
HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

OVERVIEW

Our Group commenced operations through Shenzhen xTool, a limited liability company established in the PRC on June 24, 2013. After over a decade of development, we have emerged as a global premium consumer-tech brand with a core focus on consumer and commercial-grade laser-based personal creative tools and material printers business, empowering consumers, SMB owners and retail brand stores to transform ideas into precise, high-quality products with speed, efficiency and creativity. By expanding a versatile product portfolio that supports both personal and commercial applications, we aim to achieve comprehensive market coverage and build a long-term robust growth engine.

As our founder, Mr. Wang, who also serves as the chairman of our Board, chief executive officer and executive Director, has been responsible for the overall management of strategy, product, sales and marketing and business operations of our Group since its establishment. For the biography and industry experience of Mr. Wang, see “Directors and Senior Management — Board of Directors — Executive Directors” in this Document.

Our Company was incorporated as an exempted company with limited liability in the Cayman Islands on June 13, 2024. In preparation for the [REDACTED], we undertook the Reorganization, details of which are set out in “— Reorganization” below. Following the Reorganization, our Company became the holding company of our Group.

BUSINESS DEVELOPMENT MILESTONES

The following is a summary of the key milestones in our business development.

<u>Year</u>	<u>Event</u>
2013	Shenzhen xTool was established in the PRC, securing angel round financing from SOSV and Cloud Angel in the same year.
2015	We completed our Series A financing led by HongShan.
2016	We were recognized for the first time as a National High-Tech Enterprise.
2017	We completed our Series B financing led by Shenzhen Capital Group.
2018	We completed our Series C financing led by CICC ALPHA.
2021	We launched our first diode laser engraver and cutter.
	We were ranked by Fast Company as one of the World’s Most Innovative Companies in 2021.
	We were named as a Guangdong Provincial Industrial Design Center and Shenzhen Municipal Industrial Design Center.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Year	Event
2022	<p>We launched our self-developed software “xTool Creative Space” (later renamed as “xTool Studio”).</p> <p>We topped the sales rankings as the No. 1 laser engraver brand on Amazon, a position we have maintained to date.</p> <p>We were recognized for the first time for three consecutive years as a National Intellectual Property Advantageous Enterprise by the China National Intellectual Property Administration.</p>
2023	<p>We launched the S1, a 40W diode laser engraver.</p>
2024	<p>We launched the industry’s pioneering one-stop personalized customization solution for retail brand stores.</p> <p>We launched the F1 Ultra, the world’s first dual-laser engraver featuring 20W fiber and diode lasers.</p> <p>Our manufacturing base in Thailand was established, marking an important milestone in diversifying our manufacturing footprint.</p> <p>We established our proprietary user community “DesignFind” (later renamed as “Atomm”), marking the formation of a community-driven ecosystem.</p>
2025	<p>We launched our first material printer with the apparel printer.</p> <p>We continued to expand our laser-based product matrix by launching our MetalFab laser welder series.</p> <p>We established our U.S. and European headquarters, further advancing our global expansion strategy.</p> <p>We completed our Series D financing led by Tencent.</p>

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

OUR MAJOR SUBSIDIARIES

The following table sets forth certain information of each of our major subsidiaries, which are all wholly-owned by our Company, as of the Latest Practicable Date.

Name of subsidiary	Place of establishment	Date of establishment and commencement of business	Principal business activities
Shenzhen xTool	PRC	June 24, 2013	Research and development, manufacturing and sales
XTL US INC.	United States	September 10, 2021	Sales and marketing
Creative Tools HK Company Limited	Hong Kong	January 26, 2022	Sales and marketing
Makeblock (Hong Kong) Company Limited	Hong Kong	January 16, 2017	Sales and marketing
Makeblock Europe B.V. .	The Netherlands	June 1, 2017	Sales and marketing
ValocityCraft (Thailand) Co., Ltd.	Thailand	June 27, 2024	Manufacturing and sales

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

During the Track Record Period and up to the Latest Practicable Date, we did not conduct any acquisitions, disposals or mergers that we consider to be material to us.

ESTABLISHMENT AND MAJOR SHAREHOLDING CHANGES OF OUR GROUP

1. Establishment of Shenzhen xTool

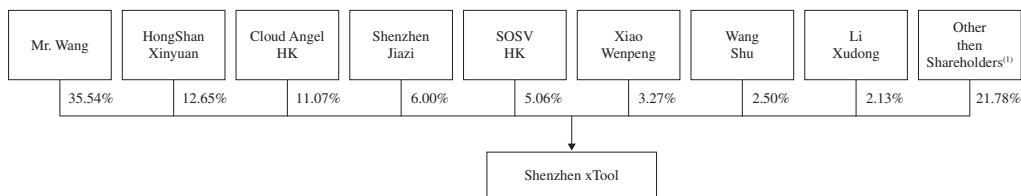
On June 24, 2013, Shenzhen xTool was established as a limited liability company in the PRC with an initial registered share capital of RMB1,000,000. Upon establishment, Shenzhen xTool was held as to 100% by Mr. Wang, our founder and now chairman of our Board, chief executive officer and executive Director.

2. [REDACTED] Investments through Subscription of Registered Capital in Shenzhen xTool and Equity Transfers

We have entered into several rounds of [REDACTED] Investments with our [REDACTED] Investors before and after our Reorganization. For further details, please refer to the paragraphs headed “— [REDACTED] Investments” in this section below.

3. Reorganization

The following chart sets forth our Group’s corporate structure immediately prior to the Reorganization:



Note:

- (1) Including certain of Shenzhen xTool’s then shareholders, namely Blue Core, Blue Core I, Zhuhai Walle Eva, Zhongyuan Digong, Shenzhen Capital Group, China-Korea Fund, Hongtu Xinghe, Hongtu Peacock, Beijing Guangxin, Yuexiu Jimei and Yuexiu Emerging Industry.

In preparation for [REDACTED], we underwent the Reorganization, pursuant to which our Company became the holding company and [REDACTED] vehicle of our Group.

Establishment of our Offshore Corporate Structure

On June 13, 2024, our Company was incorporated in the Cayman Islands as an exempted company with limited liability, with an authorized share capital of US\$50,000 divided into 500,000,000 shares with a par value of US\$0.0001 each.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

On July 30, 2024, Makeblock Limited was incorporated as a business company with limited liability in the British Virgin Islands, a direct wholly-owned subsidiary of our Company and an intermediate holding company of our Group.

On August 9, 2024, Makeblock HongKong Holding Limited (“**Makeblock HongKong**”) was incorporated as a limited liability company in Hong Kong and a direct wholly-owned subsidiary of Makeblock Limited.

Changes in Registered Capital and Shareholding of Shenzhen xTool

On October 24, 2024, the registered capital of Shenzhen xTool was decreased from RMB1,411,061 to RMB868,843 after Beijing HongShan Xinyuan Equity Investment Center (L.P.) (北京紅杉信遠股權投資中心(有限合夥)) (“**HongShan Xinyuan**”), Shenzhen Capital Group Co., Ltd. (深圳市創新投資集團有限公司) (“**Shenzhen Capital Group**”), Shenzhen China-Korea Industrial Investment Fund (L.P.) (深圳中韓產業投資基金(有限合夥)) (“**China-Korea Fund**”), Hongtu Xinghe Venture Investment Partnership (L.P.) (深圳市紅土星河創業投資合夥企業(有限合夥)) (“**Hongtu Xinghe**”), Shenzhen Hongtu Peacock Venture Investment Co., Ltd. (深圳市紅土孔雀創業投資有限公司) (“**Hongtu Peacock**”), Shenzhen Jiazi Puzheng Multi-strategy Equity Investment Fund Partnership (L.P.) (深圳甲子普正多策略股權投資基金合夥企業(有限合夥)) (“**Shenzhen Jiazi**”), Guangxin Equity Investment Fund Partnership (L.P.) (北京光信股權投資基金合夥企業(有限合夥)) (“**Beijing Guangxin**”), Guangzhou Yuexiujimei Cultural Industry Venture Capital Fund Partnership (L.P.) (廣州越秀基美文化產業創業投資基金合夥企業(有限合夥)) (“**Yuexiu Jimei**”), Guangzhou Yuexiu Emerging Industry Phase II Investment Fund Partnership (L.P.) (廣州越秀新興產業二期投資基金合夥企業(有限合夥)) (“**Yuexiu Emerging Industry**”), Shenzhen Blue Core Investment Consulting Enterprise (L.P.) (深圳市藍色核心投資諮詢企業(有限合夥)) (“**Blue Core**”) and Shenzhen Blue Core One Investment Consulting Enterprise (L.P.) (深圳市藍色核心一投資諮詢企業(有限合夥)) (“**Blue Core I**”) exited as shareholders of Shenzhen xTool in preparation for becoming Shareholders in our Company.

On November 29, 2024, pursuant to equity transfer agreements signed between Makeblock HongKong and each of the remaining shareholders of Shenzhen xTool, Makeblock HongKong acquired 100% of the equity interests in Shenzhen xTool.

After the completion of the above transfers of equity interests, Shenzhen xTool became a wholly foreign-owned enterprise wholly-owned by Makeblock HongKong, and thus an indirect wholly-owned subsidiary of our Company.

4. Subscription by Makeblock HongKong for additional registered capital of Shenzhen xTool

On January 8, 2025, Makeblock HongKong subscribed for additional registered capital in Shenzhen xTool in the amount of RMB386,838,800. As a result, the registered capital of Shenzhen xTool was increased to RMB387,707,643.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

5. Allotment and Issuance of Shares to Pre-Reorganization Shareholders

For the purpose of reflecting and mirroring the shareholding structure of Shenzhen xTool in our Company, we issued Shares to the then shareholders of Shenzhen xTool or their designated offshore counterparts or affiliates (as applicable) pursuant to their respective portion of equity interests then held in Shenzhen xTool.

The following table sets forth the equity interests of the then Shenzhen xTool shareholders immediately before the Reorganization (the “**Pre-Reorganization Shareholders**”), and the shareholding structure in our Company immediately after the Reorganization.

Shareholding of Shenzhen xTool Immediately Before the Reorganization			Shareholding of our Company Immediately After the Reorganization			
Shareholder	Registered Capital Held	Approximate Equity Interest	Shareholder	Class of Shares	Number of Shares Held	Approximate Shareholding Interest
	(RMB)					
Mr. Wang . . .	501,527	35.54%	WRC Vitality Eager Limited	Ordinary Shares	84,299,285	35.54%
Blue Core . . .	74,460	5.28%	Current Blue core Pioneers Limited	Ordinary Shares	11,840,000	4.99%
			Future Blue core Pioneers Limited	Ordinary Shares	675,627	0.28%
Blue Core I . .	49,640	3.52%	Future Blue core Pioneers Limited	Ordinary Shares	6,253,764	2.64%
			Prime Blue core pioneers Limited	Ordinary Shares	1,089,993	0.46%
			Qingzhu ZY Digong Limited	Ordinary Shares	999,994	0.42%
Zhuhai Walle Eva	17,779	1.26%	WRC Vitality Eager Limited	Ordinary Shares	1,826,237	0.77%
			Qingzhu ZY Digong Limited	Ordinary Shares	320,184	0.13%
			ZhuQing Walle Eva Limited	Ordinary Shares	841,966	0.35%

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Shareholding of Shenzhen xTool Immediately Before the Reorganization			Shareholding of our Company Immediately After the Reorganization			
Shareholder	Registered Capital Held	Approximate Equity Interest	Shareholder	Class of Shares	Number of Shares Held	Approximate Shareholding Interest
	(RMB)					
Zhongyuan Digong . . .	10,442	0.74%	WRC Vitality Eager Limited	Ordinary Shares	592,954	0.25%
			Qingzhu ZY Digong Limited	Ordinary Shares	320,196	0.14%
			ZhuQing Walle Eva Limited	Ordinary Shares	841,996	0.36%
Xiao Wenpeng ⁽¹⁾ .	46,203	3.27%	Nature Ming Tian Limited ⁽¹⁾	Ordinary Shares	7,766,042	3.27%
Wang Shu ⁽²⁾ .	35,300	2.50%	RhinoPeak Holding Limited ⁽²⁾	Ordinary Shares	5,933,409	2.50%
Li Xudong ⁽³⁾ .	30,000	2.13%	Xudong Investment Limited ⁽³⁾	Ordinary Shares	5,042,557	2.13%
Cloud Angel HK ⁽⁴⁾	156,200	11.07%	Cloud Angel ⁽⁴⁾	Series Angel-1 Preferred Shares	26,254,914	11.07%
SOSV HK ⁽⁵⁾ .	71,392	5.06%	SOSV LLC ⁽⁵⁾	Series Angel-1 Preferred Shares Series A Preferred Shares	10,085,114 1,914,827	4.25% 0.81%
HongShan Xinyuan ⁽⁶⁾ .	178,481	12.65%	HongShan Huanyou ⁽⁶⁾	Series A Preferred Shares	30,000,021	12.65%
Shenzhen Capital Group ⁽⁷⁾ . . .	59,118	4.19%	Shenzhen Capital Group ⁽⁷⁾	Series B Preferred Shares	9,936,863	4.19%
China-Korea Fund ⁽⁸⁾ . . .	19,706	1.40%	SCKII Limited ⁽⁸⁾	Series B Preferred Shares	3,312,288	1.40%

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Shareholding of Shenzhen xTool Immediately Before the Reorganization			Shareholding of our Company Immediately After the Reorganization			
Shareholder	Registered Capital Held	Approximate Equity Interest	Shareholder	Class of Shares	Number of Shares Held	Approximate Shareholding Interest
	<i>(RMB)</i>					
Hongtu Xinghe ⁽⁷⁾ . . .	9,853	0.70%	Hongtu Xinghe ⁽⁷⁾	Series B Preferred Shares	1,656,144	0.70%
Hongtu Peacock ⁽⁷⁾ . . .	9,853	0.70%	Hongtu Peacock ⁽⁷⁾	Series B Preferred Shares	1,656,144	0.70%
Shenzhen Jiazi	84,664	6.00%	Shenzhen Jiazi	Series C Preferred Shares	14,230,769	6.00%
Beijing Guangxin ⁽⁹⁾ . . .	28,221	2.00%	GX High Limited ⁽⁹⁾	Series C Preferred Shares	4,743,534	2.00%
Yuexiu Jimei ⁽¹⁰⁾	14,111	1.00%	Yuexiu Jimei ⁽¹⁰⁾	Series C Preferred Shares	2,371,851	1.00%
Yuexiu Emerging Industry ⁽¹⁰⁾ . . .	14,111	1.00%	Yuexiu Emerging Industry ⁽¹⁰⁾	Series C Preferred Shares	2,371,851	1.00%
Total	1,411,061	100.00%			237,178,524	100.00%

Notes:

- (1) Nature Ming Tian Limited is wholly owned by Xiao Wenpeng. See “— Information About Our [REDACTED] Investors” in this section.
- (2) RhinoPeak Holding Limited is wholly owned by Lu Zhou (吕舟), the spouse of Wang Shu. See “— Information About Our [REDACTED] Investors” in this section.
- (3) Xudong Investment Limited is wholly owned by Li Xudong. See “— Information About Our [REDACTED] Investors” in this section.
- (4) China Cloud Tech Angel (Hong Kong) Company Limited (“Cloud Angel HK”) is wholly owned by Cloud Angel. See “— Information About Our [REDACTED] Investors” in this section.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

- (5) SOSV HONG KONG LIMITED (previously known as SOSVentures Hong Kong Limited, “**SOSV HK**”) and SOSV LLC are both wholly owned and ultimately controlled by Sean O’Sullivan. See “— Information About Our [REDACTED] Investors” in this section.
- (6) HongShan Xinyuan is the sole limited partner of Beijing HongShan Huanyou Management Consulting Center (L.P.) (北京紅杉樞優管理諮詢中心(有限合夥)) (“**HongShan Huanyou**”). HongShan Xinyuan and HongShan Huanyou share a general partner. See “— Information About Our [REDACTED] Investors” in this section.
- (7) Shenzhen Capital Group is a limited liability company established in the PRC on August 25, 1999 by the Shenzhen Municipal People’s Government (深圳市人民政府) with a focus on venture capital investment to nurture entrepreneurship and innovation. It mainly invests in companies operating in sectors such as information technology, biomedicine and health, intelligent manufacturing, new energy, new materials, Internet, consumer goods and modern services during their start-up phase. Shenzhen Capital Group is ultimately controlled by the State-owned Assets Supervision and Administration Commission of the Shenzhen Municipal People’s Government (深圳市人民政府國有資產監督管理委員會) (“**Shenzhen SASAC**”).

Hongtu Xinghe is a limited partnership established in the PRC on March 16, 2016. Shenzhen Hongtu Peacock is a limited liability company established in the PRC on July 15, 2015. Both are primarily engaged in venture capital investment and ultimately controlled by the Shenzhen SASAC, Hongtu Xinghe through its general partner, Shenzhen City Hongtu Xinghe Venture Investment Management Co., Ltd. (深圳市紅土星河創業投資管理有限公司), and Hongtu Peacock through its largest shareholder, Shenzhen Capital Group.

- (8) SCKII Limited is wholly owned by China-Korea Fund.
- (9) At the time of the Reorganization, GX High Limited was wholly owned by Beijing Guangxin. In September 2025, Beijing Guangxin transferred its interests in GX High Limited to Kaizhen Huiyun (Tianjin) Enterprise Management Consulting Partnership (L.P.) (凱臻輝韻(天津)企業管理諮詢合夥企業(有限合夥)) (“**Kaizhen Huiyun**”) and Tianjin Creative Aurora Enterprise Management Partnership (L.P.) (天津創意極光企業管理合夥企業(有限合夥)) (“**Creative Aurora**”). See “— Information About Our [REDACTED] Investors” in this section.
- (10) Yuexiu Jimei and Yuexiu Emerging Industry are limited partnerships established in the PRC on August 7, 2015 and January 21, 2016, respectively. Yuexiu Jimei and Yuexiu Emerging Industry share a general partner, Guangzhou Yuexiu Industrial Investment Fund Management Co., Ltd. (廣州越秀產業投資基金管理股份有限公司), through which they are ultimately controlled by the State-owned Assets Supervision and Administration Commission of the Guangzhou Municipal People’s Government (廣州市人民政府國有資產監督管理委員會).

REASONS FOR THE [REDACTED]

Our Company is seeking a [REDACTED] of its Shares on the Stock Exchange in order to provide further capital for the development and expansion of our Company’s business, strengthen our working capital and further raise our business profile and global presence. For further details of our future plans, see “Future Plans and Use of [REDACTED]” in this Document.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

[REDACTED] INVESTMENTS

1. Overview

We have undergone the following [REDACTED] Investments, details of which are set forth below.

Round	Form of [REDACTED] Investment	Date of agreement	Date of last payment of consideration	[REDACTED] Investor ⁽¹⁾	Registered capital of Shenzhen xTool or number of Shares subscribed for (as applicable)	Approximate consideration paid in total	Cost per Share ⁽²⁾	Discount to the [REDACTED] ⁽³⁾
Series Angel	Equity transfer from existing shareholders	July 5, 2013	July 23, 2013	SOSV LLC ⁽⁴⁾	RMB60,000	Nil	–	–
Series A	Subscription of registered capital of Shenzhen xTool by cash	March 25, 2015	June 25, 2015	Cloud Angel ⁽⁵⁾ HongShan Xinyuan SOSV LLC ⁽⁴⁾	RMB156,200 RMB178,481 RMB11,392	RMB1,000,000 RMB39,196,483.20	RMB0.04 RMB1.23	[REDACTED] % [REDACTED] %
Series B ⁽⁶⁾	Subscription of registered capital of Shenzhen xTool by cash	February 9, 2017	March 10, 2017	Shenzhen Capital Group China-Korea Fund Hongtu Xinghe Hongtu Peacock	RMB31,110 RMB10,370 RMB5,190 RMB5,190	RMB56,660,000	RMB6.04	[REDACTED] %
	Equity transfer from existing shareholders ⁽⁷⁾	April 20, 2017	June 29, 2017	Shenzhen Capital Group China-Korea Fund Hongtu Xinghe Hongtu Peacock	RMB28,008 RMB9,336 RMB4,663 RMB4,663	RMB43,340,000	RMB6.04	[REDACTED] %

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Round	Form of [REDACTED] Investment	Date of agreement	Date of last payment of consideration	[REDACTED] Investor ⁽¹⁾	Registered capital of Shenzhen xTool or number of Shares subscribed for (as applicable)	Approximate consideration paid in total	Cost per Share ⁽²⁾	Discount to the [REDACTED] ⁽³⁾
Series C	Subscription of registered capital of Shenzhen xTool by cash	August 21, 2018	November 19, 2018	Shenzhen Jiazi Beijing Guangxin ⁽⁸⁾ Langma Yongxing ⁽⁹⁾ Yuexiu Jimei Yuexiu Emerging Industry	RMB84,664 RMB28,221 RMB28,221 RMB14,111 RMB14,111	RMB300,000,000	RMB10.54	[REDACTED]%
Series D	Equity transfer from existing shareholders ⁽¹⁰⁾	June 11, 2025	December 29, 2025	Being Creative Works L.P. GCNA Holdings Limited Granite Asia IX VCC Tencent Mobility Limited Mighty Pinnacle Holding Limited	13,249,151 Shares 13,045,007 Shares 3,312,288 Shares 7,456,893 Shares 1,864,223 Shares	US\$98,790,626.65	US\$2.54	[REDACTED]%
	Subscription of Shares by cash	September 8, 2025	December 1, 2025	CG Vibe Limited Vision Knight Creative Aurora Limited Being Creative Works L.P. GCNA Holdings Limited Granite Asia IX VCC Tencent Mobility Limited Mighty Pinnacle Holding Limited	1,067,295 Shares 1,088,857 Shares 6,022,341 Shares 5,929,549 Shares 1,505,585 Shares 3,389,497 Shares 847,374 Shares	US\$80,346,558.90	US\$4.05	[REDACTED]%

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Notes:

- (1) Unless otherwise disclosed above or in these notes, please refer to the paragraphs headed “— Information About Our [REDACTED] Investors” in this section below for the full legal names and other details about the [REDACTED] Investors.
- (2) The cost per Share paid by the [REDACTED] Investors has been calculated based on the amount paid by the relevant [REDACTED] Investors to acquire their equity interests and the number of Shares held by them immediately before the completion of the [REDACTED].
- (3) The discount to the [REDACTED] has been calculated based on the exchange rate as set out in the section headed “Information about this Document and the [REDACTED]” in this Document and the [REDACTED] of HK\$[REDACTED], being the mid-point of the indicative [REDACTED] set out in this Document.
- (4) On July 5, 2013, Mr. Wang entered into a share entrustment agreement with Luo Wei (羅煒), Xiao Wenpeng (肖文鵬) and SOSV LLC, pursuant to which each of Luo Wei, Xiao Wenpeng and SOSV LLC agreed to entrust the 3.00%, 7.00% and 6.00% equity interests they each held in Shenzhen xTool, respectively, to Mr. Wang.
- (5) On May 5, 2015, the then shareholders of Shenzhen xTool resolved to allow Mr. Wang to transfer 7.00% and 3.00% of his equity interests in Shenzhen xTool to Xiao Wenpeng and Luo Wei, respectively. Following the completion of the equity transfers, the share entrustment arrangement between Mr. Wang and each of Luo Wei and Xiao Wenpeng were fully unwound. On the same day, the then shareholders of Shenzhen xTool resolved to allow Mr. Wang to transfer 3.53% and 12.41% of his equity interests in Shenzhen xTool to Wang Shu (王樹) and Shenzhen Meike Tribe Equity Investment Partnership Enterprise (L.P.) (深圳市魅客部落股權投資合夥企業(有限合夥)) (“Meike Tribe”), respectively. Meike Tribe is controlled by Mr. Wang, and later agreed to transfer its entire equity interests held in Shenzhen xTool to Mr. Wang at a total consideration of RMB124,100 in June 2017.
- (6) SOSV LLC’s initial acquisition of interests in Shenzhen xTool occurred at nil consideration. We were the first Chinese project to be included in the HAX Accelerator (then known as HAXLR8R) startup development program. As its organizer, SOSV LLC’s equity interests were received in exchange for technical support provided to the Company during its early entrepreneurial stages. The equity interests subscribed by SOSV LLC during the Series A financing were also entrusted to Mr. Wang. On January 3, 2017, the then shareholders of Shenzhen xTool resolved to allow Mr. Wang to transfer his equity interests in Shenzhen xTool held on entrustment for SOSV LLC to SOSV HK at a consideration of RMB2,460,288. Following the completion of the equity transfer, the share entrustment arrangement between Mr. Wang and SOSV LLC was fully unwound.
- (7) On July 5, 2013, Mr. Wang agreed to transfer his 15.62% equity interests in Shenzhen xTool to Zhang Pengpeng (張朋朋), who held such equity interests on behalf of Cloud Angel pursuant to a share entrustment arrangement. On March 13, 2017, Zhang Pengpeng agreed to transfer his equity interests held in Shenzhen xTool to Cloud Angel HK at a total consideration of RMB5,383,930. Following the completion of the equity transfer, the share entrustment arrangement between Zhang Pengpeng and Cloud Angel was fully unwound.
- (8) Prior to the Series B financing, the following equity transfers took place: (i) on September 19, 2016, the then shareholders of Shenzhen xTool resolved to allow the transfer of the entire of Luo Wei’s equity interests in Shenzhen xTool to Li Xudong (李旭東) at a consideration of RMB13,860,000; and (ii) on August 4, 2017, Mr. Wang entered into an equity transfer agreement with Blue Core and Blue Core I, pursuant to which Mr. Wang transferred 6.26% and 4.17% of his equity interests in Shenzhen xTool to Blue Core and Blue Core I, respectively, at a total consideration of RMB124,100.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

- (7) On April 20, 2017, Mr. Wang and Xiao Wenpeng entered into an equity transfer agreement with Shenzhen Capital Group, China-Korea Fund, Hongtu Xinghe and Hongtu Peacock, pursuant to which (i) Mr. Wang transferred equity interests in Shenzhen xTool to Shenzhen Capital Group, (ii) Xiao Wenpeng transferred equity interests in Shenzhen xTool to Shenzhen Capital Group, (iii) Xiao Wenpeng transferred equity interests in Shenzhen xTool to each of Hongtu Xinghe and Hongtu Peacock and (iv) Xiao Wenpeng transferred equity interests in Shenzhen xTool to China-Korea Fund.
- (8) As part of the Reorganization, Beijing Guangxin transferred its equity interests in Shenzhen xTool to GX High Limited, which was wholly owned by Beijing Guangxin at the time. In September 2025, Beijing Guangxin transferred its interests in GX High Limited to Kaizhen Huiyun and Creative Aurora for a total consideration of RMB88,610,400.
- (9) On November 17, 2022, Beijing Langma Yongxing Investment Management Co., Ltd. (北京朗瑪永興投資管理股份有限公司) (“**Langma Yongxing**”) transferred 1.26% and 0.74% of the equity interests it held in Shenzhen xTool to Zhuhai Walle Eva Investment Partnership Enterprise (L.P.) (珠海市瓦立伊娃投資合夥企業(有限合夥)) (“**Zhuhai Walle Eva**”) and Qingdao Zhongyuan Digong Investment Partnership Enterprise (L.P.) (青島翠元迪工投資合夥企業(有限合夥)) (“**Zhongyuan Digong**”), respectively, for a total consideration of RMB10,000,000. Both limited partnerships were controlled by Mr. Wang as the general partner at the time and are now deregistered. After the equity transfer, Langma Yongxing ceased to be a shareholder of Shenzhen xTool.
- (10) On June 11, 2025, Shenzhen Capital Group, Hongtu Xinghe and Hongtu Peacock transferred their Series B Preferred Shares to Being Creative Works L.P., and Shenzhen Jiazi, Yuexiu Emerging Industry and Yuexiu Jimei transferred their Series C Preferred Shares to GCNA Holdings Limited.
- On December 29, 2025, (i) SCKII Limited transferred Series B Preferred Shares to Granite Asia IX VCC; (ii) SOSV LLC transferred Series Angel-1 Preferred Shares to Tencent Mobility Limited and Mighty Pinnacle Holding Limited; and (iii) Cloud Angel transferred Series Angel-1 Preferred Shares to Tencent Mobility Limited and Mighty Pinnacle Holding Limited.
- Following the completion of these share transfers, Shenzhen Capital Group, Hongtu Xinghe, Hongtu Peacock, Yuexiu Emerging Industry, Yuexiu Jimei and SCKII Limited ceased to be Shareholders.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

2. Other Principal Terms of the [REDACTED] Investments

Basis for determining the consideration paid	The considerations for the [REDACTED] Investments were determined based on arm’s length negotiations between our Company and the [REDACTED] Investors after taking into consideration the timing of the investments and the status or valuation of our business at the relevant time.
Lock-up period	The [REDACTED] Investors will not be subject to any lock-up arrangement at the time of [REDACTED] pursuant to the relevant agreements of the [REDACTED] Investments.
Use of proceeds from the [REDACTED] Investments	As of the Latest Practicable Date, over 40% of the proceeds from the [REDACTED] Investments have been utilized for the development and operation of our business.
Strategic benefits brought by the [REDACTED] Investors to our Company	At the time of the [REDACTED] Investments, our Directors were of the view that our Company would benefit from the additional capital provided by the [REDACTED] Investors’ investments in our Company, their industry experience and institutional support.

3. Special Rights of the [REDACTED] Investors

Our Company and, among others, the [REDACTED] Investors entered into a shareholders’ agreement dated September 8, 2025 (the “**Shareholders’ Agreement**”), pursuant to which certain shareholder rights were agreed among the parties. Pursuant to the Shareholders’ Agreement and the then effective memorandum and articles of association of our Company, certain [REDACTED] Investors were granted shareholder rights, such as the right to appoint directors, special voting rights at shareholders’ or board meetings, pre-emptive rights, anti-dilution rights, rights of first refusal, co-sale rights, repurchase rights, preferential treatment in liquidation and most-favored nations treatment.

The Shareholders’ Agreement stipulates that all preferential rights, equity transfer restrictions and other arrangements thereunder shall automatically terminate and be deemed null and void *ab initio* in accordance with, among others, applicable laws and listing rules. The special rights shall be automatically reinstated if the Company (i) has not completed a qualified [REDACTED] within eighteen months after the filing of the [REDACTED] with the CSRC or the Stock Exchange; (ii) has received a written notice from the CSRC or the Stock Exchange that the Company’s [REDACTED] for a qualified [REDACTED] has not been approved; or (iii) withdraws its [REDACTED] (whichever is earlier).

Therefore, the repurchase rights shall be terminated prior to the first filing of the [REDACTED] of the Company, and all of the special rights of the [REDACTED] Investors will be automatically terminated before the [REDACTED] in accordance with the Listing Rules and Guide for New Listing Applicants.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

4. Compliance with the Guide for New Listing Applicants

On the basis that (i) the consideration for the [REDACTED] Investments was settled more than 120 clear days before the first day of [REDACTED] of shares of our Company on the Stock Exchange; and (ii) the special rights granted to the [REDACTED] Investors have been terminated as disclosed in the paragraph headed “— Special Rights of the [REDACTED] Investors” above, the Joint Sponsors confirm that the [REDACTED] Investments are in compliance with the [REDACTED] Investment Guidance as defined in Chapter 4.2 of the Guide for New Listing Applicants issued by the Stock Exchange.

5. Information About Our [REDACTED] Investors

Set forth below are details for each of our [REDACTED] Investors.

Nature Ming Tian Limited

Nature Ming Tian Limited is a business company organized and existing under the laws of the British Virgin Islands. Nature Ming Tian Limited is wholly owned by Xiao Wenpeng (肖文鵬), an Independent Third Party.

RhinoPeak Holding Limited

RhinoPeak Holding Limited is a business company organized and existing under the laws of the British Virgin Islands. RhinoPeak Holding Limited is wholly owned by Lu Zhou (呂舟), an Independent Third Party.

Xudong Investment Limited

Xudong Investment Limited is a business company organized and existing under the laws of the British Virgin Islands. Xudong Investment Limited is wholly owned by Li Xudong (李旭東), an Independent Third Party.

SOSV LLC

SOSV Investments LLC (previously known as SOSVentures LLC, “SOSV LLC”) is a limited liability company incorporated and existing under the laws of the State of Delaware. It is part of SOSV, a global venture capital firm that invests in tech startups and operates the IndieBio and HAX programs, the latter of which the Company joined in 2013. SOSV is ultimately controlled by Sean O’Sullivan, an Irish citizen, entrepreneur, investor and Independent Third Party.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Cloud Angel

China Cloud Tech Angel Capital Partnership, L.P. (“**Cloud Angel**”) is a limited liability partnership incorporated and existing under the laws of the Cayman Islands. It is principally engaged in equity investment. Its general partner is CCT Angel Partners, Ltd, which is in turn wholly owned by CCT Partners S, L.P. The general partner of CCT Partners S, L.P. is CCT Ultimate Partners S Ltd., which is wholly owned by Wisdom Ascend Ventures Limited. Wisdom Ascend Ventures Limited is in turn wholly owned by Tian Suning (田溯寧), an Independent Third Party. Cloud Angel, CCT Angel Partners, Ltd and CCT Partners S, L.P. are all managed by Cloud Angel Fund (雲天使基金), an investment firm which provides venture capital funding to early stage startups in sectors including cloud computing, SaaS, network security AI, big data, hardware and robotics. The limited partners of Cloud Angel are China Cloud Tech RMB Partnership, L.P., World Sun Global Limited, JR Holding IV, Ltd., Northern Light Venture Capital III, Ltd., and HSG CV IV Holdco, Ltd., none of which hold 30% or more partnership interests in Cloud Angel.

HongShan Huanyou

Beijing HongShan Huanyou Management Consulting Center (L.P.) (北京紅杉樞優管理諮詢中心(有限合夥)) (“**HongShan Huanyou**”) is a limited partnership established in the PRC on March 11, 2019 which is principally engaged in enterprise management consulting and economic and trade consulting.

The sole limited partner of HongShan Huanyou is HongShan Xinyuan. HongShan Huanyou and HongShan Xinyuan share a general partner, Shanghai Zheyong Investment Center (L.P.) (上海喆酉投資中心(有限合夥)), whose general partner in turn is HongShan Capital Equity Investment Management (Tianjin) Co., Ltd. (紅杉資本股權投資管理(天津)有限公司), holding approximately 0.026% of the partnership interests, and is ultimately controlled by Zhou Kui (周逵), an Independent Third Party.

Shenzhen Jiazi

Shenzhen Jiazi Puzheng Multi-strategy Equity Investment Fund Partnership (L.P.) (深圳甲子普正多策略股權投資基金合夥企業(有限合夥)) (“**Shenzhen Jiazi**”) is a limited partnership established in the PRC on December 14, 2016. It is managed by CICC ALPHA (Beijing) Private Equity Investment Fund Management Co., Ltd. (中金甲子(北京)私募投資基金管理有限公司), which is in turn owned as to 51.00% by CICC Capital Operations Co., Ltd. (中金資本運營有限公司). CICC Capital Operations Co., Ltd. is wholly owned by China International Capital Corporation Limited (中國國際金融股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 601995) and Hong Kong Stock Exchange (stock code: 3908).

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

GX High Limited, CG Vibe Limited and Vision Knight Creative Aurora Limited

GX High Limited is a limited liability company organized and existing under the laws of the Republic of Seychelles. It is owned by Kaizhen Huiyun and Creative Aurora as to 49.50% and 50.50%, respectively.

CG Vibe Limited is a limited liability company incorporated and existing under the laws of Hong Kong. Its primary business activity is equity investment. It is owned by Kaizhen Huiyun and ultimately controlled by Cai Mingpo (蔡明潑), an Independent Third Party.

Vision Knight Creative Aurora Limited is a limited liability company organized and existing under the laws of the British Virgin Islands. It is wholly owned by Creative Aurora, which is managed by Suzhou Weitelixin Entrepreneurship Investment Management Co., Ltd. (蘇州維特力新創業投資管理有限公司) as its general partner, which is in turn controlled by Wei Zhe (衛哲), an Independent Third Party.

GCNA Holdings Limited

GCNA Holdings Limited is a limited liability company organized and existing under the laws of the Cayman Islands. Its primary business activity is equity investment. It is wholly owned by Gaocheng Fund II, L.P., whose general partner is Gaocheng Holdings GP II, Ltd, which is in turn ultimately controlled by Hong Jing (洪婧), an Independent Third Party.

Being Creative Works L.P.

Being Creative Works L.P. is a limited liability partnership organized and existing under the laws of the British Virgin Islands. It is principally engaged in equity investment.

The general partner of Being Creative Works L.P. is Being Capital China Partners LP, which is wholly owned by JY Evergreen Limited. JY Evergreen Limited is in turn wholly owned by Yan Jisheng (閔極晟), an Independent Third Party. Being Capital China Fund I LP is a limited partner of Being Creative Works L.P. with partnership interest of 78.87% and its general partner is Being Capital China Partners LP. No other partners hold 30% or more partnership interest in Being Creative Works L.P. and Being Capital China Fund I LP.

Tencent entities

Tencent Mobility Limited is a company incorporated in Hong Kong with limited liability, and is a wholly-owned subsidiary of Tencent Holdings Limited, a company incorporated in the Cayman Islands and listed on the Hong Kong Stock Exchange (stock codes: 0700 (HKD counter) and 80700 (RMB counter)).

Mighty Pinnacle Holding Limited is an exempted company incorporated in the Cayman Islands with limited liability. It is ultimately controlled by Tencent Holdings Limited.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Granite Asia IX VCC

Granite Asia IX VCC is a variable capital company organized and existing under the laws of Singapore. Its primary business activity is equity investment, and it acts for and in respect of its sub-fund, namely Granite Asia IX Investments. Granite Asia IX Investments is ultimately controlled by Ji-Xun Foo, Lee Hong Wei, Jenny, Glenn Solomen, Hans Tung, Jeff Richards and Oren Yunger, each of whom is an Independent Third Party.

PUBLIC FLOAT AND FREE FLOAT

Upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised), Shares held by certain of our Shareholders who are, or which are indirectly controlled by, our core connected persons, will not be counted towards the public float. Details of these Shareholders and their controllers (if applicable) are set out below:

- WRC Vitality Eager Limited, which is controlled by Mr. Wang, our chairman of the Board, chief executive officer and executive Director, and one of our Single Largest Shareholders, holding [REDACTED]% of the total issued Shares;
- Current Blue core Frontiers Limited, Current Blue core Innovators Limited and Future Blue core Innovators I Limited, whose voting rights are exercised by the same management committee comprising employees of the Company and are therefore collectively regarded as our substantial Shareholders for the purpose of public float, holding in aggregate [REDACTED]% of the total issued Shares; and
- ZhuQing Walle Eva Limited, which is controlled by Mr. Feng Yang (馮洋), Mr. Li Zhimin (李治民), Mr. Cai Jian (蔡健) and Mr. Wang Yong (王勇), the directors of our subsidiaries, as well as Mr. Jin Shengze (金盛澤), our executive Director, holding [REDACTED]% of our total issued Shares.

Based on the above, it is expected that immediately following completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), a total of [REDACTED] Shares, representing [REDACTED]% of our total issued Shares, will be counted as part of the public float, which is higher than the prescribed percentage of Shares required to be held in public hands under Rule 8.08(1) of the Listing Rules (applicable at the indicative [REDACTED] set out in this Document).

Upon the completion of the [REDACTED] (assuming that the [REDACTED] is not exercised), it is expected that [REDACTED] Shares, representing a market capitalization of approximately HK\$[REDACTED] (assuming an [REDACTED] of HK\$[REDACTED] per [REDACTED], being the low-end of the indicative [REDACTED] set out in this Document), will be held by the public and will not be subject to any disposal restrictions (whether under contract, the Listing Rules, applicable laws or otherwise). Therefore, our Company is expected to satisfy the free float requirement under Rule 8.08A of the Listing Rules.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

CAPITALIZATION OF OUR COMPANY

The table below summarizes the capitalization of our Company as of the date of this Document and immediately upon completion of the [REDACTED] (assuming the [REDACTED] is not exercised).

Shareholder	As of the date of this Document							Immediately Upon Completion of the [REDACTED] ⁽²⁾			
	Number of Ordinary Shares	Number of Series Angel-1 Preferred Shares ⁽¹⁾	Number of Series Angel-2 Preferred Shares	Number of Series A Preferred Shares ⁽¹⁾	Number of Series B Preferred Shares ⁽¹⁾	Number of Series C Preferred Shares ⁽¹⁾	Number of Series D Preferred Shares ⁽¹⁾		Subtotal	Approximate Shareholding Percentage	Approximate Shareholding Percentage
WRC Vitality Eager Limited	86,718,476	-	-	-	-	-	-	86,718,476	31.38%	86,718,476	[REDACTED]%
Prime Blue core pioneers Limited ⁽³⁾	1,089,993	-	-	-	-	-	-	1,089,993	0.39%	1,089,993	[REDACTED]%
ZhuQing Walle Eva Limited ⁽⁴⁾	1,683,962	-	-	-	-	-	-	1,683,962	0.61%	1,683,962	[REDACTED]%
Qingzhu ZY Digong Limited ⁽⁵⁾	1,640,374	-	-	-	-	-	-	1,640,374	0.59%	1,640,374	[REDACTED]%
Current Blue core Frontiers Limited ⁽⁶⁾	23,052,370	-	-	-	-	-	-	23,052,370	8.34%	23,052,370	[REDACTED]%
Current Blue core Innovators Limited ⁽⁶⁾	8,133,900	-	-	-	-	-	-	8,133,900	2.94%	8,133,900	[REDACTED]%
Future Blue core Innovators I Limited ⁽⁶⁾	6,929,391	-	-	-	-	-	-	6,929,391	2.51%	6,929,391	[REDACTED]%

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Shareholder	As of the date of this Document										Immediately Upon Completion of the [REDACTED] ⁽²⁾	
	Number of Ordinary Shares	Number of Series Angel-1 Preferred Shares ⁽¹⁾		Number of Series Angel-2 Preferred Shares	Number of Series A Preferred Shares ⁽¹⁾		Number of Series B Preferred Shares ⁽¹⁾	Number of Series C Preferred Shares ⁽¹⁾	Number of Series D Preferred Shares ⁽¹⁾	Subtotal	Approximate Shareholding Percentage	
		Number of Series Angel-1 Preferred Shares ⁽¹⁾	Number of Series Angel-1 Preferred Shares ⁽¹⁾		Approximate Shareholding Percentage	Approximate Shareholding Percentage						
Nature Ming Tian Limited	7,766,042	-	-	-	-	-	-	-	-	7,766,042	2.81%	[REDACTED]%
Xudong Investment Limited	5,042,557	-	-	-	-	-	-	-	-	5,042,557	1.82%	[REDACTED]%
RhinoPeak Holding Limited	5,933,409	-	-	-	-	-	-	-	-	5,933,409	2.15%	[REDACTED]%
SOSV LLC	-	7,713,329	-	1,914,827	-	-	-	-	-	9,628,156	3.48%	[REDACTED]%
Cloud Angel	-	19,305,583	-	-	-	-	-	-	-	19,305,583	6.99%	[REDACTED]%
HongShan Huanyou	-	-	-	30,000,021	-	-	-	-	-	30,000,021	10.85%	[REDACTED]%
Shenzhen Jiazi	-	-	-	-	-	-	5,929,464	-	-	5,929,464	2.15%	[REDACTED]%
GX High Limited	-	-	-	-	-	-	4,743,534	-	-	4,743,534	1.72%	[REDACTED]%
GCNA Holdings Limited	-	-	-	-	-	-	13,045,007	-	5,929,549	18,974,556	6.87%	[REDACTED]%
Being Creative Works L.P.	-	-	-	-	-	-	13,249,151	-	6,022,341	19,271,492	6.97%	[REDACTED]%
Tencent Mobility Limited	-	-	7,456,893	-	-	-	-	-	3,389,497	10,846,390	3.92%	[REDACTED]%
Mighty Pinnacle Holding Limited	-	-	1,864,223	-	-	-	-	-	847,374	2,711,597	0.98%	[REDACTED]%
Granite Asia IX VCC	-	-	-	-	3,312,288	-	-	-	1,505,585	4,817,873	1.74%	[REDACTED]%
CG Vibe Limited	-	-	-	-	-	-	-	-	1,067,295	1,067,295	0.39%	[REDACTED]%

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Shareholder	As of the date of this Document							Immediately Upon Completion of the [REDACTED] ⁽²⁾	
	Number of Ordinary Shares	Number of Series		Number of Series B Preferred Shares ⁽¹⁾	Number of Series C Preferred Shares ⁽¹⁾	Number of Series D Preferred Shares ⁽¹⁾	Subtotal		Approximate Shareholding Percentage
		Number of Series Angel-1 Preferred Shares ⁽¹⁾	Number of Series Angel-2 Preferred Shares						
Vision Knight Creative	-	-	-	-	-	1,088,857	1,088,857	[REDACTED]%	
Aurora Limited	-	-	-	-	-	-	-	0.39%	
Other [REDACTED] taking part in the [REDACTED].	-	-	-	-	-	-	[REDACTED]	[REDACTED]%	
Total	147,990,474	27,018,912	9,321,116	31,914,848	16,561,439	19,850,498	276,375,292	100.00%	

Notes:

- (1) Each Series Angel-1 Preferred Share, Series Angel-2 Preferred Share, Series A Preferred Share, Series B Preferred Share, Series C Preferred Share and Series D Preferred Share shall be converted into one ordinary Share with effect upon completion of the [REDACTED].
- (2) Assuming the [REDACTED] is not exercised.
- (3) Prime Blue core pioneers Limited is held as to 13.76% by Mr. Hu Jinhong (胡錦宏), our executive Director. The other shareholders of Prime Blue core pioneers Limited are our employees, who are Independent Third Parties holding less than 25% therein each.
- (4) ZhuQing Walle Eva Limited is held as to 28.17% by Mr. Feng Yang (馮洋), 19.72% by Mr. Li Zhimin (李治民), 5.63% by Mr. Cai Jian (蔡健) and 2.82% by Mr. Wang Yong (王勇), who are directors of our subsidiaries, and 7.04% by Mr. Jin Shengze (金盛澤), our executive Director. The other shareholders of ZhuQing Walle Eva Limited are our employees, who are Independent Third Parties holding less than 25% therein each.
- (5) Qingzhu ZY Digong Limited is held as to 35.64% by Mr. Yin Jun (殷俊), 32.75% by Ms. Zhang Yi (張易) and 31.61% by Mr. Qin Ming (覃明), who are our former Directors.
- (6) Each of Current Blue core Frontiers Limited, Current Blue core Innovators Limited and Future Blue core Innovators I Limited (i) is wholly owned by Vistra Trust (Hong Kong) Limited, being the trustee appointed for the trusts established by the Company to facilitate the administration of the [REDACTED] Share Option Schemes; and (ii) has its voting rights exercised by the same management committee comprising employees of the Company.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

[REDACTED] SHARE OPTION SCHEMES

The Company has adopted the [REDACTED] Share Option Schemes. See “Statutory and General Information — D. [REDACTED] Share Option Schemes” in Appendix IV to this Document for details.

PRC REGULATORY REQUIREMENTS

Our PRC Legal Adviser has confirmed that the equity transfers in respect of Shenzhen xTool as described in the paragraphs headed “Reorganization” above in this section have been completed in accordance with PRC laws and regulations.

Regulations on Overseas Listing

On February 17, 2023, the CSRC released the Overseas Listing Trial Measures and five supporting guidelines, which came into effect on March 31, 2023. Pursuant to the Overseas Listing Trial Measures, PRC domestic companies that seek to list overseas, both directly and indirectly, should fulfil the filing procedure and report relevant information to the CSRC. Specifically, following the principle of substance over form, if an issuer meets both of the following criteria, its overseas offering and listing will be deemed as an indirect overseas offering and listing by a domestic company: (i) any of the total assets, net assets, revenues or profits of the domestic operating entities of the issuer in the most recent accounting year accounts for more than 50% of the corresponding figure in the issuer’s audited consolidated financial statements for the same period; and (ii) its major operational activities are carried out in the PRC or its main places of business are located in the PRC, or a majority of the senior management in charge of operation and management of the issuer are Chinese citizens or are domiciled in the PRC.

SAFE Registration

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 (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) (“SAFE Circular 37”) promulgated by SAFE and which became effective on July 4, 2014, (i) a PRC resident must register with the local SAFE branch before he or she contributes assets or equity interests to an overseas special purpose vehicle (“Overseas SPV”) that is directly established or indirectly controlled by the PRC resident for the purpose of conducting investment or financing; and (ii) following the initial registration, the PRC resident is also required to register with the local SAFE branch for any major change in respect of the Overseas SPV, including, among other things, a change of the Overseas SPV’s PRC resident shareholder(s), the name of the Overseas SPV, terms of operation, or any increase or reduction of the Overseas SPV’s capital, share transfer or swap, and merger or division. Pursuant to SAFE Circular 37, failure to comply with these registration procedures may result in penalties.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Pursuant to the Circular of the SAFE on Further Simplification and Improvement in Foreign Exchange Administration on 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) (“SAFE Circular 13”), promulgated by SAFE and which became effective on June 1, 2015, the power to accept SAFE registration was delegated from local SAFE to local banks where the assets or interests in the domestic entity are located, and the SAFE and its branches shall perform indirect regulation over the direct investment-related foreign exchange registration via banks.

As advised by our PRC Legal Adviser, Mr. Wang, being our Single Largest Shareholder who is a PRC resident and indirectly holds Shares, completed registration under SAFE Circular 13 and SAFE Circular 37 in September 2024.

M&A Rules

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》) jointly issued by MOFCOM, the State-owned Assets Supervision and Administration Commission of the State Council, the STA, the CSRC, the SAIC (currently known as the SAMR) and the SAFE on August 8, 2006, effective as of September 8, 2006 and amended on June 22, 2009 with immediate effect, approval from MOFCOM is required where a domestic company or enterprise, or a domestic natural person, through an overseas company established or controlled by it, acquires a domestic company which is related to or connected with it. Pursuant to the Foreign Investment Law of the PRC (《中華人民共和國外商投資法》) effective as of January 1, 2020 and public Q&A section on the official website of MOFCOM on April 9, 2024, the approval requirements by the MOFCOM and its local branches for the establishment and registration changes of foreign-invested enterprises have been abolished since the implementation of the Foreign Investment Law of the PRC.

As advised by our PRC Legal Adviser, unless new laws and regulations are enacted, or the MOFCOM and the CSRC publish new provisions or interpretations on the M&A Rules in the future, MOFCOM approval is not required under the M&A Rules.

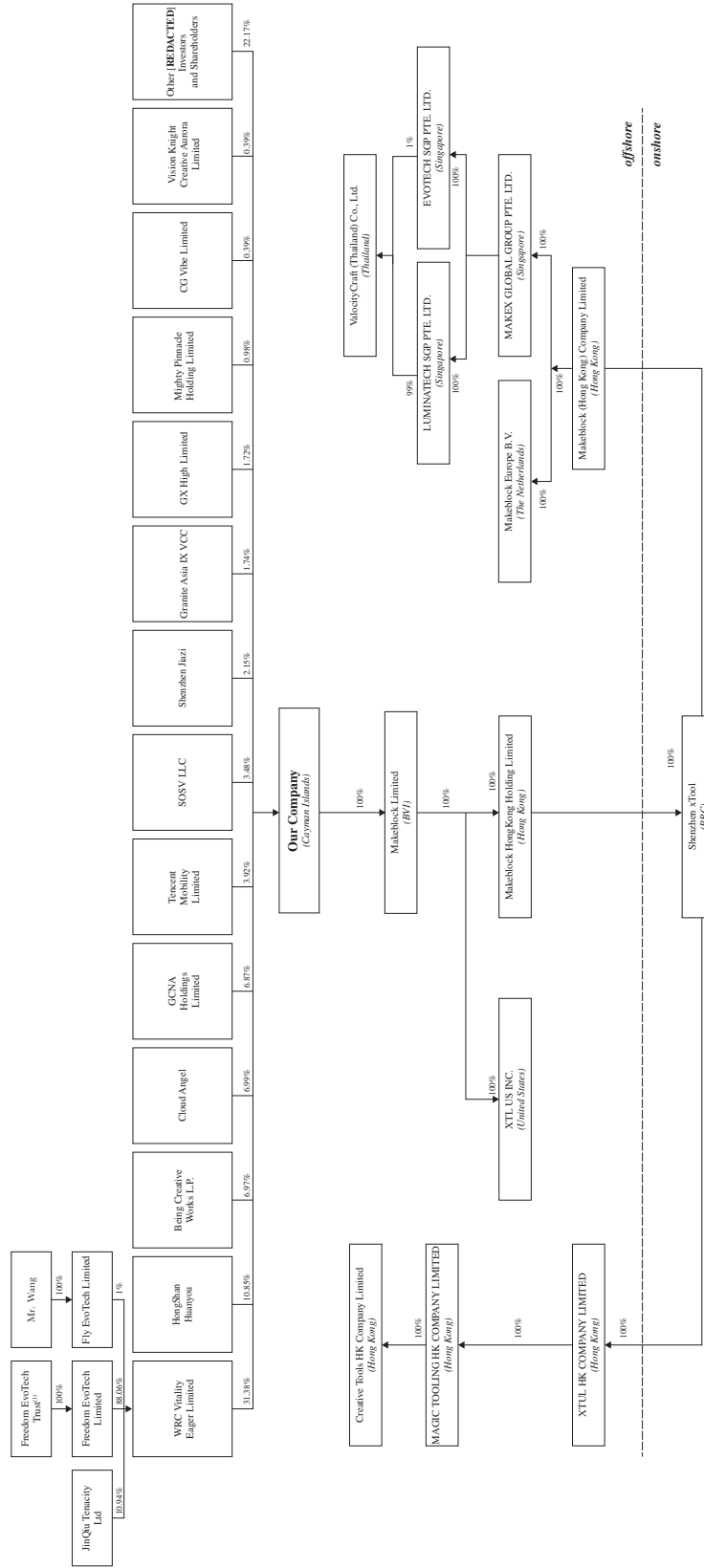
The M&A Rules may be subject to further interpretation and implementation, and our PRC Legal Adviser further advises that its opinions summarized above are subject to any new laws, rules and regulations or detailed implementations and interpretations in any form relating to the M&A Rules.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

OUR CORPORATE STRUCTURE

Corporate Structure Immediately Before the Completion of the [REDACTED]

The following chart sets forth our Group’s simplified corporate and shareholding structure immediately prior to the completion of the [REDACTED], assuming that all of the Preferred Shares have been converted to ordinary Shares on a one-to-one basis:



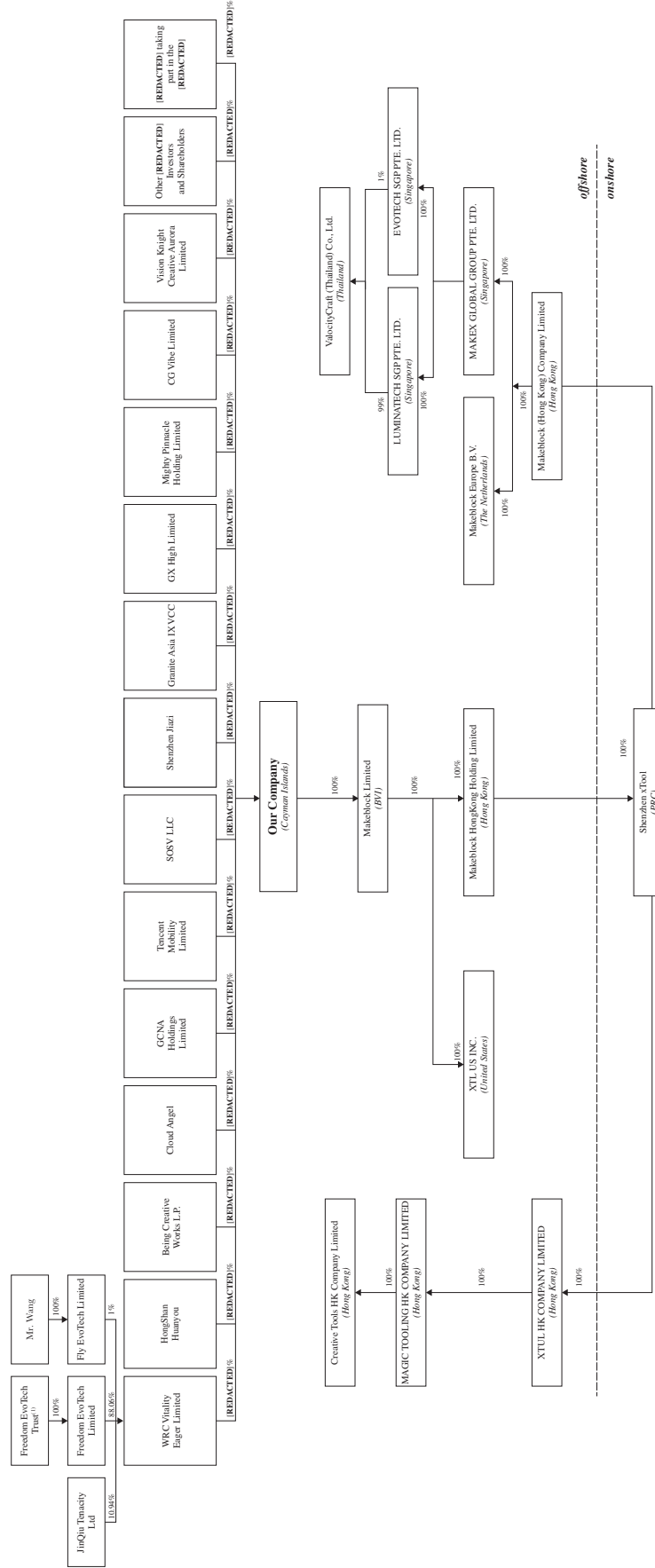
Note:

- (1) Freedom EvoTech Trust is a discretionary trust established by Mr. Wang as the settlor and protector, with Visitra Trust (Singapore) Pte. Limited as the trustee and Fly EvoTech Limited, which is wholly owned by Mr. Wang, as the beneficiary.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Corporate Structure Immediately Following the Completion of the [REDACTED]

The following chart sets forth our Group’s simplified corporate and shareholding structure immediately after the completion of the [REDACTED], assuming that (i) all of the Preferred Shares have been converted to ordinary Shares on a one-to-one basis, and (ii) the [REDACTED] has not been exercised:



Note:

- Freedom EvoTech Trust is a discretionary trust established by Mr. Wang as the settlor and protector, with Vistra Trust (Singapore) Pte. Limited as the trustee and Fly EvoTech Limited, which is wholly owned by Mr. Wang, as the beneficiary.