
HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

OUR HISTORY

The history of our Group can be traced back to 2009 when Guangzhou Baitian, our PRC operating entity, was established in the PRC by our Founders, who used their own financial resources to fund Guangzhou Baitian.

In 2009, our Group commenced to engage in online entertainment and fun-learning businesses for children, which feature enjoyable games and activities with fun-learning elements weaved, throughout engaging cartoon storylines. Our headquarters are located in Guangzhou, PRC.

Our Business Milestones

The following table illustrates the key milestones of our corporate and business development since 2009:

Year	Milestone
September 2008	• Open beta launched Aobi Island (奧比島), our first virtual world, through Altratek Guangdong
June 2009	• Guangzhou Baitian was incorporated in Guangzhou, PRC
September 2009	• Our Company was incorporated in the Cayman Islands
October 2009	• Baitian Hong Kong was incorporated in Hong Kong
November 2009	• Aobi Island was awarded Women and Children's Favorite Brand by China Women and Children Development Center
March 2010	• Beijing WFOE was incorporated in Beijing, PRC
April 2010	• The Pre-IPO investment in us by Sequoia was completed
July 2010	• Open beta launched Aola Star (奧拉星)
April 2011	• Open beta launched Dragon Knights (龍鬥士)
July 2011	• Aobi Island was granted Baidu Web Game Award by Baidu Game Billboard (百度風雲榜)
July 2011	• Open beta launched Light of Aoya (奧雅之光)
April 2012	• Open beta launched Legend of Aoqi (奧奇傳說)
May 2012	• Launched 100bt.com
September 2013	• Open beta launched Clashes of Aoqi (奧奇戰記)
September 2013	• Open beta launched WenTa (問他!)
October 2013	• Guangzhou WFOE was incorporated in Guangzhou, PRC

Our Corporate History and Shareholding Changes of Our Group

1. Early Stage Research

Prior to the establishment of our Group, in order to expedite the formation of our business ideas in the early stage, our Founders agreed to engage Altratek, Altratek WFOE and Altratek Guangdong, a group of companies engaged in telecommunication engineering services and controlled by, among others, Mr. DAI, Mr. WU, Mr. KAN and Mr. LI to conduct research and development ("Early Stage Research") on online interactive children's entertainment initiatives contemplated by our Founders. Subsequently, in mid 2009, the Founders incorporated Guangzhou Baitian to formally pursue this online interactive children's entertainment business.

As such, in July 2009, Altratek WFOE and Altratek Guangdong transferred all of its tangible assets in relation to the Early Stage Research, consisting primarily of computers and servers, to Guangzhou Baitian

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

for a total consideration of RMB1,407,845, which was the then net asset value of such tangible assets. Furthermore, after our incorporation, we and Altratek executed a promissory note dated November 10, 2009, pursuant to which it was agreed that we would reimburse Altratek an amount of U.S. dollars equivalent to RMB12,367,900, which was the actual costs and expenses incurred by Altratek on behalf of the Founders for the Early Stage Research. Subsequently, we utilized part of the proceeds from the Pre-IPO Investment to settle this amount in May 2010. Please refer to the sub-section headed “— 4. Pre-IPO Investment and the 2010 Share Split” for further details. In consideration of the execution of the promissory note, in March 2010, Altratek WFOE and Altratek Guangdong and Guangzhou Baitian entered into a trademark transfer agreement, pursuant to which Altratek WFOE and Altratek Guangdong transferred all of its trademarks developed in Early Stage Research to Guangzhou Baitian for nil consideration and permitted Guangzhou Baitian to use such trademarks since its inception.

On June 2, 2009, Guangzhou Baitian was incorporated in Guangzhou, PRC. Since its incorporation, Guangzhou Baitian has been the principal operating entity in the Group, engaging in the online interactive children’s entertainment business. Its founders were Ms. DAI (as a nominee and a sister of Mr. DAI), Mr. WU, Mr. LI, Mr. KAN, Mr. CHEN and Mr. WANG, initially holding 44.87%, 26.02%, 11.83%, 8.28%, 6.5% and 2.5% equity interests, respectively. Ms. DAI held equity interests in Guangzhou Baitian on behalf of Mr. DAI under a trust arrangement, until she transferred her entire equity interest in Guangzhou Baitian to Mr. DAI for nominal consideration in November 24, 2011 pursuant to such trust arrangement. According to our PRC legal advisers, no regulatory approval is required for such trust arrangement and such transfer of equity interest did not breach the then applicable PRC laws and regulations.

Our PRC legal advisers have advised us that the Guangzhou Baitian has obtained all relevant approvals from the competent regulatory authorities in the PRC under the applicable PRC laws and regulations for its incorporation and operation.

2. *Incorporation of the Company*

On September 25, 2009, the Company was incorporated in the Cayman Islands as an exempted company with limited liability. In 2009, the Company issued an aggregate of 788,000 Ordinary Shares of par value US\$0.001 each to Stmoritz Investment Limited, Bright Stream Holding Limited, LNZ Holding Limited, KS Global Holding Limited, LeLe Happy Holding Limited and Angel Wang Holding Limited, the respective BVI Holding Companies owned by the Founders respectively, representing 44.87%, 26.02%, 11.83%, 8.28%, 6.5% and 2.5% equity interests in the Company, respectively. Under a trust arrangement, Ms. DAI had held equity interests in Stmoritz Investment Limited as a nominee and on behalf of Mr. DAI since October 2007, until she transferred to Mr. DAI all of her equity interest in Stmoritz Investment Limited for nil consideration in April 2012 pursuant to such trust arrangement.

3. *Incorporation of our Hong Kong Subsidiary*

On October 20, 2009, Baitian Hong Kong was incorporated in Hong Kong as a wholly-owned subsidiary of the Company. It is the holding company for the Group’s PRC subsidiaries. Since the date of its incorporation and up to the Latest Practicable Date, the Company has held 100% equity interest in Baitian Hong Kong.

4. *Pre-IPO Investment and the 2010 Share Split*

On November 10, 2009, in view of the business development and future prospects of our Group, Sequoia made the Pre-IPO Investment in us by entering into the Series A Preferred Share Purchase Agreement with, among others, the Company and the Founders, pursuant to which Sequoia, subject to customary

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

conditions, agreed to subscribe for 2,000,000 Series A Preferred Shares of our Company for aggregate consideration of US\$3,250,000.

Concurrently with the Pre-IPO Investment, on March 31, 2010, the Shares of the Company were split at a ratio of 1:10 pursuant to the 2010 Share Split, upon the completion of which our authorized share capital consisted of 497,743,590 ordinary shares and 2,256,410 preferred shares of par value US\$0.0001 each.

Upon the closing of the Pre-IPO Investment on March 31, 2010, we had 7,880,000 Ordinary Shares of par value US\$0.0001 each issued and outstanding, all of which were held our Founders and 2,000,000 Series A Preferred Shares of par value US\$0.0001 each issued and outstanding, all of which were held by Sequoia.

Overview of the Pre-IPO Investment

In connection with the Pre-IPO Investment, the Pre-IPO Investors, the Company and the Founders, among others, entered into the Series A Transaction Agreements, including a share purchase agreement dated November 10, 2009, as amended on March 2, 2010 and December 4, 2013. Pursuant to the Series A Preferred Share Purchase Agreement, the Pre-IPO Investors, subject to certain conditions, agreed to subscribe for 2,000,000 Series A Preferred Shares for aggregate consideration of US\$3,250,000, and subject to certain conditions, the Company may require the Pre-IPO Investors to subscribe and purchase an additional 256,410 Series A Preferred Shares for an aggregate consideration of US\$750,000. The Series A Transaction Agreements also include a shareholders agreement dated November 10, 2009, as amended on March 2, 2010 and December 4, 2013, an indemnification agreement between the Company and the Pre-IPO Investors dated March 31, 2010, a management rights letter by the Company to the Pre-IPO Investors dated March 31, 2010, as amended on December 4, 2013 and other ancillary documents.

At the time of the investment, our Directors were of the view that the Company could benefit from the additional capital that would be provided by Sequoia's investment in the Company and the possibility that the Company could take advantage of Sequoia's knowledge and experience.

The following table summarizes the principal terms of the Pre-IPO Investment by the Pre-IPO Investors:

Name of Pre-IPO Investors	Sequoia Capital China II, L.P. Sequoia Capital China Partners Fund II, L.P. Sequoia Capital China Principals Fund II, L.P.
Information on the Pre-IPO Investors	Each of Sequoia Capital China II, L.P., Sequoia Capital China Partners Fund II, L.P. and Sequoia Capital China Principals Fund II, L.P. is a limited liability partnership incorporated in the Cayman Islands. Their general partner is Sequoia Capital China Management II, L.P., whose general partner is SC China Holding Limited. SC China Holding Limited is wholly-owned by SNP China Enterprises Limited, a company wholly-owned by Nanpeng Shen. Prior to the Pre-IPO Investment, Sequoia was an Independent Third Party of our Group. As Sequoia will hold more than 10% of the total issued share capital of our Company immediately following the completion of the Global Offering, it will be a substantial shareholder of our Company upon Listing and hence a connected person of our Company. Accordingly, all shares held by Sequoia shall not be counted as part of the public float for the purposes of Rule 8.08 of the Listing Rules.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Date of closing of the Pre-IPO Investment	March 31, 2010	
Number of Series A Preferred Shares purchased	Sequoia Capital China II, L.P.	1,676,200
	Sequoia Capital China Partners Fund II, L.P.	42,200
	Sequoia Capital China Principals Fund II, L.P.	281,600
	Total	2,000,000
Amount of consideration paid	Sequoia Capital China II, L.P.	US\$2,723,825
	Sequoia Capital China Partners Fund II, L.P.	US\$68,575
	Sequoia Capital China Principals Fund II, L.P.	US\$457,600
	Total	US\$3,250,000
Date of payment of consideration	April 1, 2010	
Cost per Series A Preferred Share paid by each Pre-IPO Investor	US\$0.008	
Basis of determination of the consideration	Arm's length negotiations between the Pre-IPO Investors, the Company and our Founders after taking into consideration the timing of the subscription and the illiquidity of our Shares as a private company when the Series A Preferred Share Purchase Agreement was entered into.	
Discount to the Offer Price	A discount of approximately 97.3% to the midpoint of the indicative Offer Price range of HK\$2.00 to HK\$2.60, on the basis of our enlarged share capital immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised and without taking into account any Shares to be issued upon the exercise of Pre-IPO Share Options and any Shares which may be issued under the Post-IPO RSU Scheme).	
Use of proceeds	We utilized the proceeds for working capital, business expansion, payment to Altratek for the costs and expenses incurred in Early Stage Research, and other corporate purposes. As of the Latest Practicable Date, the net proceeds from the Pre-IPO Investment by the Pre-IPO Investors had not been fully utilized.	
Lock-up	Holders of Series A Preferred Shares are subject to a lock-up period of up to 180 days commencing from the date of the final offering document related to the Global Offering.	
Shareholding in the Company upon the completion of the Pre-IPO Investment on a fully-diluted basis (taking into account the shares underlying the options then granted pursuant to the Pre-IPO Share Option Scheme)	Sequoia Capital China II, L.P.	16.76%
	Sequoia Capital China Partners Fund II, L.P.	0.42%
	Sequoia Capital China Principals Fund II, L.P.	2.82%
	Total	20.00%

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Shareholding in the Company upon Listing (assuming the Over-allotment Option is not exercised and without taking into account any Shares to be issued upon exercise of share options granted under the Pre-IPO Share Option Scheme and any Shares which may be issued under the Post-IPO RSU Scheme)	Sequoia Capital China II, L.P.	11.87%
	Sequoia Capital China Partners Fund II, L.P.	0.30%
	Sequoia Capital China Principals Fund II, L.P.	1.99%
	Total	14.16%

Voting rights Series A Preferred Shares carry voting rights equal to such number of Ordinary Shares as convertible on the date the vote is to be taken.

Special rights Series A Preferred Shares will be converted into Ordinary Shares upon the completion of the Global Offering. Together with such conversion, the following special rights, which have been granted to holders of Series A Preferred Shares, will be terminated upon the completion of the Global Offering:

- *Registration rights.* Holders of Series A Preferred Shares have customary registration rights, including demand registration rights, Form F-3 registration rights and piggyback registration rights.
- *Dividends rights.* Holders of Series A Preferred Shares are entitled to dividends at a rate of 5% per annum of the issue price of such Series A Preferred Shares.
- *Liquidation Preference.* Before any distribution or payment shall be made to the holders of any Ordinary Shares, each holder of Series A Preferred Shares shall be entitled to receive an amount per share equal to the issue price of such Series A Preferred Shares.
- *Information rights.* Holders of Series A Preferred Shares have the rights to receive the Company’s financial information, annual budgets, business plans and information regarding any material changes to the Company and each of its subsidiaries, as well as the rights to visit the Company’s site to inspect properties, examine books and records and interview Company employees.
- *Special rights related to the Company’s U.S. tax undertakings.* Holders of Series A Preferred Shares have certain information rights and dividend rights in connection with the Company’s undertakings to the Pre-IPO Investors related to certain U.S. tax matters.
- *Pre-emptive right.* Holders of Series A Preferred Shares have a pre-emptive right to purchase up to a pro rata share of any new securities (other than certain excepted issuances, such as new securities issuance under employee share incentive schemes and the Global Offering, etc.) which the Company may propose to sell and issue.
- *Right of first refusal.* If any of our Ordinary Shareholders proposes to sell or transfer any of his equity securities of the Company (the “Offered Shares”), the Company has the right of first refusal to purchase all the Offered Shares on the terms and conditions stated in the transfer notice given by the transferring Ordinary Shareholders. If the Company has not purchased any or all of the Offered Shares, the Pre-IPO Investors and each other non-selling shareholder have a

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

right of first refusal to purchase all of or the remaining Offered Shares on a pro rata basis based on their respective shareholding.

- *Right of co-sale.* If the Company and the Pre-IPO Investors do not exercise their respective rights of first refusal as to the Offered Shares, the Pre-IPO Investors have the right to participate in the sale of the Offered Shares by the transferring Founder on the terms and conditions set forth in the transfer notice given by the transferring Founder.
- *Drag along right.* If Holders of a majority of Series A Preferred Shares approve a *bona fide* offer from a third party for a trade sale of the Company that values the Shares of the Company no less than US\$9.75 (the “Approved Sale”), the Pre-IPO Investors has the right to request the remaining shareholders of the Company to, subject to the remaining shareholders’ right to dissent from the Approved Sale, sell their Shares on the same terms and conditions pursuant to the offer of the third party.
- *Director appointment and Board participation right.* Subject to certain shareholding requirements of Series A Preferred Shares, the Pre-IPO Investors are entitled to appoint one director to the Board and designate one representative to attend all meetings of the Board and the board of directors of any company within the Group.
- *Veto rights.* Certain corporate actions of the Company require the approval of the holders of at least a majority of the Series A Preferred Shares. Such actions include, among others, issue of new securities by the Company, significant merger, consolidation, share acquisition or other corporate reorganization, increase or decrease in the size of the Board or any sub-committee of the Board, any liquidation or bankruptcy filing against the Company or any of its subsidiaries, declaration of dividends, provision of loans or guarantees for indebtedness to any third party, incurrence of significant debt, any purchase or disposal of material assets and businesses (including such purchase or disposal that are not in the ordinary course of operations of the Company), appointment of senior management of the Company or any of its subsidiaries, any related party transactions, appointment or change of auditor of the Company or any material changes in the Company’s accounting policies, any material raise in employee compensation and any significant expenditure outside of the annual budget of the Company as approved by the Board.
- *Redemption rights.* Beginning on the fifth anniversary of March 31, 2010, holders of Series A Preferred Shares have the option to request the Company to redeem all the outstanding Series A preferred Shares held by such requesting holder.

The fair value change associated with the issuance of the Series A Preferred Shares was recognized in fair value loss of convertible redeemable preferred shares in our financial information. Please refer to the section headed “Financial Information — Fair Value Loss of Convertible Redeemable Preferred Shares” for details.

Joint Sponsors’ Confirmation

The Joint Sponsors have determined that the terms of the Pre-IPO Investment are under normal commercial terms and confirmed that the Pre-IPO Investment are in compliance with the Interim Guidance on Pre-IPO

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Investment issued by the Stock Exchange on October 13, 2010, Guidance Letters HKEx-GL44-12 (issued in October 2012) and HKEx-GL43-12 (issued in October 2012 and updated in July 2013), based on the review of the relevant documentation.

5. *Transfer of Mr. KAN's equity interests in the Group*

In January 2010, Mr. KAN transferred his entire equity interest in our Group to the other five Founders.

Mr. KAN transferred 2.05%, 2.35%, 2.11%, 0.58% and 2.23% equity interests in Guangzhou Baitian to Ms. DAI (as a nominee of Mr. DAI), Mr. WU, Mr. LI, Mr. CHEN and Mr. WANG at a consideration of RMB2.05, RMB2.35, RMB1.07, RMB0.58 and RMB2.23, respectively, based on mutual agreements after taking into account the financials of the Group at the relevant time. Upon completion of such share transfers, Ms. DAI (as a nominee of Mr. DAI), Mr. WU, Mr. LI, Mr. CHEN and Mr. WANG held 46.92%, 28.37%, 12.90%, 7.08% and 4.73% equity interests in Guangzhou Baitian, respectively.

In addition, KS Global Holding Limited, the BVI company wholly owned by Mr. KAN, transferred 17,572, 4,570, 8,432, 18,518 and 16,154 ordinary shares to Angel Wang Holding Limited, LeLe Happy Holding Limited, LNZ Holding Limited, Bright Stream Holding Limited and Stmoritz Investment Limited, respectively, at nil consideration. After this transfer, Stmoritz Investment Limited, Bright Stream Holding Limited, LNZ Holding Limited, LeLe Happy Holding Limited and Angel Wang Holding Limited held 46.92%, 28.37%, 12.90%, 7.08% and 4.73% equity interest in the Company, respectively.

6. *Incorporation of Beijing WFOE*

On March 9, 2010, Beijing WFOE was incorporated in Beijing, PRC. Since the date of Beijing WFOE's incorporation and up to the Latest Practicable Date, Baitian Hong Kong has held 100% equity interest in Beijing WFOE.

Our PRC legal advisers have advised us that the Beijing WFOE has obtained all relevant approvals from the competent regulatory authorities in the PRC under the applicable PRC laws and regulations for its incorporation and operation. In particular, on April 26, 2010, the Circular 75 registration for Beijing WFOE was completed at the local counterpart of SAFE.

7. *Contractual Arrangements*

In March 2010, Beijing WFOE, Guangzhou Baitian (our PRC Operating Entity) and the then registered shareholders of Guangzhou Baitian, namely Ms. DAI (as a nominee of Mr. DAI), Mr. WU, Mr. LI, Mr. CHEN and Mr. WANG, entered into a series of agreements (the "Old VIE Agreements"), including:

- (a) the *Exclusive Business Consultation and Service Agreement* (獨家諮詢與服務協議), pursuant to which Beijing WFOE agreed to provide exclusive management and consultation services to Guangzhou Baitian and Guangzhou Baitian agrees to pay service fees to Beijing WFOE;
- (b) the *Proxy Agreement* (股東表決權委託協議), pursuant to which the registered shareholders of Guangzhou Baitian irrevocably delegated the voting rights and other shareholder rights of Guangzhou Baitian to Beijing WFOE;
- (c) the *Share Pledge Agreement* (股權質押協議), pursuant to which the registered shareholders of Guangzhou Baitian pledged all their equity interests in Guangzhou Baitian to Beijing WFOE to provide security on the performance of contractual obligations of Guangzhou Baitian and the registered shareholders of Guangzhou Baitian under the Contractual Arrangements; and
- (d) the *Exclusive Option Agreement* (獨家購買權協議), pursuant to which the registered shareholders of Guangzhou Baitian agreed to exclusively grant to Beijing WFOE an irrevocable option to acquire all or any of the equity interests and/or assets of Guangzhou Baitian from the registered shareholders of Guangzhou Baitian when and to the extent allowed by the then applicable PRC laws.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Shortly after the establishment of Guangzhou WFOE, the Directors determined that Guangzhou WFOE would become the company in the Group to control Guangzhou Baitian for its locational advantage. In light of this plan, on December 4, 2013, Beijing WFOE, Guangzhou Baitian, the registered shareholders of Guangzhou Baitian as of December 4, 2013, namely Mr. DAI, Mr. WU, Mr. LI, Mr. CHEN and Mr. WANG (the “Registered Shareholders”), and Ms. DAI entered into termination agreements to the Old VIE Agreements. On the same date, Guangzhou WFOE, Guangzhou Baitian and the Registered Shareholders entered into a series of agreements (the “New VIE Agreements”) in a form substantially similar to the Old VIE Agreements, which were further amended on March 20, 2014. In addition, in December 2013, each of the Registered Shareholders and their respective spouses signed a written undertaking in relation to the Contractual Arrangements. Please refer to the section headed “Contractual Arrangements” for further details.

8. *Pre-IPO Share Option Scheme*

On June 18, 2010, the Company adopted the Pre-IPO Share Option Scheme, pursuant to which 200,000 Ordinary Shares were authorized and reserved for the exercise of options granted under this plan. As of the Latest Practicable Date, none of the granted share option under the 2010 Share Option Plan has been exercised by any Grantee.

Please refer to the section headed “Statutory and General Information — Pre-IPO Share Option Scheme” in Appendix IV to this prospectus for details.

9. *2013 Share Split*

On August 20, 2013, we underwent the 2013 Share Split pursuant to which all the Shares and Series A Preferred Shares of the Company, including all Ordinary Shares and Series A Preferred Shares, were split at a ratio of 1:200. Immediately after the 2013 Share Split, the Shares of the Company issued and outstanding consisted of (i) 1,576,000,000 Ordinary Shares and (ii) 400,000,000 Series A Preferred Shares. Immediately after the 2013 Share Split, the par value of each Share of the Company became US\$0.0000005.

On November 13, 2013, as a result of the 2013 Share Split and pursuant to the terms of the Pre-IPO Share Option Scheme, the Board resolved that (i) the total number of Ordinary Shares authorized and reserved for issuance under the Pre-IPO Share Option Scheme was adjusted proportionately to 40,000,000 Ordinary Shares, (ii) the number of Ordinary Shares to be issued pursuant to the granted and outstanding share options under the Pre-IPO Share Option Scheme was adjusted proportionately to 28,800,000 Ordinary Shares and (iii) the remaining 11,200,000 Ordinary Shares authorized and reserved for issuance under the Pre-IPO Share Option Scheme would no longer be authorized and reserved for issuance under the Pre-IPO Share Option Scheme.

10. *Name change*

On September 27, 2013, the Company changed its name from Baitian Information Limited to Baitian Family Interactive Limited (百田家庭互動有限公司). On December 12, 2013, the Company changed its name to BYO Family Interactive Limited (百奧家庭互動有限公司). On January 8, 2014, the Company changed its name to BAIOO Family Interactive Limited (百奧家庭互動有限公司).

11. *Pre-IPO RSU Scheme*

We adopted the Pre-IPO RSU Scheme on September 30, 2013. As of the Latest Practicable Date, we had granted an aggregate of 142,316,000 RSUs to 309 Grantees under the Pre-IPO RSU Scheme. We have also engaged the Pre-IPO RSU Trustee, who is an Independent Third Party, to administer the Pre-IPO RSU Scheme pursuant to its scheme rules, and had allotted and issued 142,316,000 Shares to the Pre-IPO RSU Nominee, a wholly owned subsidiary of the Pre-IPO RSU Trustee.

Please refer to the section headed “Statutory and General Information — Pre-IPO RSU Scheme” in Appendix IV to this prospectus for details.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

12. *Establishment of Guangzhou WFOE and Circular 75 registration*

On October 29, 2013, Guangzhou WFOE was incorporated in Guangzhou, PRC as a wholly-owned subsidiary of Baitian Hong Kong. Guangzhou WFOE has become the company in the Group controlling and supervising the daily operations of Guangzhou Baitian.

Our PRC legal advisers have advised us that the Guangzhou WFOE has obtained all relevant approvals from the competent regulatory authorities in the PRC under the applicable PRC laws and regulations for its incorporation and operation. In particular, on November 21, 2013, the Circular 75 registration for Guangzhou WFOE was completed at the local counterpart of SAFE.

13. *Establishment of Family Trusts*

On December 27, 2013, each of our five Founders, Mr. DAI, Mr. WU, Mr. LI, Mr. CHEN and Mr. WANG, as the settlor and protector, established their respective Family Trusts of which TMF (Cayman) Ltd. acting as the trustee. On the same day, Mr. DAI, Mr. WU, Mr. LI, Mr. CHEN and Mr. WANG transferred 100% equity interests in their respective BVI Holding Companies, by way of gift at nil consideration to the respective Trust Holding Companies wholly owned by TMF (Cayman) Ltd.

The Family Trusts are discretionary trusts, the beneficiaries of which are the five Founders themselves and their respective family members. Pursuant to the Family Trusts, TMF (Cayman) Ltd. and each of the Trust Holding Companies hold the equity interests in the BVI Holding Companies on trust for the benefit of Mr. DAI, Mr. WU, Mr. LI, Mr. CHEN and Mr. WANG.

Please refer to notes (1)-(5) to our corporate charts in the subsection headed “— Our Shareholding and Corporate Structures” for details.

14. *Post-IPO RSU Scheme*

We conditionally approved and adopted the Post-IPO RSU Scheme on March 18, 2014, which will become effective subject to (i) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the new Shares underlying the RSUs which may be granted pursuant to this Scheme and (ii) the commencement of trading of the Shares on the Main Board of the Stock Exchange.

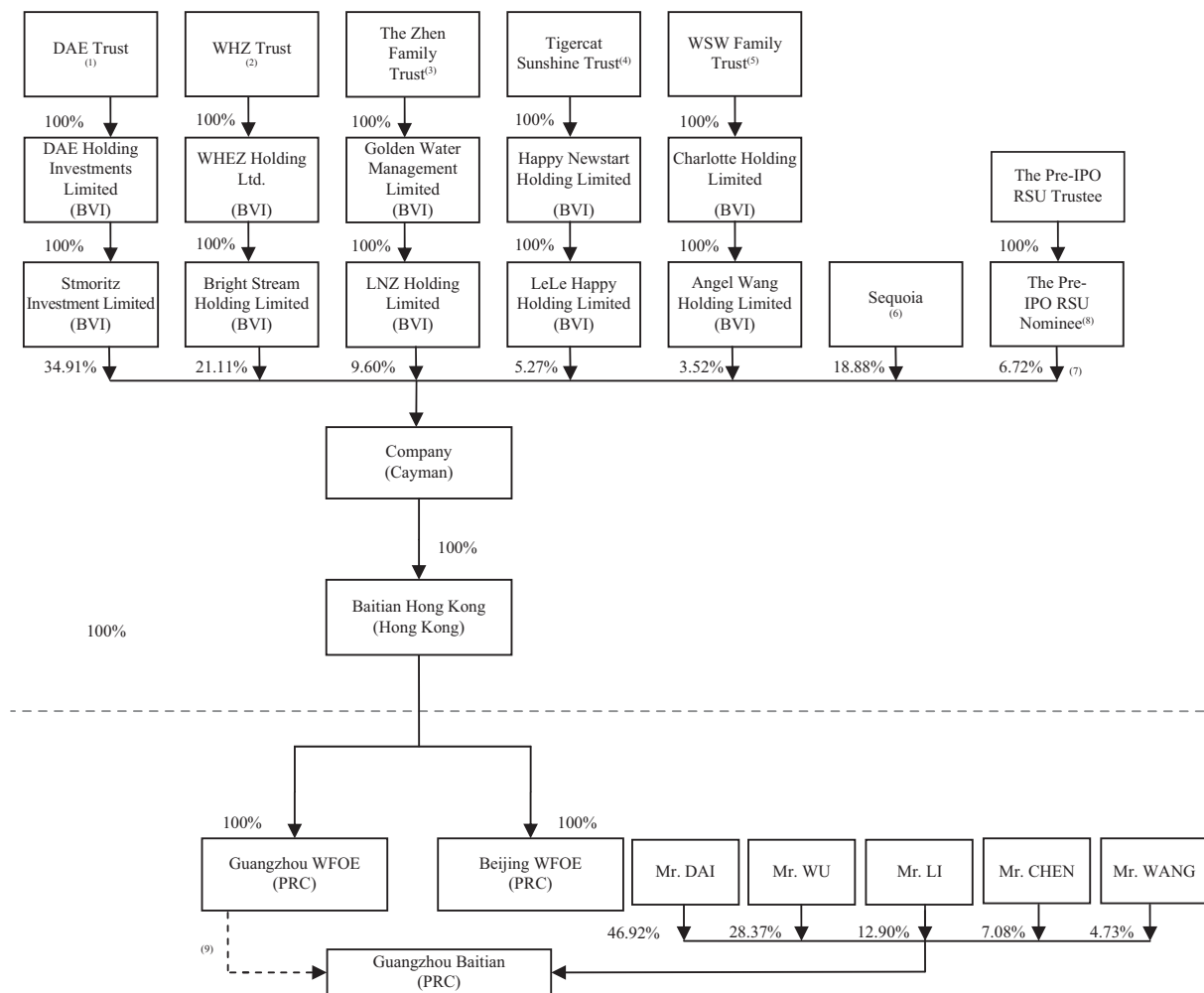
As of the Latest Practicable Date, no RSU has been granted by us pursuant to the Post-IPO RSU Scheme. The maximum number of Shares underlying the RSUs to be granted under the Post-IPO RSU Scheme is 56,488,440, representing approximately 2% of our enlarged share capital upon completion of the Global Offering (assuming the Over-allotment Option is not exercised and without taking into account any Shares to be issued upon the exercise of share options granted under the Pre-IPO Share Option Scheme).

Please refer to the sections headed “Statutory and General Information — Post-IPO RSU Scheme” in Appendix IV to this prospectus for details.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

OUR SHAREHOLDING AND CORPORATE STRUCTURES

Our corporate and shareholding structure immediately before the completion of the Global Offering:



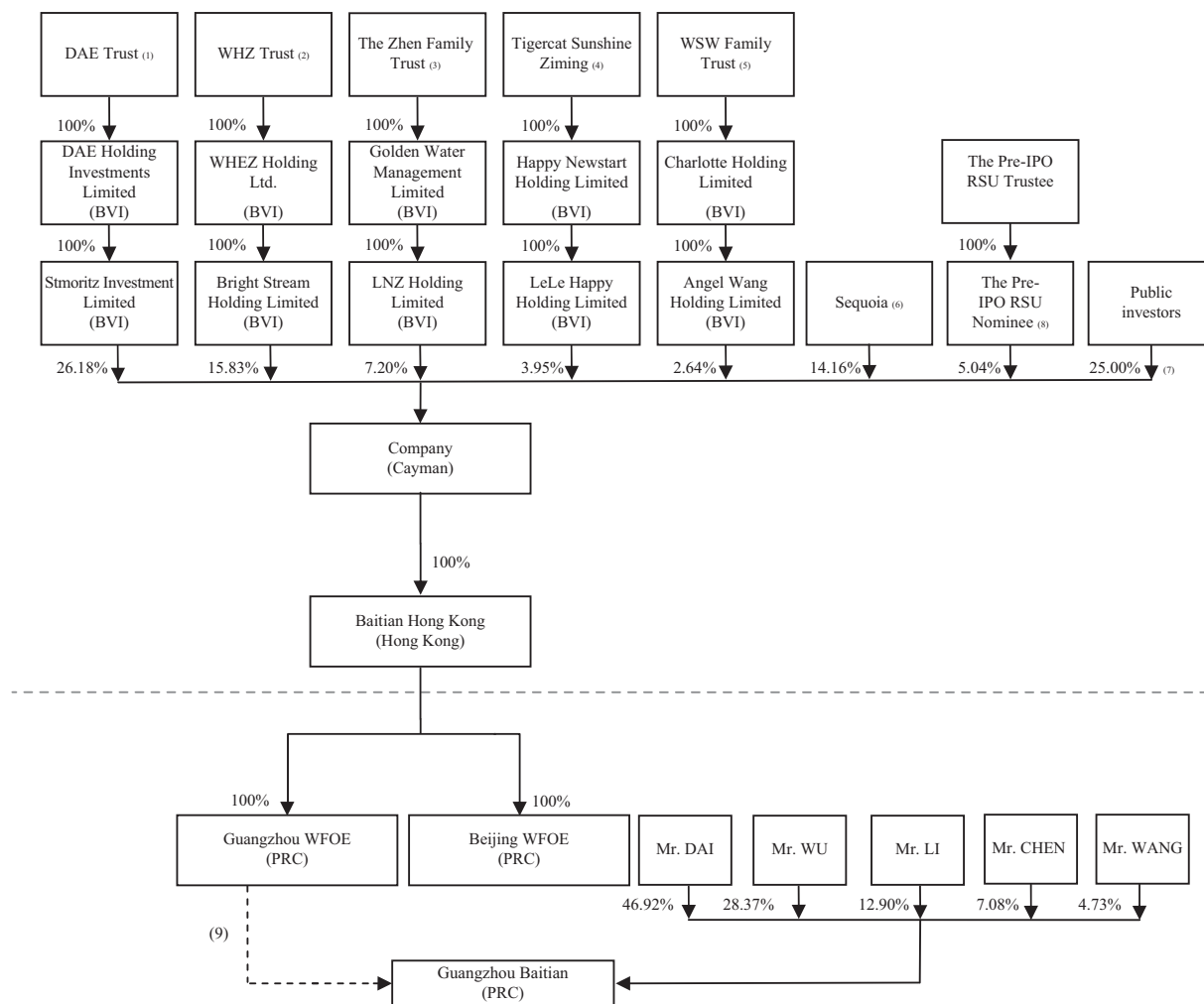
Notes:

- (1) The entire share capital of Stmoritz Investment Limited is wholly-owned by DAE Holding Limited and ultimately owned by TMF (Cayman) Ltd. as the trustee of the DAE Trust, which is a discretionary trust set up by Mr. DAI on December 27, 2013 for the benefit of himself and his family members, and for which Mr. DAI is a settlor and protector. TMF (Cayman) Ltd. is an Independent Third Party.
- (2) The entire share capital of Bright Stream Holding Limited is wholly-owned by WHEZ Holding Ltd. and ultimately owned by TMF (Cayman) Ltd. as the trustee of the WHZ Trust, which is a discretionary trust set up by Mr. WU on December 27, 2013 for the benefit of himself and his family members, and for which Mr. WU is a settlor and protector. TMF (Cayman) Ltd. is an Independent Third Party.
- (3) The entire share capital of LNZ Holding Limited is wholly-owned by Golden Water Management Limited and ultimately owned by TMF (Cayman) Ltd. as the trustee of the The Zhen Family Trust, which is a discretionary trust set up by Mr. LI on December 27, 2013 for the benefit of himself and his family members, and for which Mr. LI is a settlor and protector. TMF (Cayman) Ltd. is an Independent Third Party.
- (4) The entire share capital of LeLe Happy Holding Limited is wholly-owned by Happy Newstart Holding Limited and ultimately owned by TMF (Cayman) Ltd. as the trustee of the Tigercat Sunshine Trust, which is a discretionary trust set up by Mr. CHEN on December 27, 2013 for the benefit of himself and his family members, and for which Mr. CHEN is a settlor and protector. TMF (Cayman) Ltd. is an Independent Third Party.
- (5) The entire share capital of Angel Wang Holding Limited is wholly-owned by Charlotte Holding Limited and ultimately owned by TMF (Cayman) Ltd. as the trustee of the WSW Family Trust, which is a discretionary trust set up by Mr. WANG on December 27, 2013 for the benefit of himself and his family members, and for which Mr. WANG is a settlor and protector. TMF (Cayman) Ltd. is an Independent Third Party.
- (6) The shareholding percentage of Sequoia is calculated based on the assumption that all Series A Preferred Shares held by Sequoia will be converted into Ordinary Shares upon completion of the Global Offering pursuant to the terms in the Articles.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

- (7) As of the Latest Practicable Date, none of the share options granted under the Pre-IPO Share Option Scheme had been exercised by any Grantee.
- (8) As of the Latest Practicable Date, we had granted 142,316,000 RSUs pursuant to the Pre-IPO RSU Scheme and issued 142,316,000 Shares and allotted to the Pre-IPO RSU Nominee, an Independent Third Party. Furthermore, 10,000,000 of the 142,316,000 RSUs were granted to Mr. DAI.
- (9) The dotted line represents the New VIE Agreements between Guangzhou WFOE and Guangzhou Baitian.

Our corporate and shareholding structure immediately after the completion of the Global Offering (assuming the Over-allotment Option is not exercised and no Shares are issued under the Pre-IPO Share Option Scheme and the Post-IPO RSU Scheme):



Notes:

- (1) The entire share capital of Stmoritz Investment Limited is wholly-owned by DAE Holding Limited and ultimately owned by TMF (Cayman) Ltd. as the trustee of the DAE Trust, which is a discretionary trust set up by Mr. DAI on December 27, 2013 for the benefit of himself and his family members, and for which Mr. DAI is a settlor and protector.
- (2) The entire share capital of Bright Stream Holding Limited is wholly-owned by WHEZ Holding Ltd. and ultimately owned by TMF (Cayman) Ltd. as the trustee of the WHZ Trust, which is a discretionary trust set up by Mr. WU on December 27, 2013 for the benefit of himself and his family members, and for which Mr. WU is a settlor and protector.
- (3) The entire share capital of LNZ Holding Limited is wholly-owned by Golden Water Management Limited and ultimately owned by TMF (Cayman) Ltd. as the trustee of the The Zhen Family Trust, which is a discretionary trust set up by Mr. LI on December 27, 2013 for the benefit of himself and his family members, and for which Mr. LI is a settlor and protector.
- (4) The entire share capital of LeLe Happy Holding Limited is wholly-owned by Happy Newstart Holding Limited and ultimately owned by TMF (Cayman) Ltd. as the trustee of the Tigercat Sunshine Trust, which is a discretionary trust set up by Mr. CHEN on December 27, 2013 for the benefit of himself and his family members, and for which Mr. CHEN is a settlor and protector.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

- (5) The entire share capital of Angel Wang Holding Limited is wholly-owned by Charlotte Holding Limited and ultimately owned by TMF (Cayman) Ltd. as the trustee of the WSW Family Trust, which is a discretionary trust set up by Mr. WANG on December 27, 2013 for the benefit of himself and his family members, and for which Mr. WANG is a settlor and protector.
- (6) The shareholding percentage of Sequoia is calculated based on the assumption that all Series A Preferred Shares held by Sequoia will be converted into Ordinary Shares upon the completion of the Global Offering pursuant to the terms in the Articles.
- (7) As of the Latest Practicable Date, none of the share options granted under the Pre-IPO Share Option Scheme had been exercised by any Grantee.
- (8) As of the Latest Practicable Date, we had granted 142,316,000 RSUs pursuant to the Pre-IPO RSU Scheme, and issued 142,316,000 Shares and allotted to the Pre-IPO RSU Nominee, an Independent Third Party. Furthermore, 10,000,000 of the 142,316,000 RSUs were granted to Mr. DAL.
- (9) The dotted line represents the New VIE Agreements between Guangzhou WFOE and Guangzhou Baitian.