fund in 2020 | Transfers to Mr. Xu Ge in 2022 ^(Note 7) | Transfers to Mr. Xiao Lin ^(Note 7) |
|---|---|---|--|--|---|--|---|
| | February 24, 2017 | April 22, 2019 | June 28, 2019 | August 12, 2020 | November 18, 2020 and November 20, 2020 | November 4, 2021, April 2, 2022 and April 5, 2022 | November 18, 2019, December 12, 2019 and April 6, 2022 |
| Name of transferor(s)/issuer | Our Company | Our Company | Ms. Liu Xia and Beijing Kaibao ^(Note 4) | Qingdao Haier | Mr. Li Wei and Qingdao Haier | Mr. Li Wei, Gongqingcheng Yinxi Investment Management Partnership (L.P.) (共青城銀溪投資管理合夥企業(有限合夥)) and Qingdao Haier ^(Note 5) | Ms. Liu Xia, Mr. Chen, Mr. Ma Kaiyuan (馬開元), Mr. Li Wei and Mr. Xu Ge |
| Number of Shares involved | 89,648,737 | 126,315,789 | 42,104,884 | 16,129,032 | 6,666,667 | 36,083,194 | 21,250,000 |
| Total amount of consideration | RMB424,038,526.01 | RMB1,199,999,995.50 | RMB399,996,398.00 | RMB149,999,997.60 | RMB60,000,000.00 | RMB258,713,252.65 | RMB186,250,000.00 |
| Date of full settlement of the consideration | April 21, 2017 | August 21, 2019 | February 28, 2021 | August 21, 2020 | November 26, 2020 | April 8, 2022 ^(Note 6) | April 18, 2022 |
| Cost per Share | RMB4.73 | RMB9.50 | RMB9.50 | RMB9.30 | RMB9.00 | RMB7.16 | RMB8.76 |
| [REDACTED] to the [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] | [REDACTED] |
| Approximate post-money valuation of our Group ^(Note 2) | RMB2.88 billion | RMB7.19 billion | N/A | | | | |

HISTORY AND DEVELOPMENT

| | | |
|---|--|--|
| <p>Subscription by Qingdao Haier in 2017^(Note 3)</p> | <p>Subscription by Shanghai Yunxin in 2019</p> | <p>Transfer to Transfers to Chunhua Rongshun in 2019</p> <p>Gongqingcheng Changyou in 2020</p> <p>Transfers to Guoxin Energy Fund in 2020</p> <p>Transfers to Mr. Xu Ge in 2022^(Note 7)</p> <p>Transfers to Mr. Xiao Lin^(Note 7)</p> |
|---|--|--|

Basis of determining the consideration See “— Information on Our Group — Our Company” for details of the basis of consideration in relation to the subscription by Qingdao Haier in 2017 under the 2017 Capital Increase

To the best of our Directors’ knowledge, information and belief having made reasonable enquiries, each of the basis of consideration was made after arm’s length negotiations between the parties

Use of proceeds The proceeds had been fully utilized for repayment of the 2015 Convertible Loan

The proceeds had been fully utilized for acquisition of fixed assets and additional working capital to our Group

No proceed was received by our Company in relation to the share transfers

HISTORY AND DEVELOPMENT

| | | | |
|--|---|--|--|
| <p>Subscription by Qingdao Haier in 2017^(Note 3)</p> | <p>Subscription by Shanghai Yunxin in 2019</p> | <p>Transfer to Transfers to Chunhua Rongshun in 2019</p> <p>Gongqingcheng Changyou in 2020</p> | <p>Transfers to Guoxin Energy Fund in 2020</p> <p>Ge in 2022^(Note 7)</p> <p>Transfers to Mr. Xu Mr. Xiao Lin^(Note 7)</p> |
| <p>At the time of the Pre-[REDACTED] Investment, our Directors were of the view that the Pre-[REDACTED] Investment would provide additional capital to our Company for repayment of the 2015 Convertible Loan, while benefiting from the strengthened and diverse Shareholder base</p> | <p>At the time of the Pre-[REDACTED] Investment, our Directors were of the view that our Company could benefit from the additional capital that would be provided by the Pre-[REDACTED] Investment. In addition, the Pre-[REDACTED] Investment would have provided us with further collaboration opportunities with Ant Group and create business synergies</p> | <p>Our Directors were of the view that the Pre-[REDACTED] Investors' investments in our Company was an endorsement of our Company's strength and prospects, and that our Company would benefit from the strengthened and diverse Shareholder base. In particular, each of Chunhua Rongshun, Gongqingcheng Changyou and Guoxin Energy Fund is a professional investor, which can provide us with professional advice on our Group's development when required</p> | <p>Our Directors were of the view that the Pre-[REDACTED] Investors' investments in our Company was an endorsement of our Company's strength and prospects, and that our Company would benefit from the strengthened and diverse Shareholder base. In particular, each of Chunhua Rongshun, Gongqingcheng Changyou and Guoxin Energy Fund is a professional investor, which can provide us with professional advice on our Group's development when required</p> |

Strategic benefits

Notes:

1. The [REDACTED] to the [REDACTED] is calculated based on the [REDACTED] of [REDACTED] per Share, being the mid-point of the [REDACTED] range.
2. Post-money valuation is calculated by dividing the total consideration of the Pre-[REDACTED] Investment by the total % of Shares allotted to the Pre-[REDACTED] Investor. Accordingly, save for the subscriptions made by Qingdao Haier and Shanghai Yunxin, the remaining Pre-[REDACTED] Investments were made by transferring existing Shares, and post-money valuation is not applicable to these Pre-[REDACTED] Investments as no Shares were issued and allotted to the relevant Pre-[REDACTED] Investors.

HISTORY AND DEVELOPMENT

3. In 2019, Qingdao Haier and Mr. Wang entered into a right-of-sale agreement, pursuant to which Mr. Wang granted Qingdao Haier a right to dispose of the Shares held by it to Mr. Wang under the terms of the agreement. See “— Special Rights of the Pre-[REDACTED] Investors” for further details.
4. In 2018, Beijing Kaibao and our Company entered into a repurchase agreement pursuant to which the Company shall repurchase from Beijing Kaibao certain Shares held by it, being 15,789,474 Shares, at a price of RMB9.50 per Share in anticipation of the NEEQ delisting. Later upon further discussion between the parties in 2019, Beijing Kaibao and our Company agreed not to proceed with the completion of the share repurchase and Beijing Kaibao shall instead transfer the 15,789,474 Shares to Chunhua Rongshun. The consideration paid by our Company under the repurchase agreement had been returned in full to our Company.
5. Upon completion of its share transfer to Mr. Xu Ge, Qingdao Haier ceased to be a Shareholder and the special right granted to Qingdao Haier as detailed in note 3 above was terminated. For further information about Qingdao Haier, see “— Information about our Pre-[REDACTED] Investors — Qingdao Haier” below.
6. Mr. Xu Ge has been a Shareholder since the 2015 Equity Transfer and prior to our Company’s listing on the NEEQ. Immediately prior to his Pre-[REDACTED] Investment, Mr. Xu Ge held 5,814,550 Shares, representing approximately 0.77% of our issued Shares. For illustration purposes, the cost per Share only takes into account of the Pre-[REDACTED] Investment as detailed in the table. For further information about Mr. Xu Ge, see “— Information about our Pre-[REDACTED] Investors — Mr. Xu Ge” below.
7. It was agreed between Mr. Xu Ge and Qingdao Haier that the total consideration for the share transfer to Mr. Xu Ge in 2022 would be paid in three instalments, being RMB50,000,000 by November 5, 2021, RMB50,000,000 by November 30, 2021 and RMB113,413,252.65 by April 8, 2022. Due to his liquidity issues, prior to the payment of the last instalment, Mr. Xu Ge decided to onward transfer part of the Shares to be acquired from Qingdao Haier, being 6,250,000 Shares, to Mr. Xiao Lin, an existing Shareholder, who had also been purchasing Shares from various other Shareholders since the delisting of our Company from NEEQ.

HISTORY AND DEVELOPMENT

Information about our Pre-[REDACTED] Investors

Shanghai Yunxin

Shanghai Yunxin was established in the PRC on February 11, 2014 and is a wholly owned subsidiary of Ant Group. Ant Group is the parent company of Alipay, a digital payment platform, and the leader in the development of open platforms for technology-driven inclusive financial services. Through technology and innovation, it enables the digitalization of the modern service industry globally from financial services to services for everyday life. Ant Group is committed to working with partners in China and around the world to bring services to consumers and small businesses that are inclusive, green and sustainable. Ant Group was acquainted with our Group through business cooperation opportunities, such as Alipay. As at the Latest Practicable Date, Shanghai Yunxin held 126,315,789 Shares, representing approximately 16.68% of our total number of issued Shares.

Chunhua Rongshun

Chunhua Rongshun was established in the PRC on June 21, 2017 and is managed by Chunhua Qiushi (Tianjin) Equity Investment Management Co., Ltd. (春華秋實(天津)股權投資管理有限公司) (“**Chunhua Qiushi**”), which is in turn indirectly controlled by an Independent Third Party. Based on publicly available information, Chunhua Rongshun’s general partner is Qiushi (Tianjin) Equity Investment Management Partnership (Limited Partnership) (秋實(天津)股權投資管理合夥企業(有限合夥)) (“**Qiushi Tianjin**”), a company managed by Chunhua Qiushi, and its limited partners are Chunhua Xingkang (Tianjin) Investment Center (Limited Partnership) (春華興康(天津)投資中心(有限合夥)) and Chunhua Xing’an (Tianjin) Investment Center (Limited Partnership) (春華興安(天津)投資中心(有限合夥)), which are each an Independent Third Party and managed by Qiushi Tianjin. Chunhua Rongshun is affiliated to the Primavera Capital Group, a premier China-based global investment firm, and is principally engaged in investing in unlisted companies and non-public shares by listed companies, with main investment themes including consumption upgrade, technological innovation and decarbonization, and with assets under management of over RMB10 billion. Chunhua Rongshun was acquainted with our Group after conducting their independent market research upon our Company’s delisting from the NEEQ. As at the Latest Practicable Date, Chunhua Rongshun held 42,104,884 Shares, representing approximately 5.56% of our total number of issued Shares.

Mr. Xu Ge

Mr. Xu Ge is an individual Pre-[REDACTED] Investor who from time to time participates in various investment opportunities with a primary focus in China. He was a chief operating officer of our Group between 2012 and 2014. Mr. Xu Ge graduated from Shanghai Jiaotong University and is experienced in the retail and the equity investment industry. He is currently the chairman of Valuable Capital Group Limited (華盛資本集團). As at the Latest Practicable Date, Mr. Xu Ge held 35,647,744 Shares, representing approximately 4.71% of our total number of issued Shares.

HISTORY AND DEVELOPMENT

Mr. Xiao Lin

Mr. Xiao Lin is an individual Pre-[REDACTED] Investor who from time to time participates in various investment opportunities with a primary focus in China. He was acquainted with our Group through the referral from Ms. Cui Yan (an executive Director), who was introduced to Mr. Xiao Lin by their mutual friend. Mr. Xiao Lin obtained his master’s degree in economics from Peking University and has extensive investment and financing experiences. He previously worked at China Southern Airlines Company Limited (a company listed on the Stock Exchange (stock code: 1055.hk), the Shanghai Stock Exchange (stock code: 600029) and the New York Stock Exchange (ADR Code: ZNH)) and Midea Group Co., Ltd. (a company listed on the Shenzhen Stock Exchange (stock code: 000333)), and is currently the second largest investor in Orinko Advanced Plastics Co., Ltd. (a company listed on the Shanghai Stock Exchange (stock code: 688219)). As at the Latest Practicable Date, Mr. Xiao Lin held 21,250,000 Shares, representing approximately 2.81% of our total number of issued Shares.

Gongqingcheng Changyou

Gongqingcheng Changyou was established in the PRC on December 20, 2019 and is managed by its general partner, CCB International Wealth Management (Tianjin) Co., Ltd. (建銀國際財富管理(天津)有限公司), an Independent Third Party, which is in turn ultimately controlled by China Construction Bank Cooperation, a company listed on the Stock Exchange (stock code: 939.hk) and the Shanghai Stock Exchange (stock code: 601939) (“CCB”). As of the Latest Practicable Date, based on publicly available information, the limited partners of Gongqingcheng Changyou which held more than 5% partnership interests were (i) Jiangxi Tourism Group Co., Ltd. (江西省旅遊集團股份有限公司), a company controlled as to 37% by its largest shareholder, Jiangxi State-owned Capital Operation Holding Group Co., Ltd. (江西省國有資本運營控股集團有限公司), which was in turn controlled by the State-Owned Asset Supervision and Administration Commission (“SASAC”) of Jiangxi Province; (ii) Jiangxi Province Development and Upgrade Guidance Fund (Limited Partnership) (江西省發展升級引導基金(有限合夥)), which was in turn managed by its general partner, Jiangxi Caitou Equity Investment Fund Management Co., Ltd. (江西省財投股權投資基金管理有限公司), which was in turn indirectly controlled by the SASAC of Jiangxi Province; and (iii) Shanghai Jingye Investment Management Co., Ltd. (上海景燁投資管理有限公司), an indirect wholly-owned subsidiary of CCB. Gongqingcheng Changyou is a private equity fund which invests in both unlisted and listed companies, and its general partner has assets under management of over RMB2 billion. Gongqingcheng Changyou was acquainted with our Group through the referral and introduction from a then existing Shareholder, namely Qingdao Haier. As at the Latest Practicable Date, Gongqingcheng Changyou held 16,129,032 Shares, representing approximately 2.13% of our total number of issued Shares.

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Guoxin Energy Fund

Guoxin Energy Fund was established in the PRC on November 15, 2016 and is controlled by its general partner, Guoxin Hongsheng Private Equity Fund Management Co., Ltd. (國信弘盛私募基金管理有限公司), which is in turn owned by Guosen Securities Co., Ltd., a company listed on the Shenzhen Stock Exchange (stock code: 002736). As of the Latest Practicable Date, based on publicly available information, the limited partners of Guoxin Energy Fund were (i) Hubei E-Travel Investment Capital Holding Co., Ltd. (湖北省鄂旅投資本控股有限公司), which was indirectly controlled by the SASAC of Hubei Provincial People’s Government; (ii) Yungang Innovation Technology (Zhuhai) Co., Ltd. (雲港創新科技(珠海)有限公司), which was indirectly wholly-owned by Elegance Collection (China) Holdings Limited (雅詩(中國)控股有限公司), which was in turn indirectly owned as to 50% and 50% by Huang Keli and Li Pingrong, each an Independent Third Party, respectively; and (iii) Xianning Hongzhi Equity Investment Center (Limited Partnership) (咸寧弘智股權投資中心(有限合夥)), which was managed by Guangxi Yirui Investment Co., Ltd. (廣西益瑞投資有限公司), which was in turn controlled by Yu Zhenzu (虞慎祖), an Independent Third Party. Guoxin Energy Fund is principally engaged in equity investments, and its general partner has accumulated assets under management of over RMB9 billion. Guoxin Energy Fund was acquainted with our Group through the referral and introduction from a then existing Shareholder, namely Qingdao Haier. As at the Latest Practicable Date, Guoxin Energy Fund held 6,666,667 Shares, representing approximately 0.88% of our total number of issued Shares.

Qingdao Haier

Qingdao Haier was established in the PRC on April 16, 2010 and is wholly owned by Haier Group (Qingdao) Finance Holding Co., Ltd. (海爾集團(青島)金盈控股有限公司), an Independent Third Party, which is ultimately controlled by Haier Group Corporation (海爾集團公司). Qingdao Haier is principally engaged in investments and venture capital businesses. Qingdao Haier was acquainted with our Group through the referral from Beijing Kaibao from the 2017 Capital Increase.

Subsequent to the completion of the 2017 Capital Increase and prior to the Company’s delisting from the NEEQ, Qingdao Haier had disposed of a total of 30,000,000 Shares, and had further disposed of a total of 59,648,737 Shares after the Company’s delisting from the NEEQ. As at the Latest Practicable Date, Qingdao Haier ceased to be a Shareholder. To the best of our Directors’ knowledge, information and belief having made reasonable enquiries, Qingdao Haier’s gradual exit was prompted after they had internally reviewed their overall investment strategies and decided to withdraw from its non-core investments.

Save as disclosed herein, (i) other than their respective investments in our Group, each of the Pre-[REDACTED] Investors and their respective general partners and limited partners or substantial shareholder as publicly disclosed by the relevant investor (as the case may be) is an Independent Third Party; and (ii) to the best knowledge of our Directors, the limited partners of the Pre-[REDACTED] Investors (if any) are independent from each other.

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Special Rights of the Pre-[REDACTED] Investors

Save for Mr. Xu Ge and Mr. Xiao Lin, each of the Pre-[REDACTED] Investors had been granted certain special rights relating to our Company by certain Shareholders, including but not limited to rights of first refusal, anti-dilution rights, information rights, director nomination rights and divestment rights. Since Qingdao Haier had ceased to be a Shareholder, the special right granted to Qingdao Haier had been terminated. Further, as of the Latest Practicable Date, supplemental termination agreements were entered into with (i) each of Gongqingcheng Changyou and Guoxin Energy Fund, pursuant to which each of them agreed that such special terms granted to them by certain Shareholders would be terminated upon the date of submission of the [REDACTED] for the CSRC’s approval of the [REDACTED]; and (ii) each of Shanghai Yunxin and Chunhua Rongshun, pursuant to which each of them agreed that the divestment rights granted to them by certain Shareholders would be terminated immediately before the date of submission of the [REDACTED] to the Stock Exchange, and all remaining special rights granted to them will be terminated upon [REDACTED].

Agreement among Shanghai Yunxin and our Single Largest Group of Shareholders

Pursuant to the supplemental termination agreement entered into with Shanghai Yunxin, in the event a candidate is nominated by Shanghai Yunxin in accordance with the Articles of Association as a Director after [REDACTED], our Single Largest Group of Shareholders agreed to vote for such candidate as Director (and to vote for the removal of any Director initially nominated by Shanghai Yunxin) at the general meeting of our Company, the appointment of which would be subject to shareholders’ approval. Shanghai Yunxin has director nomination rights pursuant to the Articles of Association because Articles 70 and 73 provide that any shareholder holding more than 10% of our issued Shares is entitled to request to convene a shareholders’ general meeting and submit a resolution proposal for consideration, and Shanghai Yunxin holds more than 10% of our issued Shares upon [REDACTED].

The above agreement is not a special right granted by our Company to Shanghai Yunxin. It constitutes private arrangement among Shanghai Yunxin and our Single Largest Group of Shareholders and is not subject to the relevant guidance letters issued by the Stock Exchange, and will not be terminated upon [REDACTED].

Lock up

Pursuant to the laws of the PRC, the shares which have been issued before we publicly issue H Shares are prohibited from being transferred within one year from the [REDACTED].

Public Float

Save for Shanghai Yunxin, which will hold approximately [REDACTED]% of our total number of issued Shares upon [REDACTED] (assuming the [REDACTED] is not exercised and the options granted under the Pre-[REDACTED] Incentive Scheme are not exercised), and will therefore be a substantial shareholder of our Company, the other Pre-[REDACTED] Investors are independent from our Group and our core connected persons and the H Shares held by such independent Pre-[REDACTED] Investors shall be counted towards the public float of our Company.

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Further, upon [REDACTED] (assuming the [REDACTED] is not exercised and the options granted under the Pre-[REDACTED] Incentive Scheme are not exercised), (i) Mr. Wang and Mr. Chen (as parties acting in concert pursuant to the Deeds of AIC) and Ms. Cui Yan, each an executive Director, will hold approximately [REDACTED]% and [REDACTED]% of our issued Shares, respectively; (ii) Shanghai Yunxin, as disclosed above, will be a substantial shareholder of our Company; and (iii) Mr. Li Wei and Mr. Yang Ling, each a substantial shareholder of our Company’s subsidiary, will hold approximately [REDACTED]% and [REDACTED]% of our issued Shares. As such, they are core connected persons of our Company and the H Shares held by them will not be considered as part of the public float.

Save as provided above, all of the other H Shares held by our Shareholders upon [REDACTED] will be counted towards to the public float, and approximately [REDACTED]% of our Company’s issued Shares will be held by the public in accordance with Rule 8.08(1)(a) of the Listing Rules upon [REDACTED] (assuming the [REDACTED] is not exercised and the options granted under the Pre-[REDACTED] Incentive Scheme are not exercised).

Compliance with Interim Guidance and Guidance Letters

On the basis that (i) the first date of submission of the [REDACTED] to the Stock Exchange took place on May 27, 2022, which was more than 28 clear days after completion of the last Pre-[REDACTED] Investment, being the completion date of the Pre-[REDACTED] Investment made by Mr. Xiao Lin on April 18, 2022; and (ii) the Pre-[REDACTED] Investors shall have the same rights as the other public Shareholders after the [REDACTED], the Joint Sponsors confirm that, based on the documents provided by the Company relating to the Pre-[REDACTED] Investments, the Pre-[REDACTED] Investments are in compliance with (i) the Guidance Letter HKEX-GL29-12 issued by the Stock Exchange in January 2012 and updated in March 2017; and (ii) the Guidance Letter HKEX-GL43-12 issued by the Stock Exchange in October 2012 and updated in July 2013 and March 2017.

2020 INCENTIVE SCHEME AND PRE-[REDACTED] INCENTIVE SCHEME

With a view to incentivizing our management members and core employees to further promote our development and in recognition of their contributions, our Company adopted the 2020 Incentive Scheme in 2020 and Shenzhen Youhui was established as the platform to hold Shares for the option grantees under the 2020 Incentive Scheme. Shenzhen Youhui was a limited partnership incorporated in the PRC by Ms. Zhou Chuanjiao (周川姣) and Mr. Chen Wenwei (陳文偉), each an employee of our Group, and was initially incorporated for their own personal use. As part of the 2020 Incentive Scheme, participants who were the then senior management of our Company were granted options to directly subscribe for or acquire Shares, whereas the remaining participants were granted options to hold limited partnership interests in Shenzhen Youhui. The grant price of such options was RMB0.10 per Share. In accordance with the 2020 Incentive Scheme, options to acquire a total of 22,438,106 Shares were granted, pursuant to which each of Mr. Wang, Mr. Chen, Ms. Cui Yan (an executive Director) and Mr. Wang Ge (a senior management of our Group) was granted options to directly acquire 7,000,000 Shares, 4,000,000 Shares, 3,000,000 Shares and 3,000,000 Shares, respectively, while the remaining 5,438,106 Shares were held by Shenzhen Youhui. As at the Latest Practicable Date, there were no outstanding options granted under the 2020 Incentive Scheme and all options which were granted had been exercised. Ms. Zhou Chuanjiao is currently the

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sole general partner of Shenzhen Youhui, and Shenzhou Youhui had 23 limited partners, all of whom were employees of our Group who had obtained their respective limited partnership interests as a result of exercising their options granted under the 2020 Incentive Scheme. As at the Latest Practicable Date, Shenzhen Youhui held 5,438,106 Shares, representing approximately 0.72% of our total number of issued Shares. For further information about the 2020 Incentive Scheme, see “Statutory and General Information — D. Share Incentive Scheme — 2. 2020 Incentive Scheme” in Appendix VI.

Further, we adopted the Pre-[REDACTED] Incentive Scheme on May 31, 2021 to further refine the incentive system of our Company by linking the personal interests of our officers, directors and employees, and to attract technical and managerial talents in the industry to join our Company. The principal terms of the Pre-[REDACTED] Incentive Scheme are set out in “Statutory and General Information — D. Share Incentive Scheme — 1. Pre-[REDACTED] Incentive Scheme” in Appendix VI. Pursuant to the Pre-[REDACTED] Incentive Scheme, the maximum number of Shares in respect of which share options may be granted shall not exceed 37,862,946 Domestic Shares, representing approximately [REDACTED]% of our Company’s issued share capital immediately after the [REDACTED] (assuming the [REDACTED] is not exercised and the options granted under the Pre-[REDACTED] Incentive Scheme are not exercised). As of the Latest Practicable Date, the Company had granted share options to subscribe for an aggregate of 37,750,000 Domestic Shares under the Pre-[REDACTED] Incentive Scheme, representing approximately [REDACTED]% of our Company’s issued share capital immediately after the [REDACTED] (assuming the [REDACTED] is not exercised and the options granted under the Pre-[REDACTED] Incentive Scheme are not exercised). The Company will not grant further share options under the Pre-[REDACTED] Incentive Scheme after the [REDACTED]. For further information about the Pre-[REDACTED] Incentive Scheme, see “Statutory and General Information — D. Share Incentive Scheme — 1. Pre-[REDACTED] Incentive Scheme” in Appendix VI.

PREVIOUS LISTING ON THE NEEQ, PREVIOUS LISTING PLAN AND PROPOSED MERGER ARRANGEMENT

Listing and Delisting in Relation to the NEEQ

On January 29, 2016, our Company received approval for our Shares to be listed on the NEEQ in the PRC (stock code: 836053), and our Shares began trading on the NEEQ in the PRC on February 24, 2016.

Delisting of Our Shares from the NEEQ

Having taken into account our operation demands and long-term development plans, and having already received a few rounds of funding from certain investors on the NEEQ, the listing of our Shares on the NEEQ no longer satisfied the then financing needs of our Company. As such, considering the reasons as set out in “— Previous Listing on the NEEQ, Previous Listing Plan and Proposed Merger Arrangement — Reasons for Seeking [REDACTED] on the Stock Exchange” below for seeking [REDACTED] on the Stock Exchange, our Shareholders resolved to voluntarily delist our Shares from the NEEQ. Our Company applied for the delisting on January 11, 2019 and the delisting was completed on March 12, 2019. As a protective measure for Shareholders who dissented to the delisting of our Shares from NEEQ,

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our Company and Mr. Wang undertook to repurchase any dissenting or abstaining Shareholders’ Shares after the completion for the delisting. For further details, see “— Information on Our Group — Our Company.”

Change in Board Composition

Immediately prior to the delisting of our Shares on the NEEQ, our Board comprised seven directors, including Mr. Wang, Mr. Chen, Mr. Gui Zhaoyu (桂昭宇), Mr. Huang Heming (黃鶴鳴), Mr. Li Xinyang (李新陽), Ms. Cui Yan (崔艷) and Ms. An Yufang (安煜芳). Save for Mr. Wang, Mr. Chen, Ms. Cui Yan (崔艷) and Ms. An Yufang (安煜芳) who remain as our Directors, other members of our Board during the period when our Shares were listed on the NEEQ had ceased to be our Directors. For further details of our board composition, please see the section headed “Directors, Supervisors and Senior Management” in this document.

Compliance During Listing on the NEEQ

Our Directors, to the best of their knowledge and belief, confirmed that:

- (i) during the period that our Company was listed on the NEEQ:
 - a. our Company and our then Directors had been in compliance in all material respects with all applicable rules and regulations of the NEEQ and PRC securities law; and
 - b. our Company had not been subject to any administrative penalty by the NEEQ and/or any relevant law enforcement authority or regulator related to securities supervision; and
- (ii) there are no further matters in relation to the prior listing of our Company on the NEEQ and the subsequent withdrawal that needs to be brought to the attention of the Stock Exchange, our Shareholders or the potential investors.

Based on the due diligence work conducted by the Joint Sponsors, nothing has come to the Joint Sponsors’ attention that would cause them to disagree with the Directors’ views mentioned above in relation to the compliance status of the Company, its shareholders and directors during the quotation of the Company’s Shares on the NEEQ between February 2016 and March 2019. The Joint Sponsors also concur the view of the Directors that there is no other matter in relation to the NEEQ quotation and the subsequent withdrawal that need to be brought to the attention of the Stock Exchange or the potential investors.

Previous Listing Plan and Proposed Merger Arrangement

In December 2016, our Company planned to apply for listing on the Shenzhen Stock Exchange (“**Previous Listing Plan**”). In preparation for the Previous Listing Plan, CSC Financial Co., Ltd., a company listed on the Stock Exchange (stock code: 6066.hk) and the Shanghai Stock Exchange (stock code: 601066), were engaged by our Company to provide tutoring and preliminary compliance advice with regards to the requirements of the CSRC (the

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“**SZSE Financial Institution**”). In January 2017, our Company started to attend a pre-listing tutorial (上市輔導). The purpose of the pre-listing tutorial was to update the Beijing CSRC (中國證券監督管理委員會北京監管局) from time to time in respect of the progress of the preliminary guidance and tutoring services provided by the SZSE Financial Institution in accordance with the relevant CSRC’s guidelines on our Group’s major operational and financial condition, corporate governance and internal control measures. The scope of the pre-listing tutorial provided by the SZSE Financial Institution involved, among others, the provision of comprehensive training to the Company’s directors, supervisors, senior management and shareholders on their obligations and duties, as well as the inspection and supervision of the Company’s compliance with the relevant laws and regulations, corporate governance and internal control measures. The pre-listing tutorial did not constitute a listing application with the Beijing CSRC and there was no proposed timetable for the Previous Listing Plan.

However, in consideration of the reasons as set out in “— 3. Listing and Delisting in relation to the NEEQ — Reasons for Seeking [REDACTED] on the Stock Exchange” and the uncertainty of the A-share listing timetable, we decided to focus our resources on the [REDACTED] on the Stock Exchange and did not proceed with the Previous Listing Plan. In February 2021, we terminated the engagement with the SZSE Financial Institution. During the preparation for the Previous Listing Plan, we did not receive any feedback nor comment from the CSRC, and we did not encounter any disagreements with the relevant professional parties nor the CSRC.

In July 2017, Mr. Wang and Mr. Chen, who were then (and currently are) our single largest group of shareholders, entered into an absorption and merger framework agreement (the “**Merger Framework Agreement**”) with New Huadu Supercenter Co., Ltd. (“**New Huadu**”), a company listed on the Shenzhen Stock Exchange (stock code: 002264). Pursuant to the Merger Framework Agreement, our Company would be merged into and absorbed by New Huadu in consideration of New Huadu issuing A shares to our then Shareholders (the “**Proposed Merger Arrangement**”). Upon completion of the Proposed Merger Arrangement, New Huadu would assume all assets, liabilities, interests, businesses, employees, contracts and all other rights and obligations of our Company and our Company would be deregistered. Nonetheless, as New Huadu and our then Shareholders could not reach an agreement on the pricing terms of the Proposed Merger Arrangement, the Merger Framework Agreement was terminated in August 2017. As at the Latest Practicable Date and to the best of our Directors’ knowledge, New Huadu and our Company did not receive any comments from the relevant authorities with respect to the Proposed Merger Arrangement. After the termination of the Proposed Merger Arrangement, we continued to attend pre-listing tutorial for the Previous Listing Plan until we terminated the engagement with the SZSE Financial Institution in February 2021.

To the best of their knowledge, our Directors confirm that they are not aware of (i) any other matters relating to the Previous Listing Plan nor the Proposed Merger Arrangement which should be reasonably highlighted in this document for investors to form an informed assessment of our Company; (ii) any other matters relating to the Previous Listing Plan or the Proposed Merger Arrangement that may have implications on our Company’s suitability for

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[REDACTED] on the Stock Exchange or on the truthfulness, accuracy and completeness of information disclosed in this document; and (iii) any other matters that need to be brought to the attention of the Stock Exchange and investors in relation to the Previous Listing Plan or the Proposed Merger Arrangement. Our Directors also confirm that no formal listing application was filed in relation to the Previous Listing Plan nor the Proposed Merger Arrangement as at the Latest Practicable Date.

The Joint Sponsors concur the view of the Directors that there are no other matters in relation to the Previous Listing Plan or the Proposed Merger Arrangement that need to be brought to the attention of the Stock Exchange and the potential investors.

Reasons for Seeking [REDACTED] on the Stock Exchange

Our Directors believe that the [REDACTED] will be in the interest of our Group’s business development strategies, and would be beneficial to us and our Shareholders as a whole for the following reasons:

- (i) the Stock Exchange, as a leading player of the international financial markets, could offer us a direct access to the international capital markets, enhance our fundraising capabilities and broaden our fundraising channels and our Shareholders base as well as strengthen our corporate governance;
- (ii) the [REDACTED] would give us a better platform to further develop our business; and
- (iii) the [REDACTED] will further raise our brand awareness, business profile and thus, enhance our corporate image to attract new customers, business partners and strategic investors as well as to recruit, motivate and retain key management personnel for our Group’s business.

PRC COMPLIANCE

As confirmed by our PRC Legal Advisor, the share subscriptions and material share transfers of our Company have been approved, filed and registered by relevant regulatory authorities subject to the then effective PRC Law.

SHAREHOLDING STRUCTURE

As of the Latest Practicable Date, our Company had in aggregate 303 Shareholders holding 757,258,933 Domestic Shares. Further, [REDACTED] Domestic Shares held by a total of 211 Shareholders (including certain Shares held by each of Shanghai Yunxin, Chunhua Rongshun, Mr. Xiao Lin, Gongqingcheng Changyou and Guoxin Energy Fund) have been filed with the CSRC in relation to the filing of overseas listing and “Full Circulation.” See “Share Capital — Conversion of Domestic Shares into H Shares” for details of the filing of overseas listing and “Full Circulation” with the CSRC and “Substantial Shareholders” for details on our substantial Shareholders.

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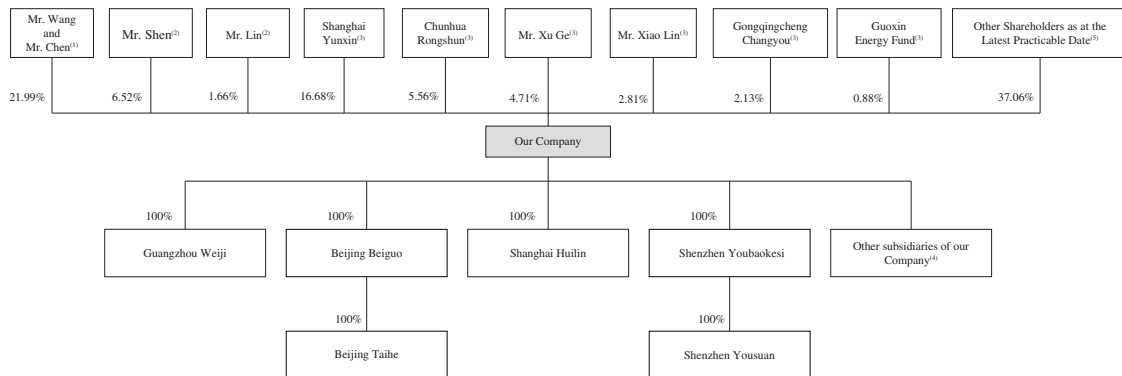
As of the Latest Practicable Date, we were unable to verify the identity and shareholding of 56 Shareholders, who held approximately 0.23% of the issued share capital of our Company. Our PRC Legal Advisor is of the view that the existence of such Shareholders does not have any material adverse impact on the clarity of the shareholding structure of our Company.

As of the Latest Practicable Date, as far as our Directors are aware, save for Mr. Wang and Mr. Chen, who are parties acting-in-concert pursuant to the Deeds of AIC, and Shanghai Yunxin, which will become a substantial shareholder upon [REDACTED], our Company did not have any other substantial Shareholders. For further details on our substantial Shareholders, please refer to the section headed “Substantial Shareholders” in this document.

CORPORATE STRUCTURE

Corporate Structure as at the Latest Practicable Date

The following diagram illustrates the corporate and shareholding structure of our Company as at the Latest Practicable Date:



Notes:

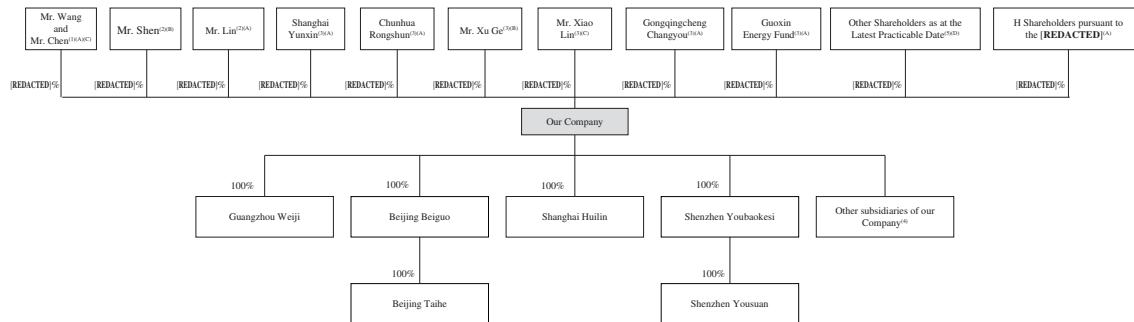
1. Pursuant to the Deeds of AIC, Mr. Wang and Mr. Chen were parties acting in concert. As at the Latest Practicable Date, Mr. Wang and Mr. Chen held 135,573,100 Shares and 30,949,306 Shares, representing approximately 17.90% and 4.09% of our issued Shares, respectively.
2. Each of Mr. Shen and Mr. Lin is one of the Founders.
3. For details, see “— Pre-[REDACTED] Investments — Information about our Pre-[REDACTED] Investors.”
4. As at the Latest Practicable Date, there were 34 other subsidiaries of our Company. For further details of the subsidiaries of our Company, see Note 14 to the Accountant’s Report as set out in Appendix I.
5. As at the Latest Practicable Date, there were 293 other Shareholders, among which included:
 - a. CICC Qiyuan (3.96%), an Independent Third Party, which was the largest Shareholder among the other Shareholders;
 - b. Ms. Cui Yan (0.40%) and Mr. Wang Ge (0.40%), an executive Director and a senior management of our Group, respectively;
 - c. Shenzhen Youhui (0.72%), an employee incentive platform of our Group, which was managed by Ms. Zhou Chuanjiao (周川姣), an employee of our Group, as general partner;

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- d. Mr. Li Wei (0.34%), who is the controller of Shenzhen Baihang, which holds as to 14.8% equity interest in Shenzhen Youye, a subsidiary of our Company;
- e. Mr. Yang Ling (0.06%), who holds 13% equity interest in Youbao Online, a subsidiary of our Company; and
- f. the remaining 287 other Shareholders which (i) to the best of our Directors’ knowledge, information and belief having made reasonable enquiries, were Independent Third Parties; and (ii) had a shareholding ranging from approximately 0.01% to 2.94%.

Corporate Structure Immediately Following the [REDACTED]

The following diagram illustrates the corporate and shareholding structure of our Company immediately following the completion of the [REDACTED] (assuming the [REDACTED] is not exercised and the options granted under the Pre-[REDACTED] Incentive Scheme are not exercised):



Notes:

See notes (1) to (5) under “— Corporate Structure — Corporate structure as at the Latest Practicable Date.”

- (A) The Shares held by these Shareholders are H Shares.
- (B) The Shares held by these Shareholders are Domestic Shares.
- (C) Immediately upon the completion of the [REDACTED] and assuming the [REDACTED] is not exercised and the options granted under the Pre-[REDACTED] Incentive Scheme are not exercised, (i) [REDACTED] Domestic Shares, [REDACTED] Domestic Shares and [REDACTED] Domestic Shares held by Mr. Wang, Mr. Chen and Mr. Xiao Lin will be converted into H Shares, respectively. Such conversion of Domestic Shares into H Shares has been filed with the CSRC with the notification issued by the CSRC on completion of the filing procedures published on July 3, 2023 and is still subject to the approval by the Stock Exchange; and (ii) [REDACTED] Domestic Shares and [REDACTED] Domestic Shares held by Mr. Wang and Mr. Xiao Lin will remain as Domestic Shares, respectively.
- (D) Immediately upon the completion of the [REDACTED] and assuming the [REDACTED] is not exercised and the options granted under the Pre-[REDACTED] Incentive Scheme are not exercised, (i) [REDACTED] Domestic Shares held by the other 203 Shareholders will be converted into H Shares. Such Conversion of Domestic Shares into H Shares has been filed with the CSRC with the notification issued by the CSRC on completion of the filing procedures published on July 3, 2023 and is still subject to the [REDACTED] approval by the Stock Exchange; and (ii) [REDACTED] Domestic Shares held by the other 90 Shareholders will remain as Domestic Shares.
- (E) Immediately upon the completion of the [REDACTED] and assuming the [REDACTED] is not exercised and the options granted under the Pre-[REDACTED] Incentive Scheme are not exercised, Mr. Wang and Mr. Chen will hold [REDACTED] Shares and [REDACTED] Shares, representing approximately [REDACTED]% and [REDACTED]% of our issued Shares, respectively.