

HISTORY AND CORPORATE STRUCTURE

HISTORY OF OUR BUSINESS

The history of our business can be traced back to March 2014 when Shenzhen EDA, our key operating subsidiary, was founded by Mr. Liu Yong (our executive Director, the chairman of our Board and a controlling shareholder of our Group) with two Independent Third Parties in order to provide B2C export e-commerce supply chain solutions to e-commerce participants in the PRC.

Mr. Liu Yong has nearly 10 years of experience in the B2C export e-commerce supply chain solutions industry, and over 21 years of managerial experience in the technology sector. See “Directors and Senior Management” for further details of Mr. Liu Yong’s background and experience.

Lesso initially invested in Shenzhen EDA in 2020 and later acquired control over our Company in 2021. Prior to its initial investment, Lesso had already established its supply chain service platform business, a transnational platform tailor-made by Lesso for manufacturers based in the PRC engaged in the manufacturing of building materials and home improvement and consumer goods to penetrate overseas markets. In consideration of its potential, Lesso sought to acquire an interest in Shenzhen EDA in 2020. Subsequently in 2021, in light of Shenzhen EDA’s solid financial performance, Lesso decided to acquire control over our Group.

Following various share transfers since the establishment of Shenzhen EDA and immediately before the investments by Lesso in Shenzhen EDA as described below, in January 2020, the ownership structure of Shenzhen EDA was as follows:

Shareholder	Equity Interest	
	(RMB)	(%)
Mr. Liu Yong (劉勇) ⁽¹⁾	3,500,000	66.5
Mr. Zhang Jian (張健) ⁽²⁾	500,000	9.5
Zhongshang Dingnuo Enterprise Management Centre (Limited Partnership) (中山市鼎諾企業管理中心(有限合夥)) (“ Zhongshan Dingnuo ”) ⁽³⁾	500,000	9.5
Zhongshan Leda Enterprise Management Center (Limited Partnership) (中山市樂達企業管理中心(有限合夥)) (“ Zhongshan Leda ”) ⁽³⁾	500,000	9.5
Mr. Xiang Zhikang (向志康) ⁽⁴⁾	263,158	5.0

Notes:

(1) Mr. Liu Yong is our executive Director, the chairman of our Board and a controlling shareholder of our Group.

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- (2) Mr. Zhang Jian held his entire equity interest in Shenzhen EDA on behalf of Mr. Zhang Yunqing. The arrangement was devised for ease of administration regarding corporate actions of Mr. Zhang Yunqing’s equity interest in Shenzhen EDA as Mr. Zhang Yunqing was based outside of the PRC. Mr. Zhang Jian is based in the PRC and is the brother of Mr. Zhang Yunqing. As of the Latest Practicable Date, the arrangement had ceased.
- (3) Each of Zhongshan Dingnuo and Zhongshan Leda is a limited partnership incorporated in the PRC, and is controlled by its executive partner, Mr. Liu Yong, our executive Director, the chairman of our Board and a Controlling Shareholder of our Group. The executive partner of Zhongshan Dingnuo is Mr. Liu Yong, and its limited partners are Mr. Song Kai, Ms. Lu Rong, Mr. Zhao Kaijie, Mr. Xu Bisheng, Mr. Shi Xuejin and Ms. Li Qin, our executive Director. Each of Ms. Lu Rong and Mr. Xu Bisheng is an employee of our Group. Each of Mr. Song Kai, Mr. Zhao Kaijie and Mr. Shi Xuejin is a former employee and an Independent Third Party of our Group. The executive partner of Zhongshan Leda is Mr. Liu Yong and its limited partner is Mr. Zhang Yunqing, our Shareholder.
- (4) Mr. Xiang Zhikang is an Independent Third Party of our Group.

For further details of the shareholding changes of Shenzhen EDA prior to the initial investment by Lesso, see “— Our Principal Operating Subsidiaries — 3. Shenzhen EDA” in this section.

Initial investment by Lesso

In February 2020, Lesso subscribed for and paid up an increased registered capital of Shenzhen EDA of approximately RMB1.1 million at a consideration of RMB20.0 million via capital injection by EDAHK. The consideration was determined after arms’ length negotiations between the parties with reference to the profitability and growth prospects of Shenzhen EDA, and was fully paid in cash. Immediately after such capital increase, the registered capital of Shenzhen EDA was increased from approximately RMB5.2 million to approximately RMB6.3 million. At the relevant time, EDAHK was wholly owned by LS DiDi, which was in turn owned as to 51.0% by Samanea, an indirect wholly-owned subsidiary of Lesso, as to 21.9% by QCZC Group Limited, as to 15.9% by QCJJ Group Limited and as to 11.2% by QCBM Group Limited. Samanea was an indirect wholly-owned subsidiary of Lesso. QCZC Group Limited and QCJJ Group Limited are wholly owned by Ms. Tang Jia Jia, a director of four subsidiaries of Samanea, namely LS DiDi, Guangdong Qicheng Information Technology Co., Ltd, Guangzhou LS DiDi Technology Co., Ltd and Treasure Pathway Limited. QCBM Group Limited is wholly owned by Mr. Qian Yu Cheng, a director of each of LS DiDi and Guangdong Qicheng Information Technology Co., Ltd, both of which are subsidiaries of Samanea.

In the same month, EDAHK acquired further equity interest of approximately 5.0% in Shenzhen EDA from Mr. Xiang Zhikang (向志康) at a consideration of RMB5 million. Mr. Xiang is an Independent Third Party of our Group. The consideration was determined after arms’ length negotiations between the parties with reference to the profitability and growth prospects of Shenzhen EDA, and was fully paid in cash.

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The table below is a summary of the ownership structure of Shenzhen EDA after completion of the aforesaid capital injection and acquisition of interest:

Shareholder	Equity Interest	
	(RMB)	(%)
Mr. Liu Yong ⁽¹⁾	3,500,000	55.4
Mr. Zhang Jian ⁽²⁾	500,000	7.9
Zhongshan Dingnuo ⁽³⁾	500,000	7.9
Zhongshan Leda ⁽³⁾	500,000	7.9
EDAHK	1,315,790	20.9

Notes:

- (1) Mr. Liu Yong is our executive Director, the chairman of our Board and a controlling shareholder of our Group.
- (2) Mr. Zhang Jian held his entire equity interest in Shenzhen EDA on behalf of Mr. Zhang Yunqing. The arrangement was devised for ease of administration regarding corporate actions of Mr. Zhang Yunqing’s equity interest in Shenzhen EDA as Mr. Zhang Yunqing was based outside of the PRC. Mr. Zhang Jian is based in the PRC and is the brother of Mr. Zhang Yunqing. As of the Latest Practicable Date, the arrangement had ceased.
- (3) Each of Zhongshan Dingnuo and Zhongshan Leda is a limited partnership incorporated in the PRC, and is controlled by its executive partner, Mr. Liu Yong, our executive Director, the chairman of our Board and a Controlling Shareholder of our Group. The executive partner of Zhongshan Dingnuo is Mr. Liu Yong, and its limited partners are Mr. Song Kai, Ms. Lu Rong, Mr. Zhao Kaijie, Mr. Xu Bisheng, Mr. Shi Xuejin and Ms. Li Qin, our executive Director. Each of Ms. Lu Rong and Mr. Xu Bisheng is an employee of our Group. Each of Mr. Song Kai, Mr. Zhao Kaijie and Mr. Shi Xuejin is a former employee and an Independent Third Party of our Group. The executive partner of Zhongshan Leda is Mr. Liu Yong and its limited partner is Mr. Zhang Yunqing, our Shareholder.

Acquisition by Lesso

In January 2021, in order to acquire control of our business, Lesso through its then wholly-owned subsidiaries, Global Logistics and Samanea, entered into an agreement with Mr. Liu Yong and Shenzhen EDA (the “**2021 Agreement**”).

At the relevant time, Samanea was the sole shareholder of our Company, and Global Logistics was wholly owned by our Company. For further details of the shareholdings in our Company and Global Logistics, see “— Our Company” and “— Our Principal Operating Subsidiaries — 2. Global Logistics” in this section.

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Pursuant to the 2021 Agreement, the following steps were carried out:

1. Capital injection into Shenzhen EDA by Global Logistics

Pursuant to the 2021 Agreement, in April 2021, Global Logistics subscribed and paid up an increased registered capital of Shenzhen EDA of approximately RMB50.0 million at a consideration of approximately RMB50.0 million. The consideration was determined after arms’ length negotiations between the parties with reference to the profitability and growth prospects of Shenzhen EDA. Immediately after such capital increase, the registered capital of Shenzhen EDA was increased from approximately 6.3 million to approximately RMB56.3 million, and Shenzhen EDA was held as to 88.8% by Global Logistics, as to 6.2% by Mr. Liu Yong, as to 2.3% by EDAHK, as to 0.9% by Mr. Zhang Jian, as to 0.9% by Zhongshan Dingnuo and as to 0.9% by Zhongshan Leda.

2. Transfer of equity interest in Shenzhen EDA to Global Logistics

During the period from July 2021 to December 2021, save for EDAHK, each of the shareholders of Shenzhen EDA transferred their entire equity interest in Shenzhen EDA to Global Logistics, at the consideration set out below:

Transferor	Equity Interest		Consideration
	(RMB)	(%)	(RMB)
Mr. Liu Yong ⁽¹⁾	3,500,000	6.2	15,535,000
Mr. Zhang Jian ⁽²⁾	500,000	0.9	2,217,500
Zhongshan Dingnuo ⁽³⁾	500,000	0.9	2,217,500
Zhongshan Leda ⁽³⁾	500,000	0.9	2,217,500

Notes:

- (1) Mr. Liu Yong is our executive Director, the chairman of our Board and a controlling shareholder of our Group.
- (2) Mr. Zhang Jian held his entire equity interest in Shenzhen EDA on behalf of Mr. Zhang Yunqing. The arrangement was devised for ease of administration regarding corporate actions of Mr. Zhang Yunqing’s equity interest in Shenzhen EDA as Mr. Zhang Yunqing was based outside of the PRC. Mr. Zhang Jian is based in the PRC and is the brother of Mr. Zhang Yunqing. As of the Latest Practicable Date, the arrangement had ceased.
- (3) Each of Zhongshan Dingnuo and Zhongshan Leda is a limited partnership incorporated in the PRC, and is controlled by its executive partner, Mr. Liu Yong, our executive Director, the chairman of our Board and a Controlling Shareholder of our Group. The executive partner of Zhongshan Dingnuo is Mr. Liu Yong, and its limited partners are Mr. Song Kai, Ms. Lu Rong, Mr. Zhao Kaijie, Mr. Xu Bisheng, Mr. Shi Xuejin and Ms. Li Qin, our executive Director. Each of Ms. Lu Rong and Mr. Xu Bisheng is an employee of our Group. Each of Mr. Song Kai, Mr. Zhao Kaijie and Mr. Shi Xuejin is a former employee and an Independent Third Party of our Group. The executive partner of Zhongshan Leda is Mr. Liu Yong and its limited partner is Mr. Zhang Yunqing, our Shareholder.

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The consideration was determined after arms’ length negotiations between the parties with reference to the profitability and growth prospects of Shenzhen EDA.

Immediately after the completion of the said equity transfers, Shenzhen EDA was held as to 97.7% by Global Logistics and 2.3% by EDAHK.

3. Issue of Shares under the 2021 Warrant Plan and transfer of shares in EDAHK from LS DiDi to our Company

Pursuant to the 2021 Warrant Plan, our Company granted to each of Mr. Liu Yong and Mr. Zhang Jian share warrants to purchase 101,530 Shares and 8,240 Shares, respectively, at an exercise price of US\$0.01 per Share. On 24 December 2021, upon the exercise of their share options under the 2021 Warrant Plan by Mr. Liu Yong and Mr. Zhang Jian, our Company issued 101,530 Shares to EDA Shine (a company wholly owned by Mr. Liu Yong) and 8,240 Shares to Mr. Zhang Yunqing, as instructed by Mr. Liu Yong and Mr. Zhang Jian, respectively. As of the Latest Practicable Date, all of the warrants granted under the 2021 Warrant Plan have been exercised in full and no further warrants may be granted under the 2021 Warrant Plan.

On 24 December 2021, LS DiDi transferred its 100% shareholding interest in EDAHK to our Company at a consideration of US\$1.0. On the same day, 18,440 Shares were allotted and issued to LS DiDi for a consideration of US\$1.0 (the “**LS DiDi Allotment**”).

Immediately upon the completion of the aforesaid issuance pursuant to the 2021 Warrant Plan and the completion of the LS DiDi Allotment, (1) Lesso acquired control over 51.9% interest in our Company and the financial information of our Company was consolidated into the financial information of Lesso; and (2) Shenzhen EDA became indirectly wholly-owned by our Company. The shareholding structure of our Company was as follows:

Shareholder	Number of Shares	Percentage shareholding
		(%)
EDA Shine ⁽¹⁾	101,530	44.5
Samanea ⁽²⁾	100,000	43.8
LS DiDi ⁽³⁾	18,440	8.1
Mr. Zhang Yunqing	8,240	3.6

Notes:

- (1) EDA Shine is wholly-owned by Mr. Liu Yong, our executive Director, the chairman of our Board and a controlling shareholder of our Group.

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- (2) Samanea is indirectly wholly-owned by Lesso.
- (3) LS DiDi is owned as to 70.0% by Samanea, as to 13.4% by QCZC Group Limited, as to 9.7% by QCJJ Group Limited and as to 6.8% by QCBM Group Limited. QCZC Group Limited and QCJJ Group Limited are wholly owned by Ms. Tang Jia Jia, a director of four subsidiaries of Samanea, namely LS DiDi, Guangdong Qicheng Information Technology Co., Ltd, Guangzhou LS DiDi Technology Co., Ltd and Treasure Pathway Limited. QCBM Group Limited is wholly owned by Mr. Qian Yu Cheng, a director of each of LS DiDi and Guangdong Qicheng Information Technology Co., Ltd, both of which are subsidiaries of Samanea.

The total consideration satisfied by our Company to acquire the entire equity interest in Shenzhen EDA was approximately RMB224.3 million, comprising of cash consideration, capital reserve arising from acquisition and fair value of our Group’s former investment in an associate at acquisition date. The goodwill recognized in respect of the Company’s acquisition of the entire interest in Shenzhen EDA was approximately RMB76.4 million. For further details, please refer to Note 29 of the Accountants’ Report in Appendix IA. The total consideration was determined after arm’s length negotiations between the parties on normal commercial terms after taking into account (i) the historical financial performance of the Shenzhen EDA for FY2021; (ii) the business overview and prospect of Shenzhen EDA and our Group as a whole.

Transfer of Shares pursuant to the Samanea Share Option Scheme

In January 2021, Samanea adopted a share option scheme (the “**Samanea Share Option Scheme**”), which allows Samanea to grant share options (the “**Samanea Share Options**”) to certain officers, employees or directors to purchase from Samanea an aggregate of 29,666 Shares of our Company.

Pursuant to the exercise of the Samanea Share Options, in September 2022, Samanea transferred 6,846 Shares to Zhan Hua Limited, 6,846 Shares to Dawnhill Group Limited, 6,846 Shares to LittleBear Investment Limited, 4,564 Shares to QCJJ Group Limited and 4,564 Shares to QCBM Group Limited, at a consideration of HK\$228 per Share. Each of the transferees is a company wholly owned by an employee of Samanea.

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The table below is a summary of the shareholding structure of our Company immediately upon completion of the above share transfers and prior to the completion of the [REDACTED] and the [REDACTED]:

Shareholder	Number of Shares	Percentage shareholding
		(%)
EDA Shine ⁽¹⁾	101,530	44.5
Samanea ⁽²⁾	70,334	30.8
LS DiDi ⁽³⁾	18,440	8.1
Mr. Zhang Yunqing	8,240	3.6
Zhan Hua Limited ⁽⁴⁾ ⁽⁹⁾	6,846	3.0
Dawnhill Group Limited ⁽⁵⁾ ⁽⁹⁾	6,846	3.0
LittleBear Investment Limited ⁽⁶⁾ ⁽⁹⁾	6,846	3.0
QCJJ Group Limited ⁽⁷⁾ ⁽⁹⁾	4,564	2.0
QCBM Group Limited ⁽⁸⁾ ⁽⁹⁾	4,564	2.0

Notes:

- (1) EDA Shine is wholly-owned by Mr. Liu Yong, our executive Director, the chairman of our Board and a controlling shareholder of our Group.
- (2) Samanea is indirectly wholly-owned by Lesso.
- (3) LS DiDi is owned as to 70.0% by Samanea, as to 13.4% by QCZC Group Limited, as to 9.7% by QCJJ Group Limited and as to 6.8% by QCBM Group Limited. QCZC Group Limited and QCJJ Group Limited are wholly owned by Ms. Tang Jia Jia, a director of four subsidiaries of Samanea, namely LS DiDi, Guangdong Qicheng Information Technology Co., Ltd, Guangzhou LS DiDi Technology Co., Ltd and Treasure Pathway Limited. QCBM Group Limited is wholly owned by Mr. Qian Yu Cheng, a director of each of LS DiDi and Guangdong Qicheng Information Technology Co., Ltd, both of which are subsidiaries of Samanea.
- (4) Zhan Hua Limited is a company incorporated in the BVI and is wholly owned by Mr. Zuo Manlun, our Non-executive Director.
- (5) Dawnhill Group Limited is a company incorporated in the BVI and is wholly owned by Mr. Luo Jianfeng, our Non-executive Director.
- (6) LittleBear Investment Limited is a company incorporated in the BVI and is wholly owned by Mr. Cheung Man Yu, our executive Director.
- (7) QCJJ Group Limited is a company incorporated in the BVI and is wholly owned by Ms. Tang Jia Jia, a director of four subsidiaries of Samanea, namely LS DiDi, Guangdong Qicheng Information Technology Co., Ltd, Guangzhou LS DiDi Technology Co., Ltd and Treasure Pathway Limited.
- (8) QCBM Group Limited is a company incorporated in the BVI and is wholly owned by Mr. Qian Yu Cheng, a director of each of LS DiDi and Guangdong Qicheng Information Technology Co., Ltd, both of which are subsidiaries of Samanea.

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- (9) Each of ultimate beneficial owners of Zhan Hua Limited, Dawnhill Group Limited, LittleBear Investment Limited, QCJJ Group Limited and QCBM Group Limited entered into an acting-in-concert agreement with Samanea in December 2021 in respect of their interests in our Company.

KEY BUSINESS MILESTONES

The following table sets forth the business milestones of our Group:

Year	Milestones
2014	Shenzhen EDA was founded and commenced its business in North America with the establishment of EDA International, Inc. and 8987947 Canada Inc.
2016	Shenzhen EDA expanded its operations to Europe with the establishment of EDA Cloud UK Ltd
2019	Shenzhen EDA further expanded its operations to Australia with the establishment of EDA Cloud and EDA AU
2020	Lesso made its initial investment in Shenzhen EDA Our Company (previously known as EDA Cloud Technology Holdings Limited (易達雲科技控股有限公司)) was incorporated as an exempted company with limited liability in the Cayman Islands
2021	Shenzhen EDA was consolidated into our Group and Lesso
2022	Shenzhen EDA was recognized as an Excellent Cross-border E-commerce Service Provider (優秀跨境電商物流服務商) by the Shenzhen Cross-Border E-commerce Association (深圳市跨境電子商務協會)
2023	Our Company was renamed as EDA Group Holdings Limited

See “Business — Awards, Recognitions and Accreditations” for further details.

OUR COMPANY

Our Company was incorporated as an exempted limited liability company in the Cayman Islands on 17 September 2020. Upon incorporation, one Share was allotted and issued to Tricor Services (Cayman Islands) Limited, and then transferred to Samanea, following which 99,999 Shares were further allotted and issued to Samanea for cash at par.

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For a summary of the shareholding changes and structure of our Company since incorporation, see “— History of our Business” in this section.

OUR PRINCIPAL OPERATING SUBSIDIARIES

As of the Latest Practicable Date, our business operations had been carried out by our principal operating subsidiaries established or acquired by our Group. Set out below are the major corporate developments including major shareholding changes in the equity interests in our principal operating subsidiaries:

1. EDAHK

EDAHK was incorporated in Hong Kong on 22 October 2019. Upon its incorporation, EDAHK was wholly owned by LS DiDi. On 24 December 2021, LS DiDi transferred its 100% shareholding interest in EDAHK to our Company at a consideration of US\$1.0. See “— History of our Business — Acquisition by Lesso — 3. Issue of Shares under the 2021 Warrant Plan and transfer of shares in EDAHK from LS DiDi to our Company”.

The principal business activity of EDAHK is investment holding.

2. Global Logistics

Global Logistics was incorporated in Hong Kong on 29 September 2020. Since its incorporation, Global Logistics has been wholly owned by our Company. The principal business activity of Global Logistics is investment holding.

3. Shenzhen EDA

Shenzhen EDA was established in the PRC as a limited liability company on 14 March 2014 with an initial registered capital of RMB5 million. Upon its establishment, Shenzhen EDA was held as to 60.0%, 20.0% and 20.0% by Mr. Zheng Yuhui, Mr. Liu Yong and Mr. Gui Haiyun, respectively. Both Mr. Zheng Yuhui and Mr. Gui Haiyun are Independent Third Parties of our Group. Mr. Liu Yong is our executive Director, the Chairman of our Board and a Controlling Shareholder of our Group.

On 23 December 2014, pursuant to a share transfer agreement, Mr. Liu Yong transferred 20.0% equity interest in Shenzhen EDA to Zhongshan Yidatong Software Technology Co., Ltd. (中山市易達通軟件科技有限公司) (“**Zhongshan Yidatong**”) at a consideration of RMB1.0; Mr. Gui Haiyun transferred 20.0% equity interest in Shenzhen EDA to Zhongshan Yidatong at a consideration of RMB1.0; and Mr. Zheng Yuhui transferred 60.0% equity interest in Shenzhen

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EDA to Zhongshan Yidatong at a consideration of RMB1.0. Zhongshan Yidatong is a limited partnership incorporated in the PRC, and is controlled by its managing partner, Mr. Zheng Yuhui, an Independent Third Party of our Group. Immediately after such share transfers, Shenzhen EDA was held as to 100.0% by Zhongshan Yidatong.

On 4 December 2015, pursuant to a share transfer agreement, Zhongshan Yidatong transferred approximately 16.3%, 10.0%, 10.0%, 10.0%, 9.4%, 7.0%, 7.0% and 5.2% equity interests in Shenzhen EDA to Zhongshan Bill Investment Co., Ltd. (中山市比爾投資有限公司), Mr. Zhang Jian, Zhongshan Dingnuo, Zhongshan Leda, Zhongshan Meiruantong Investment Co., Ltd. (中山市美軟通投資有限公司), Zhongshan Dingrui Investment Co., Ltd. (中山市鼎瑞投資有限公司), Mr. Liu Yong and Ms. Tao Xiaoling, respectively, at a consideration of approximately RMB0.8 million, RMB0.5 million, RMB0.5 million, RMB0.5 million, RMB0.5 million, RMB0.4 million and RMB0.3 million, respectively. Each of Zhongshan Dingrui Investment Co., Ltd. (中山市鼎瑞投資有限公司), Zhongshan Meiruantong Investment Co., Ltd. (中山市美軟通投資有限公司), Zhongshan Bill Investment Co., Ltd. (中山市比爾投資有限公司) and Ms. Tao Xiaoling is an Independent Third Party of our Group.

Immediately after such share transfers, the ownership structure of Shenzhen EDA was as follows:

Shareholder	Equity Interest	
	<i>(RMB)</i>	<i>(%)</i>
Zhongshan Yidatong ⁽¹⁾	1,252,000	25.0
Zhongshan Bill Investment Co., Ltd. (中山市比爾投資有限公司) ⁽¹⁾	817,000	16.3
Mr. Zhang Jian ⁽²⁾	500,000	10.0
Zhongshan Dingnuo ⁽³⁾	500,000	10.0
Zhongshan Leda ⁽³⁾	500,000	10.0
Zhongshan Meiruantong Investment Co., Ltd. (中山市美軟通投資有限公司) ⁽¹⁾	471,500	9.4
Zhongshan Dingrui Investment Co., Ltd. (中山市鼎瑞投資有限公司) ⁽¹⁾	350,000	7.0
Mr. Liu Yong ⁽⁴⁾	350,000	7.0
Ms. Tao Xiaoling ⁽¹⁾	259,500	5.2

Notes:

(1) Each an Independent Third Party of our Group.

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- (2) Mr. Zhang Jian held his entire equity interest in Shenzhen EDA on behalf of Mr. Zhang Yunqing. The arrangement was devised for ease of administration regarding corporate actions of Mr. Zhang Yunqing's equity interest in Shenzhen EDA as Mr. Zhang Yunqing was based outside of the PRC. Mr. Zhang Jian is based in the PRC and is the brother of Mr. Zhang Yunqing. As of the Latest Practicable Date, the arrangement had ceased.
- (3) Each of Zhongshan Dingnuo and Zhongshan Leda is a limited partnership incorporated in the PRC, and is controlled by its executive partner, Mr. Liu Yong, our executive Director, the chairman of our Board and a Controlling Shareholder of our Group. The executive partner of Zhongshan Dingnuo is Mr. Liu Yong, and its limited partners are Mr. Song Kai, Ms. Lu Rong, Mr. Zhao Kaijie, Mr. Xu Bisheng, Mr. Shi Xuejin and Ms. Li Qin, our executive Director. Each of Ms. Lu Rong and Mr. Xu Bisheng is an employee of our Group. Each of Mr. Song Kai, Mr. Zhao Kaijie and Mr. Shi Xuejin is a former employee and an Independent Third Party of our Group. The executive partner of Zhongshan Leda is Mr. Liu Yong and its limited partner is Mr. Zhang Yunqing, our Shareholder.
- (4) Mr. Liu Yong is our executive Director, the Chairman of our Board and a Controlling Shareholder of our Group.

During the period between March 2017 and April 2017, Zhongshan Dingrui Investment Co., Ltd. (中山市鼎瑞投資有限公司) and Ms. Tao Xiaoling transferred their entire respective 7.0% and 5.2% equity interests in Shenzhen EDA to Zhongshan Yidatong at a consideration of approximately RMB0.4 million and RMB0.3 million, respectively. Immediately after such share transfers, Shenzhen EDA was held as to 37.2%, 10.0%, 10.0%, 9.4%, 16.3%, 7.0% and 10.0% by Zhongshan Yidatong, Zhongshan Dingnuo, Zhongshan Leda, Zhongshan Meiruantong Investment Co., Ltd. (中山市美軟通投資有限公司), Zhongshan Bill Investment Co., Ltd. (中山市比爾投資有限公司), Mr. Liu Yong and Mr. Zhang Jian, respectively.

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On 14 April 2017, the registered capital of Shenzhen EDA increased from RMB5.0 million to approximately RMB5.3 million. Each of Mr. Wu Hongri, Mr. Huang Tao and Mr. Liao Hui contributed approximately RMB0.1 million as capital contribution. Immediately after such capital increase, the ownership structure of Shenzhen EDA was as follows:

Shareholder	Equity Interest	
	(RMB)	(%)
Zhongshan Yidatong ⁽¹⁾	1,861,500	35.4
Zhongshan Bill Investment Co., Ltd. (中山市比爾投資有限公司) ⁽¹⁾	817,000	15.5
Mr. Zhang Jian ⁽²⁾	500,000	9.5
Zhongshan Dingnuo ⁽³⁾	500,000	9.5
Zhongshan Leda ⁽³⁾	500,000	9.5
Zhongshan Meiruantong Investment Co., Ltd. (中山市美軟通投資有限公司) ⁽¹⁾	471,500	9.0
Mr. Liu Yong ⁽⁴⁾	350,000	6.6
Mr. Wu Hongri ⁽¹⁾	105,263	2.0
Mr. Huang Tao ⁽¹⁾	105,263	2.0
Mr. Liao Hui ⁽¹⁾	52,632	1.0

Notes:

- (1) Each an Independent Third Party of our Group.
- (2) Mr. Zhang Jian held his entire equity interest in Shenzhen EDA on behalf of Mr. Zhang Yunqing. The arrangement was devised for ease of administration regarding corporate actions of Mr. Zhang Yunqing’s equity interest in Shenzhen EDA as Mr. Zhang Yunqing was based outside of the PRC. Mr. Zhang Jian is based in the PRC and is the brother of Mr. Zhang Yunqing. As of the Latest Practicable Date, the arrangement had ceased.
- (3) Each of Zhongshan Dingnuo and Zhongshan Leda is a limited partnership incorporated in the PRC, and is controlled by its executive partner, Mr. Liu Yong, our executive Director, the chairman of our Board and a Controlling Shareholder of our Group. The executive partner of Zhongshan Dingnuo is Mr. Liu Yong, and its limited partners are Mr. Song Kai, Ms. Lu Rong, Mr. Zhao Kaijie, Mr. Xu Bisheng, Mr. Shi Xuejin and Ms. Li Qin, our executive Director. Each of Ms. Lu Rong and Mr. Xu Bisheng is an employee of our Group. Each of Mr. Song Kai, Mr. Zhao Kaijie and Mr. Shi Xuejin is a former employee and an Independent Third Party of our Group. The executive partner of Zhongshan Leda is Mr. Liu Yong and its limited partner is Mr. Zhang Yunqing, our Shareholder.
- (4) Mr. Liu Yong is our executive Director, the Chairman of our Board and a Controlling Shareholder of our Group.

On 16 January 2019, pursuant to a series of share transfer agreements, Zhongshan Yidatong, Zhongshan Meiruantong Investment Co., Ltd. (中山市美軟通投資有限公司) and Zhongshan Bill Investment Co., Ltd. (中山市比爾投資有限公司) transferred their entire respective 35.4%, 9.0% and 15.5% equity interests in Shenzhen EDA to Mr. Liu Yong, each at a consideration of RMB1.0.

HISTORY AND CORPORATE STRUCTURE

At the time of the transfers, Shenzhen EDA had net liabilities, and Mr. Liu Yong agreed to acquire said equity interests in Shenzhen EDA at nominal value as he was optimistic about the prospects of Shenzhen EDA. Immediately after such transfers, the ownership structure of Shenzhen EDA was as follows:

Shareholder	Equity Interest	
	(RMB)	(%)
Mr. Liu Yong ⁽¹⁾	3,500,000	66.5
Mr. Zhang Jian ⁽²⁾	500,000	9.5
Zhongshan Dingnuo ⁽³⁾	500,000	9.5
Zhongshan Leda ⁽³⁾	500,000	9.5
Mr. Wu Hongri ⁽⁴⁾	105,263	2.0
Mr. Huang Tao ⁽⁴⁾	105,263	2.0
Mr. Liao Hui ⁽⁴⁾	52,632	1.0

Notes:

- (1) Mr. Liu Yong is our executive Director, the Chairman of our Board and a Controlling Shareholder of our Group.
- (2) Mr. Zhang Jian held his entire equity interest in Shenzhen EDA on behalf of Mr. Zhang Yunqing. The arrangement was devised for ease of administration regarding corporate actions of Mr. Zhang Yunqing’s equity interest in Shenzhen EDA as Mr. Zhang Yunqing was based outside of the PRC. Mr. Zhang Jian is based in the PRC and is the brother of Mr. Zhang Yunqing. As of the Latest Practicable Date, the arrangement had ceased.
- (3) Each of Zhongshan Dingnuo and Zhongshan Leda is a limited partnership incorporated in the PRC, and is controlled by its executive partner, Mr. Liu Yong, our executive Director, the chairman of our Board and a Controlling Shareholder of our Group. The executive partner of Zhongshan Dingnuo is Mr. Liu Yong, and its limited partners are Mr. Song Kai, Ms. Lu Rong, Mr. Zhao Kaijie, Mr. Xu Bisheng, Mr. Shi Xuejin and Ms. Li Qin, our executive Director. Each of Ms. Lu Rong and Mr. Xu Bisheng is an employee of our Group. Each of Mr. Song Kai, Mr. Zhao Kaijie and Mr. Shi Xuejin is a former employee and an Independent Third Party of our Group. The executive partner of Zhongshan Leda is Mr. Liu Yong and its limited partner is Mr. Zhang Yunqing, our Shareholder.
- (4) Each an Independent Third Party of our Group.

HISTORY AND CORPORATE STRUCTURE

On 30 December 2019, pursuant to a series of share transfer agreements, Mr. Huang Tao, Mr. Wu Hongri and Mr. Liao Hui transferred their entire respective 2.0%, 2.0% and 1.0% equity interests in Shenzhen EDA to Mr. Xiang Zhikang for a consideration of RMB0.2 million; RMB0.2 million and RMB0.1 million, respectively. Immediately after such transfers, the ownership structure of Shenzhen EDA was as follows:

Shareholder	Equity Interest	
	(RMB)	(%)
Mr. Liu Yong ⁽¹⁾	3,500,000	66.5
Mr. Zhang Jian ⁽²⁾	500,000	9.5
Zhongshan Dingnuo ⁽³⁾	500,000	9.5
Zhongshan Leda ⁽³⁾	500,000	9.5
Mr. Xiang Zhikang ⁽⁴⁾	263,158	5.0

Notes:

- (1) Mr. Liu Yong is our executive Director, the chairman of our Board and a controlling shareholder of our Group.
- (2) Mr. Zhang Jian held his entire equity interest in Shenzhen EDA on behalf of Mr. Zhang Yunqing. The arrangement was devised for ease of administration regarding corporate actions of Mr. Zhang Yunqing’s equity interest in Shenzhen EDA as Mr. Zhang Yunqing was based outside of the PRC. Mr. Zhang Jian is based in the PRC and is the brother of Mr. Zhang Yunqing. As of the Latest Practicable Date, the arrangement had ceased.
- (3) Each of Zhongshan Dingnuo and Zhongshan Leda is a limited partnership incorporated in the PRC, and is controlled by its executive partner, Mr. Liu Yong, our executive Director, the chairman of our Board and a Controlling Shareholder of our Group. The executive partner of Zhongshan Dingnuo is Mr. Liu Yong, and its limited partners are Mr. Song Kai, Ms. Lu Rong, Mr. Zhao Kaijie, Mr. Xu Bisheng, Mr. Shi Xuejin and Ms. Li Qin, our executive Director. Each of Ms. Lu Rong and Mr. Xu Bisheng is an employee of our Group. Each of Mr. Song Kai, Mr. Zhao Kaijie and Mr. Shi Xuejin is a former employee and Independent Third Party of our Group. The executive partner of Zhongshan Leda is Mr. Liu Yong and its limited partner is Mr. Zhang Yunqing, our Shareholder.
- (4) Each an Independent Third Party of our Group.

For ownership changes in Shenzhen EDA after the aforesaid transfers, see “— History of our Business” above.

HISTORY AND CORPORATE STRUCTURE

Branch companies of Shenzhen EDA

The table below sets out information about the branch companies of Shenzhen EDA:

<u>Branch name</u>	<u>Location of branch company</u>	<u>Date of establishment</u>	<u>Reason of establishment</u>
Shenzhen EDA Guangzhou Branch	Guangzhou	July 2017	For overall management and recruitment of staff in Guangzhou, Guangdong Province
Shenzhen EDA Shanghai Branch	Shanghai	July 2017	For overall management and recruitment of staff in Shanghai
Shenzhen EDA Qingdao Branch	Qingdao	October 2023	For overall management and recruitment of staff in Qingdao
Shenzhen EDA Hangzhou Branch	Hangzhou	November 2023	For overall management and recruitment of staff in Hangzhou
Shenzhen EDA Changsha Branch	Changsha	December 2023	For overall management and recruitment of staff in Changsha

4. EDA Development (HK) Limited

EDA Development (HK) Limited was incorporated in Hong Kong on 18 November 2015. Since its incorporation, EDA Development (HK) Limited has been wholly owned by Shenzhen EDA, an indirect wholly-owned subsidiary of our Company. The principal business activity of EDA Development (HK) Limited is the provision of warehousing services, local delivery services and international transportation services in the PRC.

5. Shenzhen Haolian

Shenzhen Haolian was established in the PRC on 1 September 2014 with an initial registered capital of RMB5 million. Upon its establishment, Shenzhen Haolian was wholly owned by Zhongshan Yidatong Software Technology Co., Ltd. (中山市易達通軟件科技有限公司), a company wholly owned by Mr. Zheng Yuhui (鄭宇輝).

On 16 February 2016, Shenzhen EDA, an indirect wholly-owned subsidiary of our Company, acquired the entire interest held by Zhongshan Yidatong Software Technology Co., Ltd. in Shenzhen Haolian.

HISTORY AND CORPORATE STRUCTURE

Shenzhen Haolian is principally engaged in the provision of freight forwarding and logistics solutions.

6. EDA International, Inc.

EDA International, Inc. was established in California, United States of America on 4 December 2013 with an authorized capital stock of 1,000,000 shares. Upon its establishment, EDA International Inc. was wholly-owned by Mr. Zheng Yuhui, Ms. Zhang Xiaoxin, Mr. Xiang Ping and Ms. Tao Xiaoling. On 25 November 2015, Mr. Zheng Yuhui, Ms. Zhang Xiaoxin, Mr. Xiang Ping and Ms. Tao Xiaoling transferred all of their interests in EDA International, Inc. to EDA Development (HK) Limited, our wholly-owned subsidiary.

EDA International Inc. is principally engaged in the provision of warehousing services in North America.

7. EDA Cloud International, Inc.

EDA Cloud International, Inc. was established in New Jersey, United States of America on 25 January 2016 with an authorized capital stock of 100.00 shares. Since its incorporation, EDA Cloud International Inc. has been wholly-owned by EDA Development (HK) Limited, our wholly-owned subsidiary.

EDA Cloud International, Inc. is principally engaged in the provision of warehousing services in North America.

8. 8987947 Canada Inc.

8987947 Canada Inc. was incorporated under the *Canada Business Corporations Act* in Ontario, Canada on 14 August 2014. Upon its establishment, 8987947 Canada Inc. was wholly-owned by an independent third party. On 16 January 2016, that independent third party transferred all her interest in 8987947 Canada Inc. to EDA Development (HK) Limited, our wholly-owned subsidiary.

8987947 Canada Inc. is principally engaged in the provision of warehousing services in North America.

HISTORY AND CORPORATE STRUCTURE

9. EDA Cloud UK Ltd

EDA Cloud UK Ltd, formerly known as UK EDA Cold Limited, was established in England and Wales on 21 June 2016 with an initial registered capital of GBP100.0. Since its incorporation, EDA Cloud UK Ltd has been wholly-owned by EDA Development (HK) Limited, our wholly-owned subsidiary.

EDA Cloud UK Ltd is principally engaged in the provision of warehousing services in Europe.

10. EDA AU

EDA AU was established in New South Wales, Australia on 3 December 2019 with an issued Share capital of AUD100. Upon its establishment, EDA AU was wholly-owned by Mr. Zhang Aiqiang. On 9 December 2019, Mr. Zhang Aiqiang transferred all his interest in EDA AU to EDA Development (HK) Limited, our wholly-owned subsidiary.

EDA AU is principally engaged in the provision of warehousing services in Australia.

ACTING-IN-CONCERT ARRANGEMENT

The Samanea Share Options were granted to each of the ultimate beneficial owners of Zhan Hua Limited, Dawnhill Group Limited, LittleBear Investment Limited, QCJJ Group Limited and QCBM Group Limited (the “**Samanea Share Option Grantees**”) in January 2021. In anticipation of the subsequent exercise of the Samanea Share Options by each of the Samanea Share Option Grantees, in December 2021, each of ultimate beneficial owners of Zhan Hua Limited, Dawnhill Group Limited, LittleBear Investment Limited, QCJJ Group Limited and QCBM Group Limited entered into an acting-in-concert agreement with Samanea China Holdings Limited in respect of their interests in our Company.

See “Relationship with our Controlling Shareholders” in this document for further details.

ESTABLISHMENT OF THE LIU YONG TRUST

For estate planning purposes, a discretionary trust named the Liu Yong Trust was established by Mr. Liu Yong (as the settlor) with Sovereign Fiduciaries (Hong Kong) Limited as the trustee. The beneficiaries of the Liu Yong Trust are Mr. Liu Yong and Edaurora Holdings Limited, a company wholly owned by Mr. Liu Yong. Sovereign Fiduciaries (Hong Kong) Limited is a professional trust company and an Independent Third Party of our Group. On [•] May 2024, Mr. Liu Yong, via Edaurora Holdings Limited (wholly owned by Mr. Liu Yong), transferred 99.0% of his interest in EDA Shine International Limited, hence 99.0% of his interests in our Company, to

HISTORY AND CORPORATE STRUCTURE

Skyline Investment International Limited, a newly set up vehicle purposes of holding, among others, the trust fund of the Liu Yong Trust. Skyline Investment International Limited is directly wholly owned by Sovereign Fiduciaries (Hong Kong) Limited as trustee of the Liu Yong Trust.

Mr. Liu Yong, as the settlor of the Liu Yong Trust, has the power to remove the trustee and to appoint a new trustee in its place. In addition, Mr. Liu Yong remains as the sole director of EDA Shine International Limited, and holds the voting power in relation to the Shares in our Company held by EDA Shine International Limited, by virtue of him having sole control over the voting power in relation to the relevant shares in EDA Shine International Limited which are held by Skyline Investment International Limited pursuant to the trust deed of the Liu Yong Trust. Under the trust deed of the Liu Yong Trust, the trustee's powers of investment shall be withheld and restricted to the holding of the shares in EDA Shine International Limited, representing 99.0% of its shareholding interest, and Mr. Liu Yong shall have sole power to make all decisions relating to (i) any purchase, sale, exchange, mortgage, charge, pledge or retention of the trust fund underlying the Liu Yong Trust (namely, 99.0% of the shareholding interest in EDA Shine International Limited, and all or any part of the capital and income accumulated or accruing thereto), and (ii) the exercise of any voting and other rights in relation to the trust fund underlying the Liu Yong Trust, and any entity(ies) or company(ies) in all relevant capacities underlying the trust fund (including EDA Shine International Limited), by giving investment directives to the trustee for execution of such decisions. The exercise of powers by the trustee must be accompanied by a prior notice to Mr. Liu Yong as the settlor.

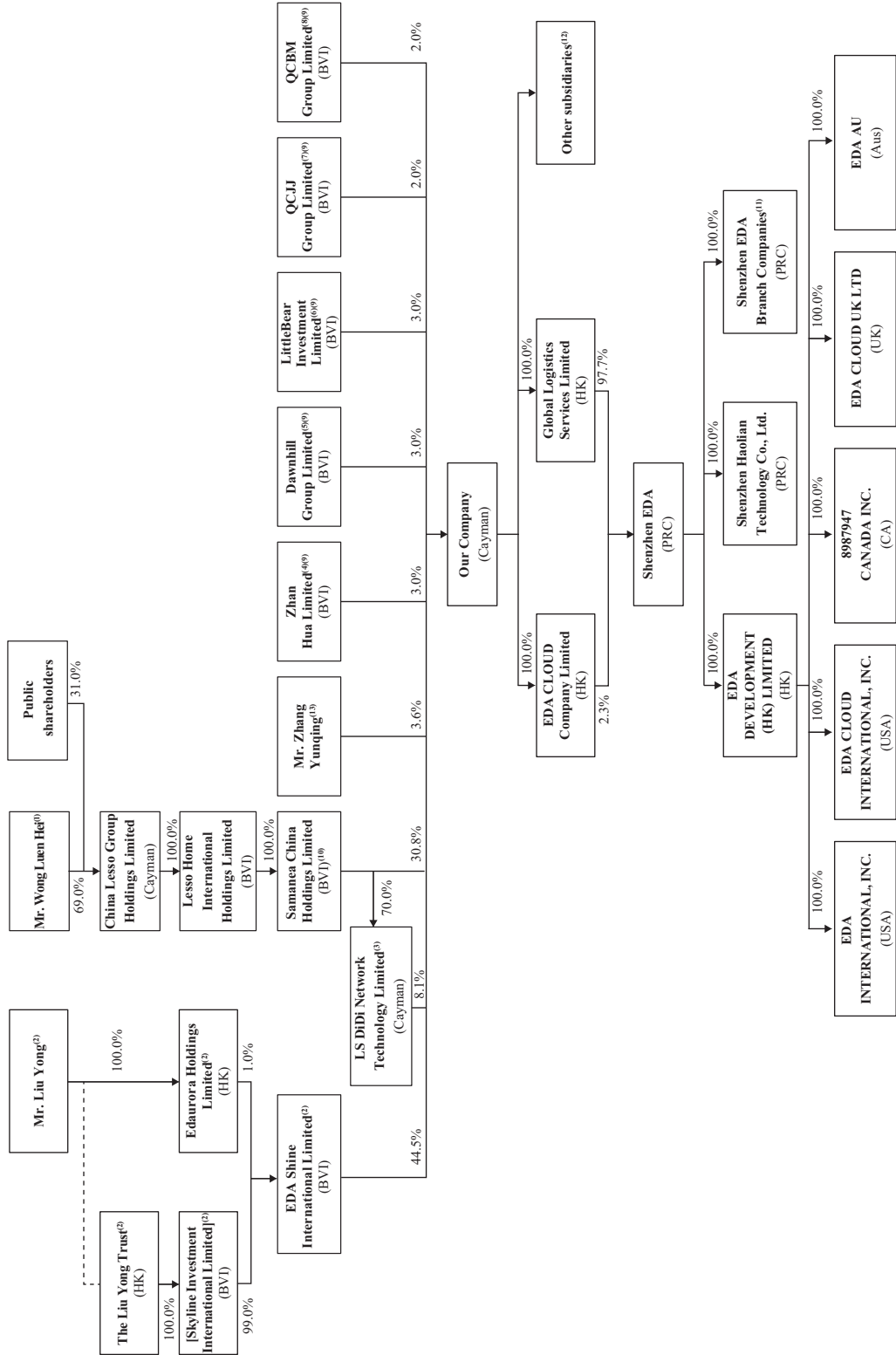
THE [REDACTED]

Subject to the share premium account of our Company being credited as a result of the [REDACTED] of the [REDACTED] pursuant to the [REDACTED], our Company will, on the [REDACTED], allot and issue a total of [REDACTED] Shares credited as fully paid at par to the holders of Shares whose names appear on the register of members of our Company on the day preceding the [REDACTED] in proportion to their then existing shareholdings in our Company by [REDACTED] the relevant sum from the share premium account of our Company. The Shares allotted and issued pursuant to the [REDACTED] will rank *pari passu* in all respects with the existing issued Shares.

HISTORY AND CORPORATE STRUCTURE

OUR SHAREHOLDING STRUCTURE IMMEDIATELY PRIOR TO THE [REDACTED]

The following diagram illustrates the corporate and shareholding structure of our Group immediately prior to the completion of the [REDACTED] and the [REDACTED] (assuming the [REDACTED] and without taking into account any Shares to be issued upon the exercise of any options granted under the [REDACTED] Share Option Scheme and [REDACTED] Share Option Scheme, and vesting of RSUs granted under the [REDACTED] RSU Plan and [REDACTED] RSU Plan Scheme are not exercised):



HISTORY AND CORPORATE STRUCTURE

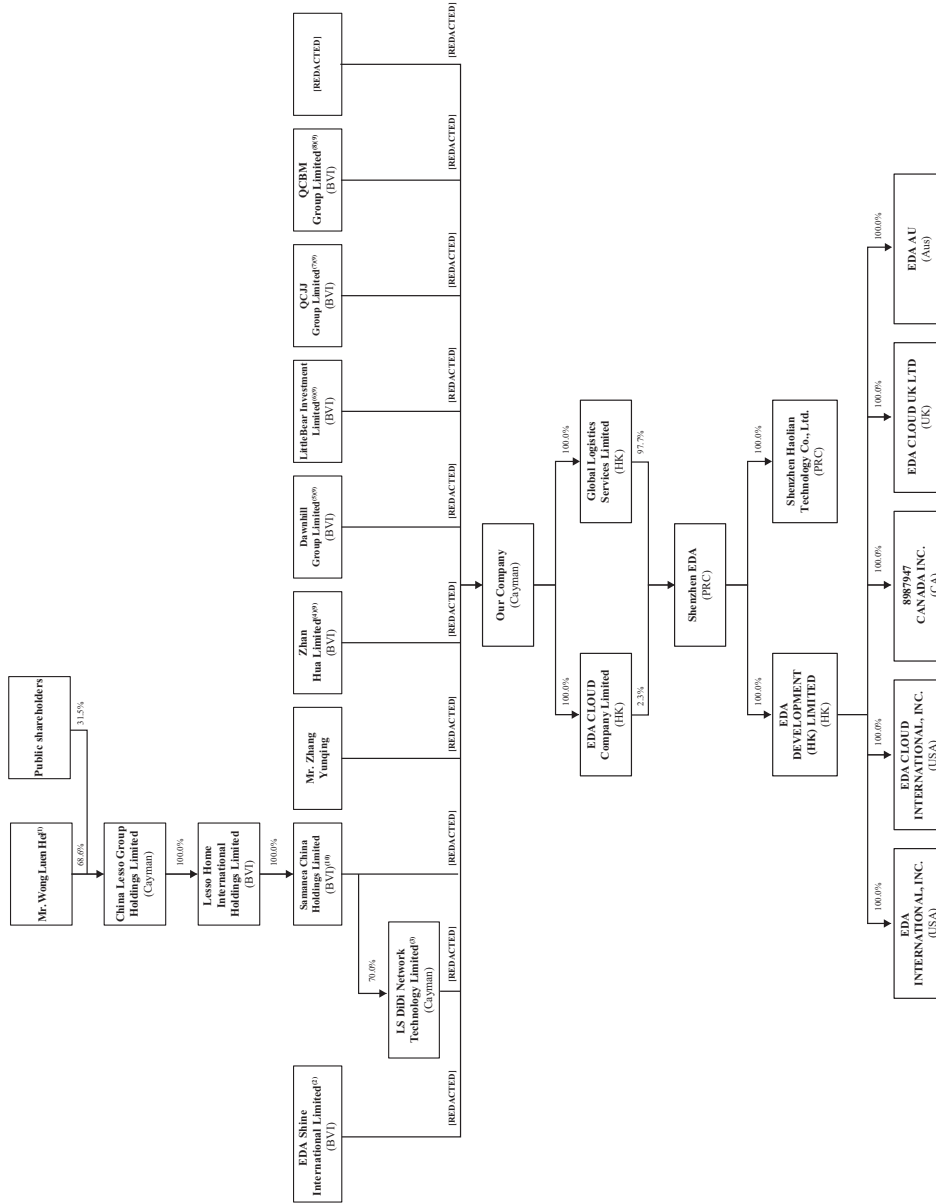
Notes:

- (1) Mr. Wong Luen Hei’s shareholding interest in China Lesso Group Holdings Limited includes the interest of his spouse, Ms. Zuo Xiaoping.
- (2) EDA Shine International Limited is owned as to 1.0% by Edaurora Holdings Limited and as to 99.0% by Skyline Investment International Limited. Skyline Investment International Limited is wholly owned by [Sovereign Fiduciaries (Hong Kong) Limited], which is the trustee of the Liu Yong Trust, of which the settlor is Mr. Liu Yong and the beneficiaries are Mr. Liu Yong and Edaurora Holdings Limited. Edaurora Holdings Limited is wholly owned by Mr. Liu Yong. Mr. Liu Yong is our executive Director, the chairman of our Board and a Controlling Shareholder of our Group.
- (3) LS DiDi is owned as to 70.0% by Samanea, as to 13.4% by QCZC Group Limited, as to 9.7% by QCJJ Group Limited and as to 6.8% by QCBM Group Limited. QCZC Group Limited and QCJJ Group Limited are wholly owned by Ms. Tang Jia Jia, a director of four subsidiaries of Samanea, namely LS DiDi, Guangdong Qicheng Information Technology Co., Ltd, Guangzhou LS DiDi Technology Co., Ltd and Treasure Pathway Limited. QCBM Group Limited is wholly owned by Mr. Qian Yu Cheng, a director of each of LS DiDi and Guangdong Qicheng Information Technology Co., Ltd, both of which are subsidiaries of Samanea.
- (4) Zhan Hua Limited is a company incorporated in the BVI and is wholly owned by Mr. Zuo Manlun, our Non-executive Director.
- (5) Dawnhill Group Limited is a company incorporated in the BVI and is wholly owned by Mr. Luo Jianfeng, our Non-executive Director.
- (6) LittleBear Investment Limited is a company incorporated in the BVI and is wholly owned by Mr. Cheung Man Yu, our executive Director.
- (7) QCJJ Group Limited is a company incorporated in the BVI and is wholly owned by Ms. Tang Jia Jia, a director of four subsidiaries of Samanea, namely LS DiDi, Guangdong Qicheng Information Technology Co., Ltd, Guangzhou LS DiDi Technology Co., Ltd and Treasure Pathway Limited.
- (8) QCBM Group Limited is a company incorporated in the BVI and is wholly owned by Mr. Qian Yu Cheng, a director of each of LS DiDi and Guangdong Qicheng Information Technology Co., Ltd, both of which are subsidiaries of Samanea.
- (9) Each of the ultimate beneficial owners of Zhan Hua Limited, Dawnhill Group Limited, LittleBear Investment Limited, QCJJ Group Limited and QCBM Group Limited entered into an acting-in-concert agreement with Samanea in December 2021 in respect of their interests in our Company.
- (10) Samanea China Holdings Limited is an indirectly wholly-owned by Lesso and a Controlling Shareholder.
- (11) Shenzhen EDA Branch Companies are Shenzhen EDA Guangzhou Branch, Shenzhen EDA Shanghai Branch, Shenzhen EDA Qingdao Branch, Shenzhen EDA Hangzhou Branch and Shenzhen EDA Changsha Branch.
- (12) Other subsidiaries include six indirectly wholly-owned subsidiaries of our Company.
- (13) Mr. Zhang Yunqing is a shareholder and an Independent Third Party of our Group.

HISTORY AND CORPORATE STRUCTURE

OUR SHAREHOLDING STRUCTURE IMMEDIATELY FOLLOWING THE [REDACTED]

The following diagram illustrates the corporate and shareholding structure of our Group immediately following the completion of the [REDACTED] and the [REDACTED] (assuming the [REDACTED] and without taking into account any Shares to be issued upon the exercise of any options granted under the [REDACTED] Share Option Scheme and [REDACTED] Share Option Scheme, and vesting of RSUs granted under the [REDACTED] RSU Plan and [REDACTED] RSU Plan):



Notes (1) to (13): Please refer to the diagram contained under “— Our shareholding structure immediately prior to the [REDACTED]” in this section.

HISTORY AND CORPORATE STRUCTURE

PRC REGULATORY REQUIREMENTS

According to the Regulations on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》) (“**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 August, 2006, effective as of September 8, 2006 and amended on June 22, 2009, mergers and acquisitions of domestic enterprises by foreign investors shall be subject to the approval of the MOFCOM or its delegates at provincial level. In the event that any domestic company, enterprise or natural person merges or acquires a domestic company that has affiliated relationship with it through an overseas company legally established or controlled by such domestic company, enterprise or natural person, the merger and acquisition applications shall be submitted to the MOFCOM for approval and any circumvention on the requirement including domestic re-investment of a foreign invested enterprise is not allowed. In addition, the M&A Rules purport, among other things, to require that offshore special purpose vehicles, or SPVs, that are controlled by PRC companies or individuals and that have been formed for overseas listing purposes through acquisitions of PRC domestic interest held by such PRC companies or individuals, to obtain the approval of the CSRC prior to publicly listing their securities on an overseas stock exchange.

As advised by our PRC Legal Adviser, our Company and its offshore subsidiaries Global Logistics and EDAHK were not established by any domestic company, enterprise or natural person in the PRC, and from their establishment until our Company’s acquisition of Shenzhen EDA, our Company, Global Logistics and EDAHK had not been controlled by any domestic company, enterprise or natural person in the PRC. Therefore, the acquisition of Shenzhen EDA by our Company is not an acquisition of a domestic company in the PRC with which our Company is affiliated, and our PRC Legal Adviser is of the opinion that relevant approvals from the MOFCOM or CSRC are not required. However, there is uncertainty as to how the M&A Rules may be interpreted or implemented or whether the relevant authorities would promulgate further requirements.

HISTORY AND CORPORATE STRUCTURE

SAFE REGISTRATION IN THE PRC

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 and became effective on July 4, 2014, which replaced the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents’ Corporate Financing and Roundtrip Investment Through Offshore Special Purpose Vehicles (《關於境內居民通過境外特殊目的公司融資及返程投資外匯管理有關問題的通知》) (the “**SAFE Circular 75**”) which became effective on 1 November 2005, PRC residents (including PRC institutions and individuals) must register with local branches of SAFE in connection with their direct or indirect offshore investment in an overseas special purpose vehicle, or SPV, directly established or indirectly controlled by PRC residents for the purposes of offshore investment and financing with their legally owned assets or interests in domestic enterprises, or their legally owned offshore assets or interests. Such PRC residents are also required to amend their registrations with SAFE when there is a change to the basic information of the SPV, such as changes of a PRC resident individual shareholder, the name or operating period of the SPV, or when there is a significant change to the SPV, such as changes of the PRC individual resident’s increase or decrease of its capital contribution in the SPV, or any share transfer or exchange, merger, division of the SPV. Failure to comply with the registration procedures set forth in the Circular 37 may result in restrictions being imposed on the foreign exchange activities of the relevant onshore company, including the payment of dividends and other distributions to its offshore parent or affiliate, the capital inflow from the offshore entities and settlement of foreign exchange capital, and may also subject relevant onshore company or PRC residents to penalties under PRC foreign exchange administration regulations.

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 June 1, 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.

As advised by our PRC Legal Adviser, Mr. Liu Yong (劉勇), Ms. Tang Jia Jia (唐佳佳) and Mr. Qian Yucheng (錢玉澄) (as PRC Residents as defined under the applicable provisions under SAFE Circular 37) have completed the registration under the SAFE Circular 37.