
HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

OVERVIEW

Our history can be traced back to September 2010, when our Company, was established in Shenzhen, Guangdong Province, PRC. In May 2015, our Company was converted from a limited liability company into Shenzhen Aukey E-Business Co., Ltd. (深圳市傲基電子商務股份有限公司), a joint stock company with limited liabilities. In March 2024, our Company was renamed as AuGroup Technology Co., Ltd. (傲基科技股份有限公司). Our Company is a top-ranking online retailer specializing in quality furniture and home furnishings with export logistics solutions.

BUSINESS DEVELOPMENT MILESTONES

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

Time	Milestones
2010	Our Company, Shenzhen Aukey E-Business Co., Ltd. (深圳市傲基電子商務股份有限公司), was established in Shenzhen, Guangdong Province, PRC.
2013	We have been recognized as a High-Tech Enterprise (國家高新技術企業) since 2013
2014	Our own brand AUKEY was launched and we started collaboration with Amazon.
2015	The Shares of our Company were quoted on NEEQ in November 2015 ^(Note) .
2017	We were recognized as National E-commerce Demonstration Enterprise (國家級電子商務示範企業) by MOFCOM.
2020	We acquired WESTERN POST (HK) and built an integrated logistics system that gradually covered Europe and the United States.
2021	We were recognized as National Industrial Design Center (國家級工業設計中心) by MIIT.
2022	Our revenue generated from global B2C e-commerce market for furniture and home furnishings exceeds RMB4 billion in 2022. We ranked first in the B2C overseas e-commerce market for furniture and home furnishings by China-based sellers in terms of GMV in 2022.
2023	Our revenue generated from global B2C e-commerce market for furniture and home furnishings exceeds RMB5 billion in 2023. We continued to rank first in the B2C overseas e-commerce market for furniture and home furnishings by China-based sellers in terms of GMV in 2023.

Note: Voluntarily withdrawal of quotation on the NEEQ in April 2019.

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CORPORATE DEVELOPMENT OF OUR COMPANY

(1) Establishment of our Company

On September 13, 2010, our Company was established by Mr. Lu, using his own financial accumulation, as a limited liability company under the laws of the PRC. Upon incorporation, it had a registered capital of RMB0.1 million and was wholly owned by Mr. Lu.

The following are the major shareholding changes of our Company since its establishment. In addition, there are some immaterial shareholding changes among certain minority Shareholders, where special rights were not involved and all the considerations have been settled as of the Latest Practicable Date.

(2) Major Shareholding Changes of Our Company Before Conversion into Joint Stock Limited Company

(a) Capital increase in February 2012

In February 2012, Mr. Lu, Mr. Ze and Ke’ao Technology subscribed for the registered capital of our Company of RMB2,030,000, RMB1,320,000 and RMB1,550,000 at par value. The consideration was determined after arm’s length negotiations with reference to the then paid-up registered capital of our Company. Upon completion of such capital increase, the registered capital of our Company was increased to RMB5,000,000 and our Company became owned as to 42.60% by Mr. Lu, 31.00% by Ke’ao Technology and 26.4% by Mr. Ze. Ke’ao Technology was owned as to 99% by Mr. Lu and 1% by Mr. Ze at the time of such capital increase.

(b) Capital increase from March 2012 to November 2014

In March 2012, Shenzhen Capital Group and Shenzhen Redland subscribed for the registered capital of our Company of RMB833,333 and RMB416,667 at the consideration of RMB20 million and RMB10 million, respectively (“**2012 March Investment**”). Shenzhen Redland is a subsidiary of Shenzhen Capital Group. For further details of 2012 March Investment, see “— Pre-[REDACTED] Investments” below. In November 2014, Times Bole⁽¹⁾ subscribed for the registered capital of our Company of RMB837,500 at the consideration of RMB33,500,000, which was fully settled on January 5, 2015.

(c) Acting-in-concert arrangement

On March 6, 2015, considering Mr. Lu and Mr. Ze’s long term cooperation and trust, and the purpose to enhance their control and influence over the Group after the Company’s Shares to be quoted on the NEEQ in 2015, Mr. Lu and Mr. Ze entered into a concert party agreement, which was later renewed on March 1, 2019, pursuant to which Mr. Lu and Mr. Ze have agreed to, and shall procure those corporations under their control which directly hold Shares in our Company, to act in concert in respect of the management and operations of our Company by aligning their votes at the general meetings of our Company. Based on the concert party agreement, no circumstance would lead to the termination of the concert party agreement unless mutually agreed to terminate by Mr. Lu and Mr. Ze or requested by Mr. Lu or Mr. Ze three years after the [REDACTED].

Note:

- (1) Times Bole refers to a group of external investors of our Company that were controlled by Shenzhen Hanxin Asset Management Co., Ltd. (深圳市瀚信資產管理有限公司), a professional asset management company which became our shareholder in November 2014 and transferred all of its Shares in our Company to other minority Shareholders during our quotation on the NEEQ.

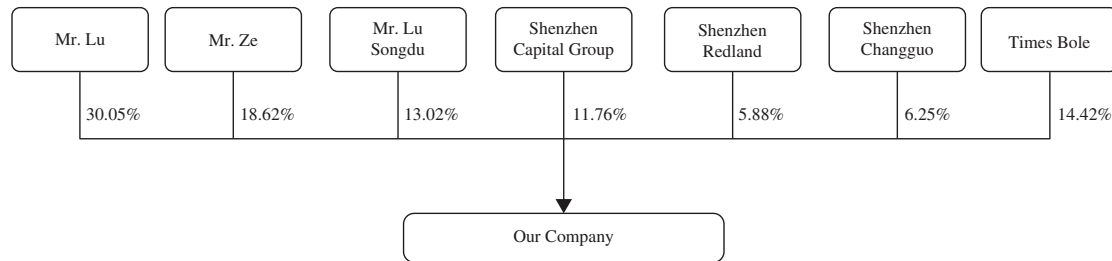
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(d) 2015 May Share Transfer

In May 2015, in order to incentivize certain employees of our Group, Ke’ao Technology transferred the registered capital of our Company of RMB922,502 and RMB443,223 to Mr. Lu Songdu (陸頌督) (our former senior management at the time of such share transfer and our current non-executive Director) and Shenzhen Changguo (an employee share ownership platform) at the consideration of RMB930,000 and RMB450,000, respectively (“**2015 May Share Transfer**”).

(3) Conversion into Joint Stock Limited Company

In preparation of our application for quotation on the NEEQ, and pursuant to shareholders’ resolutions dated May 3, 2015, and a promoters’ agreement dated May 3, 2015 entered into by all the then Shareholders, all promoters of our Company (being all the then Shareholders) approved the conversion of the net assets value of our Company as of March 31, 2015 into 20,000,000 Shares of our Company with a nominal value of RMB1.00 each, with the remaining RMB47,996,863.76 recorded as capital reserves of our Company. On May 25, 2015, our Company was converted into a joint stock company with limited liability and was renamed Shenzhen Aukey E-Business Co., Ltd. (深圳市傲基電子商務股份有限公司) (the “**Conversion**”). The diagram below illustrates our simplified shareholding and corporate structure immediately after the Conversion.



(4) Quotation on the NEEQ, Major Shareholding Changes and Subsequent Withdrawal of Quotation on the NEEQ

(a) Quotation on the NEEQ

To improve the brand awareness and corporate governance of our Company as well as to expand our financial resources, our then Shareholders resolved to apply for the quotation of our Shares on the NEEQ in 2015. On November 16, 2015, our Shares became quoted on the NEEQ under the stock code of 834206.

(b) 2017 March Investment

In March 2017, Qingdao GoldStone⁽¹⁾ subscribed for 1,500,000 Shares of our Company at the consideration of RMB49,995,000 (“**2017 March Investment**”). For further details, see “— Pre-[REDACTED] Investments” below.

Note:

(1) In December 2023, Qingdao GoldStone transferred all of the Shares held by it in the Company to CITIC Investment, at the consideration of RMB58,972,364, which was fully settled on December 25, 2023. Both Qingdao GoldStone and CITIC Securities Investment are controlled by CITIC Securities.

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(c) 2018 July Share Transfer

From July 2018 to September 2018, Gongqingcheng Greenwoods Jing’an acquired a total of 11,858,800 Shares from certain minority Shareholders of our Company on the NEEQ at the total consideration of RMB602,336,000 (“**2018 July Share Transfer**”). For further details, see “— Pre-[REDACTED] Investments” below.

(d) 2018 August Share Transfer

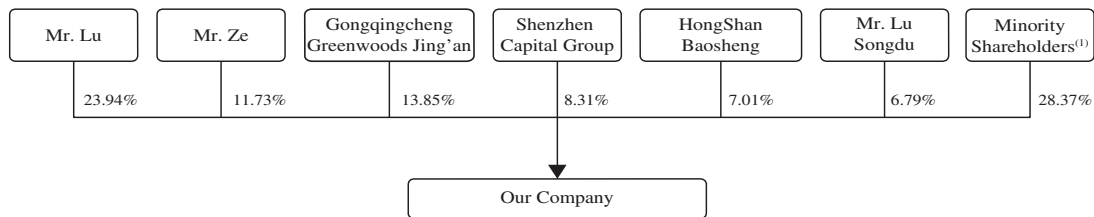
In August 2018, HongShan Baosheng acquired 5,999,999 Shares from certain minority Shareholder of our Company on the NEEQ at the total consideration of RMB322,319,946 (“**2018 August Share Transfer**”). For further details, see “— Pre-[REDACTED] Investments” below.

(e) 2018 December Share Transfer

From December 2018 to March 2019, Starquest Fund acquired a total of 3,713,583 Shares from certain minority Shareholders of our Company at the total consideration of RMB199,961,079 (“**2018 December Share Transfer**”). For further details, see “— Pre-[REDACTED] Investments” below.

(f) Voluntarily withdrawal of quotation on the NEEQ

On January 13, 2019, considering the then low trading volume on the NEEQ and in preparation for the application of the listing of our Shares on the Shanghai Stock Exchange Science and Technology Innovation Board, our Board resolved to voluntarily cease the quotation of our Shares from the NEEQ, which was duly approved by our then Shareholders. On April 16, 2019, the Shares ceased to be quoted on the NEEQ (the “**NEEQ Withdrawal**”). The diagram below illustrates our simplified shareholding and corporate structure immediately after the NEEQ Withdrawal.



Note:

- (1) These 28.37% equity interest in our Company were held by 56 Shareholders, each held less than 5% equity interest in our Company.

During the years which our Shares were quoted on the NEEQ, our Company did not receive any notice from the NEEQ Company alleging any material non-compliance incidents on the part of our Company. Our Company confirms that, to their best knowledge and belief, during the years which our Shares were quoted on the NEEQ, our Company had no instance of non-compliance with the Business Rules of the National Equities Exchange and Quotations System (for Trial Implementation) and the rules of the NEEQ Company in all material respects and the Sole Sponsor concurs that there is no matter that need to be brought to the attention of the Stock Exchange or the potential investors of our Company in relation to our compliance record on the NEEQ.

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The PRC Legal Advisors are of the view that during the years in which our Shares were quoted on the NEEQ, neither our Company and its subsidiaries nor their respective directors, supervisors, and senior management were involved in any material breach of the applicable rules or regulations of the NEEQ and each of the party had not been subject to any material disciplinary actions taken by relevant regulators.

(5) Previous A Share Listing Applications

Considering the continued growth in the scale of business of our Company and with a view to tapping into capital markets with a boarder investor base, our Company submitted its listing application on the Shanghai Stock Exchange Science and Technology Innovation Board (上海證券交易所科創板) (the “**STAR Market**”) (the “**A Share Listing Application on the STAR Market**”) in August 2019. Due to the difference between our core business and the positioning of the STAR Market, in April 2020, we voluntarily withdrew the A Share Listing Application on the STAR Market. Our Company confirms and the Sole Sponsor concurs that there were no other matters related to the A Share Listing Application on the STAR Market which should be brought to the attention of the regulators of the [REDACTED].

In May 2021, our Company submitted its listing application on the ChiNext market of the Shenzhen Stock Exchange (深圳證券交易所創業板) (the “**A Share Listing Application on the ChiNext Market**”). In the same month, due to the occurrence of the Amazon Incident, we voluntarily submitted an application to withdraw the A Share Listing Application on the ChiNext Market. Our Company confirms and the Sole Sponsor concurs that there were no other matters related to the A Share Listing Application on the ChiNext Market which should be brought to the attention of the regulators of the [REDACTED].

(6) Pre-[REDACTED] Investments from 2019 to 2022

(a) 2019 May Share Transfer

In May 2019, Zhuhai Yinshan acquired 856,500 Shares of our Company from certain minority Shareholders of our Company at the consideration of RMB50 million (“**2019 May Share Transfer**”). For further details, see “— Pre-[REDACTED] Investments” below.

(b) 2020 December Investment

In December 2020, Midea Fund, Suzhou Cathay Growth, Wuhan Shunying, Wuhan Shunhong, Hainan Hongdao⁽¹⁾ and Hongdao Zhixin subscribed for 3,885,000 Shares, 1,143,556 Shares, 1,726,932 Shares, 178,995 Shares, 227,716 Shares and 152,475 Shares at the consideration of RMB101,918,929, RMB30,000,001, RMB45,304,262, RMB4,695,748, RMB5,973,892 and RMB4,000,023, respectively. Our registered capital was increased from RMB381,185,326 to RMB388,500,000 accordingly (“**2020 December Investment**”). For further details, see “— Pre-[REDACTED] Investments” below.

(c) 2021 September Share Transfer

In September 2021, Shenzhen Capital Group acquired 3,885,000 Shares of our Company from a minority Shareholder of our Company at the consideration of RMB50 million (“**2021 September Share Transfer**”). For further details, see “— Pre-[REDACTED] Investments” below.

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(d) 2021 December Share Transfer

In December 2021, SilkRoad Industrial Investment acquired 500,000 Shares of our Company from a minority Shareholder of our Company at the consideration of RMB10 million (“**2021 December Share Transfer**”). For further details, see “— Pre-[REDACTED] Investments” below.

(e) 2022 January Investment

In January 2022, we issued 1,554,000 Shares to SilkRoad Industrial Investment at the consideration of RMB40 million. Our registered capital was increased from RMB388,500,000 to RMB390,054,000 (“**2022 January Investment**”). For further details, see “— Pre-[REDACTED] Investments” below.

(7) 2024 March Share Transfer

In March 2024, Sailvan Times, Wendi Design and Wendi Technology acquired 1,785,532, 4,381,638 and 4,285,276 of our Company, respectively, from certain minority Shareholders of our Company at the consideration of RMB30,000,000, RMB73,619,049 and RMB72,000,001, respectively (“**2024 March Share Transfer**”). For further details, see “— Pre-[REDACTED] Investments” below.

(8) 2024 March Repurchase

In March 2024, the Company repurchased 1,554,000 Shares of the Company from SilkRoad Industrial Investment at the consideration of RMB47,136,438.36, which was determined with reference to the investment cost of SilkRoad Industrial Investment plus 8% annual interest. Such consideration was fully settled on March 20, 2024. Upon completion of the such share repurchase, SilkRoad Industrial Investment still hold 500,000 Shares of our Company.

(9) 2024 April Share Transfer

In April 2024, NewTrails acquired 4,221,592 Shares of our Company from certain minority Shareholders of our Company at the consideration of RMB70,930,000 (“**2024 April Share Transfer**”). For further details, see “— Pre-[REDACTED] Investments” below.

(10) Change of the Company’s name

In March 2024, considering our Group has been developed into a top-ranking online retailer specializing in quality furniture and home furnishings with a diverse brand and product with export logistics solutions, our Company was renamed as AuGroup Technology Co., Ltd.

In October, we were renamed as AuGroup (SHENZHEN) Cross-Border Business Co., Ltd.

CONFIRMATION BY THE PRC LEGAL ADVISORS

Our PRC Legal Advisor confirmed that: (i) all necessary regulatory approvals, permits and licenses required under PRC laws in relation to the share transfers and investments above have been obtained; and (ii) all share transfers and investments above have complied with all applicable PRC laws in all material respects.

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APPLICATION FOR [REDACTED] ON THE HONG KONG STOCK EXCHANGE

We consider Hong Kong a suitable venue for [REDACTED] as our businesses and operations principally located, managed and conducted in the PRC and our markets are primarily in the United States and Europe, and a [REDACTED] in Hong Kong will not only contribute to opportunities for future fund-raising, but also allow more Hong Kong, PRC and international investors to have a better understanding and appreciation of our Group’s business. This will also provide better synergy for us to enhance our corporate profile, brand awareness, corporate governance and shareholder base. The Directors consider a [REDACTED] in Hong Kong will benefit our Company and its Shareholders as a whole.

OUR KEY SUBSIDIARIES

We conduct our business principally through the following subsidiaries which made a material contribution to our results of operations during the Track Record Period:

<u>Name</u>	<u>Principal business activities</u>	<u>Date of establishment</u>	<u>Place of establishment</u>	<u>Percentage of equity interest held by our Company⁽¹⁾</u>
Aukey International	Overseas settlement and purchasing center	April 2, 2012	Hong Kong, PRC	100%
Shenzhen Westernpost ⁽²⁾	Logistics services specialized in offering medium-to-large goods	January 5, 2021	Shenzhen, PRC	48% ⁽³⁾
Auwin International	Overseas billing and purchasing center	July 23, 2021	Hong Kong, PRC	100%
HK Fanttik	Overseas billing and purchasing center	July 23, 2021	Hong Kong, PRC	70%

Notes:

- (1) the equity interest held by our Company in the following subsidiaries remained unchanged during the Track Record Period.
- (2) Shenzhen Westernpost wholly owns our other major subsidiaries, namely WESTERN POST (HK) and WESTERN POST (US), which also engage in logistics services specialized in offering medium-to-large goods.
- (3) Shenzhen Westernpost is wholly owned by WESTERN POST (SG), a holding company and please refer to note 43(b) in “Appendix I — Accountants’ Report” to this document for further details on WESTERN POST (SG) and Shenzhen Westernpost.

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MATERIAL ACQUISITIONS OR DISPOSALS

The Company had no material acquisitions or disposals of subsidiaries during the Track Record Period. None of the applicable percentage ratios (as defined under the Listing Rules) for the acquisitions of the Group during the Track Record Period exceeds 25%. Therefore, none of such acquisitions constitutes a major acquisition pursuant to Rule 4.05A under the Listing Rules. For the acquisitions of asset or immaterial subsidiary and the immaterial disposal of equity interest in subsidiary during the Track Record Period, please refer to notes 36 and 43(b) in “Appendix I — Accountants’ Report” to this document.

Set out below is the acquisition of asset through the acquisition of Shenzhen Maoshun and the immaterial disposal of equity interest in Shenzhen Fanttik and Shenzhen Westernpost during the Track Record Period.

1. Acquisitions of Shenzhen Maoshun

In August 2022, to acquire an office building as our office, our Company acquired Shenzhen Maoshun for the office building held by it from Independent Third Parties at a consideration of RMB610 million. The consideration was determined based on arm’s length negotiations between the parties with reference to the asset valuation report of Shenzhen Maoshun, of which the total appraised value of Shenzhen Maoshun is RMB610 million.

2. Disposal of equity interest in Shenzhen Fanttik

In December 2022, due to strong desire from Mr. Du Bo (杜波), one of our employees, to leverage his rich experience in the operations of online stores on third-party e-commerce platforms, procurement and sales of products, to better manage Shenzhen Fanttik as well as our Company’s recognition of Mr. Du Bo’s experience and capability, our Company transferred tool products related business to Shenzhen Fanttik as part of internal business reorganization with Mr. Du Bo as its the director and general manager. In the meantime, Mr. Du Bo acquired 30% equity interest in Shenzhen Fanttik from our Company at a consideration of RMB70,920,420 which was determined based on arm’s negotiation between the parties with reference to the asset valuation report of Shenzhen Fanttik as of October 31, 2022, of which the total appraised value of Shenzhen Fanttik was RMB236,401,400. Such consideration will be fully settled by Mr. Du Bo through his own funds. In order to ensure Mr. Du Bo will settle such consideration, he pledged such 30% equity interest in Shenzhen Fanttik, as well as his equity interest in our Company, approximately 0.36% of the equity interest in our Company immediately before the [REDACTED], to our Group.

After the disposal above, Shenzhen Fanttik is still our subsidiary.

3. Disposal of equity interest in Shenzhen Westernpost

In October 2021, our Company transferred 16% of the equity interest in Shenzhen Westernpost to Shenzhen Western Post Intelligent Warehouse Management Consulting Partnership (Limited Partnership) (深圳市西郵智倉管理諮詢合夥企業(有限合夥)) (“**Western Post Consulting**”) at the consideration of RMB5,272,000, which is determined based on arm’s negotiation between the parties with reference to the asset valuation report of Shenzhen Westernpost, of which the total appraised value of Shenzhen Westernpost was RMB32,950,000. Western Post Consulting is controlled by Mr. Yu Le (余樂), one of our employees and the director and general manager of Shenzhen Westernpost and such 16% equity interest transfer was to motivate Mr. Yu Le to better manage and operate Shenzhen Westernpost. Such consideration has been fully settled by Western Post Consulting through its own funds.

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In July 2021, as Mr. Zhang Xiao (張嘯), an external investor of Shenzhen Westernpost, failed to pay up the registered capital of Shenzhen Westernpost within the period as required by the general meeting of Shenzhen Westernpost, he had to transfer 13.92% of the equity interest in Shenzhen Westernpost to our Company, an existing shareholder of Shenzhen Westernpost with corresponding registered capital paid up, at the consideration of RMB666,382.98. The consideration was determined based on arm’s negotiation between the parties with reference to the original cost of such 13.92% equity interest by Mr. Zhang Xiao (RMB666,382.98). In October 2021, as Mr. Zhang Xiao was optimistic about the prospect of Shenzhen Westernpost, our Company transferred 18% of the equity interest in Shenzhen Westernpost to Shenzhen Ruisi Enterprise Management Partnership (Limited Partnership) (深圳市睿思企業管理合夥企業(有限合夥)) (“**Ruisi Management**”), which is ultimately controlled by Mr. Zhang Xiao, at the consideration of RMB5,931,000. The consideration was determined based on arm’s negotiation between the parties with reference to the asset valuation report of Shenzhen Westernpost, in which the total appraised value of Shenzhen Westernpost is RMB32,950,000. Such consideration has been fully settled by Ruisi Management through its own funds. Mr. Zhang Xiao is an Independent Third Party other than his directorship in WESTERN POST (HK), a wholly-owned subsidiary of Shenzhen Westernpost, due to his early investment therein.

After the disposal above, Shenzhen Westernpost is still our subsidiary.

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PRE-[REDACTED] INVESTMENTS

Principal terms of the Pre-[REDACTED] Investments

The table below summarizes the principal terms of the Pre-[REDACTED] Investments:

Relevant Investment	2012	2017	2018	2018	2019	2020	2021	2021	2024	2024
	Investment	Investment	Share Transfer	Share Transfer	Share Transfer	Investment	Share Transfer	Share Transfer	Share Transfer	Share Transfer
Date of investment agreement(s)	February 20, 2012	December 25, 2016	N/A ⁽³⁾	N/A ⁽³⁾	N/A ⁽³⁾	December 19, 2020	September 13, 2021	December 27, 2021	March 6, 2024	March 14, 2024
Date of payment in full	May 14, 2012	January 23, 2017	September 13, 2018	August 15, 2018	March 1, 2019	December 22, 2020	September 13, 2021	December 28, 2021	March 22, 2024	April 23, 2024
Amount of registered capital subscribed for/acquired (RMB)	1,250,000	1,500,000	11,858,800	5,999,999	3,713,583	7,314,674	3,885,000	500,000	10,452,446	4,221,592
Amount of consideration paid (RMB)	30,000,000	49,995,000	602,336,000	322,319,946	199,961,078	191,892,855	50,000,000	10,000,000	175,619,050	70,930,000
Consideration Cost per Share ⁽¹⁾ (RMB)	0.66	7.75	11.81	12.49	12.52	26.23	12.87 ⁽⁴⁾	20.00 ⁽⁴⁾	16.80	16.80
Discount/(Premium) to the H Share [REDACTED] ⁽²⁾	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%

At the time of the Pre-[REDACTED] Investments, we were of the view that our Company would benefit from the strategic or financial value that the Pre-[REDACTED] Investors would bring to our business, the additional capital provided by the Pre-[REDACTED] Investors' investments in our Company and their knowledge relevant to our business. Our Pre-[REDACTED] Investors include renowned professional investors, which can provide us with professional advice on our Group's development and improve our corporate governance, financial reporting and internal control.

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Relevant Investment	2021											
	2012 March	2017 March	2018 July	2018 August	2018 December	2019 May	2020 December	2021 September	2021 December	2022 January	2024 March	2024 April
	Investment	Investment	Transfer	Share Transfer	Share Transfer	Transfer	Investment	Share Transfer	Investment	Share Transfer	Share Transfer	Share Transfer

Look-up

Pursuant to the applicable PRC law, within the 12 months following the [REDACTED], all current Shareholders (including the Pre-[REDACTED] Investors) could not dispose of any of the Shares held by them. The considerations for each round of Pre-[REDACTED] Investments were determined based on arm's length negotiation amongst the respective transaction parties after taking into consideration of the timing of the investments, the status of our business operations and the prospects of the Company.

Basis of consideration

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

Use of proceeds

Notes:

- (1) Having taken into account our capitalization of reserves in May 2015, August 2016 and July 2020.
- (2) Calculated based on the assumption that the [REDACTED] is HK\$[REDACTED] per Share (being the mid-point of the indicative [REDACTED] of HK\$[REDACTED] to HK\$[REDACTED]).
- (3) No investment agreement was entered into among relevant transaction parties as the relevant transactions were conducted on the NEEQ.
- (4) The Company's performance in 2021 was affected due to the Amazon incident, resulting in the decrease of the consideration cost per Share in 2021 September Share Transfer and 2021 December Share Transfer compared to that in 2020 December Investment.

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Rights of the Pre-[REDACTED] Investors

In connection with the pre-[REDACTED] investments which special rights were granted, such special rights included, among others, (i) pre-emptive right, (ii) information rights and (iii) most favorable treatment, (iv) redemption rights, (v) anti-dilution rights, (vi) right of first refusal and co-sale, and (vi) liquidation preferences. Certain special rights, including redemption rights have been terminated prior to our Company’s submission of [REDACTED] to the Stock Exchange for its [REDACTED] of H Shares on the Stock Exchange, provided that the rights so terminated shall resume automatically in certain circumstances, including: (i) the [REDACTED] has been withdrawn or rejected; or (ii) the [REDACTED] does not take place before date as agreed among the relevant parties. In addition, pursuant to the agreements signed between the Company and certain pre-[REDACTED] investors, the Company has granted anti-dilution rights (the “**Anti-Dilution Right(s)**”) to, among others, certain Pre-[REDACTED] Investors of the Company, namely Shenzhen Capital Group, HongShan Baosheng, Starquest Fund and Zhuhai Yinshan (“**Anti-Diluting Shareholders**”), which allows each of the Anti-Diluting Shareholders to subscribe at the [REDACTED], [REDACTED], for such number of Shares to be issued by the Company as part of the [REDACTED] so as to maintain its percentage shareholding interest in the Company as at immediately before the [REDACTED]. All special rights granted to the Pre-[REDACTED] Investors will cease to be effective upon [REDACTED].

Compliance with the Pre-[REDACTED] Investment Guidance

On the basis that (i) the [REDACTED], being the first day of [REDACTED] of the Shares on the Stock Exchange, will take place no earlier than 120 clear days after completion of the Pre-[REDACTED] Investments; and (ii) the special rights granted to the Pre-[REDACTED] Investors shall cease to be effective and be discontinued upon the [REDACTED] (save for certain special rights which are terminated prior to the submission of [REDACTED] as described above), the Sole Sponsor confirms that the Pre-[REDACTED] Investments are in compliance with the guidance in chapter 4.2 of the Guide for New Listing Applicants issued by the Stock Exchange in December 2023 (the “**Pre-[REDACTED] Investment Guidance**”).

Information about the Pre-[REDACTED] Investors

Shenzhen Capital Group

Shenzhen Capital Group is a limited liability company established in August 1999 under PRC laws, under the sponsorship from the Shenzhen government through the State-owned Assets Supervision and Administration Commission of the State Council, which directly holds approximately 28.2% equity interest therein, and other state-owned investment platforms. To the best of our Directors’ knowledge, Shenzhen Capital Group and its ultimate beneficial owner are Independent Third Parties.

CITIC Securities Investment

CITIC Securities Investment is a limited liability established in April 2012 under PRC laws and is primarily engaged in equity investment, which is wholly owned by CITIC Securities (中信証券股份有限公司). To the best knowledge of our Company, CITIC Securities Investment and its ultimate beneficial owner are Independent Third Parties.

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Greenwoods

Gongqingcheng Greenwoods Jing’an was established as a limited partnership in January 2018 under PRC laws and is primarily engaged in equity investment. Gongqingcheng Greenwoods Jing’an is owned as to approximately i) 98.08% by Shanghai Jinghui Investment Management Center (Limited Partnership) (上海景輝投資管理中心(有限合夥)) (“**Shanghai Jinghui**”) as its general partner; and ii) 1.92% by Mr. Jiang Hengfu (蔣亨福) as its limited partner.

Shanghai Greenwoods Jinghui was established as a limited partnership in March 2015 under PRC laws and is primarily engaged in equity investment. Shanghai Greenwoods Jinghui is held as to approximately i) 0.29% by Shanghai Jinghui as its general partner; ii) 72.17% by Gefei Asset Management Co., Ltd. (歌斐資產管理有限公司) (“**Gefei**”) as its limited partner; iii) 2.92% by Shanghai Gopher Rongze Investment Center (Limited Partnership) (上海歌斐榮澤投資中心(有限合夥)) as its limited partner, an entity controlled by Gefei and iv) 24.62% by seven Independent Third Parties, none of which holds one-third or more of the equity interest in Shanghai Greenwoods Jinghui. Gefei was an indirectly wholly-owned subsidiary of Shanghai Nuoya Investment Management Co., Ltd. (上海諾亞投資管理有限公司) (“**Nuoya Investment**”) which was owned as to 46% and 25% by Ms. Wang Jingbo (汪靜波) and Mr. He Boquan (何伯權), respectively.

Shenzhen Greenwoods Jingying was established as a limited partnership in February 2018 under PRC laws and is primarily engaged in equity investment. Shenzhen Greenwoods Jingying is held as to i) 1% by 深圳景輝諮詢管理合夥企業(有限合夥)(Shenzhen Jinghui Consulting Management Partnership (Limited Partnership)) as its general partner and ii) 99% by 12 Independent Third Parties as its limited partners, none of which holds one-third or more of the equity interest in Shenzhen Greenwoods Jingying.

Each general partner of Gongqingcheng Greenwoods Jing’an, Shanghai Greenwoods Jinghui and Shenzhen Greenwoods Jingying, is ultimately controlled by Mr. Jiang Jinzhi (蔣錦志).

To the best knowledge of our Company, Greenwoods and its ultimate beneficial owner are Independent Third Parties.

HongShan Baosheng

HongShan Baosheng was established as a limited partnership in June 2018 under PRC laws and is primarily engaged in equity investment in private companies. The general partner of HongShan Baosheng is Jiaxing HongShan Kunsheng Investment Management Partnership (Limited Partnership) (嘉興紅杉坤盛投資管理合夥企業(有限合夥)) (“**HongShan Kunsheng**”). HongShan Baosheng’s limited partnership interest was held as to approximately 77.07% by Ningbo Meishan Bonded Port Area HongShan Mingsheng Equity Investment Partnership (Limited Partnership) (寧波梅山保稅港區紅杉銘盛股權投資合夥企業(有限合夥)) (“**HongShan Mingsheng**”), the general partner of which is HongShan Kunsheng. The general partner of HongShan Kunsheng is Ningbo Meishan Bonded Port Area HongShan Huanjia Investment Management Co., Ltd. (寧波梅山保稅港區紅杉桓嘉投資管理有限公司), which is ultimately controlled by ZHOU Kui (周達). To the best knowledge of our Company, HongShan Baosheng and ZHOU Kui are Independent Third Parties.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Starquest Fund

Starquest Fund was established as a limited partnership in February 2018 under PRC laws and is primarily engaged in new economy investments. Starquest Fund is managed by Starquest Private Equity Investment Fund Management (Shenzhen) Co., Ltd. (星界私募股權投資基金管理(深圳)有限公司) (“**Starquest Private**”). The general partner of Starquest Fund is New Starquest Consulting (Shenzhen) Partnership (L.P.) (新星界諮詢顧問(深圳)合夥企業(有限合夥)) whose general partner is Starquest Private, which in turn is ultimately controlled by Fang Yuan (方遠). Starquest Fund is invested as to 41.3% by China Orient Asset Management Co., Ltd. (中國東方資產管理股份有限公司) and 40.9% by Shanghai Changpu Enterprise Management Center (Limited Partnership) (上海常璞企業管理中心(有限合夥)) (“**Shanghai Changpu**”) as its limited partners. Shanghai Changpu is in turn invested as to 99.99% by CITIC Securities as its limited partner. To the best knowledge of our Company, Starquest Fund and its ultimate beneficial owners are Independent Third Parties.

Zhuhai Yinshan

Zhuhai Yinshan was established as a limited partnership in June 2017 under PRC laws and is primarily engaged in equity investment. The general partners of Zhuhai Yinshan are Zhuhai Puyou Investment Consulting Co., Ltd. (珠海普郵投資諮詢有限公司) and GLP (Zhuhai) Equity Investment Management Co., Ltd (普洛斯(珠海)股權投資管理有限公司). Zhuhai Yinshan is ultimately controlled by GLP Pte. Ltd. GLP Pte. Ltd. is a leading global business builder, investor, developer and operator in logistics real estate, data centres, renewable energy and related technologies. To the best knowledge of our Company, Zhuhai Yinshan and GLP Pte. Ltd. are Independent Third Parties.

Midea Fund

Midea Fund was established as a limited partnership in November 2018 under PRC laws and is primarily engaged in equity investment. The executive partner of Midea Fund is Ningbo Meizhi Hechuang Investment Center (Limited Partnership) (寧波美智和創投資中心(有限合夥)) (“**Ningbo Meizhi**”), and the fund manager of Midea Fund is Midea Capital Co., Ltd. (美的創業投資管理有限公司). Midea Fund is owned as to 28.80% by Midea Innovation Investment Co., Ltd. (美的創新投資有限公司) (“**Midea Innovation**”) as its limited partner and 70.19% by other fourteen Independent Third Parties as its limited partners, none of which holds one-third or more of the equity interest in Midea Fund. Both Ningbo Meizhi and Midea Innovation are ultimately controlled by Midea Group Co., Ltd. (美的集團股份有限公司) (stock code: 000333.SZ). To the best knowledge of our Company, Midea Fund and its ultimate beneficial owners are Independent Third Parties.

Suzhou Cathay Growth

Suzhou Cathay Growth was established as a limited partnership in December 2017 under PRC laws and is primarily engaged in equity investment. Suzhou Cathay Growth is owned as to i) 0.4% by Cathay Growth (Suzhou) Business Consulting Co., Ltd. (凱輝成長(蘇州)商務諮詢有限公司) (“**Cathay Business Consulting**”) as its general manager; ii) 68.70% by Jinjiang Cathay Industrial Fund Partnership (Limited Partnership) (晉江凱輝產業基金合夥企業(有限合夥)) (“**Jinjiang Cathay Fund**”) as its limited partner; and iii) 30.90% by remaining 11 limited partners, none of which holds one-third or more of the equity interest. The general partner of Jinjiang Cathay Fund is Cathay Business Consulting, which is ultimately controlled by Mr. Cai Mingpo (蔡明潑).

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

To the best knowledge of our Company, Suzhou Cathay Growth and its ultimate beneficial owners are Independent Third Parties.

Wuhan Shunhong and Wuhan Shunying

Wuhan Shunhong was established as a limited partnership in April 2018 under PRC laws and is primarily engaged in equity investment. The general partner of Wuhan Shunhong is Wuhan Shuncheng Equity Investment Partnership (Limited Partnership) (武漢順承股權投資合夥企業(有限合夥)) (“**Wuhan Shuncheng**”). The general partner of Wuhan Shuncheng is Wuhan Shunchuang Equity Investment Management Co., Ltd. (武漢順創股權投資管理有限責任公司) (“**Wuhan Shunchuang**”), which in turn is owned as to 34% by Ms. Ma Wenjing (馬文靜), 33% by Ms. Cao Liping (曹莉平) and 33% by Mr. Lei Jun (雷軍).

Wuhan Shunying was established as a limited partnership in April 2018 under PRC laws and is primarily engaged in equity investment. The general partner of Wuhan Shunying is Wuhan Shuncheng. The general partner of Wuhan Shuncheng is Wuhan Shunchuang.

To the best knowledge of our Company, Wuhan Shunhong, Wuhan Shunying and their ultimate beneficial owners are Independent Third Parties.

Hainan Hongdao and Hongdao Zhixin

Hainan Hongdao was established as a limited liability company in November 2015 under PRC laws and is primarily engaged in equity investment. Hainan Hongdao is owned as to 70.00% by Mr. Sun Jiandong (孫建冬) and 30.00% by Mr. Han Xiao (韓笑).

Hongdao Zhixin was established as a limited partnership in January 2018 under PRC laws and is primarily engaged in equity investment. Hongdao Zhixin is owned as to i) 0.80% by Hainan Hongdao as its general partner; ii) 36.19% by Ms. Ma Shufen (馬淑芬) as its limited partner; and iii) 63.01% by remaining 18 limited partners, none of which holds one-third or more of the equity interest.

To the best knowledge of our Company, Hainan Hongdao, Hongdao Zhixin and their ultimate beneficial owners are Independent Third Parties.

SilkRoad Industrial Investment

SilkRoad Industrial Investment was established as a limited partnership in August 2017 under PRC laws and is primarily engaged in equity investment. SilkRoad Industrial Investment is owned as to i) 0.50% by Zhejiang SilkRoad Fund Management Co., Ltd. (浙江絲路產業基金有限公司) (“**SilkRoad Fund**”) as its general partner; ii) 35.80% by Zhejiang United Investment Group (浙江民營企業聯合投資股份有限公司) (“**ZUIG**”) as its limited partner; iii) 63.70% by remaining six Independent Third Parties as its limited partners, none of which holds one-third or more of the equity interest. SilkRoad Fund is controlled by ZUIG which is ultimately owned by a group of diversified institutional and individual investors (save as 40% of the equity interest of ZUIG held by Chint Group Co., Ltd. (正泰集團股份有限公司), none of the remaining shareholders of ZUIG owns more than one-third or more equity interest in ZUIG therein).

To the best knowledge of our Company, SilkRoad Industrial Investment and its ultimate beneficial owners are Independent Third Parties.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Wendi Technology and Wendi Design

Each of Wendi Technology and Wendi Design was established as a limited liability company in July 2021 under PRC laws and is primarily engaged in software and information technology services. Each of Wendi Technology and Wendi Design is wholly owned by DR Investment (Zhuhai) Co., Ltd., (迪阿投資(珠海)有限公司) (“**DR Investment**”). DR Investment is owned as to approximately i) 95% by Ms. Lu Yiwen (盧依雯) and ii) 5% by Mr. Zhang Guotao (張國濤) (the spouse of Ms. Lu Yiwen). To the best knowledge of our Company, Wendi Technology, Wendi Design and their ultimate beneficial owners are Independent Third Parties.

Sailvan Times

Sailvan Times is a joint stock company which was established in May 2012 under PRC laws and listed on ChiNext of Shenzhen Stock Exchange in July 2023 (stock code: 301381.SZ), which is Independent Third Party.

NewTrails

NewTrails was established as a limited liability company in March 2024 under the Hong Kong laws and is primarily engaged in equity investment. NewTrails is wholly owned by NEWTRAILS CAPITAL, L.P which in turn is owned as to 34.86% by Transsion Technology Limited and 65.14% by the remaining four shareholders none of which held over one-third or more equity interest. Transsion Technology Limited is indirectly wholly owned by Shenzhen Transsion Holdings Co., Ltd. (深圳傳音控股股份有限公司) (688036.SH). To the best knowledge of our Company, NewTrails and its ultimate beneficial owners are Independent Third Parties.

Public Float

The [REDACTED] Domestic [REDACTED] Shares that will not be converted into H Shares, representing approximately [REDACTED]% of our total issued Shares upon [REDACTED] (assuming the [REDACTED] and the [REDACTED] are not exercised), will not be considered as part of the public float as such Domestic [REDACTED] Shares will not be converted into H Shares and will not be listed following the completion of the [REDACTED].

Of the [REDACTED] H Shares to be converted from Domestic [REDACTED] Shares and listed on the Stock Exchange following the completion of the [REDACTED]:

- (a) [REDACTED] of such H Shares, representing approximately [REDACTED]% of our total issued Shares upon [REDACTED] (assuming the [REDACTED] and the [REDACTED] are not exercised), will not be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules after the [REDACTED] as such shares are being held by our Single Largest Shareholders Group, Yueqing Aoji Growth V, Yueqing Aoji Growth VIII, Yueqing Aoji Growth IX, Yueqing Aoji Growth X and certain individual Shareholders, the core connected persons of our Company; and
- (b) [REDACTED] of such H Shares, representing approximately [REDACTED]% of our total issued Shares upon [REDACTED] (assuming the [REDACTED] and the [REDACTED] are not exercised), will be counted towards the public float for the purpose of Rule 8.08 of the Listing Rules after the [REDACTED] as such remaining Shareholders are not core connected persons of our Company upon [REDACTED] nor accustomed to take instructions from the Company’s core connected persons in relation to the acquisition, disposal, voting or other disposition of their Shares and their acquisition of Shares were not financed directly or indirectly by our Company’s core connected persons.

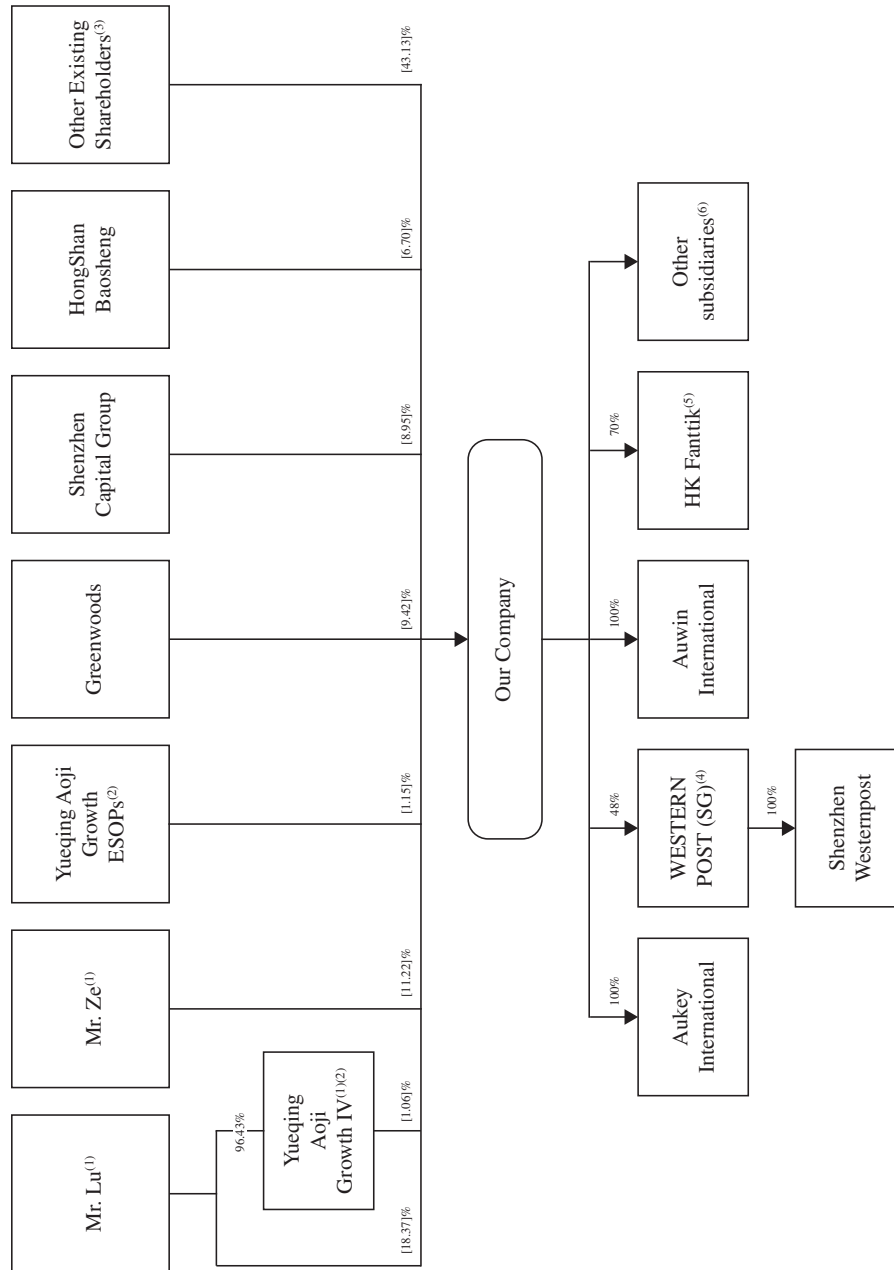
Taking into consideration of the H Shares to be issued pursuant to the [REDACTED], the public float of our Company will be approximately [REDACTED]% upon [REDACTED] (assuming the [REDACTED] and the [REDACTED] are not exercised).

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

CORPORATE STRUCTURE

Corporate structure immediately before completion of the [REDACTED]

The following chart sets forth our shareholding structure immediately before completion of the [REDACTED]:



HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

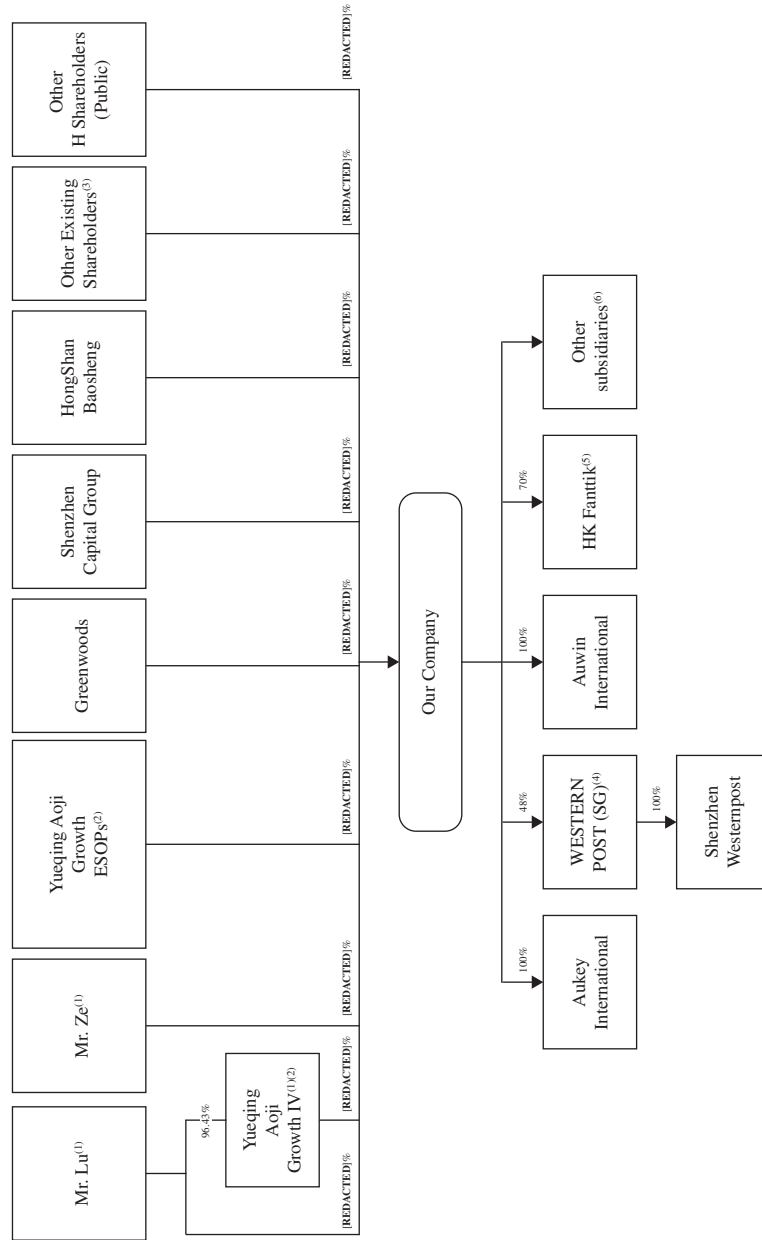
Notes:

- (1) Mr. Lu, Yueqing Aoji Growth IV and Mr. Ze are Single Largest Shareholders Group, see “Relationship with Our Single Largest Shareholders Group” for further details.
- (2) From 2015 to 2020, our Company has adopted and terminated various employee incentive plans. As of the Latest Practicable Date, Yueqing Aoji Growth IV and Yueqing Aoji Growth ESOPs (the “Aoji ESOPs”) were a group of employee shareholding incentive platforms that still exists, Shares of which have all been vested. Among all the [REDACTED] H Shares held by Aoji ESOPs to be converted from Domestic [REDACTED] Shares, only [REDACTED] H Shares held by Yueqing Aoji Growth VI, representing [REDACTED]% of our total issued Shares upon [REDACTED] (assuming the [REDACTED] are not exercised) will be counted towards public float as only Yueqing Aoji Growth VI is not a core connected person of the Company. The grantees under Yueqing Aoji Growth VI consists of 50 employees of the Company at the time of grant, none of them holds one-third or more interest therein.
- (3) [Immediately before completion of the [REDACTED]], the remaining [43.131% equity interest in our Company were held by a total of 97 Shareholders. Please refer to “Share Capital — Upon the Completion of the [REDACTED]” for details of Other Existing Shareholders. [Immediately after completion of the [REDACTED]], the remaining [REDACTED]% equity interest in our Company were held by a total of 97 Shareholders, among which [REDACTED] H Shares to be converted from Domestic [REDACTED] Shares, representing [REDACTED]% of our total issued Shares upon [REDACTED] and the [REDACTED] are not exercised) will be counted towards public float.
- (4) As of the Latest Practicable Date, the remaining 52% equity interest of WESTERN POST (SG) was owned as to i) 18% by Shenzhen Leyou Technology Limited (深圳市樂郵科技有限公司) (“Shenzhen Leyou”), ii) 18% by Shenzhen Ruisi Enterprise Management Partnership (Limited Partnership) (深圳市睿思企業管理合夥企業(有限合夥)) (“Shenzhen Ruisi”) and iii) 16% by Shenzhen Xiyou Zhicang Management & Consulting Partnership (Limited Partnership) (深圳市西郵智倉管理諮詢合夥企業(有限合夥)) (“Shenzhen Westernpost LP”), each of Shenzhen Leyou, Shenzhen Ruisi and Shenzhen Westernpost LP is an Independent Third Party, other than being a substantial shareholder of WESTERN POST (SG) as described above.
- (5) As of the Latest Practicable Date, the remaining 30% equity interest of HK Fantik was owned by Mr. Du Bo (杜波), an Independent Third Party, other than being a substantial shareholder of HK Fantik as described above and a director or chief executive of HK Fantik or its subsidiaries.
- (6) Other subsidiaries include subsidiaries providing warehousing and logistics services, marketing and various subsidiaries operating seller stores on third-party e-commerce platforms.

HISTORY, DEVELOPMENT AND CORPORATE STRUCTURE

Corporate structure immediately following completion of the [REDACTED]

The following chart sets forth our shareholding structure immediately following completion of the [REDACTED] (assuming the [REDACTED] and the [REDACTED] are not exercised):



Notes:

(1)-(6) See the respective notes under “Corporate Structure Immediately Before Completion of the [REDACTED].”