
HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

We are a leading intralogistics equipment lifecycle management solution provider in China, offering services featuring advanced IoT technology capability and strong digital transformation achievements. Focusing on intralogistics equipment subscription services, we strive to provide enterprises with one-stop solutions for intralogistics equipment utilization and management.

The origins of our Company can be traced back to the establishment of our Company in 2007 by Mr. Hou, our founder, chairman of the Board, executive Director and one of our Controlling Shareholders, together with his brother, Mr. Hou Zebing (侯澤兵), our executive Director, general manager and one of our Controlling Shareholders. For further information about Mr. Hou and Mr. Hou Zebing, please see “Directors, Supervisors and Senior Management – Board of Directors – Executive Directors” in this document.

BUSINESS DEVELOPMENT MILESTONES

The following table sets forth certain development milestones of our Group:

Year	Milestones
2007	Our Company was incorporated and we established our distribution channels for intralogistics equipment, and began the sales model of intralogistics equipment
2008	We promoted the digitalization research of components of intralogistics equipment, and began the digital application mode of intralogistics equipment parts
2013	We focused on promoting the construction of nationwide service outlets and established our intralogistics equipment service model for end users across the country We introduced Eastern Bell II as our Pre-[REDACTED] Investor
2015	We innovatively used the IoT and the new generation of information technology to commence our intralogistics equipment subscription business and created a full lifecycle solution model for our intralogistics equipment
2016	We introduced Dachen Chuanglian as our Pre-[REDACTED] Investor We upgraded our smart asset management system We have been qualified as “high and new technology enterprises” by the Department of Science and Technology of Guangdong Province (廣東省科學技術廳), the Guangdong Provincial Department of Finance (廣東省財政廳) and the relevant tax authorities
2017	The number of intralogistics equipment under our management exceeded 10,000

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Year	Milestones
2020	We launched our wearable devices with multidimensional sensors to support us in realizing the visualization of services and promote the upgrading of our service model
2022	Our first nationwide supply chain base, headquartered in Hefei, was established and officially launched
2023	The number of intralogistics equipment under our management exceeded 40,000

OUR GROUP

As of the Latest Practicable Date, our Group comprised of our Company and our 13 subsidiaries. For details of our subsidiaries, see Note 1 to the Accountants’ Report in Appendix I to this document.

We primarily operate our business through our Company and principal operating subsidiaries. As of the Latest Practicable Date, we had three principal operating entities, including our Company, Guangzhou Pengze and Anhui Folangsi, which made material contribution to our results of operation during the Track Record Period, the details of which are set forth below:

	Place of Incorporation	Date of Incorporation	Shareholding Change	Principal Business activities
Our Company	PRC	December 5, 2007	For details of the shareholding changes of our Company, see “– Corporate Development and Shareholding Changes of Our Company” in this section	The centralized management platform of our Group where we run our overall business operation
Guangzhou Pengze	PRC	March 19, 2010	A wholly-owned subsidiary of our Company since its incorporation	Sales of the intralogistics equipment and parts
Anhui Folangsi	PRC	August 17, 2018	A wholly-owned subsidiary of our Company since its incorporation	Operation of our nationwide supply chain base located in Hefei

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CORPORATE DEVELOPMENT AND SHAREHOLDING CHANGES OF OUR COMPANY

Incorporation of Our Company

Our Company was established in the PRC on December 5, 2007. Upon incorporation, the registered capital of our Company was RMB0.5 million, which was owned by Mr. Hou, Mr. Hou Zebing and Foshan Folangsi as to 40%, 40% and 20%, representing RMB0.2 million, RMB0.2 million and RMB0.1 million of the registered capital of our Company, respectively.

Subsequent Capital Changes and Equity Transfers

1. Equity Transfer in June 2009

On May 20, 2009, Mr. Hou, Mr. Hou Zebing and Foshan Folangsi entered into an equity transfer agreement, pursuant to which Foshan Folangsi transferred 10% and 10% equity interest in our Company to Mr. Hou and Mr. Hou Zebing at the consideration of RMB50,000 and RMB50,000, respectively.

Upon the completion of such equity transfers on June 23, 2009, our Company was owned as to 50% and 50% by Mr. Hou and Mr. Hou Zebing, respectively, with a registered capital of RMB0.5 million.

2. Capital Increase in November 2010

On November 3, 2010, Mr. Hou and Mr. Hou Zebing, being the then Shareholders of our Company, resolved to increase the registered capital of our Company from RMB0.5 million to RMB2.0 million. Mr. Hou and Mr. Hou Zebing agreed to contribute to the increased registered capital in proportion to their then respective equity interests of 50% and 50% in our Company and the capital increase of RMB1.5 million was completed on November 10, 2010.

3. Equity Transfer in August 2011

On August 14, 2011, Mr. Hou, Mr. Hou Zebing and Guangzhou Daze (our Employee Incentive Platform) entered into an equity transfer agreement, pursuant to which each of Mr. Hou and Mr. Hou Zebing transferred 14% equity interest (representing RMB280,000 of our then registered capital) to Guangzhou Daze at a consideration of RMB280,000. Guangzhou Daze is our Employee Incentive Platform, which is a limited partnership established in the PRC on August 16, 2011 whose sole general partner is Mr. Hou Zebing. For further details on Guangzhou Daze, please see the paragraph headed "– Employee Incentive Scheme" in this section.

Upon the completion of such equity transfers on August 22, 2011, our Company was owned as to 36%, 36% and 28% by Mr. Hou, Mr. Hou Zebing and Guangzhou Daze, respectively, with a registered capital of RMB2.0 million.

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4. Capital Increase in November 2011

On November 10, 2011, the then Shareholders of our Company resolved to increase the registered capital of our Company from RMB2.0 million to RMB2.5 million. Shenzhen Xinyu Equity Investment Enterprise (Limited Partnership) (深圳鑫域股權投資企業(有限合夥)) (“**Shenzhen Xinyu**”), a Pre-[REDACTED] Investor, subscribed for the increased registered capital of RMB0.5 million, representing 20% equity interest in our Company upon completion of the capital increase, at the consideration of RMB15.0 million (the “**Nov-2011 Capital Increase**”).

Upon the completion of such capital increase on November 24, 2011, our Company was owned as to 28.8%, 28.8%, 22.4% and 20.0% by Mr. Hou, Mr. Hou Zebing, Guangzhou Daze and Shenzhen Xinyu, respectively, with a registered capital of RMB2.5 million.

5. Capital Increase in October 2012

On September 16, 2012, the then Shareholders of our Company resolved to increase the registered capital of our Company from RMB2.5 million to RMB2,551,020. Ms. Zheng Ying (鄭穎), a Pre-[REDACTED] Investor, subscribed for the increased registered capital of RMB51,020, representing approximately 2.00% equity interest in our Company upon completion of the capital increase, at the consideration of RMB1.68 million (the “**Oct-2012 Capital Increase**”).

Upon the completion of such capital increase on October 15, 2012, our Company was owned as to 28.22%, 28.22%, 21.95%, 19.60% and 2.00% by Mr. Hou, Mr. Hou Zebing, Guangzhou Daze, Shenzhen Xinyu and Ms. Zheng Ying, respectively, with a registered capital of RMB2,551,020.

6. Equity Transfer in June 2013

On May 20, 2013, Shenzhen Xinyu and Mr. Wang Jing (汪晶) entered into an equity transfer agreement, pursuant to which Shenzhen Xinyu transferred the registered capital of RMB0.1 million, representing approximately 3.92% equity interest, in our Company to Mr. Wang Jing, a Pre-[REDACTED] Investor, at the consideration of RMB3.0 million (the “**Jun-2013 Transfer**”).

Upon the completion of such equity transfer on June 18, 2013, the shareholding of our Company was as follows:

Shareholders	Registered capital (RMB)	Equity interest (%)
Mr. Hou	720,000	28.22
Mr. Hou Zebing	720,000	28.22
Guangzhou Daze	560,000	21.95
Shenzhen Xinyu	400,000	15.68
Mr. Wang Jing	100,000	3.92
Ms. Zheng Ying	51,020	2.00
Total	2,551,020	100.00

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7. *Capital Increase in June 2013*

On June 8, 2013, the then Shareholders of our Company resolved to increase the registered capital of our Company from RMB2,551,020 to RMB2,869,860. Suzhou Eastern Bell II Investment Center (Limited Partnership) (蘇州鐘鼎創業二號投資中心(有限合夥)) (“**Eastern Bell II**”), a Pre-[REDACTED] Investor, subscribed for the increased registered capital of RMB318,840, representing approximately 11.11% equity interest in our Company upon completion of the capital increase, at the consideration of RMB30.0 million (the “**Jun-2013 Capital Increase**”).

Upon the completion of such capital increase on June 27, 2013, the shareholding of our Company was as follows:

Shareholders	Registered capital (RMB)	Equity interest (%)
Mr. Hou	720,000	25.09
Mr. Hou Zebing	720,000	25.09
Guangzhou Daze	560,000	19.51
Shenzhen Xinyu	400,000	13.94
Eastern Bell II	318,840	11.11
Mr. Wang Jing	100,000	3.48
Ms. Zheng Ying	51,020	1.78
Total	2,869,860	100.00

8. *Equity Transfer and Capital Increase in July 2014*

On May 15, 2014, each of Mr. Wang Jing, Ms. Zheng Ying and Mr. Hou Zebing entered into an equity transfer agreement with Eastern Bell II, pursuant to which (i) Mr. Wang Jing transferred registered capital of RMB50,000, representing approximately 1.74% equity interest, in our Company to Eastern Bell II at the consideration of RMB5,096,100; (ii) Ms. Zheng Ying transferred registered capital of RMB25,510, representing approximately 0.89% equity interest, in our Company to Eastern Bell II at the consideration of RMB2,600,000; and (iii) Mr. Hou Zebing transferred registered capital of RMB28,699, representing approximately 1.00% equity interest, in our Company to Eastern Bell II at the consideration of RMB2,925,000 (the “**Jul-2014 Transfer**”).

On July 23, 2014, the then Shareholders of our Company resolved to increase the registered capital of our Company from RMB2,869,860 to RMB3,139,677. Eastern Bell II subscribed for the increased registered capital of RMB269,817, representing approximately 8.59% equity interest in our Company upon completion of the capital increase, at the consideration of RMB30.0 million (the “**Jul-2014 Capital Increase**”).

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Upon the completion of such equity transfers and capital increase on July 29, 2014, the shareholding of our Company was as follows:

Shareholders	Registered capital (RMB)	Equity interest (%)
Mr. Hou	720,000	22.93
Mr. Hou Zebing	691,301	22.02
Eastern Bell II	692,866	22.07
Guangzhou Daze	560,000	17.84
Shenzhen Xinyu	400,000	12.74
Mr. Wang Jing	50,000	1.59
Ms. Zheng Ying	25,510	0.81
Total	3,139,677	100.00

9. Equity Transfer in March 2015

On October 22, 2014, Guangzhou Daze entered into an equity transfer agreement with each of Eastern Bell II and Shanghai Dingmin Investment Management Center (Limited Partnership) (上海鼎民投資管理中心(有限合夥)) (“**Shanghai Dingmin**”), pursuant to which Guangzhou Daze transferred registered capital of RMB62,794 and RMB12,559, representing approximately 2.00% and 0.40% equity interest, in our Company to Eastern Bell II and Shanghai Dingmin, each a Pre-[REDACTED] Investor, at the consideration of RMB6.40 million and RMB1.28 million, respectively (the “**Mar-2015 Transfer**”).

Upon the completion of such equity transfers on March 4, 2015, the shareholding of our Company was as follows:

Shareholders	Registered capital (RMB)	Equity interest (%)
Mr. Hou	720,000	22.93
Mr. Hou Zebing	691,301	22.02
Eastern Bell II	755,659	24.07
Guangzhou Daze	484,648	15.44
Shenzhen Xinyu	400,000	12.74
Mr. Wang Jing	50,000	15.93
Ms. Zheng Ying	25,510	0.81
Shanghai Dingmin	12,559	0.40
Total	3,139,677	100.00

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10. Capital Increase in December 2015

On November 25, 2015, the then Shareholders of our Company resolved to increase the registered capital of our Company from RMB3,139,677 to RMB3,265,264. Shanghai Xingfu Venture Capital Management Center (Limited Partnership) (上海興富創業投資管理中心(有限合夥)) (“**Shanghai Xingfu**”), a Pre-[REDACTED] Investor, and Fujian Xinghe Equity Investment Limited Partnership (福建省興和股權投資有限合夥企業) (“**Fujian Xinghe**”) subscribed for the increased registered capital of RMB94,190 and RMB31,397, representing approximately 2.88% and 0.96% equity interest in our Company upon completion of the capital increase, at the consideration of RMB15.0 million and RMB5.0 million, respectively (the “**Dec-2015 Capital Increase**”).

Upon the completion of such capital increase on December 23, 2015, the shareholding of our Company was as follows:

Shareholders	Registered capital (RMB)	Equity interest (%)
Mr. Hou	720,000	22.05
Mr. Hou Zebing	691,301	21.17
Eastern Bell II	755,659	23.14
Guangzhou Daze	484,648	14.84
Shenzhen Xinyu	400,000	12.25
Shanghai Xingfu	94,190	2.88
Mr. Wang Jing	50,000	1.53
Fujian Xinghe	31,397	0.96
Ms. Zheng Ying	25,510	0.78
Shanghai Dingmin	12,559	0.38
Total	3,265,264	100.00

11. Capital Increase in July 2016

On June 20, 2016, the then Shareholders of our Company resolved to increase the registered capital of our Company from RMB3,265,264 to RMB60,000,000. The increased registered capital of RMB56,734,736 was converted from the capital reserve of our Company, as a result, the registered capital of each Shareholder was increased in proportion to their then respective equity interest in our Company.

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Upon the completion of such capital increase on July 12, 2016, the shareholding of our Company was as follows:

Shareholders	Registered capital (RMB)	Equity interest (%)
Mr. Hou	13,230,171	22.05
Mr. Hou Zebing	12,702,820	21.17
Eastern Bell II	13,885,413	23.14
Guangzhou Daze	8,905,522	14.84
Shenzhen Xinyu	7,350,094	12.25
Shanghai Xingfu	1,730,764	2.88
Mr. Wang Jing	918,762	1.53
Fujian Xinghe	576,927	0.96
Ms. Zheng Ying	468,752	0.78
Shanghai Dingmin	230,775	0.38
Total	60,000,000	100.00

12. Joint-Stock Reform in December 2016

Pursuant to the shareholders' resolutions on October 22, 2016 and the promoters' agreement dated October 22, 2016, the then existing Shareholders of our Company agreed to convert our Company into a joint stock limited liability company with a registered capital of RMB60,000,000. Pursuant to the promoters' agreement, the net asset value of our Company as of July 31, 2016 amounted to RMB105,603,841.01, of which (i) RMB60,000,000 was converted into 60,000,000 Shares of RMB1.0 par value each, which were subscribed by and issued to the then Shareholders of our Company in proportion to their respective equity interest in our Company; and (ii) the remaining amount of RMB45,603,841.01 was converted to capital reserve of our Company. Upon the completion of registration with the then Guangzhou Administration for Industry and Commerce (廣州市工商行政管理局) on November 25, 2016, our Company was converted into a joint stock company with limited liability and renamed as Folangsi Co., Ltd. (廣州佛朗斯股份有限公司).

Upon the completion of the joint-stock reform on November 25, 2016, the shareholding of our Company was as follows:

Shareholders	Number of Shares	Equity interest (%)
Mr. Hou	13,230,171	22.05
Mr. Hou Zebing	12,702,820	21.17
Eastern Bell II	13,885,413	23.14
Guangzhou Daze	8,905,522	14.84
Shenzhen Xinyu	7,350,094	12.25
Shanghai Xingfu	1,730,764	2.88
Mr. Wang Jing	918,762	1.53
Fujian Xinghe	576,927	0.96
Ms. Zheng Ying	468,752	0.78
Shanghai Dingmin	230,775	0.38
Total	60,000,000	100.00

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13. Capital Increase in December 2016

On December 15, 2016, the then Shareholders of our Company resolved to increase the share capital of our Company from 60,000,000 Shares to 62,000,000 Shares with registered capital of our Company increased from RMB60,000,000 to RMB62,000,000. Suzhou Eastern Bell III Investment Center (Limited Partnership) (蘇州鐘鼎三號創業投資中心(有限合夥)) (“**Eastern Bell III**”), a Pre-[REDACTED] Investor, subscribed the increased share capital of 2,000,000 Shares, representing approximately 3.23% equity interest in our Company upon completion of the capital increase, at the consideration of RMB20.0 million (the “**Dec-2016 Capital Increase**”).

Upon the completion of such capital increase on December 20, 2016, the shareholding of our Company was as follows:

Shareholders	Number of Shares	Equity interest (%)
Mr. Hou	13,230,171	21.34
Mr. Hou Zebing	12,702,820	20.49
Eastern Bell II	13,885,413	22.40
Guangzhou Daze	8,905,522	14.36
Shenzhen Xinyu	7,350,094	11.86
Eastern Bell III	2,000,000	3.23
Shanghai Xingfu	1,730,764	2.79
Mr. Wang Jing	918,762	1.48
Fujian Xinghe	576,927	0.93
Ms. Zheng Ying	468,752	0.76
Shanghai Dingmin	230,775	0.37
Total	62,000,000	100.00

14. Capital Increase in January 2017

On December 22, 2016, the then Shareholders of our Company resolved to increase the share capital of our Company from 62,000,000 Shares to 69,682,997 Shares with registered capital of our Company increased from RMB62,000,000 to RMB69,682,997. Shenzhen Dacheng Chuanglian Equity Investment Fund Partnership (Limited Partnership) (深圳市達晨創聯股權投資基金合夥企業(有限合夥)) (“**Dachen Chuanglian**”), a Pre-[REDACTED] Investor, Zhuhai Qianheng Investment Management Co., Ltd. (珠海乾亨投資管理有限公司) (“**Zhuhai Qianheng**”) and Shanghai Zezhen Investment Center (Limited Partnership) (上海澤禎投資中心(有限合夥)) (“**Shanghai Zezhen**”), a Pre-[REDACTED] Investor, subscribed for the additional 5,360,231 Shares, 1,786,743 Shares and 536,023 Shares, representing approximately 7.69%, 2.56% and 0.77% equity interest in our Company upon completion of the capital increase, at the considerations of RMB60.0 million, RMB20.0 million and RMB6.0 million, respectively (the “**Jan-2017 Capital Increase**”).

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Upon the completion of such capital increase on January 19, 2017, the shareholding of our Company was as follows:

Shareholders	Number of Shares	Equity interest (%)
Mr. Hou	13,230,171	18.99
Mr. Hou Zebing	12,702,820	18.23
Eastern Bell II	13,885,413	19.93
Guangzhou Daze	8,905,522	12.78
Shenzhen Xinyu	7,350,094	10.55
Dachen Chuanglian	5,360,231	7.69
Eastern Bell III	2,000,000	2.87
Shanghai Xingfu	1,730,764	2.48
Zhuhai Qianheng	1,786,743	2.56
Mr. Wang Jing	918,762	1.32
Fujian Xinghe	576,927	0.83
Shanghai Zezhen	536,023	0.77
Ms. Zheng Ying	468,752	0.67
Shanghai Dingmin	230,775	0.33
Total	69,682,997	100.00

15. Capital Increase in November 2017

On October 30, 2017, the then Shareholders of our Company resolved to increase the share capital of our Company from 69,682,997 Shares to 74,642,477 Shares with registered capital of our Company increased from RMB69,682,997 to RMB74,642,477. The five subscribers including AEON LIFE INSURANCE COMPANY, LTD. (百年人壽保險股份有限公司) (“**Aeon Life**”), Zhuhai Hengqin 01 Wotu No. 10 Investment Partnership (Limited Partnership) (珠海橫琴零壹沃土十號投資合夥企業(有限合夥)) (“**Wotu No. 10**”), Guangzhou Tianhe Zhongke No. 1 Venture Capital Fund Partnership (Limited Partnership) (廣州天河中科一號創業投資基金合夥企業(有限合夥)) (“**Zhongke No. 1**”), Guangdong Zhongke Baiyun Emerging Industry Venture Capital Fund Co., Ltd. (廣東中科白雲新興產業創業投資基金有限公司) (“**Zhongke Baiyun**”) and Shanghai Longwin Jingjie Investment Partnership (Limited Partnership) (上海朗聞京玠投資合夥企業(有限合夥)) (“**Longwin Jingjie**”), each a Pre-[REDACTED] Investor, subscribed for the increased share capital of 4,959,480 Shares at a total consideration of RMB106,758,065 (the “**Nov-2017 Capital Increase**”).

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The respective subscription amount and consideration for each subscriber were as follows:

Subscribers	Number of Shares subscribed for	Consideration (RMB)	Corresponding equity interest in our Company (upon completion of the capital increase and subscription) (%)
Aeon Life	1,858,213	40,000,000	2.49
Wotu No.10	1,498,559	32,258,065	2.01
Zhongke No.1	673,602	14,500,000	0.90
Zhongke Baiyun	464,553	10,000,000	0.62
Longwin Jingjie	464,553	10,000,000	0.62
Total	4,959,480	106,758,065	6.64

Upon the completion of such capital increase on November 20, 2017, the shareholding of our Company was as follows:

Shareholders	Number of Shares	Equity interest (%)
Mr. Hou	13,230,171	17.72
Mr. Hou Zebing	12,702,820	17.02
Eastern Bell II	13,885,413	18.60
Guangzhou Daze	8,905,522	11.93
Shenzhen Xinyu	7,350,094	9.85
Dachen Chuanglian	5,360,231	7.18
Eastern Bell III	2,000,000	2.68
Aeon Life	1,858,213	2.49
Shanghai Xingfu	1,730,764	2.32
Zhuhai Qianheng	1,786,743	2.39
Wotu No. 10	1,498,559	2.01
Mr. Wang Jing	918,762	1.23
Zhongke No. 1	673,602	0.90
Fujian Xinghe	576,927	0.77
Shanghai Zezhen	536,023	0.72
Ms. Zheng Ying	468,752	0.63
Zhongke Baiyun	464,553	0.62
Longwin Jingjie	464,553	0.62
Shanghai Dingmin	230,775	0.31
Total	74,642,477	100.00

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16. Equity Transfer in January 2018

On December 8, 2017, Ms. Zheng Ying, Guangzhou Daze and Jiaxing Dace Lejiehui Investment Partnership (Limited Partnership) (嘉興大策樂傑惠投資合夥企業(有限合夥)) (“**Jiaxing Dace**”), a Pre-[REDACTED] Investor, entered into an equity transfer agreement, pursuant to which Ms. Zheng Ying transferred 139,366 Shares and Guangzhou Daze transferred 812,968 Shares of our Company, representing approximately 0.19% and 1.09% equity interest in our Company, to Jiaxing Dace at the consideration of RMB3.0 million and RMB17.5 million, respectively (the “**Jan-2018 Transfer**”).

Upon the completion of such equity transfers on January 2, 2018, the shareholding of our Company was as follows:

Shareholders	Number of Shares	Equity interest (%)
Mr. Hou	13,230,171	17.72
Mr. Hou Zebing	12,702,820	17.02
Eastern Bell II	13,885,413	18.60
Guangzhou Daze	8,092,554	10.84
Shenzhen Xinyu	7,350,094	9.85
Dachen Chuanglian	5,360,231	7.18
Eastern Bell III	2,000,000	2.68
Aeon Life	1,858,213	2.49
Shanghai Xingfu	1,730,764	2.32
Zhuhai Qianheng	1,786,743	2.39
Wotu No. 10	1,498,559	2.01
Jiaxing Dace	952,334	1.28
Mr. Wang Jing	918,762	1.23
Zhongke No. 1	673,602	0.90
Fujian Xinghe	576,927	0.77
Shanghai Zezhen	536,023	0.72
Zhongke Baiyun	464,553	0.62
Longwin Jingjie	464,553	0.62
Ms. Zheng Ying	329,386	0.44
Shanghai Dingmin	230,775	0.31
Total	74,642,477	100.00

17. Equity Transfer in June 2018

On February 20, 2018, Shenzhen Xinyu and Mr. Yang Tao (楊濤), a Pre-[REDACTED] Investor, entered into an equity transfer agreement, pursuant to which Shenzhen Xinyu transferred 1,411,100 Shares of our Company, representing approximately 1.89% equity interest in our Company, to Mr. Yang Tao at the consideration of RMB30,375,338.6 (the “**Jun-2018 Transfer**”).

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Upon the completion of such equity transfer on June 27, 2018, the shareholding of our Company was as follows:

Shareholders	Number of Shares	Equity interest (%)
Mr. Hou	13,230,171	17.72
Mr. Hou Zebing	12,702,820	17.02
Eastern Bell II	13,885,413	18.60
Guangzhou Daze	8,092,554	10.84
Shenzhen Xinyu	5,938,994	7.96
Dachen Chuanglian	5,360,231	7.18
Eastern Bell III	2,000,000	2.68
Aeon Life	1,858,213	2.49
Shanghai Xingfu	1,730,764	2.32
Zhuhai Qianheng	1,786,743	2.39
Wotu No. 10	1,498,559	2.01
Mr. Yang Tao	1,411,100	1.89
Jiaying Dace	952,334	1.28
Mr. Wang Jing	918,762	1.23
Zhongke No. 1	673,602	0.90
Fujian Xinghe	576,927	0.77
Shanghai Zezhen	536,023	0.72
Zhongke Baiyun	464,553	0.62
Longwin Jingjie	464,553	0.62
Ms. Zheng Ying	329,386	0.44
Shanghai Dingmin	230,775	0.31
Total	74,642,477	100.00

18. Capital Increase in September 2018

On August 10, 2018, the then Shareholders of our Company resolved to increase the share capital of our Company from 74,642,477 Shares to 80,484,062 Shares with registered capital of our Company increased from RMB74,642,477 to RMB80,484,062. Shenzhen Dachen Chuangtong Equity Investment Enterprise (Limited Partnership) (深圳市達晨創通股權投資企業(有限合夥)) (“**Dachen Chuangtong**”) and Xiamen Lantu Tianxing Investment L.P. (廈門藍圖天興投資合夥企業(有限合夥)) (“**Lantu Tianxing**”), each a Pre-[REDACTED] Investor, subscribed for the increased share capital of 4,867,988 Shares and 973,597 Shares, representing approximately 6.05% and 1.21% equity interest in our Company upon completion of the capital increase, at the considerations of RMB150.0 million and RMB30.0 million, respectively (the “**Sep-2018 Capital Increase**”).

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Upon the completion of such capital increase on September 19, 2018, the shareholding of our Company was as follows:

Shareholders	Number of Shares	Equity interest (%)
Mr. Hou	13,230,171	16.44
Mr. Hou Zebing	12,702,820	15.78
Eastern Bell II	13,885,413	17.25
Guangzhou Daze	8,092,554	10.05
Shenzhen Xinyu	5,938,994	7.38
Dachen Chuanglian	5,360,231	6.66
Dachen Chuangtong	4,867,988	6.05
Eastern Bell III	2,000,000	2.49
Aeon Life	1,858,213	2.31
Shanghai Xingfu	1,730,764	2.15
Zhuhai Qianheng	1,786,743	2.22
Wotu No. 10	1,498,559	1.86
Mr. Yang Tao	1,411,100	1.75
Lantu Tianxing	973,597	1.21
Jiaxing Dace	952,334	1.18
Mr. Wang Jing	918,762	1.14
Zhongke No. 1	673,602	0.84
Fujian Xinghe	576,927	0.72
Shanghai Zezhen	536,023	0.67
Zhongke Baiyun	464,553	0.58
Longwin Jingjie	464,553	0.58
Ms. Zheng Ying	329,386	0.41
Shanghai Dingmin	230,775	0.29
Total	80,484,062	100.00

19. Equity Transfer and Capital Increase in November 2021

On July 22, 2021, Shenzhen Xinyu and TZGF Assets Management Co.Ltd. (天澤吉富資產管理有限公司) (“TZGF”) entered into an equity transfer agreement, pursuant to which Shenzhen Xinyu transferred 300,000 Shares of our Company, representing approximately 0.37% equity interest in our Company, to TZGF, a Pre-[REDACTED] Investor, at the consideration of RMB9.0 million (the “Nov-2021 Transfer”).

On August 24, 2021, the then Shareholders of our Company resolved to increase the share capital of our Company from 80,484,062 Shares to 83,971,704 Shares with registered capital of our Company increased from RMB80,484,062 to RMB83,971,704. The six subscribers including, Guangzhou Huangpu Digital Economy Industry Investment Fund Partnership (Limited Partnership) (廣州黃埔數字經濟產業投資基金合夥企業(有限合夥)) (“Huangpu Digital”), Jiaxing Yongzhong Equity Investment Partnership (Limited Partnership) (嘉興永忠股權投資合夥企業(有限合夥)) (“Jiaxing Yongzhong”), Jiaxing Tengyin Equity Investment Partnership (Limited Partnership) (嘉興騰寅股權投資合夥企業(有限合夥)) (“Jiaxing Tengyin”), Changzhou Yongyuan Venture Capital Partnership (Limited Partnership) (常州永元創業投資合夥企業(有限合夥)) (“Changzhou Yongyuan”), Jiaxing Yongli Equity Investment Partnership (Limited Partnership) (嘉興永禮股權投資合夥企業(有限合夥)) (“Jiaxing Yongli”).

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and Changzhou Yongcai Venture Capital Partnership (Limited Partnership) (常州永才創業投資合夥企業(有限合夥)) (“**Changzhou Yongcai**”), each a Pre-[REDACTED] Investor, subscribed the increased share capital of 3,487,642 Shares at a total consideration of RMB130.0 million (the “**Nov-2021 Capital Increase**”).

The respective subscription amount and consideration for each subscriber were as follows:

Subscribers	Number of Shares subscribed for	Consideration (RMB)	Corresponding equity interest in our Company (upon completion of the capital increase) (%)
Huangpu Digital	482,904	18,000,000	0.58
Jiaying Yongzhong	858,497	32,000,000	1.02
Jiaying Tengyin	348,764	13,000,000	0.42
Changzhou Yongyuan	536,560	20,000,000	0.64
Jiaying Yongli	321,936	12,000,000	0.38
Changzhou Yongcai	938,981	35,000,000	1.12
Total	3,487,642	130,000,000	4.15

Upon the completion of such equity transfer and capital increase on November 9, 2021, the shareholding of our Company was as follows:

Shareholders	Number of Shares	Equity interest (%)
Mr. Hou	13,230,171	15.76
Mr. Hou Zebing	12,702,820	15.13
Eastern Bell II	13,885,413	16.54
Guangzhou Daze	8,092,554	9.64
Shenzhen Xinyu	5,638,994	6.72
Dachen Chuanglian	5,360,231	6.38
Dachen Chuangtong	4,867,988	5.80
Eastern Bell III	2,000,000	2.38
Aeon Life	1,858,213	2.21
GF Qianhe Investment Co., Ltd. (廣發乾和投資有限公司) (“ GF Qianhe ”) ⁽¹⁾	1,786,743	2.13
Shanghai Xingfu	1,730,764	2.06
Wotu No. 10	1,498,559	1.78
Mr. Yang Tao	1,411,100	1.68
Jiaying Dace	952,334	1.13
Lantu Tianxing	973,597	1.16
Mr. Wang Jing	918,762	1.09
Changzhou Yongcai	938,981	1.12
Jiaying Yongzhong	858,497	1.02
Zhongke No. 1	673,602	0.80
Fujian Xinghe	576,927	0.69
Changzhou Yongyuan	536,560	0.64

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Shareholders	Number of Shares	Equity interest (%)
Shanghai Zezhen	536,023	0.64
Huangpu Digital	482,904	0.58
Zhongke Baiyun	464,553	0.55
Longwin Jingjie	464,553	0.55
Jiaxing Tengyin	348,764	0.42
Ms. Zheng Ying	329,386	0.39
Jiaxing Yongli	321,936	0.38
TZGF	300,000	0.36
Shanghai Dingmin	230,775	0.27
Total	83,971,704	100.00

Note:

1. On August 2, 2019, Zhuhai Qianheng and GF Qianhe entered into a merger agreement, pursuant to which Zhuhai Qianheng was absorbed and merged by GF Qianhe. As a result, GF Qianhe became one of our Shareholders.

20. Equity Transfer in July 2022

On December 31, 2021, Fujian Xinghe and Fuzhou Xinghe Yuanjing Equity Investment Partnership (Limited Partnership) (福州市興禾遠景股權投資合夥企業(有限合夥)) (“**Xinghe Yuanjing**”), a Pre-[REDACTED] Investor, entered into an equity transfer agreement, pursuant to which Fujian Xinghe transferred 576,927 Shares of our Company, representing approximately 0.69% equity interest in our Company, to Xinghe Yuanjing at the consideration of RMB18,461,664.

On December 31, 2021, Shanghai Xingfu and Xinghe Yuanjing entered into an equity transfer agreement, pursuant to which Shanghai Xingfu transferred 630,000 Shares of our Company, representing approximately 0.75% equity interest in our Company, to Xinghe Yuanjing at the consideration of RMB20,160,000.

On May 20, 2022, Xinghe Yuanjing, Guangzhou Daze, Wotu No. 10, Zhongke No. 1 and Zhongke Baiyun entered into an equity transfer agreement, pursuant to which (i) Guangzhou Daze transferred 317,500 Shares of our Company, representing approximately 0.38% equity interest in our Company, to Xinghe Yuanjing at the consideration of RMB10,160,000; (ii) Wotu No. 10 transferred 177,608 Shares of our Company, representing approximately 0.21% equity interest in our Company, to Xinghe Yuanjing at the consideration of RMB5,683,456; (iii) Zhongke No. 1 transferred 79,834 Shares of our Company, representing approximately 0.10% equity interest in our Company, to Xinghe Yuanjing at the consideration of RMB2,554,688; and (iv) Zhongke Baiyun transferred 55,058 Shares of our Company, representing approximately 0.07% equity interest in our Company, to Xinghe Yuanjing at the consideration of RMB1,761,856 (collectively, the “**Jul-2022 Transfer**”).

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Upon the completion of such equity transfers on July 11, 2022, Fujian Xinghe ceased to be our Shareholder and the shareholding of our Company was as follows:

Shareholders	Number of Shares	Equity interest (%)
Mr. Hou	13,230,171	15.76
Mr. Hou Zebing	12,702,820	15.13
Eastern Bell II	13,885,413	16.54
Guangzhou Daze	7,775,054	9.26
Shenzhen Xinyu	5,638,994	6.72
Dachen Chuanglian	5,360,231	6.38
Dachen Chuangtong	4,867,988	5.80
Eastern Bell III	2,000,000	2.38
Aeon Life	1,858,213	2.21
Xinghe Yuanjing	1,836,927	2.19
GF Qianhe	1,786,743	2.13
Mr. Yang Tao	1,411,100	1.68
Wotu No. 10	1,320,951	1.57
Shanghai Xingfu	1,100,764	1.31
Lantu Tianxing	973,597	1.16
Jiaxing Dace	952,334	1.13
Mr. Wang Jing	918,762	1.09
Changzhou Yongcai	938,981	1.12
Jiaxing Yongzhong	858,497	1.02
Zhongke No. 1	593,768	0.71
Changzhou Yongyuan	536,560	0.64
Shanghai Zezhen	536,023	0.64
Huangpu Digital	482,904	0.58
Longwin Jingjie	464,553	0.55
Zhongke Baiyun	409,495	0.49
Jiaxing Tengyin	348,764	0.42
Ms. Zheng Ying	329,386	0.39
Jiaxing Yongli	321,936	0.38
TZGF	300,000	0.36
Shanghai Dingmin	230,775	0.27
Total	83,971,704	100.00

EMPLOYEE INCENTIVE SCHEME

In recognition of the contributions of our employees and to incentivize them to further promote our development, pursuant to the employee incentive scheme approved and adopted by our Shareholders’ meeting on June 16, 2012 (the “**Employee Incentive Scheme**”), Guangzhou Daze was established in the PRC as our Employee Incentive Platform.

Guangzhou Daze was established in the PRC as a limited partnership on August 16, 2011. Mr. Hou Zebing is the sole general partner of Guangzhou Daze. Thus, in effect, all management powers and voting rights of the Employee Incentive Platform reside with Mr. Hou Zebing. Our Shareholders have discretion over the approval of the Employee Incentive Scheme and our Board is responsible for the execution of Employee Incentive Scheme. As of the Latest Practicable Date, Guangzhou Daze had 47 limited partners of which 44 are grantees including,

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Mr. Hou (an executive Director and chairman of our Board), Mr. Qian Xiaoxuan (錢曉軒) (an executive Director and deputy general manager of our Company), Ms. Ma Li (馬麗) (an executive Director and secretary of our Board), Ms. Li Xiaolan (李小蘭) (a Supervisor of our Company, chairman of the Supervisory Committee and director of procurement center of our Company), Mr. He Xiaocheng (賀小成) (a Supervisor and director of asset center of our Company), Mr. Zhou Limin (周利民) (deputy general manager of our Company), Mr. Yang Qingyuan (楊慶元) (deputy general manager of our Company), Mr. Pan Fei (潘菲) (the chief financial officer of our Company), 33 existing employees of our Company, one retired employee and two former employees of our Company. The remaining three limited partners of Guangzhou Daze include (i) Ms. Wu Aihua (吳愛華) who was the then shareholder of Changchun Guanting Machinery Co., Ltd. (長春冠廷機械有限公司) (“**Changchun Guanting**”) and became a limited partner of Guangzhou Daze after Guangzhou Pengze acquired Changchun Guanting in August 2012. Subsequently, Changchuan Guanting was deregistered by our Company in December 18, 2019; (ii) Mr. Yao Daqi (姚大齊) who was the then beneficial owner of Shanghai Zhenhao Equipment Leasing Co., Ltd. (上海楨灝設備租賃有限公司) (“**Shanghai Zhenhao**”) and became a limited partner of Guangzhou Daze after the Company acquired certain assets of Shanghai Zhenhao in August 2018; and (iii) Mr. Li Changlin (李長麟), who is a friend of Mr. Hou and Mr. Hou Zebing, who expressed his interest in being a limited partner of Guangzhou Daze and became a limited partner of Guangzhou Daze in November 2015.

As of the Latest Practicable Date, the awards under the Employee Incentive Scheme has been fully granted and vested.

PRE-[REDACTED] INVESTMENTS

Overview

During the period from November 2011 to July 2022, our Company obtained multiple rounds of investments, including Nov-2011 Capital Increase, Oct-2012 Capital Increase, Jun-2013 Transfer, Jun-2013 Capital Increase, Jul-2014 Transfer, Jul-2014 Capital Increase, Mar-2015 Transfer, Dec-2015 Capital Increase, Dec-2016 Capital Increase, Jan-2017 Capital Increase, Nov-2017 Capital Increase, Jan-2018 Transfer, Jun-2018 Transfer, Sep-2018 Capital Increase, Nov-2021 Transfer, Nov-2021 Capital Increase and Jul-2022 Transfer, from the Pre-[REDACTED] Investors through subscriptions for increased registered capital of our Company and/or through transfers by the then shareholders of our Company. For further details, see the subsection headed “– Corporate Development and Shareholding Changes of Our Company – Subsequent Capital Changes and Equity Transfers” in this section.

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Principal Terms of the Pre-[REDACTED] Investments

The following table⁽¹⁾ summarizes the key terms of the Pre-[REDACTED] Investments to our Company made by the Pre-[REDACTED] Investors:

	Nov-2011	Oct-2012	Jun-2013	Jul-2014	Dec-2015	Dec-2016	Jan-2017	Nov-2017	Sep-2018	Nov-2021
	Capital Increase	Capital Increase	Capital Increase	Capital Increase	Capital Increase	Capital Increase	Capital Increase	Capital Increase	Capital Increase	Capital Increase
Amount of consideration paid (RMB)	15,000,000	1,680,000	30,000,000	30,000,000	20,000,000	20,000,000	86,000,000	106,758,065	180,000,000	130,000,000
Date of payment of full consideration	November 17, 2011	September 26, 2012	June 21, 2013	June 13, 2014	December 4, 2015	December 26, 2016	December 29, 2016	November 23, 2017	October 16, 2018	November 5, 2021
Post-money valuation of our Company (RMB) (approximation)	75 million	84 million	270 million	349 million	520 million	620 million	780 million	1,607 million ⁽²⁾	2,480 million	3,130 million
Date of agreements	September 3, 2011	September 16, 2012	June 11, 2013	June 5, 2014	November 20, 2015	December 16, 2016	December 25, 2016	November 15, 2017	August 25, 2018	August 5, 2021
Cost per Share paid under the Pre-[REDACTED] Investments (RMB) (approximation)	0.41	0.45	1.28	1.51	2.17	2.50	2.80	5.38	7.70	9.32
Discount to the [REDACTED] (approximation) ⁽²⁾	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%

Basis of determination of the valuation and consideration

Lock-up period

Use of [REDACTED] from the Pre-[REDACTED] Investments

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

The valuation and consideration for each round of the Pre-[REDACTED] Investments were determined based on arm's length negotiations between our Company and the Pre-[REDACTED] Investors after taking into consideration the timing of the investments and the business, operations and status of our business and operating entities.

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

We utilized the [REDACTED] from the Pre-[REDACTED] Investments for the principal business of our Company, including but not limited to research and development activities, the growth and expansion of our Company's business and general working capital purposes. As of the Latest Practicable Date, 100% of the net [REDACTED] from the Pre-[REDACTED] Investments paid to our Company had been utilized.

At the time of the Pre-[REDACTED] Investments, our Directors were of the view that our Company could benefit from the additional funds provided by the Pre-[REDACTED] Investors' investments in our Company and the knowledge and experience of the Pre-[REDACTED] Investors.

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Notes:

- (1) The Jun-2013 Transfer is not included in the above table since the RMB3.0 million, being the amount of consideration, was paid to Shenzhen Xinyu instead of our Company by the Pre-[REDACTED] Investors. The cost per Share of the Jun-2013 Transfer was approximately RMB0.41 with the post-money valuation of our Company was approximately RMB77 million. Based on the indicative price of HK\$[REDACTED] (being the mid-point of the proposed range of the [REDACTED]) as stated in this document) and the indicative exchange rate of HK\$1.00=RMB0.8971, the discount of the [REDACTED] of the Jun-2013 Transfer is approximately [REDACTED]%. For details of the Jun-2013 Transfer, please see “– Corporate Development and Shareholding Changes of our Company – Subsequent Capital Changes and Equity Transfers – 6. Equity Transfer in June 2013” in this section.

The Jul-2014 Transfer is not included in the above table since the RMB10,621,100, being the amount of consideration, was paid to Mr. Wang Jing, Ms. Zheng Ying and Mr. Hou Zebing instead of our Company by the Pre-[REDACTED] Investors. The cost per Share of the Jul-2014 Transfer was approximately RMB1.39 with the post-money valuation of our Company was approximately RMB349 million. Based on the indicative price of HK\$[REDACTED] (being the mid-point of the proposed range of the [REDACTED]) as stated in this document) and the indicative exchange rate of HK\$1.00=RMB0.8971, the discount of the [REDACTED] of the Jul-2014 Transfer is approximately [REDACTED]%. For details of the Jul-2014 Transfer, please see “– Corporate Development and Shareholding Changes of our Company – Subsequent Capital Changes and Equity Transfers – 8. Equity Transfer and Capital Increase in July 2014” in this section.

The Mar-2015 Transfer is not included in the above table since the RMB7.68 million, being the amount of consideration, was paid to Guangzhou Daze instead of our Company by the Pre-[REDACTED] Investors. The cost per Share of the Mar-2015 Transfer was approximately RMB1.39 with the post-money valuation of our Company was approximately RMB349 million. Based on the indicative price of HK\$[REDACTED] (being the mid-point of the proposed range of the [REDACTED]) as stated in this document) and the indicative exchange rate of HK\$1.00=RMB0.8971, the discount of the [REDACTED] of the Mar-2015 Transfer is approximately [REDACTED]%. For details of the Mar-2015 Transfer, please see “– Corporate Development and Shareholding Changes of our Company – Subsequent Capital Changes and Equity Transfers – 9. Equity Transfer in March 2015” in this section.

The Jan-2018 Transfer is not included in the above table since the RMB20.5 million, being the amount of consideration, was paid to Guangzhou Daze and Ms. Zheng Ying instead of our Company by the Pre-[REDACTED] Investors. The cost per Share of the Jan-2018 Transfer was approximately RMB5.38 with the post-money valuation of our Company was approximately RMB1,607 million. Based on the indicative price of HK\$[REDACTED] (being the mid-point of the proposed range of the [REDACTED]) as stated in this document) and the indicative exchange rate of HK\$1.00=RMB0.8971, the discount of the [REDACTED] of the Jan-2018 Transfer is approximately [REDACTED]%. For details of the Jan-2018 Transfer, please see “– Corporate Development and Shareholding Changes of our Company – Subsequent Capital Changes and Equity Transfers – 16. Equity Transfer in January 2018” in this section.

The Jun-2018 Transfer is not included in the above table since the RMB30,375,338.6, being the amount of consideration, was paid to Shenzhen Xinyu instead of our Company by the Pre-[REDACTED] Investors. The cost per Share of the Jun-2018 Transfer was approximately RMB5.38 with the post-money valuation of our Company was approximately RMB1,607 million. Based on the indicative price of HK\$[REDACTED] (being the mid-point of the proposed range of the [REDACTED]) as stated in this document) and the indicative exchange rate of HK\$1.00=RMB0.8971, the discount of the [REDACTED] of the Jun-2018 Transfer is approximately [REDACTED]%. For details of the Jun-2018 Transfer, please see “– Corporate Development and Shareholding Changes of our Company – Subsequent Capital Changes and Equity Transfers – 17. Equity Transfer in June 2018” in this section.

The Nov-2021 Transfer is not included in the above table since the RMB9.0 million, being the amount of consideration, was paid to Shenzhen Xinyu instead of our Company by the Pre-[REDACTED] Investor. The cost per Share of the Nov-2021 Transfer was approximately RMB7.5 with the post-money valuation of our Company was approximately RMB2,519 million. Based on the indicative price of HK\$[REDACTED] (being the mid-point of the proposed range of the [REDACTED]) as stated in this document) and the indicative exchange rate of HK\$1.00=RMB0.8971, the discount of the [REDACTED] of the Nov-2021 Transfer is approximately [REDACTED]%. For details of the Nov-2021 Transfer, please see “– Corporate Development and Shareholding Changes of our Company – Subsequent Capital Changes and Equity Transfers – 19. Equity Transfer and Capital Increase in November 2021” in this section.

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The Jul-2022 Transfer is not included in the above table since the RMB58,781,664, being the amount of consideration, was paid to Fujian Xinghe, Shanghai Xingfu, Guangzhou Daze, Wotu No. 10, Zhongke No. 1 and Zhongke Baiyun instead of our Company by the Pre-[REDACTED] Investors. The cost per Share of the Jul-2022 Transfer was approximately RMB8.00 with the post-money valuation of our Company was approximately RMB2,687 million. Based on the indicative price of HK\$[REDACTED] (being the mid-point of the proposed range of the [REDACTED] as stated in this document) and the indicative exchange rate of HK\$1.00=RMB0.8971, the discount of the [REDACTED] of the Jul-2022 Transfer is approximately [REDACTED]%. For details of the Jul-2022 Transfer, please see “– Corporate Development and Shareholding Changes of our Company – Subsequent Capital Changes and Equity Transfers – 20. Equity Transfer in July 2022” in this section.

- (2) The discount is based on the indicative price of HK\$[REDACTED] (being the mid-point of the indicative [REDACTED] of as stated in this document) and the indicative exchange rate of HK\$1.00=RMB0.8971.
- (3) The post-money valuation of our Company increased after Jan-2017 Capital Increase was primarily due to (i) the continuous expansion of our business scale benefit from our upgrade of operation information analysis system and (ii) establishment of our market position as an intralogistics equipment lifecycle management solution provider.

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Pre-[REDACTED] Investors’ Rights

Pursuant to the capital increase agreements during the Pre-[REDACTED] Investments, the Pre-[REDACTED] Investors had been granted certain special rights, including, among others, pre-emptive right, right of first refusal and co-sale, anti-dilution right, preferred dividend right and veto right. Pursuant to the special rights termination agreements dated October 28, 2019 and April 12, 2023 entered into and among relevant Shareholders and as confirmed by our Directors, all special rights entitled to the Pre-[REDACTED] Investors either ceased to be effective since June 27, 2019, being the date on which the Shanghai Stock Exchange accepted our [REDACTED] or having been *void ab initio* as agreed among relevant Shareholders.

Information About the Pre-[REDACTED] Investors

The background information of our Pre-[REDACTED] Investors is set out below.

Eastern Bell II, Eastern Bell III and Shanghai Dingmin

Each of Eastern Bell II and Eastern Bell III is a limited partnership established under the laws of the PRC, the general partner of which is Shanghai Dingxiao Enterprise Management Consulting Center (Limited Partnership) (上海鼎蕭企業管理諮詢中心(有限合夥)), whose general partner is Shanghai Dingman Enterprise Management Co., Ltd. (上海鼎蔓企業管理有限公司), which in turn is ultimately controlled by Mr. Yan Li (嚴力).

Shanghai Dingmin is a limited partnership established under the laws of the PRC, whose partnership interest is owned as to 99% by Ningbo Eastern Bell Lilong Investment Management Center (Limited Partnership) (寧波鐘鼎力隴投資管理中心(有限合夥)) (“**Eastern Bell Lilong**”). The general partner of Eastern Bell Lilong is ultimately controlled by Mr. Yan Li. Since Eastern Bell II is a substantial Shareholder, each of Eastern Bell II, Eastern Bell III and Shanghai Dingmin is ultimately controlled by Mr. Yan Li. Upon the completion of the [REDACTED] (assuming the [REDACTED] is not exercised), Mr. Yan Li would control approximately [REDACTED]% voting right of our Company and become a substantial Shareholder of our Company. As a result, each of Eastern Bell II, Eastern Bell III and Shanghai Dingmin is a Connected Person. For further details, please see the section headed “Substantial Shareholders” in this document.

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- Dachen Chuanglian and Dachen Chuangtong** Each of Dachen Chuanglian and Dachen Chuangtong is a limited partnership established under the laws of the PRC, the general partner of which is Shenzhen Dachen Caizhi Venture Capital Management Co., Ltd. (深圳市達晨財智創業投資管理有限公司). To the best knowledge of our Directors, each of Dachen Chuanglian and Dachen Chuangtong is an Independent Third Party. For further details, please see the section headed “Substantial Shareholders” in this document.
- Huangpu Digital, Jiaxing Yongzhong, Changzhou Yongyuan, Jiaxing Yongli and Changzhou Yongcai** Each of Huangpu Digital, Jiaxing Yongzhong, Changzhou Yongyuan, Jiaxing Yongli and Changzhou Yongcai is a limited partnership established under the laws of the PRC, the general partner of which is Shanghai Yongping Private Equity Fund Management Partnership (Limited Partnership) (上海湧平私募基金管理合夥企業(有限合夥)) (“**Shanghai Yongping**”). The general partner of Shanghai Yongping is Shanghai Hengjiu Financial Consulting Partnership (Limited Partnership) (上海衡玖財務諮詢合夥企業(有限合夥)) (“**Shanghai Hengjiu**”) with 60% partnership interest of Shanghai Yongping, and Shanghai Hengjiu is ultimately controlled by Mr. Zhou Bin (周彬). To the best knowledge of our Directors, each of Huangpu Digital, Jiaxing Yongzhong, Changzhou Yongyuan, Jiaxing Yongli and Changzhou Yongcai is an Independent Third Party.
- Zhongke No. 1 and Zhongke Baiyun** Zhongke No. 1 is a limited partnership established under the laws of the PRC, the general partner of which is Guangdong Zhongke Kechuang Venture Capital Management Co., Ltd. (廣東中科科創創業投資管理有限責任公司) whose approximately 92.50% equity interest is owned by China Science and Merchants Capital Management Group Co., Ltd. (中科招商投資管理集團股份有限公司) which in turn is ultimately controlled by Mr. Shan Xiangshuang (單詳雙).

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Zhongke Baiyun is a company with limited liability established under the laws of the PRC and was owned as to 45.00%, 16.25%, 15.00%, 10.00%, 10.00% and 3.75% by Zhongshan Bangzhi Enterprise Management Consulting Co., Ltd. (中山市邦智企業管理諮詢有限公司), Guangdong Airport Management Group Co., Ltd. (廣東省機場管理集團有限公司), Tianjin Bangze Investment Co., Ltd. (天津邦澤投資有限公司), Guangdong Zhongke Kechuang Venture Capital Management Co., Ltd. (廣東中科科創創業投資管理有限責任公司), Guangzhou Panyu Information Technology Investment Development Co., Ltd. (廣州市番禺信息技術投資發展有限公司) and Mr. Ye Delin (葉德林), respectively. To the best knowledge of our Directors, each of Zhongke No. 1 and Zhongke Baiyun is an Independent Third Party.

Mr. Wang Jing and Shenzhen Xinyu

Shenzhen Xinyu is a limited partnership established under the laws of the PRC, the general partner of which is Mr. Zhang Gaozhao (張高照). Mr. Wang Jing is a nephew-in-law of Mr. Zhang Gaozhao. To the best knowledge of our Directors, each of Mr. Wang Jing and Shenzhen Xinyu is an Independent Third Party.

Aeon Life

Aeon Life is a joint stock company with limited liability established under the laws of the PRC. Aeon Life is owned by 17 shareholders with the largest shareholder named Dalian Wanda Group Co., Ltd. (大連萬達集團股份有限公司) with shareholding of approximately 11.55%. To the best knowledge of our Directors, Aeon Life is an Independent Third Party.

Xinghe Yuanjing

Xinghe Yuanjing is a limited partnership established under the laws of the PRC, the general partner of which is Fujian Xinghe Wealth Management Co., Ltd. (福建興和財富管理有限公司). To the best knowledge of our Directors, Xinghe Yuanjing is an Independent Third Party.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

GF Qianhe

GF Qianhe is a company with limited liability established under the laws of the PRC and a wholly-owned subsidiary of GF Securities Co., Ltd. (廣發證券股份有限公司), a listed company on the Stock Exchange (stock code: 1776.HK) and Shenzhen Stock Exchange (stock code: 000776.SZ). To the best knowledge of our Directors, GF Qianhe is an Independent Third Party.

Mr. Yang Tao

Mr. Yang Tao is an individual investor and an Independent Third Party, who has also made investments in a series of other companies, such as, Dongtai Qiheng Pharmaceutical Partnership (Limited Partnership) (東台市啟恒醫藥合夥企業(有限合夥)), Xinjiang Baihe Yongsheng Equity Investment Partnership (Limited Partnership) (新疆百合永生股權投資合夥企業(有限合夥)) and Anhui Huizhifu Venture Capital Co., Ltd. (安徽匯智富創業投資有限公司), etc.

Wotu No. 10

Wotu No.10 is a limited partnership established under the laws of the PRC, the general partner of which is Zhuhai Hengqin Greater Bay Area Investment Management Co., Ltd. (珠海橫琴灣區零壹投資管理有限公司). To the best knowledge of our Directors, Wotu No. 10 is an Independent Third Party.

Shanghai Xingfu

Shanghai Xingfu is a limited partnership established under the laws of the PRC, the general partner of which is Xingfu Investment Management Co., Ltd. (興富投資管理有限公司). To the best knowledge of our Directors, Shanghai Xingfu is an Independent Third Party.

Lantu Tianxing

Lantu Tianxing is a limited partnership established under the laws of the PRC, the general partner of which is Xiamen Lantu Lanbiao Investment Partnership (Limited Partnership) (廈門藍圖藍標投資合夥企業(有限合夥)). To the best knowledge of our Directors, Lantu Tianxing is an Independent Third Party.

Jiaxing Dace

Jiaxing Dace is a limited partnership established under the laws of the PRC, the general partner of which is Shanghai Dace Asset Management Co., Ltd. (上海大策資產管理有限公司). To the best knowledge of our Directors, Jiaxing Dace is an Independent Third Party.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Shanghai Zezhen

Shanghai Zezhen is a limited partnership established under the laws of the PRC, the general partner of which is Huang Miao (黃淼). To the best knowledge of our Directors, Shanghai Zezhen is an Independent Third Party.

Longwin Jingjie

Longwin Jingjie is a limited partnership established under the laws of the PRC, the general partner of which is Shanghai Longwin Investment Management Partnership (General Partnership) (上海朗聞投資管理合夥企業(普通合夥)). To the best knowledge of our Directors, Longwin Jingjie is an Independent Third Party.

Jiaying Tengyin

Jiaying Tengyin is a limited partnership established under the laws of the PRC, the general partner of which is Shanghai Tengwu Equity Investment Fund Management Co., Ltd. (上海騰午股權投資基金管理有限公司). To the best knowledge of our Directors, Jiaying Tengyin is an Independent Third Party.

Ms. Zheng Ying

Ms. Zheng Ying is an individual investor and was one of the then shareholders of Shenyang Tianshun before Shenyang Tianshun became one of our Subsidiaries. In view of her optimistic outlook on the development of our Company, she invested in our Company in October 2012 after we acquired Shenyang Tianshun.

TZGF

TZGF is a company with limited liability established under the laws of the PRC and a wholly-owned subsidiary of Jifu Venture Capital Co., Ltd. (吉富創業投資股份有限公司). To the best knowledge of our Directors, TZGF is an Independent Third Party.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Compliance With Interim Guidance and Guidance Letter

On the basis that (i) the consideration for the Pre-[REDACTED] Investments has been settled more than 28 clear days before the date of our submission of the [REDACTED] to the Stock Exchange; and (ii) the special rights granted to the Pre-[REDACTED] Investors were terminated pursuant to the agreements dated October 28, 2019 and April 12, 2023 entered into by and among relevant Shareholders, the Sole Sponsor confirms that the terms of the pre-[REDACTED] investments as described above are in compliance with (i) the Interim Guidance on pre-[REDACTED] investments issued by the Stock Exchange in October 2010 and as updated in March 2017 in the Guidance Letter HKEX-GL29-12; (ii) the Guidance Letter HKEX-GL43-12 issued by the Stock Exchange in October 2012 and as updated in July 2013 and March 2017; and (iii) the Guidance Letter HKEX-GL44-12 issued by the Stock Exchange in October 2012 and as updated in March 2017.

SUBDIVISION OF OUR SHARES

Pursuant to the resolutions of our Shareholders passed on April 21, 2023, each Share with a par value of RMB1.00 was sub-divided into four Shares with a par value of RMB[0.25] each with effective from the [REDACTED]. Immediately following the Subdivision of our Shares, the share capital of our Company will be RMB[83,971,704] divided into [335,886,816] Shares with a par value of RMB[0.25] each.

PUBLIC FLOAT

As of the Latest Practicable Date, the 35,357,020 Shares held by Mr. Hou, Mr. Hou Zebing, Guangzhou Daze, Shenzhen Xinyu, Dachen Chuanglian, Dachen Chuangtong, Xinghe Yuanjing, Mr. Wang Jing and Shanghai Zezhen, representing approximately 42.11% of our total issued Shares, or approximately [REDACTED]% of our total issued Shares upon [REDACTED] (assuming the [REDACTED] is not exercised), or approximately [REDACTED]% of our total issued Shares upon exercise of the [REDACTED] in full, will not be considered as part of the public float for the purpose of Rule 8.08 of the Listing Rules as these Shares are Domestic Shares which will not be converted into H Shares and [REDACTED] upon completion of the [REDACTED].

As of the Latest Practicable Date, the 27,783,612 Domestic Shares held by Mr. Hou, Mr. Hou Zebing, Eastern Bell II, Guangzhou Daze, Eastern Bell III and Shanghai Dingmin, representing 33.09% of our total issued Shares, or approximately [REDACTED]% of our total issued Shares upon [REDACTED] (assuming the [REDACTED] is not exercised), or approximately [REDACTED]% of our total issued Shares upon exercise of the [REDACTED] in full, will be converted into H Shares and [REDACTED] upon completion of the [REDACTED]. As these Shareholders will constitute core connected persons of our Company upon [REDACTED], the H Shares held by them will not be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules after the [REDACTED].

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

As of the Latest Practicable Date, the 20,831,072 Domestic Shares held by Shenzhen Xinyu, Aeon Life, Xinghe Yuanjing, GF Qianhe, Mr. Yang Tao, Wotu No. 10, Shanghai Xingfu, Lantu Tianxing, Jiaxing Dace, Changzhou Yongcai, Mr. Wang Jing, Jiaxing Yongzhong, Zhongke No. 1, Changzhou Yongyuan, Huangpu Digital, Longwin Jingjie, Zhongke Baiyun, Jiaxing Tengyin, Ms. Zheng Ying, Jiaxing Yongli and TZGF, representing 24.81% of our total issued Shares, or approximately [REDACTED]% of our total [REDACTED] Shares upon [REDACTED] (assuming the [REDACTED] is not exercised), or approximately [REDACTED]% of our total issued Shares upon exercise of the [REDACTED] in full, will be converted into H Shares and [REDACTED] upon completion of the [REDACTED]. As these Shareholders will not constitute core connected persons of our Company upon [REDACTED], are not accustomed to take instructions from core connected persons of our Company in relation to the acquisition, disposal, voting or other disposition of their Shares, and as their acquisition of Shares were not financed directly or indirectly by core connected persons of our Company, the H Shares held by them will be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules after the [REDACTED].

Based on the above, it is expected that immediately following completion of the [REDACTED] and assuming the [REDACTED] is not exercised, the total number of [REDACTED] H Shares of our Company held by the public represents [REDACTED]% of the total number of [REDACTED] Shares of our Company. Therefore, our Company will be able to meet the minimum [REDACTED] requirement under Rule 8.08.

CAPITALIZATION OF OUR COMPANY

The table below is a summary of the capitalization of our Company as of the date of this document and the [REDACTED] (assuming the [REDACTED] is not exercised):

Shareholders	Number of Shares as of the date of this document	Number of Shares after Subdivision as of the [REDACTED]	Ownership percentage as of the date of this document (%)	Ownership percentage as of the [REDACTED] (%)
Mr. Hou ⁽³⁾	13,230,171	[52,920,684]	15.76%	[REDACTED]%
Mr. Hou Zebing ⁽³⁾	12,702,820	[50,811,280]	15.13%	[REDACTED]%
Eastern Bell II ⁽²⁾	13,885,413	[55,541,652]	16.54%	[REDACTED]%
Guangzhou Daze ⁽³⁾	7,775,054	[31,100,216]	9.26%	[REDACTED]%
Shenzhen Xinyu ⁽³⁾	5,638,994	[22,555,976]	6.72%	[REDACTED]%
Dachen Chuanglian ⁽¹⁾	5,360,231	[21,440,924]	6.38%	[REDACTED]%
Dachen Chuangtong ⁽¹⁾	4,867,988	[19,471,952]	5.80%	[REDACTED]%
Eastern Bell III ⁽²⁾	2,000,000	[8,000,000]	2.38%	[REDACTED]%
Aeon Life ⁽²⁾	1,858,213	[7,432,852]	2.21%	[REDACTED]%
Xinghe Yuanjing ⁽³⁾	1,836,927	[7,347,708]	2.19%	[REDACTED]%
GF Qianhe ⁽²⁾	1,786,743	[7,146,972]	2.13%	[REDACTED]%
Mr. Yang Tao ⁽²⁾	1,411,100	[5,644,400]	1.68%	[REDACTED]%
Wotu No. 10 ⁽²⁾	1,320,951	[5,283,804]	1.57%	[REDACTED]%
Shanghai Xingfu ⁽²⁾	1,100,764	[4,403,056]	1.31%	[REDACTED]%

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Shareholders	Number of Shares as of the date of this document	Number of Shares after Subdivision as of the [REDACTED]	Ownership percentage as of the date of this document (%)	Ownership percentage as of the [REDACTED] (%)
Lantu Tianxing ⁽²⁾	973,597	[3,894,388]	1.16%	[REDACTED]%
Jiaxing Dace ⁽²⁾	952,334	[3,809,336]	1.13%	[REDACTED]%
Changzhou Yongcai ⁽²⁾	938,981	[3,755,924]	1.12%	[REDACTED]%
Mr. Wang Jing ⁽³⁾	918,762	[3,675,048]	1.09%	[REDACTED]%
Jiaxing Yongzhong ⁽²⁾	858,497	[3,433,988]	1.02%	[REDACTED]%
Zhongke No. 1 ⁽²⁾	593,768	[2,375,072]	0.71%	[REDACTED]%
Changzhou Yongyuan ⁽²⁾	536,560	[2,146,240]	0.64%	[REDACTED]%
Shanghai Zezhen ⁽¹⁾	536,023	[2,144,092]	0.64%	[REDACTED]%
Huangpu Digital ⁽²⁾	482,904	[1,931,616]	0.58%	[REDACTED]%
Longwin Jingjie ⁽²⁾	464,553	[1,858,212]	0.55%	[REDACTED]%
Zhongke Baiyun ⁽²⁾	409,495	[1,637,980]	0.49%	[REDACTED]%
Jiaxing Tengyin ⁽²⁾	348,764	[1,395,056]	0.42%	[REDACTED]%
Ms. Zheng Ying ⁽²⁾	329,386	[1,317,544]	0.39%	[REDACTED]%
Jiaxing Yongli ⁽²⁾	321,936	[1,287,744]	0.38%	[REDACTED]%
TZGF ⁽²⁾	300,000	[1,200,000]	0.36%	[REDACTED]%
Shanghai Dingmin ⁽²⁾	230,775	[923,100]	0.27%	[REDACTED]%
Investors taking part in the [REDACTED]	–	[REDACTED]	–	[REDACTED]
Total	83,971,704	[REDACTED]	100.00	100.00

Notes:

- (1) The Shares held by these Shareholders are Domestic Shares and will remain as Domestic Shares upon [REDACTED].
- (2) The Shares held by these Shareholders are Domestic Shares which will be converted into H Shares upon [REDACTED].
- (3) Upon the completion of Subdivision and [REDACTED], among (i) the [52,920,684] Domestic Shares held by Mr. Hou, [15,876,204] Shares will be converted into H Shares upon [REDACTED]; (ii) the [50,811,280] Domestic Shares held by Mr. Hou Zebing, [15,243,384] Shares will be converted into H Shares upon [REDACTED]; (iii) the [31,100,216] Domestic Shares held by Guangzhou Daze, [15,550,108] Shares will be converted into H Shares upon [REDACTED]; (iv) the [22,555,976] Domestic Shares held by Shenzhen Xinyu, [18,555,976] Shares will be converted into H Shares upon [REDACTED]; (v) the [7,347,708] Domestic Shares held by Xinghe Yuanjing, [2,939,080] Shares will be converted into H Shares upon [REDACTED]; and (vi) the [3,675,048] Domestic Shares held by Mr. Wang Jing, [1,875,048] Shares will be converted into H Shares upon [REDACTED].

PREPARATION FOR POTENTIAL A SHARE LISTINGS

Our Company submitted an application for [REDACTED] on Shanghai Stock Exchange on June 27, 2019 and withdrawn the application on November 18, 2019 (the “**Shanghai Listing Application**”). Subsequently, our Company submitted an application for listing on Shenzhen Stock Exchange on July 7, 2020 and withdrawn the application on February 26, 2021 (the “**Shenzhen Listing Application**”, together with the Shanghai Listing Application, the “**A-Share Listing Application**”). With regard the A-Share Listing Applications, our Company has addressed certain enquiries received from the Shanghai Stock Exchange and the Shenzhen

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

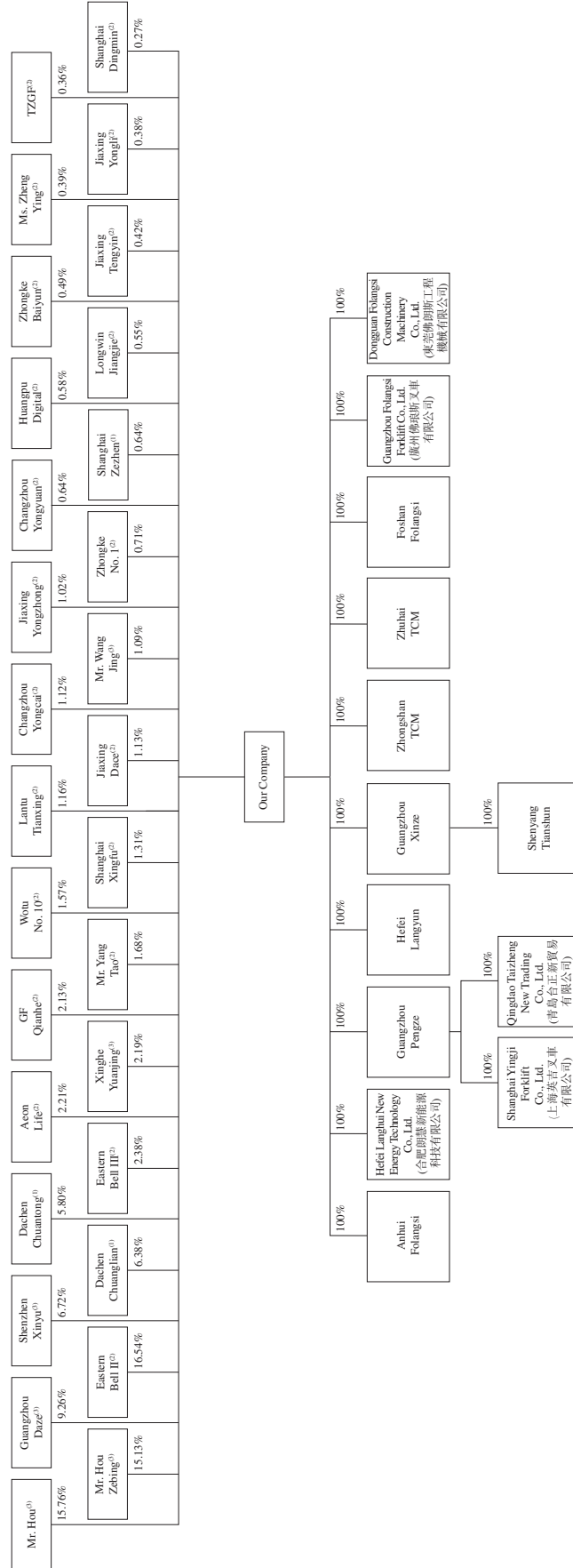
Stock Exchange which were primarily disclosure-based, requesting further details on shareholding changes, financial information, business model description and legal compliance, etc. No major comments or issues were raised or identified in the enquiries from the Shanghai Stock Exchange and the Shenzhen Stock Exchange that would affect the Company’s suitability for [REDACTED] on the Stock Exchange. To the best of their knowledge and belief, our Directors are not aware of (i) any matter in relation to the A-Share Listing Applications that might potentially affect the suitability of our Company to be [REDACTED] on the Stock Exchange; and (ii) any matter in relation to the A-Share Listing Applications that ought to be drawn to the attention of the potential investors and the Stock Exchange.

Due to the general market sentiment and the change in the overall strategic development of our Company and our observation of the successful [REDACTED] of a number of peer companies on the Stock Exchange, which opened doors to the international capital markets for those market players, our Company decided to pursue the [REDACTED] on the Stock Exchange.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OUR SHAREHOLDING AND CORPORATE STRUCTURE Corporate Structure Immediately Before Completion of the [REDACTED]

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



Notes:

- (1) The Shares held by these Shareholders are Domestic Shares and will remain as Domestic Shares upon [REDACTED].
- (2) The Shares held by these Shareholders are Domestic Shares which will be converted into H Shares upon [REDACTED].
- (3) Upon the Completion of Subdivision and the [REDACTED], among (i) the 52,920,684 Domestic Shares held by Mr. Hou, 15,876,204 Shares will be converted into H Shares upon [REDACTED]; (ii) the 50,811,280 Domestic Shares held by Mr. Hou Zebing, 15,243,384 Shares will be converted into H Shares upon [REDACTED]; (iii) the 31,100,216 Domestic Shares held by Guangzhou Daze, 15,550,108 Shares will be converted into H Shares upon [REDACTED]; (iv) the 22,555,976 Domestic Shares held by Shenzhen Xinyu, 18,555,976 Shares will be converted into H Shares upon [REDACTED]; (v) the 7,347,708 Domestic Shares held by Xinghe Xuanjing, 2,939,080 Shares will be converted into H Shares upon [REDACTED]; and (vi) the 3,675,048 Domestic Shares held by Mr. Wang Jing, 1,875,048 Shares will be converted into H Shares upon [REDACTED].

