

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

HISTORY AND DEVELOPMENT



Overview

Our history can be traced back to 2005 where our co-founder, Mr. Xu, in view of the prospects in the automobile industry, decided to leverage on his experience in manufacturing business gained from the Buyang Group and engaged in automobile wheel manufacturing business, focusing on the overseas aftermarket, through Buyang PRC. After having accumulated the relevant experience, Mr. Xu decided to expand the automobile wheel manufacturing business and incorporated Buyang Wheel, our wholly-owned subsidiary, together with his spouse, Ms. Chen, in 2007. For the biography of Mr. Xu and background of Buyang Group, please refer to “Directors and Senior Management” and “Relationship with Our Controlling Shareholders” in this prospectus.

To further develop and expand our business, we started developing the domestic aftermarket in 2011 and invested over RMB10 million to expand our production capacity in the same year, including the introduction of low pressure casting machines and painting equipment. We have also developed and registered our trademark  in 2013 and our “BYW” branded aluminum alloy automobile wheel was subsequently rated as name brand of Zhejiang province (浙江名牌) by the Zhejiang Bureau of Quality and Technical Supervision in 2018. Over the years, we have grown and reached an annual sales of over one million aluminum alloy automobile wheels in the year ended December 31, 2020 with customers from over 50 countries.

Milestones

Key milestones in our history are summarized as follows:

Year	Event
2007	Incorporation of Buyang Wheel
2012	First participated in SEMA Show in Las Vegas, U.S. First participated in Automechanika Frankfurt trade fair
2013	Registration of our own trademark  Obtaining the ISO/TS 16949:2009 by DEKRA Certification GmbH on automobile aluminum alloy wheel design, development and production Obtaining Work Safety Standardization Level III Corporate certification by the Jinhua Work Safety Administration* (金華市安全生產監督管理局) Obtaining certification by TÜV Rheinland Italia S.r.l. for having established and applied a quality management system for the manufacturing of aluminum wheels
2016	Our equipment obtaining the accreditation by the Japan Light Alloy Automotive Wheel Testing Council for the first time
2018	Our  automobile aluminum alloy wheel was rated as name brand of Zhejiang province (浙江名牌) by the Zhejiang Bureau of Quality and Technical Supervision

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Year	Event
	Obtaining “Zhejiang Made” certification by Zhejiang Made International Certification Alliance* (浙江製造國際認證聯盟)
	Obtaining certification on fulfillment with GB/T24001-2016 idt ISO14001:2015 standard in relation to the environmental management involved during the production of aluminum alloy wheels
2019	First participated in Australian Auto Aftermarket Expo 2019 trade fair for developing the Australian market
2020	Obtaining the Yongkang City Government Quality Award (永康市政府質量獎) from the Yongkang City People’s Government
	Recognized as leading enterprise (龍頭企業) of the automobile industry in Yongkang City by the Yongkang City People’s Government
2021	Participated in China International Wheel Exhibition and was awarded the Most Influential PRC Aluminum Automobile Wheel Brand by the China Quality Miles “Aluminum Wheel” (《鋁車輪》質量萬里行) Organizing Committee

CORPORATE STRUCTURE

Upon completion of the Reorganization, our Group consists of our Company, one intermediate holding company incorporated in Hong Kong and one operating subsidiary incorporated in the PRC.

Our Subsidiaries

The following table sets forth certain details of our subsidiaries:

Name	Place and Date of Incorporation and Share Capital as at the Latest Practicable Date	Equity Ownership Before Commencement of the Reorganization on September 20, 2018	Equity Ownership upon Completion of the Reorganization	Principle Business Activities
Buyang HK	Hong Kong/ November 26, 2018/HK\$10,000	100% by our Company	100% by our Company	Investment holding
Buyang Wheel	PRC/ September 3, 2007/RMB60,000,000	70% by Buyang PRC ¹ 30% by Ms. Chen	100% by Buyang HK	Aluminum alloy automobile wheel manufacturing

Note:

(1) Buyang PRC was owned as to 80% by Mr. Xu and 20% by Ms. Chen before commencement of the Reorganization on September 20, 2018.

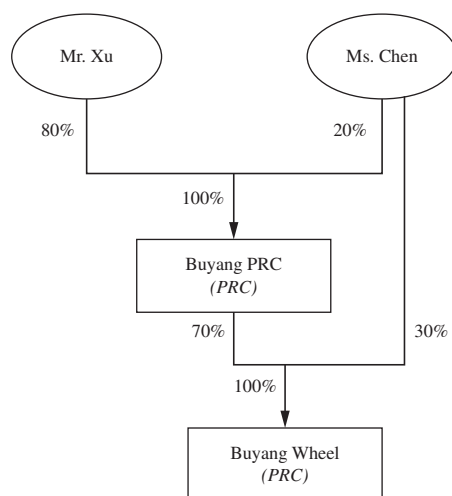
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REORGANIZATION

In preparation for the Listing, we have carried out the Reorganization as described below.

Corporate Structure Immediately Prior to the Reorganization

The following chart sets forth the shareholding and corporate structure of our Group immediately prior to the Reorganization:



Reorganization Steps

Step 1: Conversion of Buyang Wheel into a limited liability company

On September 20, 2018, a resolution has been passed at a shareholders' meeting of Buyang Wheel pursuant to which the conversion of Buyang Wheel from a joint stock company with limited liability to a limited liability company has been approved. The registration of the aforementioned conversion with the relevant authority has been completed on October 8, 2018.

Step 2: Incorporation of the corporate Controlling Shareholders, TopSun and First Oriental

On October 26, 2018, TopSun was incorporated under the laws of the BVI as a BVI business company and is authorized to issue a maximum of 50,000 shares of a single class with par value of US\$1.00 each. Upon incorporation, 35,000 shares and 15,000 shares were allotted and issued, credited as fully paid, to Mr. Xu and Ms. Chen, respectively.

On October 31, 2018, First Oriental was incorporated under the laws of the BVI as a BVI business company and is authorized to issue a maximum of 50,000 shares of a single class with par value of US\$1.00 each. Upon incorporation, all the 50,000 shares were allotted and issued, credited as fully paid, to TopSun.

Step 3: Incorporation of our Company and Buyang HK

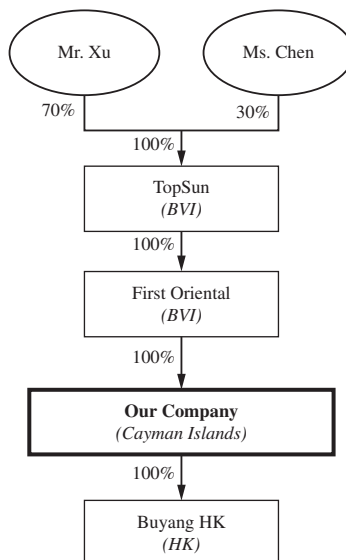
On November 14, 2018, our Company was incorporated under the laws of the Cayman Islands with an initial authorized share capital of US\$50,000 divided into 50,000 shares with par value of US\$1.00 each. Upon

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incorporation, one share was allotted and issued to the initial subscriber, which was in turn transferred to First Oriental on the same day. In addition, 49,999 shares with par value of US\$1.00 each were allotted and issued, credited as fully paid, to First Oriental on the same day.

On November 26, 2018, Buyang HK was incorporated under the laws of Hong Kong. Upon incorporation, 10,000 shares were allotted to our Company.

The following chart sets forth the offshore shareholding structure immediately upon completion of step 3:



Step 4: Acquisition of 70% equity interest in Buyang Wheel by Mr. Xu

On November 15, 2018, Mr. Xu acquired 70% equity interest in Buyang Wheel from Buyang PRC at the consideration of RMB70.36 million, which was determined based on the net asset value of Buyang Wheel as at October 31, 2018. Upon completion of the aforementioned acquisition on November 23, 2018, Buyang Wheel was owned as to 70% by Mr. Xu and 30% by Ms. Chen.

Step 5: Acquisition of 1% equity interest in Buyang Wheel by Innovation Vision

On December 11, 2018, Mr. Xu transferred 1% equity interest in Buyang Wheel to Innovation Vision, a company indirect wholly-owned by Ms. Tong Ming Yi (湯銘誼女士), at the consideration of RMB1.05 million, which was agreed between the parties on an arm's length basis and determined based on the valuation of Buyang Wheel prepared by a valuer who is an Independent Third-Party. Upon completion of the transfer on December 12, 2018, Buyang Wheel became a foreign-invested company.

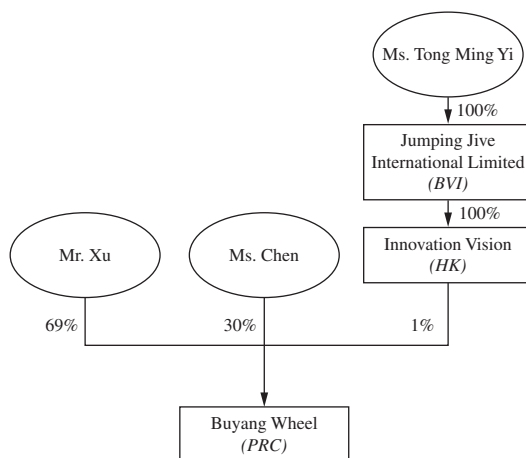
Mr. Xu sold such 1% equity interest in Buyang Wheel to Ms. Tong with a view to leverage on Ms. Tong's experience and background (as further described below) and to facilitate the Reorganization. Considering the prospects and growth potential of Buyang Wheel, in particular its global market reach, and her interest in the prospect of the automobile industry, Ms. Tong decided to invest in Buyang Wheel. To the best knowledge of our Directors, Ms. Tong is a lawyer qualified in New South Wales of Australia and was a

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registered foreign lawyer in Hong Kong with over 10 years of experience in the legal industry in Hong Kong, including working as a legal executive at Stevenson, Wong & Co. Solicitors and as an associate of Harney Westwood & Riegels, an offshore law firm in Hong Kong.

As confirmed by Mr. Xu and Ms. Chen, Ms. Tong was introduced to Mr. Xu due to her experience and knowledge in the legal field and the corporate market, including her experience with offshore corporate structure as well as experience in the listing processes, and, save for Ms. Tong's involvement in the Reorganization, Ms. Tong is an Independent Third Party and there is no any past or present relationship or arrangement between (i) Ms. Tong and (ii) Mr. Xu and Ms. Chen, including family, business, financing, trust, guarantee or otherwise.

The following chart sets forth the onshore shareholding structure immediately upon completion of step 5:



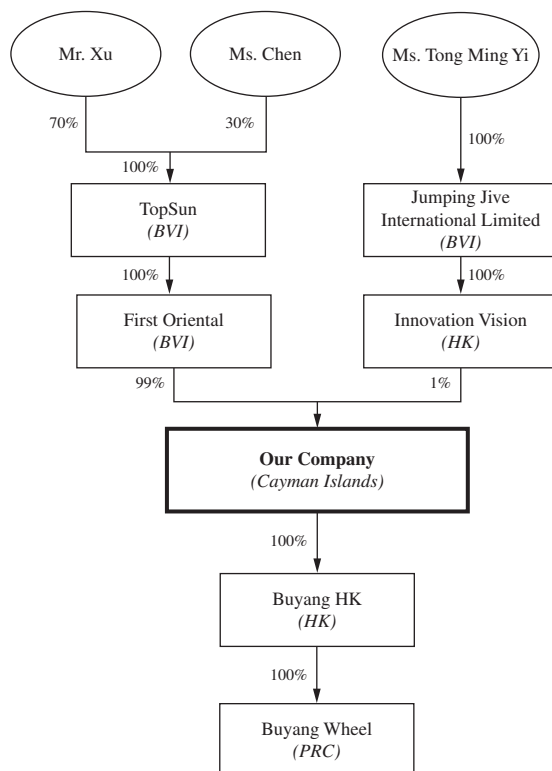
Step 6: Acquisition of the entire equity interest of Buyang Wheel by Buyang HK

On December 24, 2018, Buyang HK acquired the 69%, 30% and 1% equity interest in Buyang Wheel held by Mr. Xu, Ms. Chen and Innovation Vision at the consideration of RMB72.45 million, RMB31.50 million and RMB1.05 million, respectively, which were determined based on the aforementioned valuation in step 5 prepared by an Independent Third-Party. The aforementioned transfers were completed on December 28, 2018.

In addition, to reflect the shareholding structure of Buyang Wheel prior to the aforementioned acquisition, 500 shares of our Company, representing 1% of the then issued share capital of our Company has been transferred by First Oriental to Innovation Vision at the consideration of US\$500 which is equivalent to the par value of such shares on January 14, 2019.

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The following chart sets forth the shareholding and corporate structure of our Group immediately upon completion of step 6:



Step 7: Acquisition of the 1% shares in our Company by First Oriental

On January 22, 2020, as Ms. Tong Ming Yi, the sole beneficial owner of Innovation Vision, identified another investment opportunity and would like to dispose her interest in our Company, First Oriental acquired all the 500 shares of our Company, representing 1% of the then issued share capital of our Company, held by Innovation Vision at the consideration of US\$20,000, which was agreed between the parties on the basis of willing buyer and seller on an arm's length basis. Such consideration has taken into account the amount of RMB1.05 million received by Innovation Vision in step 6 and reflects the return of investment of Ms. Tong in our Company, taking into account of the length and amount of investment as well as her contribution in the Listing application process, in particular the facilitation of the Reorganization, with her experience and knowledge, and has been fully settled on February 11, 2020.

Immediately upon completion of the aforementioned acquisition, our Company became wholly-owned by First Oriental.

Step 8: Subscription of shares of our Company and settlement of consideration for the acquisition of Buyang Wheel from Mr. Xu and Ms. Chen by Buyang HK

On March 24, 2020, First Oriental agreed to subscribe for 100,000 shares of our Company with par value of US\$1.00 each, subject to the increase of our authorized share capital, at the consideration of US\$14,888,780.00 which has been fully settled on the same day. On March 25, 2020, Buyang HK fully settled

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the consideration for the acquisition of Buyang Wheel from Mr. Xu and Ms. Chen of RMB103.95 million in aggregate while the consideration for the acquisition of Buyang Wheel from Innovation Vision has been fully settled earlier on April 11, 2019. Accordingly, upon completion of the aforementioned payment, all the consideration in respect of the acquisition of Buyang Wheel by Buyang HK has been fully settled.

Step 9: Allotment of shares to First Oriental and subdivision of Shares in our Company

Pursuant to the written resolution passed by our then sole Shareholder on May 1, 2020, the authorized share capital of our Company was increased from US\$50,000 divided into 50,000 shares with par value of US\$1.00 each to US\$2,000,000 divided into 2,000,000 shares with par value of US\$1.00 each by the creation of an additional 1,950,000 shares with par value of US\$1.00 each. On the same day, the 100,000 shares of our Company with par value of US\$1.00 each which were agreed to be subscribed by First Oriental on March 24, 2020 were allotted and issued, credited as fully paid, to First Oriental.

In contemplation of the Global Offering, pursuant to the written resolution passed by our then sole Shareholder on May 1, 2020, each authorized issued and unissued share with par value of US\$1.00 in our Company was subsequently subdivided into 1,000 Shares with par value of US\$0.001 each, such that the authorized share capital of our Company has become US\$2,000,000 divided into 2,000,000,000 Shares with par value of US\$0.001 each and First Oriental held all the 150,000,000 Shares in issue.

Step 10: Loan capitalization

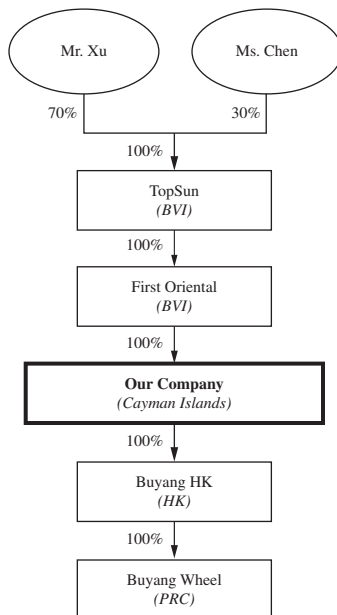
On November 18, 2022, First Oriental subscribed for 2,000,000 Shares of our Company at the consideration of HK\$1,410,336.64 which was settled by setting off the amount due from our Company to First Oriental of HK\$1,410,336.64.

Immediately upon completion of the aforementioned subscription, First Oriental held all the 152,000,000 Shares in issue.

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Corporate Structure Immediately Upon Completion of the Reorganization

The following chart sets forth the shareholding and corporate structure of our Group immediately upon completion of the Reorganization up to immediately prior to the Global Offering:



CAPITALIZATION ISSUE AND GLOBAL OFFERING

Capitalization Issue

Pursuant to the written resolution of our then sole Shareholder passed on November 18, 2022, conditional upon the fulfillment or waiver of the conditions set out in the section headed “Structure and Conditions of the Global Offering” in this prospectus and subject to the share premium account of our Company having sufficient balance, or otherwise being credited as a result of the issue of new Shares under the Global Offering, 598,000,000 Shares will be allotted and issued, credited as fully paid at par, to the Shareholder(s) whose name(s) appear on the register of members of our Company at the close of business on the date immediately prior to the Listing Date in proportion to their then existing shareholdings in our Company, each ranking *pari passu* in all respects with the then issued Shares, by way of capitalization of US\$598,000 standing to the credit of the share premium account of our Company.

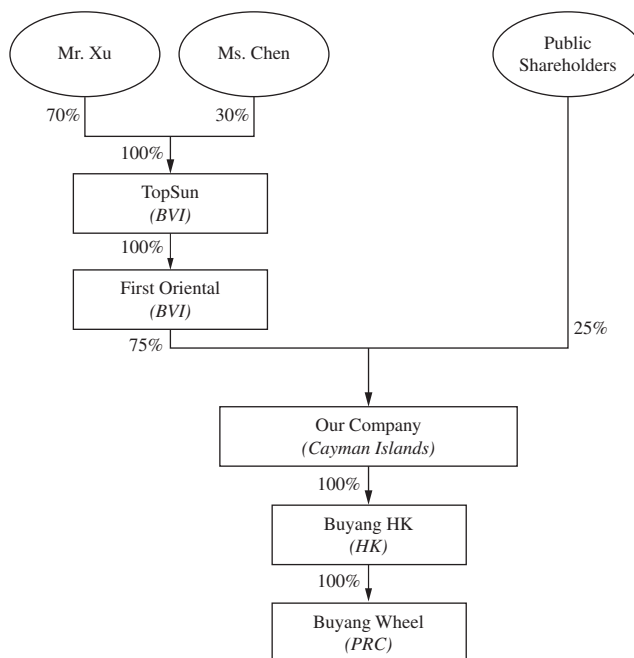
Global Offering

For more details of the Global Offering, please refer to “Structure and Conditions of the Global Offering” in this prospectus.

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Corporate Structure Immediately Upon Completion of the Capitalization Issue and the Global Offering

The following chart sets forth the shareholding and corporate structure of our Group immediately upon the completion of the Capitalization Issue and the Global Offering (but without taking into account any Share which may be issued and allotted upon the exercise of the Over-allotment Option):



PRC REGULATORY REQUIREMENTS

As advised by our PRC Legal Advisors, all necessary approvals, permits and licenses required under the PRC laws and regulations in connection with the Reorganization have been obtained, and the Reorganization complied with all the applicable laws and regulations of the PRC.

The Rules on the Mergers and Acquisitions of Domestic Enterprises by Foreign Investors in the PRC

Pursuant to Article 11 of 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》) (the “M&A Rules”) jointly promulgated by MOFCOM, the State-owned Assets Supervision and Administration Commission, the China Securities Regulatory Commission, the SAT, the State Administration for Industry and Commerce and SAFE, and amended by MOFCOM, the acquisition of its/his/her related domestic company by a domestic company, corporation or natural person through an offshore company which it/he/she lawfully establishes or controls shall be subject to the approval of the MOFCOM.

As advised by our PRC Legal Advisors, Article 11 of the M&A Rules does not apply to the acquisition of Buyang Wheel by Buyang HK as Buyang Wheel was then owned as to 1% by Innovation Vision, a company incorporated in Hong Kong, and therefore then a foreign-invested enterprise in accordance with the *Interim Provisions in relation to Domestic Investment by Foreign-invested Enterprise* (《關於外商投資企業境內投資的暫行規定》) and the *Interim Measures for Record-filing Administration of the Establishment and Change of Foreign-invested Enterprises* (《外商投資企業設立及變更備案管理暫行辦法》) then in force.

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Accordingly, as advised by our PRC Legal Advisors, the acquisition of Buyang Wheel by Buyang HK is not required to obtain approval from the MOFCOM under the M&A Rules.

SAFE Registration in the PRC

Pursuant to the *SAFE Circular Relating to Foreign Exchange Administration of Offshore Investment, Financing and Return Investment by Domestic Residents Utilizing Special Purpose Vehicles* (《國家外匯管理局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》) promulgated by SAFE (“**Circular 37**”), a PRC resident, including legal person and natural person, is required to complete foreign exchange registration with local SAFE branch when such PRC domestic resident uses its/his/her assets or interest in the PRC or overseas to contribute to an overseas special purpose vehicle that is directly established or indirectly controlled by the PRC resident for investments and/or financing purposes.

Pursuant to the *Notice from the State Administration of Foreign Exchange on Further Simplifying and Improving Policies for the Foreign Exchange Administration of Direct Investment* (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) promulgated by SAFE, the power to accept foreign exchange registration was delegated to qualified local banks.

As advised by our PRC Legal Advisors, each of Mr. Xu and Ms. Chen, our ultimate Shareholders who are PRC residents (within the definition of Circular 37), has completed such registration on March 5, 2019 in compliance with the aforementioned SAFE requirements.