
HISTORY, REORGANISATION AND CORPORATE STRUCTURE

OVERVIEW

Our Company was incorporated as an exempted company with limited liability in the Cayman Islands on 29 March 2019. XXF Group was established as a limited liability company in the PRC in 2007. Prior to 2012, our business was primarily the provision of automobile rental services by way of operating lease. Due to the increasing demand and business opportunity in the PRC’s automobile finance industry, we have gradually broadened our scope of services and adjusted the focus of our business to automobile retail and finance business when we started to sell automobiles by way of direct finance lease since 2012. We are an automobile finance lease service provider for our self-operated automobile retail business principally engaging in (i) automobile retail and finance, where we sell non-luxury automobiles mostly by way of direct finance lease primarily through our sales outlets; and (ii) automobile-related businesses, where we principally offer automobile operating lease service and other automobile-related services.

Mr. Huang is a founder of our Group. He is our executive Director, the chairman and the chief executive officer of our Group, and has over 15 years of experience in the automobile industry. Further details of his biography are set out in the section headed “Directors and Senior Management” in this document. Our initial operations were funded by Mr. Huang by way of capital contribution using his personal fund.

Through years of development, as at the Latest Practicable Date, we had established an extensive sales network with 77 sales outlets across 25 provinces and municipalities in the PRC.

BUSINESS MILESTONES

The following is a summary of business milestones of our Group:

	Milestone
September 2007	XXF Group was established as a limited liability company in the PRC primarily providing automobile rental services.
December 2012	We began to sell automobile by way of finance lease.
March 2015	We were approved as one of the 13th batch of pilot enterprises of domestic-funded finance lease business* (第十三批內資融資租賃業務試點企業) by the MOFCOM and the SAT.
December 2015	The shares of XXF Group became quoted on NEEQ.

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Milestone

February 2018	We commenced our business on online automobile aftermarket service platform through our 52 Car APP, assisting car users to look for automobile usage solutions.
June 2018	We launched 52 Car (Business Version) APP mobile application targeting at third party automobile aftermarket service providers.
November 2018	We secured Beijing Chesheng, an affiliate of a leading mobile transportation platform in the PRC, as one of our [REDACTED] investors, and we started providing our automobile lease service to individual e-hailing drivers of the relevant mobile transportation platform.
November 2019	Fujian Qoocar qualified as a new and high technology enterprise.

OUR CORPORATE DEVELOPMENT

The major corporate developments including the major shareholding changes of members of our Group which were material to the performance of our Group during the Track Record Period are set out below:

XXF Group

XXF Group is principally engaged in providing automobile finance and automobile-related services and the holding company of our subsidiaries in the PRC. It was established in the PRC as a limited liability company on 7 September 2007 with an initial registered capital of RMB500,000. As at the date of its establishment, XXF Group was owned as to 50% by Mr. Huang, the founder of our Group, and 50% by Ms. Hong Xiaoyan (洪小燕), an Independent Third Party.

Subsequent to a series of capital contributions and equity transfers, the registered capital of XXF Group was increased to RMB170.0 million as at 20 April 2015 and XXF Group became owned as to 92.16% by Mr. Huang and 7.84% by Ms. Xie Xiaohui (謝曉惠), the spouse of Mr. Huang.

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In May 2015, in preparation of listing on NEEQ and to retain talents to achieve our strategic and operational goals, certain investors including some then employees of our Group invested in XXF Group through equity interests transfers by Mr. Huang. At the same time, Ms. Xie Xiaohui transferred 7.84% equity interest to Mr. Huang at the consideration of RMB13.335 million, which was determined with reference to the then paid-up registered capital of XXF Group. Upon the completion of the equity transfers, XXF Group was owned by the following parties and their respective interests in XXF Group are set out as below:

Name of shareholder	Capital contribution (RMB'000)	Approximate equity interest (%)	Consideration paid by the investors ⁽¹⁾ (RMB'000)
Mr. Huang	35,100	20.65	
Tengxin Investment ⁽²⁾	34,000	20.00	35,700
Fuzhou Shenghui ⁽²⁾	25,000	14.71	26,250
Fuzhou Zhitong Investment Partnership Enterprise (Limited Partnership)* (福州智通投資合夥企業 (有限合夥)) (“Fuzhou Zhitong”) ⁽³⁾	17,000	10.00	17,850
Fuzhou Huitong Investment Partnership Enterprise (Limited Partnership)* (福州惠通投資合夥企業 (有限合夥)) (“Fuzhou Huitong”) ⁽⁴⁾	12,000	7.06	12,000
Qiu Hui (邱暉) (an Independent Third Party)	10,800	6.35	11,340
Lin Dachun (林大春) (an Independent Third Party)	10,350	6.09	10,867
Chen Jia (陳嘉) (an Independent Third Party)	7,500	4.41	7,875
Pan Qiu (潘秋) (then employee)	5,600	3.29	5,600
Liu Donghu (劉東扈) (an Independent Third Party)	4,000	2.35	4,200
Huang Jianqing (黃劍清) (an Independent Third Party)	3,000	1.76	3,150
Li Huan (李歡) (an Independent Third Party)	2,000	1.18	2,100
Mao Lin (毛琳) (an Independent Third Party)	1,750	1.03	1,837
Lin Yanfeng (林炎峰) (our employee)	1,300	0.76	1,300
Ye Fuwei (葉富偉) (our executive Director)	600	0.36	600
Total	170,000	100	

Notes:

- In respect of the investment made by each of the employees and Fuzhou Huitong, the consideration was determined on arm’s length basis with reference to the paid-up registered capital of XXF Group at the time of such transfers. In respect of the investment made by each of Fuzhou Zhitong, Tengxin Investment, Fuzhou Shenghui and other Independent Third Parties, the consideration was determined on arm’s length basis with reference to the paid-up registered capital at the time of such transfers and the financial performance of XXF Group. All the considerations have been settled.
- Each of Tengxin Investment and Fuzhou Shenghui was an Independent Third Party at the time of the relevant equity transfers.

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3. Fuzhou Zhitong was established on 22 May 2015 by Mr. Huang, the founder of our Group. The general partner of Fuzhou Zhitong was Mr. Huang and the limited partners were Independent Third Parties at the time when Fuzhou Zhitong was established. On 25 May 2015, Mr. Huang transferred 10% equity interest in XXF Group to Fuzhou Zhitong.
4. Fuzhou Huitong was established as limited partnership to hold equity interests in XXF Group pursuant to a share incentive plan initiated by Mr. Huang. The general partner of Fuzhou Huitong was Mr. Huang and the limited partners were 45 then employees of XXF Group at the time when Fuzhou Huitong was established. On 25 May 2015, Mr. Huang transferred 7.06% equity interest in XXF Group to Fuzhou Huitong.

On 2 July 2015, XXF Group was converted from a limited liability company into a joint stock company with limited liability on pro rata basis with reference to its net asset value as at 31 May 2015. Upon completion of such conversion, the share capital of XXF Group was RMB170.0 million divided into 170,000,000 shares with a nominal value of RMB1.0 each.

NEEQ listing and delisting

On 11 December 2015, the shares of XXF Group became quoted on NEEQ (stock code: 834499). In light of the fact that a listing on a reputable and liquid equity market such as the Stock Exchange can raise the brand awareness, enhance the corporate image and strengthen the corporate governance as well as the minimal trading volume of its shares on NEEQ, on 15 December 2016, the shares of XXF Group were delisted from NEEQ with a market capitalisation of RMB1,339,600,000. Such market capitalisation was calculated based on the last subscription price of RMB7.88 per share and 170,000,000 shares in issue prior to delisting of the shares of XXF Group. As advised by our PRC Legal Advisers, our Directors are of the view and confirm that (i) the delisting of XXF Group from NEEQ was duly completed and the necessary approvals have been obtained; and (ii) during the period of quotation on NEEQ, none of XXF Group or its directors was subject to any investigations, disciplinary actions or administrative penalties for non-compliance by any regulatory authority nor any material breach of the relevant rules governing NEEQ. Our Directors confirm, and the Sole Sponsor concurs, that there are no further matters that need to be brought to the attention of the regulators and investors in relation to XXF Group’s listing on and delisting from NEEQ mentioned above.

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Upon delisting from the NEEQ, XXF Group was owned by the following parties and their respective interests in XXF Group are set out as below:

Name of shareholder	Shares	Approximate equity interest ⁽¹⁾ (%)
Mr. Huang	37,100,000	21.82
Tengxin Investment ⁽²⁾	34,000,000	20.00
Fuzhou Shenghui ⁽²⁾	25,000,000	14.71
Fuzhou Zhitong ⁽²⁾	17,000,000	10.00
Fuzhou Huitong ⁽²⁾	12,000,000	7.06
Qiu Hui (邱暉) (an Independent Third Party)	10,800,000	6.35
Lin Dachun (林大春) (an Independent Third Party)	10,350,000	6.09
Chen Jia (陳嘉) (an Independent Third Party)	5,500,000	3.24
Pan Qiu (潘秋) (then employee)	5,600,000	3.29
Liu Donghu (劉東扈) (an Independent Third Party)	3,999,000	2.35
Huang Jianqing (黃劍清) (an Independent Third Party)	3,000,000	1.76
Li Huan (李歡) (an Independent Third Party)	1,334,000	0.78
Mao Lin (毛琳) (an Independent Third Party)	1,750,000	1.03
Lin Yanfeng (林炎峰) (our employee)	1,300,000	0.76
Ye Fuwei (葉富偉) (our executive Director)	600,000	0.35
Liu Hao (柳昊) ⁽³⁾	400,000	0.24
Yunnan A Gu Jia Ni Equity Investment Fund Management Company Limited — A Gu Jia Ni Fund I* (雲南阿古甲尼股權投資基金管理有限公司 — 阿古甲尼一號基金) ⁽³⁾	194,000	0.11
Zhu Shaojian (朱少健) ⁽³⁾	73,000	0.04
Total	170,000,000	100

Notes:

- Certain percentage figures included in the above table have been subject to rounding adjustments. Accordingly, figures shown as totals may not be an arithmetic aggregation of the figures preceding them.
- See respective note 2, note 3 and note 4 under “Reorganisation” below in this section.
- Each of Mr. Liu Hao, Mr. Zhu Shaojian and Yunnan A Gu Jia Ni Equity Investment Fund Management Company Limited — A Gu Jia Ni Fund I* (雲南阿古甲尼股權投資基金管理有限公司 — 阿古甲尼一號基金) became a shareholder of XXF Group when its shares were quoted on NEEQ and is an Independent Third Party.

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On 3 January 2017, Fujian Free Trade Zone Pingtan Area Xinyuan Investment Partnership Enterprise (Limited Partnership)* (福建自貿試驗區平潭片區鑫元投資合夥企業(有限合夥)) (“**Fujian Xinyuan**”) and Fujian Free Trade Zone Pingtan Area Fuyuan Investment Partnership Enterprise (Limited Partnership)* (福建自貿試驗區平潭片區富元投資合夥企業(有限合夥)) (“**Fujian Fuyuan**”) subscribed for 5,100,000 shares and 6,800,000 shares of XXF Group at a consideration of RMB10.2 million and RMB13.6 million, respectively. Such consideration was determined with reference to the net asset value of XXF Group as at 30 June 2016 and fully settled in January 2017. Each of Fujian Xinyuan and Fujian Fuyuan was a limited partnership controlled by Mr. Huang as the executive partner and general partner while the limited partners were then employees of XXF Group at the time when Fujian Xinyuan and Fujian Fuyuan were established. Upon completion of such subscription, the share capital of XXF Group was further increased to RMB181.9 million divided into 181,900,000 shares.

On 11 January 2017, Hangzhou Chain Reaction Investment Partnership Enterprise (Limited Partnership)* (杭州鏈反應投資合夥企業(有限合夥)) (“**Hangzhou Chain Reaction**”), Hangzhou Good Hope Chehang Investment Partnership Enterprise (Limited Partnership)* (杭州好望角車航投資合夥企業(有限合夥)) (“**Good Hope Chehang**”) and Hangzhou Good Hope Investment Management Company Limited* (杭州好望角投資管理有限公司) (“**Good Hope Investment**”), subscribed for 36,380,000 shares, 4,547,500 shares and 4,547,500 shares of XXF Group, representing 16.00%, 2.00% and 2.00% of the enlarged share capital of XXF Group, at a consideration of RMB120.0 million, RMB15.0 million and RMB15.0 million, respectively. Such consideration was determined after arm’s length negotiation with reference to the then valuation of XXF Group and was fully settled in December 2016. As a result, the share capital of XXF Group was further increased to RMB227.375 million divided into 227,375,000 shares. As confirmed by our Directors, the proceeds from such investment were used for daily operations and have been fully utilised. Hangzhou Chain Reaction, Good Hope Chehang and Good Hope Investment were entitled to certain special rights under such investments, which were terminated in October 2018 pursuant to a supplemental agreement entered into by parties thereto.

Hangzhou Chain Reaction, Good Hope Chehang and Good Hope Investment are under ultimate control of Mr. Huang Zhengrong (黃崢嶸), an Independent Third Party and an experienced investor focusing on equity investments in the PRC. Mr. Huang Zhengrong became acquainted with XXF Group when it was listed on NEEQ, as he was looking for investment opportunities in the open market and was optimistic about the growth prospects of XXF Group. The consideration per share paid by Mr. Huang Zhengrong was approximately HK\$[REDACTED], which was calculated by dividing the total investments made by Hangzhou Chain Reaction, Good Hope Chehang and Good Hope Investment in XXF Group in January 2017, as adjusted by the divestments of Hangzhou Chain Reaction in 2018 and 2019 and the divestment of Good Hope Investment on 30 April 2019, by the total number of Shares held by Direct Solution Holdings Limited (“**Direct Solution**”) and Mega Galaxy Enterprises Limited (“**Mega Galaxy**”), the offshore holding vehicles of Mr. Huang Zhengrong, immediately following the completion of the [REDACTED]. The shares held by Mr. Huang Zhengrong will not be subject to any lock-up after [REDACTED] and will count towards the public float of our Company according to Rule 8.08 of the Listing Rules.

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On 23 March 2017, the share capital of XXF Group was further increased to RMB341,062,500 divided into 341,062,500 shares by way of [REDACTED] and the shareholding structure of XXF Group remained unchanged.

On 27 November 2018, XXF Group and its then shareholders entered into a capital increase agreement with Beijing Chesheng and an investment agreement with Zhuhai Wanhe (the “Investment Agreement”), pursuant to which, among others, Beijing Chesheng subscribed for 12,789,844 shares and Zhuhai Wanhe subscribed for 21,316,406 shares issued by XXF Group. The share capital of XXF Group was increased to RMB375,168,750 divided into 375,168,750 shares. See “[REDACTED] investments” below in this section for details.

In order to realise part of their respective investments in XXF Group, Hangzhou Chain Reaction and Mr. Pan Qiu transferred shares held in XXF Group to the following transferees including certain existing shareholders. The relevant consideration was determined with reference to the then valuation of XXF Group and/or the investment cost in XXF Group and was fully settled by March 2019. The details of the transfers are set out as below:

Name of transferor	Name of transferee	Number of shares	Consideration (RMB)	Date of agreement
Hangzhou Chain Reaction	Zhuhai Wanhe	21,316,406	50,000,000	27 November 2018
	Yang Yufen	3,751,688	8,800,000	31 December 2018
	Mao Lin	1,500,000	3,518,417	31 December 2018
	Fuzhou Shenghui	7,503,375	17,600,000	31 December 2018
	Mr. Huang	4,263,281	10,000,000	28 February 2019
Pan Qiu	Fuzhou Bojia	2,900,000	5,101,680	2 February 2019

Subsequent to the above share transfers and immediately prior to the acquisition by XXF HK, the share capital of XXF Group was RMB375,168,750 which has been fully paid up. See the corporate and shareholding structure of our Group under “Reorganisation” below in this section for further details.

The registered capital of XXF Group was increased to RMB390,168,750 by way of capital injection by XXF HK of RMB15,000,000 on 17 August 2020, and further increased to RMB410,168,750 by way of capital injection by XXF HK of RMB20,000,000 on 18 June 2021, both of which have been fully paid up.

Taoqi Internet

Taoqi Internet was established in the PRC as a limited liability company on 29 June 2015 with an initial registered capital of RMB10,000,000. Taoqi Internet is primarily engaged in software platform development and automobile-related services and is wholly owned by XXF Group since its establishment.

On 8 May 2018, the registered capital of Taoqi Internet was increased to RMB50.0 million, which had been fully paid up as at the Latest Practicable Date.

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Fujian Heqi

Fujian Heqi was established in the PRC as a limited liability company on 22 June 2016 with an initial registered capital of RMB50,000,000. Fujian Heqi is primarily engaged in auto-insurance agency business and is wholly owned by XXF Group since its establishment.

On 14 June 2017, the registered capital of Fujian Heqi was decreased to RMB10,000,000. Since September 2019, Fujian Heqi ceased to provide auto-insurance agency services as part of the business consolidation plan of our Group.

Fujian Qoocar

Fujian Qoocar was established in the PRC as a limited liability company on 14 July 2017 with an initial registered capital of RMB10,000,000. Fujian Qoocar is primarily engaged in provision of after-sales services to car users through 52 Car APP and is wholly owned by XXF Group since its establishment.

Fujian ZyooCar

Fujian ZyooCar was established in the PRC as a limited liability company on 30 November 2017 with an initial registered capital of RMB50,000,000. Fujian ZyooCar is primarily engaged in new energy car-sharing business. Since its establishment, Fujian ZyooCar is owned as to 51% by XXF Group and 49% by Ningde Transport Investment Group Company Limited* (寧德市交通投資集團有限公司), an Independent Third Party.

Fujian Xidi

Fujian Xidi was established by XXF Group in the PRC as a limited liability company on 14 September 2018 with an initial registered capital of RMB170,000,000. Fujian Xidi is primarily engaged in automobile lease service for e-hailing vehicles.

On 21 January 2019, in connection with the business cooperation arrangement with Beijing Chesheng, one of our [REDACTED] Investors, XXF Group transferred approximately 5.88% of equity interest in Fujian Xidi to Beijing Chesheng at the consideration of RMB10,000,000. The consideration was determined after arm's length negotiation with reference to the registered capital of Fujian Xidi at the time of such transfer and was fully settled on 23 April 2019. Upon completion of such transfer, Fujian Xidi became owned as to approximately 94.12% by XXF Group and approximately 5.88% by Beijing Chesheng.

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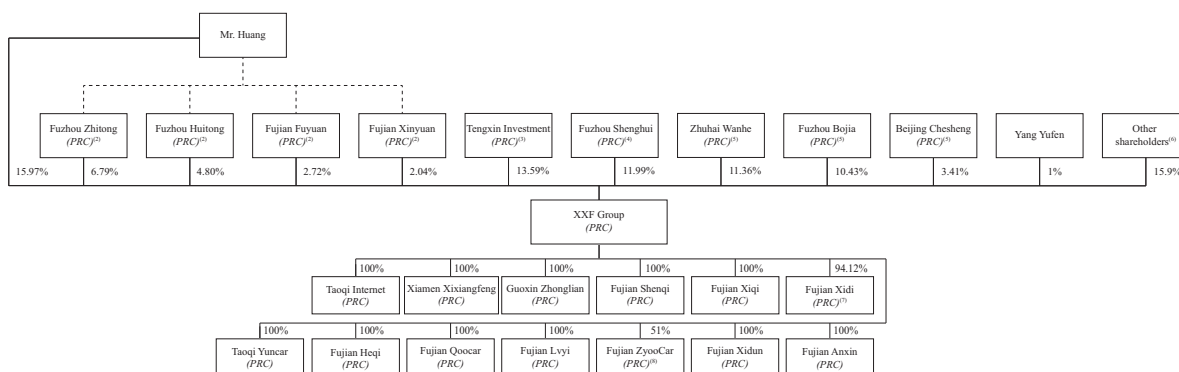
As part of the Reorganisation, the entire equity interest held by Beijing Chesheng was subsequently acquired by XXF Group. As a result, Fujian Xidi became wholly owned by XXF Group. For further details, please refer to the paragraph below headed “—Reorganisation” in this section.

As at the Latest Practicable Date, the registered capital of Fujian Xidi was fully paid up.

REORGANISATION

In anticipation of the [REDACTED], we undertook a restructuring exercise whereupon our Company became the [REDACTED] vehicle of our Group and the holding company of our business operations.

The following chart sets out our Group’s corporate and shareholding structure immediately before 30 April 2019:



Notes:

1. Certain percentage figures included in the chart above were subject to rounding adjustments. Accordingly, the total percentage figures may not be equal to an arithmetic aggregation of the individual figures.

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2. Each of Fuzhou Zhitong, Fuzhou Huitong, Fujian Fuyuan and Fujian Xinyuan is controlled by Mr. Huang as the executive partner and general partner. As at the Latest Practicable Date,

- (i) Fuzhou Zhitong is a limited partnership controlled by Mr. Huang as the executive partner and general partner (who owned approximately 19.14% of its partnership interests), and has 16 other limited partners, whose names, respective partnership interests held in Fuzhou Zhitong and relationships with our Company, if any, are set out below:

Name of limited partner	Approximate partnership interests held in Fuzhou Zhitong (%)	Relationship with our Company
Ou Wenqing	29.41	Independent Third Party
Wang Youbin	8.82	Independent Third Party
Wang Jie	7.40	Independent Third Party
Zheng Ying	5.88	Independent Third Party
Chen Huaxing	4.20	Independent Third Party
Xu Zhijun	3.53	Independent Third Party
Fang Jianzhong	3.00	Independent Third Party
Ruan Jianrui	3.00	Independent Third Party
Chen Xiong	3.00	an employee of our Group
Gao Liping	3.00	Independent Third Party
Lin Xincheng	2.94	an employee of our Group
Zheng Huarong	2.00	Independent Third Party
Fang Miao	1.50	Independent Third Party
Zhang Xiping	1.41	Independent Third Party
Yuan Juan	0.88	Independent Third Party
Tang Haijian	0.88	Independent Third Party

- (ii) Fuzhou Huitong is a limited partnership controlled by Mr. Huang as the executive partner and general partner (who owned approximately 90.92% of its partnership interests), and has four other limited partners, whose names, respective partnership interests held in Fuzhou Huitong and relationships with our Company, if any, are set out below:

Name of limited partner	Approximate partnership interests held in Fuzhou Huitong (%)	Relationship with our Company
Qiu Guohu	4.15	director of Fujian Xidun
Lin Jingfang	3.26	former employee of our Group
Chen Chenhua	0.83	former director of Fujian ZyooCar
Chen Fen	0.83	former employee of our Group

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- (iii) Fujian Fuyuan is a limited partnership controlled by Mr. Huang as the executive partner and general partner (who owned approximately 14.69% of its partnership interests), and has five other limited partners, whose names, respective partnership interests held in Fujian Fuyuan and relationships with our Company, if any, are set out below:

Name of limited partner	Approximate partnership interests held in Fujian Fuyuan (%)	Relationship with our Company
Guo Hongzhi	43.89	[REDACTED] Investor
Ye Fuwei	25.00	executive Director
Qiu Guohu	6.13	director of Fujian Xidun
Liu Guangyao	5.88	an employee of our Group
Xie Guotao	4.41	former employee of our Group

- (iv) Fujian Xinyuan is a limited partnership controlled by Mr. Huang as the executive partner and general partner (who owned approximately 53.16% of its partnership interests), and has six other limited partners, whose names, respective partnership interests held in Fujian Xinyuan and relationships with our Company, if any, are set out below:

Name of limited partner	Approximate partnership interests held in Fujian Xinyuan (%)	Relationship with our Company
Ye Ying	13.89	director of Taoqi Internet
Gao Jinwen	13.89	Independent Third Party
Zhang Jinghua	8.11	executive Director
Lin Yanfeng	6.15	an employee of our Group
Chen Chenhua	3.27	former director of Fujian ZyooCar
Chen Fen	1.53	former employee of our Group

- Tengxin Investment is owned as to 75%, 10%, 10% and 5% by Mr. Teng Yongxiong, Mr. Teng Yongyan, Mr. Teng Yongwei and Mr. Teng Yongzhuang, respectively, each an Independent Third Party.
- Fuzhou Shenghui is owned as to approximately 4.48% by Mr. Liu Wei, our non-executive Director, and approximately 95.52% by father of Mr. Liu Wei.
- Each of Fuzhou Bojia, Zhuhai Wanhe and Beijing Chesheng is an Independent Third Party.

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6. The remaining equity interests of XXF Group are held by 11 shareholders detailed as below, all of whom are Independent Third Parties. Among such shareholders, Hangzhou Chain Reaction, Good Hope Chehang and Good Hope Investment are under the common control of an Independent Third Party.

Name of shareholder	Number of shares	Approximate shareholding percentage
Hangzhou Chain Reaction	16,235,250	4.33%
Chen Jia	8,250,000	2.20%
Good Hope Chehang	6,821,250	1.82%
Good Hope Investment	6,821,250	1.82%
Liu Donghu	5,998,500	1.60%
Pan Qiu	5,500,000	1.47%
Mao Lin	4,125,000	1.10%
Li Huan	2,401,500	0.64%
Lin Yanfeng	1,950,000	0.52%
Ye Fuwei	900,000	0.24%
Liu Hao	600,000	0.16%

7. The remaining interest of Fujian Xidi was held by Beijing Chesheng, an Independent Third Party and our [REDACTED] Investor.
8. The remaining equity interest of Fujian ZyooCar was held by Ningde Transport Investment Group Company Limited* (寧德市交通投資集團有限公司), an Independent Third Party (by virtue of Fujian ZyooCar being an insignificant subsidiary of our Company as defined under the Listing Rules).

Incorporation of our Company and the increase of the authorised share capital

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability on 29 March 2019 to act as the holding company of our Group. The initial authorised share capital of our Company was HK\$380,000 divided into 38,000,000 Shares of HK\$0.01 each. Upon incorporation, one Share, representing the then entire issued share capital of our Company, was issued and allotted to the initial subscriber and such Share was transferred to Glorypearl Capital, a company incorporated in BVI and wholly owned by Mr. Huang, on the same day.

On 30 August 2019, our Company increased its authorised share capital from HK\$380,000 divided into 38,000,000 Shares of HK\$0.01 each to HK\$10,000,000 divided into 1,000,000,000 Shares of HK\$0.01 each by the creation of an additional 962,000,000 Shares of HK\$0.01 each.

Incorporation of offshore subsidiaries

Celestial Bonanza was incorporated in the BVI as a limited liability company on 8 March 2019. On 30 April 2019, one share of Celestial Bonanza was issued and allotted at par value to our Company. Upon completion of such allotment, Celestial Bonanza became a direct wholly-owned subsidiary of our Company.

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XXF HK was incorporated in Hong Kong as a limited liability company on 2 May 2019 with one share of HK\$1.00 issued and allotted to the initial subscriber on the same day. On 9 May 2019, such one share of XXF HK was transferred to Celestial Bonanza at the consideration of HK\$1.00. Upon completion of such transfer, XXF HK became an indirect wholly-owned subsidiary of our Company.

Conversion of XXF Group to a foreign-invested company

On 26 March 2019, XXF Group passed a shareholders’ resolution to approve, among other matters, the conversion of XXF Group from a joint stock company with limited liability into a limited liability company. Upon completion of such conversion, the registered capital of XXF Group was RMB375,168,750 and its shareholding structure remained unchanged.

On 30 April 2019, Good Hope Investment and Well Creative Investment Limited (麗創投資有限公司) (“**Well Creative**”), a company wholly owned by Prosper United Holdings Limited (合興控股有限公司) (“**Prosper United**”) which is in turn wholly owned by Ms. Choo Beng Hiang, an Independent Third Party, entered into an equity transfer agreement, pursuant to which Good Hope Investment agreed to transfer approximately 1.82% equity interest in XXF Group to Well Creative at the consideration of RMB16 million. Such consideration was determined with reference to the then valuation of XXF Group assessed by an independent valuer and was fully settled in August 2019. Please refer to the section headed “— [REDACTED] Investments” below for further details of the investment by Ms. Choo Beng Hiang.

Acquisition of XXF Group by XXF HK

During the period from 27 August 2019 to 28 November 2019, XXF HK acquired the entire equity interest in XXF Group from the then registered shareholders of XXF Group at the total consideration of RMB384,347,500, which was determined with reference to the paid-up share capital of XXF Group and/or their investment cost in XXF Group. As a result, XXF Group became a wholly foreign-owned enterprise and was wholly owned by XXF HK.

Restructuring of Fujian Xidi

On 2 December 2019, as part of the reorganisation, Beijing Chesheng transferred approximately 5.88% of equity interest in Fujian Xidi to XXF Group at a consideration of RMB20,000,000 which was determined with reference to the then valuation of Fujian Xidi assessed by an independent valuer.

Allotment of Shares

As part of the Reorganisation, our Company issued and allotted an aggregate of 375,168,749 Shares to the following Shareholders, the consideration of which was determined with reference to the respective capital contributions or investment costs by their respective beneficial owners in XXF Group.

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Name of Shareholder	Name of beneficial owner	Number of Shares	Consideration of the newly issued Shares (RMB or HK\$ equivalent)	Date of Shares allotment	Approximate shareholding upon completion of the Reorganisation and the [REDACTED] Investments (%)
Glorypearl Capital	Mr. Huang	59,913,280	59,913,280	30 August 2019	15.40
Lucky League Limited 瑞盟有限公司 (“ Lucky League ”)	Chen Jia	8,250,000	8,250,000	30 August 2019	2.12
Gold Chest Investments Limited 金庫投資有限公司 (“ Gold Chest ”)	Liu Donghu	5,998,500	5,998,500	30 August 2019	1.54
Regency Gem Limited 帝寶有限公司 (“ Regency Gem ”)	Pan Qiu	5,500,000	5,500,000	30 August 2019	1.41
Amazing Gold Holdings Limited 讚金控股有限公司 (“ Amazing Gold ”)	Mao Lin	4,125,000	4,125,000	30 August 2019	1.06
Fortune Strength Developments Limited 力鑫發展有限公司 (“ Fortune Strength ”)	Yang Yufen	3,751,688	3,751,688	30 August 2019	0.96
Fantastic Fame International Limited 妙譽國際有限公司 (“ Fantastic Fame ”)	Li Huan	2,401,500	2,401,500	30 August 2019	0.62
Jade Mount Global Limited 玉峰環球有限公司 (“ Jade Mount ”)	Lin Yanfeng	1,950,000	1,950,000	30 August 2019	0.50
Billion Aspire Holdings Limited 億啟控股有限公司 (“ Billion Aspire ”)	Ye Fuwei	900,000	900,000	30 August 2019	0.23
Southern Excellence Investments Limited 卓南投資有限公司 (“ Southern Excellence ”)	Liu Hao	600,000	600,000	30 August 2019	0.15
Prosperous Splendor	Liu Wei as to 4.48% and his father as to 95.52%	45,003,375	45,003,375	16 October 2019	11.57
Prosper United	Choo Beng Hiang	6,821,250	16,000,000	8 November 2019	1.75
Ideal Stand Ventures Management Limited (“ Ideal Stand ”)	Tengxin Investment	51,000,000	51,000,000	2 December 2019	13.11

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Name of Shareholder	Name of beneficial owner	Number of Shares	Consideration of the newly issued Shares (RMB or HK\$ equivalent)	Date of Shares allotment	Approximate shareholding upon completion of the Reorganisation and the [REDACTED] Investments (%)
Brown Oak Holdings Limited (“ Brown Oak ”)	Zhuhai Wanhe Jinhua Asset Management Co., Ltd.* (珠海萬和錦華資產管理有限公司) (“ Wanhe Jinhua ”) ⁽¹⁾	42,632,812	42,632,812	2 December 2019	10.96
Charming Tulip Holdings Limited (“ Charming Tulip ”)	Shanghai Xuante ⁽²⁾	39,125,000	39,125,000	2 December 2019	10.06
Precious Luck	Shanghai Boyu ⁽³⁾	33,150,000	33,150,000	2 December 2019	8.52
Happy Gain	Shanghai Bo Yu ⁽⁴⁾	18,000,000	18,000,000	2 December 2019	4.63
Direct Solution	an Independent Third Party under the common control with Hangzhou Chain Reaction	16,235,250	16,235,250	2 December 2019	4.17
Hit Drive Limited (“ Hit Drive ”)	an Independent Third Party under the common control with Beijing Chesheng	12,789,844	12,789,844	2 December 2019	3.29
Southern Fortune	Shanghai Boyun ⁽⁵⁾	10,200,000	10,200,000	2 December 2019	2.62
Mega Galaxy	an Independent Third Party under the common control with Good Hope Chehang	6,821,250	6,821,250	2 December 2019	1.75

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Notes:

- (1) Wanhe Jinhua controls Zhuhai Wanhe as its executive partner and general partner.
- (2) As at the date of Shares allotment, Charming Tulip was wholly owned by Shanghai Xuante, which was in turn wholly owned by Fuzhou Bojia. The equity interest in Shanghai Xuante was subsequently transferred to Fuzhou Bojia’s shareholders following the deregistration of Fuzhou Bojia on 7 February 2021. Upon completion of such transfer, Charming Tulip became indirectly owned as to approximately 47.18% by Ms. Qiu Hui, 32.27% by Mr. Lin Dachun, 10.96% by Mr. Huang Jianqing and 9.59% by Mr. Wang Yueren, all being Independent Third Parties.
- (3) Shanghai Boyu is a limited partnership controlled by Weichuang Hongjing as the executive partner and general partner (which owned approximately 0.025% of its partnership interest), and has two other limited partners, whose names and respective partnership interests held in Shanghai Boyu are set out below:

Name of partner	Approximate partnership interests held in Shanghai Boyu (%)
Fuzhou Zhitong	76.90
Fujian Xinyuan	23.075

Weichuang Hongjing is owned as to 99% by Mr. Huang and 1% by Fuzhou Zhitong. Each of Fuzhou Zhitong and Fujian Xinyuan is controlled by Mr. Huang as the executive partner and general partner. See note 2 under “Reorganisation” above in this section for details of the limited partners of Fuzhou Zhitong and Fujian Xinyuan and their respective interests therein. Save as disclosed in note 2 under “Reorganisation” above in this section, there was no other past or present relationship between each of Fuzhou Zhitong and Fujian Xinyuan and our Company, its subsidiaries, shareholders, directors, senior management, and any of their respective associates.

- (4) Shanghai Bo Yu is a limited partnership controlled by Weichuang Xingsheng as the executive partner and general partner (which owned approximately 0.05% of its partnership interest), and has one limited partner, Fuzhou Huitong, which owned approximately 99.95% of its partnership interest. Weichuang Xingsheng is wholly owned by Mr. Huang. Fuzhou Huitong is controlled by Mr. Huang as the executive partner and general partner. See note 2 under “Reorganisation” above in this section for details of the limited partners of Fuzhou Huitong and their respective interest therein. Save as disclosed in note 2 under “Reorganisation” above in this section, there was no other past or present relationship between Fuzhou Huitong and our Company, its subsidiaries, shareholders, directors, senior management, and any of their respective associates.

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- (5) Shanghai Boyun is a limited partnership controlled by Fujian Fuyuan as the executive partner and general partner (which owned approximately 99.95% of its partnership interest), and has one limited partner, Fuzhou Weichuang Shengfu Enterprise Management Co., Ltd.* (福州偉創盛富企業管理有限公司) (“**Weichuang Shengfu**”) which owned approximately 0.05% of its partnership interest. Fujian Fuyuan is controlled by Mr. Huang as the executive partner and general partner. Weichuang Shengfu is wholly-owned by Mr. Ye Fuwei, our executive Director. See note 2 under “Reorganisation” above in this section for details of the partners of Fujian Fuyuan and their respective interests therein. Save as disclosed in note 5, there was no other past or present relationship between Weichuang Shengfu and our Company, its subsidiaries, shareholders, directors, senior management, and any of their respective associates.

Deregistration of Fujian Anxin

As part of the Reorganisation, we applied for deregistration of Fujian Anxin on 22 November 2019, which was wholly owned by XXF Group and had not been in business operation since its establishment, due to a change in our business plans. It was deregistered on 9 July 2020. Our Directors have confirmed that Fujian Anxin had no material non-compliances with applicable rules and regulations in the PRC during the Track Record Period, and as at the Latest Practicable Date, there were no outstanding claims or liabilities against Fujian Anxin and there were no outstanding claims or liabilities against our Group in connection with the deregistration of Fujian Anxin.

Deregistration of Fujian Xiyun

As part of the Reorganisation, we applied for deregistration of Fujian Xiyun on 9 March 2022, which was wholly owned by XXF Group and had not been in business operation since its establishment, due to a change in our business plans. It was deregistered on 31 March 2022. Our Directors have confirmed that Fujian Xiyun had no material non-compliances with applicable rules and regulations in the PRC during the Track Record Period, and as at the Latest Practicable Date, there were no outstanding claims or liabilities against Fujian Xiyun and there were no outstanding claims or liabilities against our Group in connection with the deregistration of Fujian Xiyun.

[REDACTED] INVESTMENTS

Summary of [REDACTED] Investments

Beijing Chesheng, Zhuhai Wanhe, Ms. Yang Yufen (楊豫芬), Ms. Mao Lin (毛琳), Fuzhou Shenghui, Fuzhou Bojia, Mr. Guo Hongzhi and Ms. Choo Beng Hiang (朱孟香) are collectively referred to as the “[REDACTED] Investors” and the investments made by the [REDACTED] Investors are collectively referred to as the “[REDACTED] Investments”. During the Track Record Period and prior to the Reorganisation, with a view to realise their respective investments in XXF Group, certain shareholders of XXF Group transferred their respective interests in XXF Group to the relevant [REDACTED] Investors, details of which are set out in “Investments in XXF Group” below. In addition, Beijing Chesheng subscribed additional shares of XXF Group as part of the [REDACTED] Investments. For further details, see “Subscription of additional new Shares by Beijing Chesheng” below.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Investments in XXF Group

On 27 November 2018, Beijing Chesheng, XXF Group and all its then shareholders entered into a capital increase agreement, pursuant to which, among others, Beijing Chesheng subscribed for 12,789,844 shares, representing approximately 3.4091% of the enlarged share capital of XXF Group, at the consideration of RMB30 million. Such consideration was determined with reference to the then valuation of XXF Group.

On 27 November 2018, Zhuhai Wanhe, XXF Group and its then shareholders entered into the Investment Agreement, pursuant to which (i) Zhuhai Wanhe subscribed for 21,316,406 shares, representing approximately 5.6818% of the enlarged share capital of XXF Group, at the consideration of RMB50 million; and (ii) Hangzhou Chain Reaction transferred 21,316,406 shares of XXF Group to Zhuhai Wanhe at a consideration of RMB50 million. Such considerations were determined with reference to the then valuation of XXF Group.

On 31 December 2018, Ms. Yang Yufen (楊豫芬) entered into a share transfer agreement with Hangzhou Chain Reaction, pursuant to which Hangzhou Chain Reaction transferred 3,751,688 shares of XXF Group to Ms. Yang Yufen at the consideration of RMB8.8 million. Such consideration was determined with reference to the then valuation of XXF Group.

On 31 December 2018, each of Ms. Mao Lin (毛琳) and Fuzhou Shenghui entered into a share transfer agreement with Hangzhou Chain Reaction, pursuant to which Hangzhou Chain Reaction agreed to transfer 1,500,000 shares of XXF Group to Ms. Mao Lin and 7,503,375 shares of XXF Group to Fuzhou Shenghui at the consideration of RMB3.5 million and RMB17.6 million, respectively. Such considerations were determined with reference to the then valuation of XXF Group. Following such investments, Ms. Mao Lin and Fuzhou Shenghui held in aggregate 4,125,000 and 45,003,375 shares of XXF Group, respectively.

On 2 February 2019, Fuzhou Bojia and Mr. Pan Qiu entered into a share transfer agreement, pursuant to which Mr. Pan Qiu agreed to transfer 2,900,000 shares of XXF Group to Fuzhou Bojia at the consideration of RMB5.1 million which was determined with reference to the then valuation of XXF Group and his investment cost in XXF Group. Following such investment, Fuzhou Bojia held in aggregate 39,125,000 shares of XXF Group.

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Fujian Fuyuan held 10,200,000 Shares in XXF Group, and was held as to 53.67% by Mr. Huang as general partner and 46.33% by the limited partners as at 31 December 2018. On 10 January 2019, Mr. Guo Hongzhi and Mr. Huang entered into a share of property transfer agreement (財產份額轉讓協議), pursuant to which Mr. Huang agreed to transfer 43.8867% interest in Fujian Fuyuan to Mr. Guo Hongzhi at the consideration of RMB10.5 million. Such consideration was determined with reference to the then valuation of XXF Group and the interest held by Fujian Fuyuan in XXF Group.

On 30 April 2019, Well Creative, a company indirectly wholly owned by Ms. Choo Beng Hiang, entered into an equity transfer agreement with Good Hope Investment, pursuant to which Good Hope Investment agreed to transfer approximately 1.82% equity interest of XXF Group to Well Creative at the consideration of RMB16 million. Such consideration was determined with reference to the then valuation of XXF Group assessed by an independent valuer.

As part of the Reorganisation, we issued and allotted new Shares to the offshore holding vehicles of such investors during the period from 30 August 2019 to 2 December 2019 subsequent to the acquisitions of their respective equity interests in XXF Group by XXF HK. Please see the paragraph headed “— Reorganisation — Allotment of Shares” above.

Subscription of additional new Shares by Beijing Chesheng

As part of the [REDACTED] Investments, on 2 December 2019, Hit Drive, a company under the common control with Beijing Chesheng as its offshore holding vehicle, subscribed for 6,821,250 Shares for a consideration of RMB20.0 million or an equivalent amount in Hong Kong dollars, which was determined with reference to the then valuation of our Group. On 21 June 2021, Hit Drive further subscribed for 6,945,273 Shares for a consideration of RMB20.0 million or an equivalent amount in Hong Kong dollars, which was determined with reference to the then valuation of our Group.

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The table below sets out details of the above investments:

		Beijing Chesheng	Zhuihai Wanhe	Ms. Yang Yufen	Ms. Mao Lin	Fuzhou Shenghui	Fuzhou Bojia ⁽²⁾	Mr. Guo Hongzhi ⁽³⁾	Ms. Chuo Beng Hang
Date of the agreement		18 November 2019	27 November 2018	31 December 2018	31 December 2018	31 December 2018	2 February 2019	10 January 2019	30 April 2019
Consideration paid		RMB20 million or an equivalent amount in Hong Kong dollars	RMB100 million	RMB8.8 million	RMB3.5 million	RMB17.6 million	RMB5.1 million	RMB10.5 million	RMB16 million
Payment date		18 June 2021	26 June 2019	4 January 2019	2 January 2019	7 January 2019	12 March 2019	28 December 2018	16 August 2019
Investment cost per Share ⁽¹⁾		[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Discount to the [REDACTED]		N/A ⁽⁴⁾	N/A ⁽⁴⁾	N/A ⁽⁴⁾	N/A ⁽⁴⁾	N/A ⁽⁴⁾	N/A ⁽⁴⁾	N/A ⁽⁴⁾	N/A ⁽⁴⁾
Use of proceeds		As confirmed by our Directors, the proceeds received will be utilised for our daily operations and working capital. Our Directors confirmed that as at the Latest Practicable Date, such proceeds had been fully utilised.	As confirmed by our Directors, the proceeds from the subscription of shares of XXF Group have been utilised for the daily operations, business development and working capital of XXF Group, unless otherwise approved by the board or general meeting of XXF Group in the form of special resolutions. Our Directors confirmed that as at the Latest Practicable Date, such proceeds had been fully utilised.	Our Directors further confirmed that our Group did not receive any proceeds as a result of the relevant equity transfers					
Strategic benefits		Our Directors are of the view that we benefit from the additional funding, the synergy generated by combining our operations with Beijing Chesheng's expertise and network in the e-hailing market, the resources and industry experiences and the value added to our profile from Beijing Chesheng, being a party connected to a leading mobile transportation platform.	Our Directors are of the view that we benefit from the additional funding, the synergy generated by combining the resources and expertise of the parties, the industry experiences and the value added to our profile, as Zhuilai Wanhe is controlled by a famous private equity fund.	Our Directors are of the view that we benefit from our shareholders' knowledge, experience and also their commitment to our Group as their investments demonstrate their confidence in our operation and serve as endorsements of our performance, strengths and growth prospects, and has added value to our Group including boosting our Shareholder base.					
Interest in our Shares in respect of the [REDACTED] investment immediately upon the completion of the [REDACTED] and the [REDACTED]		[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Notes:

1. Being the cost of the [REDACTED] Investments per Share immediately after the [REDACTED] and the [REDACTED].
2. Fuzhou Bojia held its interest in our Company indirectly through Shanghai Xuante. Following the deregistration of Fuzhou Bojia on 7 February 2021, the equity interest in Shanghai Xuante was subsequently transferred to Fuzhou Bojia’s shareholders.
3. Mr. Guo Hongzhi holds interests in our Company indirectly through Fujian Fuyuan, which is the executive partner and general partner of Shanghai Boyun. For details, please refer to the note 4 to the corporate and shareholding structure of our Group under “(1) Immediately after completion of the Reorganisation but before the completion of the [REDACTED] and the [REDACTED]”.
4. None of the above [REDACTED] Investments has a discount to the [REDACTED].

As advised by our PRC Legal Advisers, (i) when the [REDACTED] Investments were concluded, the articles of association and the business licence of each of the corporate [REDACTED] Investors were in full force and in compliance with the relevant PRC laws and regulations, and (ii) the transfer of equity interests in the [REDACTED] Investments were duly authorised and the registered capital was duly paid by the [REDACTED] Investors in accordance with the articles of association of XXF Group. As advised by our PRC Legal Advisers, the [REDACTED] Investments were conducted in compliance with PRC laws and regulations.

Based solely on a review of the register of members of the Company and the board allotment resolutions, as advised by the Cayman Islands attorneys-at-law of the Company, the new shares issued pursuant to the following shareholders on the respective dates as set out below were prima facie validly issued and duly authorised in accordance with the then articles of association of the Company in force at the time from the Cayman Islands law perspective:

Shareholder	Date of allotment	Number of Shares
Fortune Strength	30 August 2019	3,751,688
Amazing Gold	30 August 2019	4,125,000
Prosperous Splendor	16 October 2019	45,003,375
Proposer United	8 November 2019	6,821,250
Charming Tulip	2 December 2019	39,125,000
Hit Drive	2 December 2019	12,789,844
	2 December 2019	6,821,250
	21 June 2021	6,945,273
Brown Oak	2 December 2019	42,632,812
Southern Fortune	2 December 2019	10,200,000

Background of the [REDACTED] Investors

Beijing Chesheng is a limited liability company established in the PRC, which is primarily engaged in the business of automobile finance, sales, lease and e-hailing. At the time of its establishment, Beijing Chesheng was wholly-owned by Beijing Xiaoju Science

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and Technology Co., Ltd.* (北京小桔科技有限公司) (“**Beijing Xiaoju**”), which is the main operating entity of Didi Group. Based on publicly available information, Beijing Chesheng is wholly owned by EasyCar (HK) Limited, an Independent Third Party and an indirectly wholly-owned subsidiary of DiDi Global Inc., a company listed on the OTC Markets of the U.S. (stock code: DIDIY). Beijing Xiaoju is a variable interest entity of DiDi Global Inc. As such, Beijing Chesheng and DiDi Group are affiliated companies by virtue of being under the control of the same entity, DiDi Group Inc. Our Directors confirmed that we became acquainted with Beijing Chesheng in 2018 as the contact person of our supplier then became an employee of Beijing Chesheng.

Zhuhai Wanhe is a limited partnership established in the PRC controlled by Wanhe Jinhua (a wholly-owned subsidiary of SDIC RE Asset (as defined below)) as the executive partner and general partner, and has 19 other limited partners whose names and respective partnership interests held in Zhuhai Wanhe are set out below:

Name of limited partner	Approximate partnership interests held in Zhuhai Wanhe (%)
SDIC RE Asset Management Co., Ltd. (國彤萬和私募基金管理有限公司, formerly known as 國投萬和資產管理有限公司) (“ SDIC RE Asset ”) ⁽¹⁾	37.03
SDIC Taikang Trust Co., Ltd. (國投泰康信託有限公司) (“ SDIC Taikang ”) ⁽¹⁾	20.00
Fuzhou Zhongzhi Network Technology Co., Ltd.* (福州中智網絡技術有限公司) (“ Fuzhou Zhongzhi ”) ⁽²⁾	2.96
Shanghai Yibei Management Consulting Co., Ltd.* (上海益倍管理諮詢有限公司) (“ Shanghai Yibei ”) ⁽³⁾	2.78
Zhou Hexian (周和仙)	5.56
Huang Yijuan (黃義娟)	5.56
Li Jing (李靖)	4.63
Peng Fuhui (彭福惠)	3.15
Chi Xiaoqiu (池曉秋)	2.78
Huang Song (黃嵩)	2.78
Ma Feiping (馬飛萍)	2.41
Zhang Hang (張航)	1.85
Luo Yunzhong (羅雲中)	1.85
Deng Qiuming (鄧秋明)	1.85
Zhang Chao (張超)	1.11
Kong Wenbin (孔文濱)	0.93
Gong Kefan (宮克凡)	0.93
Dai Haibin (戴海彬)	0.93
Zhao Hongyun (趙紅雲)	0.93

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Notes:

- (1) As at the Latest Practicable Date, SDIC RE Asset was held as to 45% by SDIC Taikang as its single largest shareholder. SDIC Taikang was an indirect non wholly-owned subsidiary of SDIC Capital Co., Ltd. (國投資本股份有限公司), an investment management company listed on the Shanghai Stock Exchange (stock code: 600061).
- (2) As at the Latest Practicable Date, Fuzhou Zhongzhi was owned as to approximately 66.33% by Gao Ping (高萍) and approximately 33.67% by Lin Dachun, each being an Independent Third Party.
- (3) As at the Latest Practicable Date, Shanghai Yibei was owned as to 90% by Guo Xinping (郭新平) and 10% by Guo Huaiyu (郭懷予), each being an Independent Third Party.

Based on information publicly available and to the best knowledge of our Directors, save for the equity interest in SDIC RE Asset held by SDIC Taikang, each of the limited partners of Zhuhai Wanhe is independent from each other.

Ms. Yang Yufen (楊豫芬) is an Independent Third Party with over 11 years of experience in the pharmaceutical industry. Ms. Yang is currently a chairperson of a private company focused on the research, development, production and sales of biopharmaceuticals in the PRC. Ms. Yang became acquainted with us through Mr. Huang and Mr. Ye Fuwei during her study of EMBA at Xiamen University in the PRC.

Ms. Mao Lin (毛琳) is an Independent Third Party and an individual investor. Ms. Mao is a general manager of a private components supplier for the electrical and fire engineering projects. She became acquainted with us in 2015 through a former employee of the Group.

Fuzhou Shenghui is a company established under the laws of the PRC and owned as to approximately 4.48% by Mr. Liu Wei, our non-executive Director, and approximately 95.52% by his father. It is principally engaged in the investments in various businesses of technology services, automobile inspection and other sectors. Fuzhou Shenghui became an investor of XXF Group in May 2015 in preparation of listing of shares of XXF Group on NEEQ by XXF Group and has maintained relationship with us since then.

Fuzhou Bojia was an investment holding company established by Ms. Qiu Hui, Mr. Lin Dachun and Mr. Huang Jianqing, then shareholders of XXF Group and Independent Third Parties, to hold their interests in XXF Group. We introduced Ms. Qiu Hui, Mr. Lin Dachun and Mr. Huang Jianqing as our investors in May 2015 in preparation of listing of shares of XXF Group on NEEQ. At the time of its [REDACTED] investment in XXF Group, Fuzhou Bojia was owned as to approximately 47.18% by Ms. Qiu Hui, 32.27% by Mr. Lin Dachun, 10.96% by Mr. Huang Jianqing and 9.59% by Mr. Wang Yueren, all being Independent Third Parties. Shanghai Xuante was established under the laws of the PRC on 5 July 2019 and was then wholly-owned by Fuzhou Bojia. Fuzhou Bojia was subsequently deregistered on 7 February 2021 and the equity interest in Shanghai Xuante was transferred to Fuzhou Bojia’s shareholders. As at the Latest Practicable Date, Shanghai Xuante was owned as to 47.18% by Ms. Qiu Hui, 32.27% by Mr. Lin Dachun, 10.96% by Mr. Huang Jianqing and 9.59% by Mr. Wang Yueren.

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Mr. Guo Hongzhi (郭洪志) is an Independent Third Party having over 31 years of experience in the property industry. He is the founder and director of several companies engaged in property development, investment and other sectors. Mr. Guo became acquainted with us through Mr. Ye Fuwei during his study of EMBA at Xiamen University in the PRC.

Ms. Choo Beng Hiang (朱孟香) is an Independent Third Party having over 15 years of experience in the investment and management consultancy industry. She is currently a chairman of a private company engaged in the investment consultancy services. Ms. Choo became acquainted with us through a friend of Mr. Huang in 2013.

Special rights of the [REDACTED] Investors

Pursuant to a shareholders’ agreement entered into between, among others, Beijing Chesheng, Zhuhai Wanhe and XXF Group dated 27 November 2018 (the “**Shareholder Agreement**”) as supplemented by (i) two undertakings given by our Company, XXF Group and Mr. Huang dated 18 November 2019 and 10 June 2021, respectively, (ii) a first supplemental agreement entered into by, among others, Beijing Chesheng, our Company, XXF Group and Mr. Huang dated 27 January 2022, and (iii) a second supplemental agreement entered into by, among others, Beijing Chesheng, our Company, XXF Group and Mr. Huang dated 30 August 2022, Beijing Chesheng was granted certain special rights, including, among others, (i) pre-emptive rights, rights of first refusal, tag-along rights, liquidation priority, anti-dilution rights, information rights, most-favoured investment right, director appointment rights, redemption right (which was not exercisable upon the filing of the [REDACTED] application and will be terminated upon [REDACTED], and will resume automatically only if the [REDACTED] application is rejected by the Stock Exchange, withdrawn or lapsed following which no re-submission is made within six months thereafter (for the avoidance of doubt, only one re-submission would be allowed)) and veto rights, none of which shall survive after [REDACTED]; (ii) special redemption right, which has been suspended upon the first filing of our [REDACTED] application to the Stock Exchange and will not survive after [REDACTED]; and (iii) any share transfer by any existing shareholders of our Company or XXF Group to any competitors of Beijing Chesheng, and any capital increase by our Company or XXF Group to, or acceptance of any investments by, any competitors of Beijing Chesheng shall be subject to the written consent of Beijing Chesheng, where such right will survive after [REDACTED] unless the Directors consider complying with such term would constitute a breach of their fiduciary duties.

Pursuant to the Shareholder Agreement and as supplemented by (i) an undertaking by our Company, XXF Group, Celestial Bonanza and Mr. Huang dated 15 November 2019, (ii) a supplemental agreement entered into by, among others, Zhuhai Wanhe, our Company, XXF Group and Mr. Huang dated 25 August 2022 and (iii) a second supplemental agreement entered into by, among others, Zhuhai Wanhe, our Company, XXF Group and Mr. Huang dated 26 June 2023, Zhuhai Wanhe was granted certain special rights, including, among others, restrictions on the introduction of new investors, pre-emptive rights, rights of first refusal, tag-along rights, liquidation priority, anti-dilution rights, information rights, most-favoured investment right, director appointment rights, redemption right

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(which will be terminated upon [REDACTED] and exercisable only if the [REDACTED] application is rejected by the Stock Exchange, withdrawn or lapsed following which no re-submission was made within one year thereafter) and veto rights, none of which shall survive after [REDACTED].

No special rights were granted to the remaining [REDACTED] Investors in respect of their respective [REDACTED] Investments.

Lock-up

The Shares held by each of the [REDACTED] Investors will not be subject to any lock-up after [REDACTED].

Public float

The Shares held by the [REDACTED] Investors will be counted as part of the public float upon [REDACTED] as (i) each of them is not a core connected person of our Company; (ii) the subscriptions of their respective equity interests in the Shares were not financed directly or indirectly by any core connected person of our Company; and (iii) each of them and their respective ultimate beneficial owners are not accustomed to take instructions from a core connected person in relation to the subscriptions, disposals, voting or other dispositions of securities of our Company registered in their names or otherwise held by them.

Immediately upon completion of the [REDACTED] and the [REDACTED], without taking into account of Shares which may be issued pursuant to the exercise of the [REDACTED] or options granted under the [REDACTED] Share Option Scheme or options which may be granted under the Share Option Scheme, the Shares held by certain of our Shareholders who are, or are indirectly controlled by, our core connected persons, will not be counted towards the public float. Details of these Shareholders and their controllers as at the Latest Practicable Date are set out below:

- (i) Each of Glorypearl Capital, Precious Luck, Happy Gain and Southern Fortune was controlled by Mr. Huang; and
- (ii) Billion Aspire was beneficially and wholly owned by Mr. Ye Fuwei.

Save as provided above, the [REDACTED] Investors, other Shareholders and the public Shareholders will collectively hold approximately [REDACTED]% of the issued shares of our Company immediately following the [REDACTED] and the [REDACTED] without taking into account of Shares which may be issued pursuant to the exercise of the [REDACTED] or options granted under the [REDACTED] Share Option Scheme or options which may be granted under the Share Option Scheme.

Sole Sponsor’s confirmation

The Sole Sponsor confirms that the [REDACTED] Investments by the [REDACTED] Investors are in compliance with the requirements of the Interim Guidance on [REDACTED] Investments, Guidance Letter HKEx-GL43-12 and Guidance Letter HKEx-GL44-12.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Amount due to Beijing Chesheng

On 27 November 2018, XXF Group as borrower entered into a convertible bond agreement with Beijing Chesheng as lender, pursuant to which Beijing Chesheng agreed to grant a loan in the principal amount of RMB60 million to XXF Group at the interest rate of 8% per annum, which was convertible into shares of XXF Group at a fixed conversion price subject to the terms of the agreement. Such loan is secured by a share charge of 50% equity interest in Fujian Xidi held by XXF Group and guaranteed by Mr. Huang. As amended by a supplemental agreement dated 18 November 2019, Beijing Chesheng agreed not to exercise the conversion right attached to such loan. The aggregate principal amount of such loan was received by XXF Group on 4 April 2019. As further amended by a second supplemental agreement dated 10 June 2021, the interest payable in respect of such loan shall be repaid every six months commencing from 1 July 2021 and the principal shall be repaid in two instalments: (i) RMB20 million by 11 June 2021 and (ii) RMB50.76 million on 30 June 2023. As further amended by a third supplemental agreement dated 3 July 2023, (i) an interest in an amount of RMB2,030,000 shall be repaid before 30 June 2023, (ii) the principal in an amount of RMB7,614,000 shall be repaid before 3 July 2023, and (iii) the remaining balance, consisting of outstanding principal (in the amount of RMB43,146,000, carried at an interest rate of 8% per annum) and interest shall be repaid in 12 monthly instalments by 30 June 2024, each in an amount of approximately RMB3.75 million, by the end of each month commencing from July 2023. As at the Latest Practicable Date, the Company has repaid all outstanding interest and principal which were repayable by July 2023, and the outstanding principal and interest under such loan amounted to approximately RMB33,779,000.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Notes:

1. Certain percentage figures included in the chart above were subject to rounding adjustments. Accordingly, the total percentage figures may not be equal to an arithmetic aggregation of the individual figures.
2. Shanghai Boyu is a limited partnership controlled by Weichuang Hongjing as the executive partner and general partner (which owned approximately 0.025% of its partnership interest), and has two other limited partners, whose names and respective partnership interests held in Shanghai Boyu are set out below:

Name of partner	Approximate partnership interests held in Shanghai Boyu (%)
Fuzhou Zhitong	76.90
Fujian Xinyuan	23.075

Weichuang Hongjing is owned as to 99% by Mr. Huang and 1% by Fuzhou Zhitong. Each of Fuzhou Zhitong and Fujian Xinyuan is controlled by Mr. Huang as the executive partner and general partner. See note 2 under “Reorganisation” above in this section for details of the limited partners of Fuzhou Zhitong and Fujian Xinyuan and their respective interests therein. Save as disclosed in note 2 under “Reorganisation” above in this section, there was no other past or present relationship between each of Fuzhou Zhitong and Fujian Xinyuan and our Company, its subsidiaries, shareholders, directors, senior management, and any of their respective associates.

3. Shanghai Bo Yu is a limited partnership controlled by Weichuang Xingsheng as the executive partner and general partner (which owned approximately 0.05% of its partnership interest), and has one limited partner, Fuzhou Huitong, which owned approximately 99.95% of its partnership interest. Weichuang Xingsheng is wholly owned by Mr. Huang. Fuzhou Huitong is controlled by Mr. Huang as the executive partner and general partner. See note 2 under “Reorganisation” above in this section for details of the limited partners of Fuzhou Huitong and their respective interest therein. Save as disclosed in note 2 under “Reorganisation” above in this section, there was no other past or present relationship between Fuzhou Huitong and our Company, its subsidiaries, shareholders, directors, senior management, and any of their respective associates.
4. Shanghai Boyun is a limited partnership controlled by Fujian Fuyuan as the executive partner and general partner (which owned approximately 99.95% of its partnership interest), and has one limited partner, Weichuang Shengfu, which owned approximately 0.05% of its partnership interest. Fujian Fuyuan is controlled by Mr. Huang as the executive partner and general partner. Weichuang Shengfu is wholly owned by Mr. Ye Fuwei, our executive Director. See note 2 under “Reorganisation” above in this section for details of the partners of Fujian Fuyuan and their respective interests therein. Save as disclosed in note 4, there was no other past or present relationship between Weichuang Shengfu and our Company, its subsidiaries, shareholders, directors, senior management, and any of their respective associates.
5. Ideal Stand is indirectly wholly owned by Tengxin Investment, which is owned as to 75%, 10%, 10% and 5% by Mr. Teng Yongxiong, Mr. Teng Yongyan, Mr. Teng Yongwei and Mr. Teng Yongzhuang, respectively, each an Independent Third Party.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

6. Prosperous Splendor is owned as to 4.48% by Mr. Liu Wei, our non-executive Director, and 95.52% by father of Mr. Liu Wei. Prosperous Splendor is the offshore holding vehicle of Fuzhou Shenghui.
7. Brown Oak is indirectly controlled by Wanhe Jinhua, which controls Zhuhai Wanhe as the executive partner and general partner. Brown Oak is the offshore holding vehicle of Zhuhai Wanhe.
8. Charming Tulip Holdings Limited is indirectly owned as to approximately 47.18% by Ms. Qiu Hui, 32.27% by Mr. Lin Dachun, 10.96% by Mr. Huang Jianqing and 9.59% by Mr. Wang Yueren.
9. Hit Drive is indirectly wholly owned by EasyCar Inc., which in turn wholly owns EasyCar (HK) Limited as well as Beijing Chesheng. Hit Drive is the offshore holding vehicle of Beijing Chesheng.
10. Fortune Strength is wholly owned by Ms. Yang Yufen, one of our [REDACTED] Investors and an Independent Third Party.
11. Prosper United is wholly owned by Ms. Choo Beng Hiang, one of our [REDACTED] Investors and an Independent Third Party.
12. The shareholding of other Shareholders in our Company is set out below:

Name	Shareholding	Ultimate beneficial owner
Direct Solution	4.17%	an Independent Third Party which controls Hangzhou Chain Reaction as well as Good Hope Chehang
Lucky League	2.12%	Ms. Chen Jia, an Independent Third Party
Mega Galaxy	1.75%	an Independent Third Party which controls Good Hope Chehang as well as Hangzhou Chain Reaction
Gold Chest	1.54%	Mr. Liu Donghu, an Independent Third Party
Regency Gem	1.41%	Mr. Pan Qiu, an Independent Third Party
Amazing Gold	1.06%	Ms. Mao Lin, an Independent Third Party
Fantastic Fame	0.62%	Mr. Li Huan, an Independent Third Party
Jade Mount	0.50%	Mr. Lin Yanfeng, an employee of the Group and an Independent Third Party
Billion Aspire	0.23%	Mr. Ye Fuwei, our executive Director
Southern Excellence	0.15%	Mr. Liu Hao, an Independent Third Party

13. The remaining equity interest of Fujian ZyooCar is held by Ningde Transport Investment Group Company Limited* (寧德市交通投資集團有限公司), an Independent Third Party (by virtue of Fujian ZyooCar being an insignificant subsidiary of our Company as defined under the Listing Rules).
14. Other subsidiaries consist of four subsidiaries, all of which were established under the laws of the PRC with no material contribution to the Group’s revenue during the Track Record Period and up to the Latest Practicable Date.
15. Other subsidiaries consist of nine subsidiaries, all of which were established under the laws of the PRC with no material contribution to the Group’s revenue during the Track Record Period and up to the Latest Practicable Date.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

Notes:

1. See the respective notes to the corporate and shareholding structure of our Group under “(1) Immediately after completion of the Reorganisation but before the completion of the [REDACTED] and the [REDACTED]” above in this section.
2. The shareholding of other Shareholders in our Company is set out below:

Name	Shareholding
Direct Solution	[REDACTED]%
Lucky League	[REDACTED]%
Mega Galaxy	[REDACTED]%
Gold Chest	[REDACTED]%
Regency Gem	[REDACTED]%
Amazing Gold	[REDACTED]%
Fantastic Fame	[REDACTED]%
Jade Mount	[REDACTED]%
Billion Aspire	[REDACTED]%
Southern Excellence	[REDACTED]%

3. The remaining equity interest of Fujian ZyooCar is held by Ningde Transport Investment Group Company Limited* (寧德市交通投資集團有限公司), an Independent Third Party (by virtue of Fujian ZyooCar being an insignificant subsidiary of our Company as defined under the Listing Rules).
4. Other subsidiaries consist of four subsidiaries, all of which were established under the laws of the PRC with no material contribution to the Group’s revenue during the Track Record Period and up to the Latest Practicable Date.
5. Other subsidiaries consist of nine subsidiaries, all of which were established under the laws of the PRC with no material contribution to the Group’s revenue during the Track Record Period and up to the Latest Practicable Date.

[REDACTED] SHARE OPTION SCHEME

We have conditionally adopted the [REDACTED] Share Option Scheme, summary of the principal terms of which is set out in the section headed “Statutory and General Information — D. Other Information — 2. [REDACTED] Share Option Scheme” in Appendix V to this document.

PRC LEGAL COMPLIANCE

M&A Rules

Our PRC Legal Advisers have confirmed that the share transfers, the Reorganisation, acquisitions and disposals in the PRC in respect of the PRC companies in our Group as described above have been properly and legally completed and all regulatory approvals have been obtained in accordance with PRC laws and regulations.

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

According to the Regulations on Merger with and Acquisition of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》) (the “**M&A Rules**”) jointly issued by the MOFCOM, the State-owned Assets Supervision and Administration Commission of the State Council, the SAT, the CSRC, SAIC and the SAFE on 8 August 2006, effective as at 8 September 2006 and amended on 22 June 2009, a foreign investor is required to obtain necessary approvals when it (i) acquires the equity of a domestic enterprise so as to convert the domestic enterprise into a foreign-invested enterprise; (ii) subscribes the increased capital of a domestic enterprise so as to convert the domestic enterprise into a foreign-invested enterprise; (iii) establishes a foreign-invested enterprise through which it purchases the assets of a domestic enterprise and operates these assets; or (iv) purchases the assets of a domestic enterprise, and then invests such assets to establish a foreign invested enterprise. The M&A Rules, among other things, further purport to require that an offshore special vehicle, or a special purpose, vehicle, formed for listing purposes and controlled directly or indirectly by PRC companies or individuals, shall obtain the approval of the CSRC prior to the listing and trading of such special purpose vehicle’s securities on an overseas stock exchange, especially in the event that the special purpose vehicle acquires shares of or equity interests in the PRC companies in exchange for the shares of offshore companies.

Our PRC Legal Advisers are of the opinion that prior CSRC approval for this **[REDACTED]** is not required because the acquisition of XXF Group’s equity interest by our Company does not fall within the scope such acquisition by the foreign investor as stipulated under the M&A Rules.

SAFE Circular 37 and ODI Rules

Pursuant to the Circular of the SAFE on Foreign Exchange Administration of Overseas Investment, Financing and Round-trip Investments Conducted by Domestic Residents through Special Purpose Vehicles (《關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》) (the “**SAFE Circular 37**”), promulgated by SAFE, a PRC resident must register with the local SAFE branch before he or she contributes assets or equity interests in an overseas special purpose vehicle that is directly established or indirectly controlled by the PRC resident for the purpose of conducting investment or financing.

Pursuant to the Circular of the SAFE on Further Simplification and Improvement in Foreign Exchange Administration on Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》) (the “**SAFE Circular 13**”), promulgated by SAFE and became effective on 1 June, 2015, the power to accept SAFE registration was delegated from local SAFE to local banks where the assets or interest in the domestic entity was located.

Pursuant to the Administrative Measures for the Outbound Investment of Enterprises (《企業境外投資管理辦法》) and the Measures on the Administration of Overseas Investments (《境外投資管理辦法》) (collectively, “**ODI Rules**”), promulgated by the NDRC and the MOFCOM respectively, a domestic institution shall undergo approval or record-filing or other procedure with the relevant authorities prior to its overseas investment in accordance with the provisions of the ODI Rules.

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT

HISTORY, REORGANISATION AND CORPORATE STRUCTURE

As advised by our PRC Legal Advisers, our ultimate PRC individual shareholders (as PRC residents as defined under the applicable provisions under SAFE Circular 37) have completed the registration under the SAFE Circular 37 by August 2019, and the relevant ultimate PRC corporate shareholders of our Company have completed the overseas direct investment record-filing with the local authorities in October 2019 pursuant to the ODI Rules in relation to their respective offshore investments by domestic institutions.