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## HISTORY, DEVELOPMENT AND REORGANIZATION

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### OVERVIEW

Our Company was incorporated in the BVI on July 15, 2003 as an international business company pursuant to the International Business Companies Act (Cap. 291). AsiaInfo Holdings, a former indirect shareholder of our Company immediately before the Reorganization, was listed on NASDAQ from March 3, 2000 until January 15, 2014 when it was delisted pursuant to the Privatization. As a result of the Reorganization, our Company has become the holding company of our Group.

### HISTORY AND BUSINESS MILESTONES

The history of our Group dates back to 1993 when Dr. Tian and Mr. Ding, together with certain other individuals using their own financial resources, established AsiaInfo Holdings in Dallas, Texas, United States, which operated its business mainly as an internet content provider. In 1995, AsiaInfo China was incorporated in the PRC and AsiaInfo Holdings' major business commenced operations in the PRC. Since then, the Group has gradually built up its BSS/OSS solutions capabilities and has become the leading provider of telecom software products and related services in the PRC. See "Corporate Development of Our Group—Early History of Our Group" below for more details of the early history and development of our Group.

Set out below are the key milestones in our Group's development:

- 1993 Dr. Tian and Mr. Ding, together with certain other individuals, founded AsiaInfo Holdings and operated its business mainly as an internet content provider.
- 1995 AsiaInfo China was incorporated under the laws of the PRC and AsiaInfo Holdings' major business commenced operations in the PRC. Since then, AsiaInfo Holdings had designed and undertaken numerous landmark projects, including China's first commercial internet national backbone network—ChinaNet, China's first national broadband IP network—CNCNet, China's first mobile IP backbone network and the world's then largest VoIP network, playing an instrumental role in the establishment and historic development of China's national information infrastructure.
- 1997 Our Group began to provide BSS/OSS services to China Mobile, China Telecom and China Unicom.
- 2000 AsiaInfo Holdings was listed on NASDAQ on March 3, 2000, and was among the first batch of Chinese high-technology companies to be listed on NASDAQ.
- 2003 Our Company was incorporated in the BVI on July 15, 2003.
- 2010 AsiaInfo Holdings merged with Linkage and was renamed AsiaInfo-Linkage, Inc. and AsiaInfo Nanjing became part of our Group. As a result, our Group became the largest provider of telecom software products and related services in China.
- 2014 AsiaInfo Holdings was delisted from NASDAQ on January 15, 2014 pursuant to the Privatization and was renamed AsiaInfo Holdings, LLC. CITIC Capital Entities, our Controlling Shareholders before Listing, became the single largest shareholder of AsiaInfo Holdings after completion of the Privatization.

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- 2015 With years of experience accumulated in technology and customer relations, we began to launch data-driven operation services, IoT platforms and IoT industry application solutions to telecom operators and their government and enterprise customers, representing a key milestone of the development of our new business sector.
- 2017 We developed the integrated CRM system for China Post, representing another key milestone of our expansion in the large enterprise market.

### CORPORATE DEVELOPMENT OF OUR GROUP

#### Early History of Our Group

Dr. Tian, Mr. Ding, together with certain other individuals, established AsiaInfo Holdings on June 17, 1993 under the laws of Dallas, Texas, USA, and operated its business as an internet content provider. AsiaInfo Holdings was subsequently re-domiciled to Delaware, USA in June 1998. Please see the section headed “Directors and Senior Management—Directors—Executive Directors” in this prospectus for further information on the background and experience of Dr. Tian and Mr. Ding.

Following the establishment of AsiaInfo China in 1995, the major businesses of AsiaInfo Holdings commenced operations in the PRC. See “Corporate Development of Our Group—Establishment and Development of Our Group—AsiaInfo China” below for more details.

#### Establishment and Development of Our Group

Set forth below are the establishment and development of our Company and our major subsidiaries:

##### *Our Company*

Our Company was incorporated under the name of Linkage Technologies Investment Limited in the BVI as an international business company pursuant to the International Business Companies Act (Cap. 291) on July 15, 2003 and was automatically re-registered under the BVI Business Companies Act on January 1, 2007. Upon its incorporation, our Company was authorized to issue 500,000 Shares with a par value of US\$0.10 each with one vote for each Share.

On July 1, 2010, Linkage transferred 9,288 Shares to AsiaInfo Technologies HK, at a total consideration of US\$60,000,000 in cash and 26,832,731 shares of common stocks of AsiaInfo Holdings. The consideration was based on arm’s length business negotiation between the parties, and settled on July 1, 2010. After completion of this transfer, AsiaInfo Technologies HK became the sole Shareholder of our Company.

On October 28, 2010, our Company was renamed as AsiaInfo-Linkage Technologies Investment Limited, which was subsequently renamed AsiaInfo Technologies Investment Limited on April 30, 2014, AsiaInfo Technologies Limited (亞信科技有限公司) on June 28, 2018 and was further renamed AsiaInfo Technologies Limited (亞信科技控股有限公司), our current name, on July 10, 2018.

In 2018, in preparation for the Listing, our Company has undertaken certain reorganization arrangements, as a result of which our Company became the holding company of our Group’s businesses. For details of the Reorganization, please refer to the subsection headed “Reorganization” below.

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### *AsiaInfo China*

On May 2, 1995, AsiaInfo China, which was initially named AsiaInfo Computer Network (Beijing) Co., Ltd. (亞信電腦網絡(北京)有限公司), was established under the laws of the PRC by AsiaInfo Services, then a wholly-owned subsidiary of AsiaInfo Holdings, as a wholly foreign-owned enterprise. Upon the establishment of AsiaInfo China, AsiaInfo Holdings moved its base of operations from Dallas, Texas, USA to Beijing, PRC, in order to capitalize on emerging opportunities in the rapidly developing internet market in the PRC.

On September 21, 1999, AsiaInfo China was renamed AsiaInfo Technology (China) Inc. (亞信科技(中國)有限公司). On July 5, 2010, upon completion of the Linkage Merger, AsiaInfo China was further renamed AsiaInfo-Linkage Technologies (China), Inc. (亞信聯創科技(中國)有限公司). On May 12, 2014, AsiaInfo China was renamed again to its current name AsiaInfo Technology (China) Inc. (亞信科技(中國)有限公司).

On November 10, 2011, AsiaInfo Holdings transferred its entire equity interest in AsiaInfo China to AsiaInfo Technologies HK, the consideration being the issuance of 1 new share by AsiaInfo Technologies HK to AsiaInfo Holdings.

The principal business of AsiaInfo China is the development and production of computer network systems software, computer network integration systems, computer network equipment parts, computer and software information consulting, system integration services, and technical consulting.

### *AsiaInfo Nanjing*

On February 16, 2004, AsiaInfo Nanjing, which was initially named Linkage Technology (Nanjing) Co., Ltd. (聯創科技(南京)有限公司), was established in the PRC by our Company as a wholly foreign-owned enterprise.

On July 1, 2010, upon completion of the Linkage Merger, our Company became a direct wholly-owned subsidiary of AsiaInfo Technologies HK and, consequently, AsiaInfo Nanjing became an indirect wholly-owned subsidiary of AsiaInfo Technologies HK.

On October 9, 2010, AsiaInfo Nanjing was renamed Linkage AsiaInfo Technologies (Nanjing), Inc. (聯創亞信科技(南京)有限公司). On May 4, 2014, upon completion of the Privatization, AsiaInfo Nanjing was further renamed to its current name of AsiaInfo Technologies (Nanjing), Inc. (亞信科技(南京)有限公司).

The principal business of AsiaInfo Nanjing is the development and production of computer network systems software, computer network integration systems, computer network equipment parts, computer and software information consulting, system integration services, and technical consulting.

## ACQUISITIONS, INVESTMENTS AND DISPOSALS

### **Linkage Merger**

On December 4, 2009, AsiaInfo Holdings entered into a business combination agreement with Linkage, an independent third party which was then a leading provider of software solutions and IT services for the telecom industry in the PRC (the “**Linkage Merger Agreement**”). Pursuant to the Linkage Merger Agreement, AsiaInfo Holdings agreed to purchase, directly or through its subsidiaries,

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from Linkage its 100% shareholding in our Company, at the time named Linkage Technologies Investment Limited (the “**Linkage Merger**”). The consideration for the Linkage Merger was US\$60 million in cash and 26,832,731 shares of the common stock of AsiaInfo Holdings (the “**Linkage Merger Consideration**”). The Linkage Merger Consideration was determined based on commercial negotiation. The Linkage Merger was duly completed on July 1, 2010 when (i) AsiaInfo Holdings issued to AsiaInfo Technologies HK 26,832,731 shares in AsiaInfo Holdings, being part of the Linkage Merger Consideration, in exchange for which AsiaInfo Technologies HK issued 1 new share to AsiaInfo Holdings; and (ii) AsiaInfo Technologies HK paid the Linkage Merger Consideration in full to Linkage and acquired the 100% shareholding in our Company. Upon completion of the Linkage Merger, our Company and its subsidiaries, including HK AsiaInfo Technologies and AsiaInfo Nanjing, became wholly-owned subsidiaries of AsiaInfo Technologies HK. As a result of the Linkage Merger, our Group became the largest provider of telecom software products and related service in China.

### **Acquisition of Equity Interests in AsiaInfo Big Data Limited**

On December 4, 2017, our Company acquired 2 ordinary shares of AsiaInfo Big Data, representing 100% of the issued shares of AsiaInfo Big Data, from AsiaInfo Cayman for nil consideration. The nil consideration was based on arm’s length commercial negotiation between the parties and the reason for nil consideration being AsiaInfo Big Data was loss-making at that time. Accordingly, the acquisition has been legally completed on December 4, 2017 in compliance with the applicable laws and regulations in all material respects and the requisite approvals for the disposal have been obtained from the relevant competent authorities. As a result of such acquisition, we strengthened our capability to provide big data products and services to our telecom operator customers.

### **Disposal of Equity Interests in AsiaInfo Chengdu**

On October 1, 2015, AsiaInfo China, an indirect wholly owned subsidiary of our Company, entered into a share transfer agreement with Nanjing AsiaInfo Information Security Technology Co., Ltd. (南京亞信信息安全技術有限公司) (“**Nanjing AsiaInfo Information Security**”), pursuant to which AsiaInfo China agreed to sell and Nanjing AsiaInfo Information Security agreed to purchase, 100% equity interests in AsiaInfo Chengdu. The consideration for the transfer was RMB80 million, which was determined based an asset valuation conducted by a professional valuer. The consideration was settled in full on October 30, 2015. Accordingly, the disposal has been legally completed and settled in compliance with the applicable laws and regulations in all material aspects and the requisite approvals for disposals have been obtained from the relevant competent authorities.

### **Disposals of Equity Interests in AsiaInfo Singapore, AsiaInfo Thailand and AsiaInfo UK**

On November 27, 2015, AsiaInfo Technologies HK transferred to International HK, an indirect wholly-owned subsidiary of AsiaInfo Cayman, 40,190,892 ordinary shares of AsiaInfo Singapore, representing 100% of the issued share capital of AsiaInfo Singapore, and 1 ordinary share of AsiaInfo Thailand, representing 0.0025% of the issued share capital of AsiaInfo Thailand. The consideration for the sale of the shares in AsiaInfo Singapore and AsiaInfo Thailand were US\$39,000,000 and THB100 respectively, which were based on arm’s length business negotiation between the parties. The consideration for each of the transfers was settled in full by International HK on November 27, 2015. Accordingly, the disposals have been legally completed and settled in compliance with the applicable laws and regulations in all material aspects and the requisite approvals for disposals have been obtained from the relevant competent authorities.

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As AsiaInfo Malaysia was wholly-owned by AsiaInfo Singapore, and AsiaInfo Singapore and AsiaInfo Malaysia together held 99.9975% of AsiaInfo Thailand, immediately after completion of the disposals, each of AsiaInfo Singapore, AsiaInfo Malaysia and AsiaInfo Thailand became a wholly-owned subsidiary of International HK.

On May 30, 2016, AsiaInfo Technologies HK transferred to International HK 28,389,269 ordinary shares of AsiaInfo UK, representing 100% of the issued share capital of AsiaInfo UK. The consideration for the sale was equivalent to RMB13,140,000, which was based on arm's length commercial negotiation between the parties. The consideration was settled in full by International HK on May 30, 2016. Accordingly, the disposal has been legally completed and settled in compliance with the applicable laws and regulations in all material aspects and the requisite approvals for the disposal have been obtained from the relevant competent authorities.

As each of AsiaInfo Denmark and AsiaInfo Hungary was wholly-owned by AsiaInfo UK, immediately after completion of the disposal, each of AsiaInfo UK, AsiaInfo Denmark and AsiaInfo Hungary became a wholly-owned subsidiary of International HK, and therefore became part of the International Business.

### **Acquisition of Equity Interests in AsiaInfo Hangzhou Cloud**

On April 1, 2010, AsiaInfo Chengdu entered into a share transfer agreement with seven independent third-party individuals, pursuant to which AsiaInfo Chengdu agreed to acquire 80% equity interest in AsiaInfo Hangzhou Cloud ("**Hangzhou Cloud Acquisition**"). AsiaInfo Hangzhou Cloud was principally engaged in radio and television industry operations and their related support systems. The total consideration of the Hangzhou Cloud Acquisition was RMB48,000,000 and determined based on business negotiations on arm's length basis between the relevant parties in good faith and settled on April 8, 2010. Upon completion, AsiaInfo Hangzhou Cloud became a subsidiary owned as to 80% by AsiaInfo Chengdu.

On June 25, 2012, AsiaInfo Chengdu entered into a share transfer agreement with an independent third-party individual, pursuant to which AsiaInfo Chengdu agreed to acquire 20% equity interest in AsiaInfo Hangzhou Cloud with the consideration of RMB6,539,035. Upon completion, AsiaInfo Hangzhou Cloud became a wholly-owned subsidiary of AsiaInfo Chengdu.

On December 15, 2015, AsiaInfo Hangzhou Software, a wholly-owned subsidiary of AsiaInfo Nanjing, purchased from AsiaInfo Chengdu, an indirect non-wholly-owned subsidiary of AsiaInfo Cayman, the 100% equity interests in AsiaInfo Hangzhou Cloud, representing 100% of its registered capital. The consideration for the sale was RMB10,365,238.01, which was determined based on business negotiation on arm's length basis between the parties. The consideration was settled in full by AsiaInfo Hangzhou Software on December 23, 2015.

Immediately after completion of the acquisition, AsiaInfo Hangzhou Cloud became an indirect wholly-owned subsidiary of AsiaInfo Technologies HK, and therefore became part of our Group.

The acquisitions have been legally completed and settled in compliance with the applicable PRC laws and regulations in all material aspects and the requisite approvals for the acquisitions have been obtained from the relevant competent authorities.

As a result of the acquisition, we strengthened our capability in providing software products and services to clients in radio and television industry.



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### LISTING AND DELISTING ON NASDAQ

#### Listing on NASDAQ

AsiaInfo Holdings, the then holding company of our operating subsidiaries, was listed on NASDAQ on March 3, 2000 pursuant to a public offering in the United States at the offer price of US\$24 per share. The net proceeds received by AsiaInfo Holdings from the public offering were approximately US\$127 million.

#### Privatization By Way of Merger and Delisting

On January 20, 2012, the board of directors of AsiaInfo Holdings received a non-binding proposal letter from Power Joy, pursuant to which Power Joy proposed to acquire all of the outstanding shares of common stock of AsiaInfo Holdings in cash at US\$12.00 per share, representing a premium over the then-current stock price of AsiaInfo Holdings.

On May 12, 2013, AsiaInfo Holdings entered into the Merger Agreement with Parent Cayman and Merger Sub, pursuant to which Merger Sub merged with and into AsiaInfo Holdings, with AsiaInfo Holdings continuing as the surviving entity and a wholly-owned subsidiary of Parent Cayman.

Prior to the Merger, Parent Cayman and Merger Sub were wholly-owned by Power Joy. Immediately prior to the effective time of the Merger, each of Power Joy and the Rollover Shareholders would contribute AsiaInfo Holdings' common stock owned by them to Parent Cayman in exchange for newly issued shares of Holdco Cayman, while each of the Privatization Sponsors would contribute their equity commitments to Parent Cayman in exchange for newly issued shares of Holdco Cayman. At the effective time of the Merger, Parent Cayman and Merger Sub were beneficially owned by Power Joy, the Rollover Stockholders and the Privatization Sponsors.

The Merger Consideration represented a premium of approximately 21.0% over AsiaInfo Holdings' closing price of US\$9.92 per share on January 19, 2012 (being the last trading day prior to the date on which the Merger proposal was announced), and a premium of 50.8% to the volume-weighted average closing price of AsiaInfo Holdings' shares for the previous 30-trading day period ended January 19, 2012. The total amount of funds necessary to complete the Privatization and related transactions, including payment of the Merger Consideration to the relevant shareholders pursuant to the Merger Agreement, was approximately US\$887 million.

The Privatization was approved by shareholders of AsiaInfo Holdings on December 19, 2013. Upon settlement of the Merger Consideration and completion of the Merger, AsiaInfo Holdings, as the surviving entity, merged with the Merger Sub and became a wholly-owned subsidiary of Parent Cayman on January 15, 2014. The market capitalization of AsiaInfo Holdings on January 15, 2014 (being the last trading day of its shares on NASDAQ) was approximately US\$883.5 million. As a result of the Privatization, AsiaInfo Holdings ceased to be a publicly traded company and was delisted from NASDAQ. On April 28, 2015, AsiaInfo Holdings was converted into a limited liability company and was renamed AsiaInfo Holdings, LLC.

#### Funding of the Privatization and Merger

The total amount of the Merger Consideration was financed through a combination of (i) the contribution of from the Rollover Stockholders and Power Joy to Parent Cayman, (ii) equity financing

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from each Privatization Sponsor, (iii) debt financing from a syndicate of Nomura International (Hong Kong) Limited, Bank of Taiwan, Cathay United Bank, Co., Ltd., ICBC International Capital Limited and Maybank Investment Bank Berhad and (iv) the contribution of certain shares of AsiaInfo Holdings' common stock underlying restricted stock units pursuant to the Merger Agreement.





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3. The 3.16% shareholding held by PacificInfo Limited in Holdco Cayman represents 2,331,250 Class A Shares held by it, which represents 3.22% of the voting rights in Holdco Cayman.
4. The 5.29% shareholding held by CBC reflects the 3,901,170 Class A Shares held by it in Holdco Cayman. The shares in Holdco Cayman held by CBC represent 5.38% of the voting rights in Holdco Cayman. Dr. Tian indirectly has full control over CBC Partners II L.P. which is the general partner of China Broadband Capital Partners II, L.P., which in turn is the sole shareholder of CBC.
5. The 1.93% shareholding beneficially and directly held by Mr. Ding reflects the 1,419,845 class B voting shares of a par value of US\$0.0005 each in the capital of Holdco Cayman (the “Class B Shares”). The shares in Holdco Cayman beneficially and directly held by Mr. Ding represent 1.96% of the voting rights in Holdco Cayman.
6. The 36.29% shareholding held by Skipper Investment Limited reflects the 26,740,619 Class B Shares held by it in Holdco Cayman. The shares in Holdco Cayman held by Skipper Investment Limited represent 36.89% of the voting rights in Holdco Cayman.
7. The 10.59% shareholding held by CA Software Investment Limited reflects the 7,802,341 Class B Shares held by it in Holdco Cayman. The shares in Holdco Cayman held by CA Software Investment Limited represent 10.76% of the voting rights in Holdco Cayman.
8. The 8.82% shareholding held by Ellington Investments Pte. Ltd. reflects the 6,501,951 Class B Shares held by it in Holdco Cayman. The shares in Holdco Cayman held by Ellington Investments Pte. Ltd. represent 8.97% of the voting rights in Holdco Cayman.
9. The 8.82% shareholding held by Al Gharrafa Investment Company reflects the 6,501,951 Class B Shares held by it in Holdco Cayman. The shares in Holdco Cayman held by Al Gharrafa Investment Company represent 8.97% of the voting rights in Holdco Cayman.
10. The 8.82% shareholding held by InnoValue Capital Ltd. reflects the 6,501,951 Class A Shares held by it in Holdco Cayman. The shares in Holdco Cayman held by InnoValue Capital Ltd. represent 8.97% of the voting rights in Holdco Cayman.
11. Other shareholders of Holdco Cayman include certain individuals, corporations and partnerships, who are either our employees or independent third parties.

### Reason for the Privatization

The delisting of AsiaInfo Holdings from NASDAQ allowed AsiaInfo Holdings to have greater flexibility to focus on improving its financial performance without the constraints caused by the public equity market’s valuation which emphasizes on short-term period-to-period performance.

### Compliance Record During our Listing on NASDAQ

Our Directors confirm that there were no material non-compliance incidents during the period in which AsiaInfo Holdings was listed on NASDAQ in any material respects and to the best knowledge of our Directors after having made all reasonable enquiries, there is no matter that should be brought to the investors’ attention in relation to the compliance record of AsiaInfo Holdings during its listing on NASDAQ.

### APPLICATION FOR LISTING ON THE HONG KONG STOCK EXCHANGE

Since our businesses and operations are primarily located, managed and conducted in the PRC, a listing in Hong Kong will not only contribute to opportunities for future fund-raising but also allow more Hong Kong and Asian-based investors to have a better understanding and appreciation of the Group’s business (including the potential accessibility to the Stock Connect scheme which would allow the Company to tap investors based in the PRC). This will also provide better synergy for us in terms of brand awareness, raise our corporate profile, as well as enhance the Company’s corporate governance to provide better services to corporate clients. After the delisting of AsiaInfo Holdings from NASDAQ in 2014, AsiaInfo Holdings and the Group pursued certain rationalization initiatives on the corporate structure and business operations of the Group through a series of reorganization steps without the constraints caused by capital markets valuation. The business rationalization initiatives allowed the Group to focus on developing its existing core products and services and reach a more stable stage of its development. As such rationalization initiatives have been completed, the Directors consider that the Group is ready to re-enter capital markets and seek a listing of the Group’s business in Hong Kong. Taking into account the increasing number of listings and initial public offerings of companies in the TMT industry and given the advantages above, the Directors considered that a listing and share offer in Hong Kong will bring benefits to the Company and its Shareholders as a whole.

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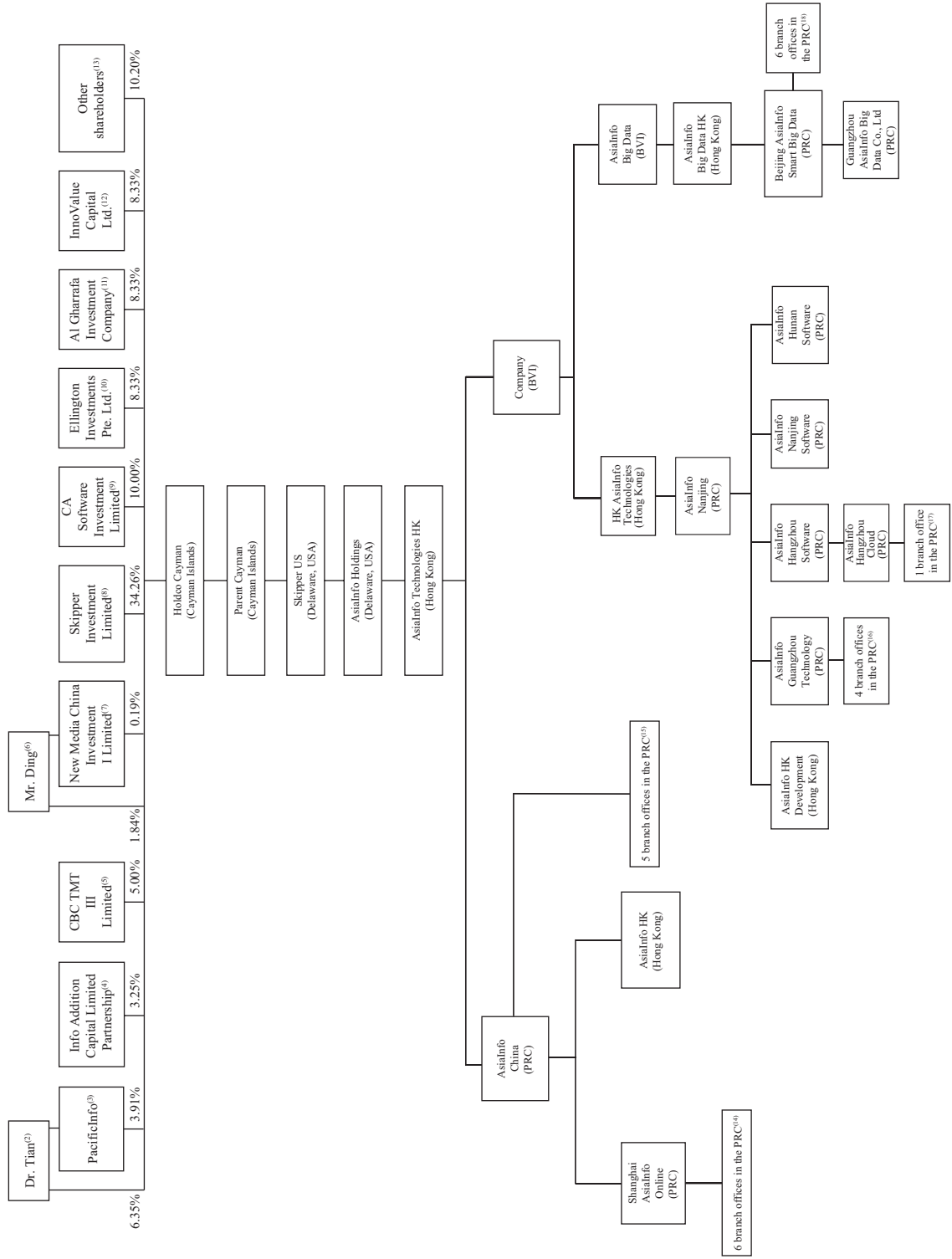
### INFORMATION ON OUR MATERIAL OPERATING SUBSIDIARIES

The following table sets forth information in relation to the identities, places and dates of incorporation or establishment, registered capital and principal businesses of our material operating subsidiaries as of the Latest Practicable Date:

<u>Name</u>	<u>Date of Incorporation</u>	<u>Place of Incorporation</u>	<u>Registered Capital</u>	<u>Principal Businesses</u>
AsiaInfo China	May 2, 1995	PRC	US\$26,040,570	Development and production of computer network systems software, computer network integration systems, computer network equipment parts, computer and software information consulting, system integration services, and technical consulting
AsiaInfo Nanjing	February 16, 2004	PRC	US\$11,000,000	Development and production of computer network systems software, computer network integration systems, computer network equipment parts, computer and software information consulting, system integration services, and technical consulting
AsiaInfo Hangzhou Cloud	February 25, 2007	PRC	RMB10,000,000	Development of technology and technical services, transfer of results and computer software products
Beijing AsiaInfo Smart Big Data	August 21, 2014	PRC	RMB285,200,000	Computer software and network technology development, technical consulting, computer system integration and data processing

REORGANIZATION

Set out below is the shareholding structure of our Group immediately prior to the commencement of the Reorganization (unless otherwise specified, each subsidiary is 100% owned by its holding company<sup>(1)</sup>):



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*Notes:*

1. The percentage of the shares are rounded to the nearest 2 decimal places, and the total number of the percentages may not add up to 100% due to rounding.
2. The 6.35% shareholding beneficially and directly held by Dr. Tian reflects the 4,938,454 class A voting shares of a par value of US\$0.0005 each in the capital of Holdco Cayman (the “**Class A Shares**”) and 19,743 class C non-voting shares of a par value of US\$0.0005 each in the capital of Holdco Cayman (the “**Class C Shares**”) held by him in Holdco Cayman. The shares in Holdco Cayman beneficially and directly held by Dr. Tian represent 6.81% of the voting rights in Holdco Cayman. In addition, since (i) Dr. Tian is the sole shareholder of Info Addition Limited, which in turn is the general partner of Info Addition Capital Limited Partnership (“**Info Addition**”); (ii) Dr. Tian indirectly has full control over CBC Partners II L.P. which is the general partner of China Broadband Capital Partners II, L.P., which in turn is the sole shareholder of CBC TMT III Limited (“**CBC**”); and (iii) PacificInfo is wholly owned by Dr. Tian, Dr. Tian is deemed to control the shares in Holdco Cayman held by each of Info Addition, CBC and PacificInfo.
3. The 3.91% shareholding held by PacificInfo Limited in Holdco Cayman represents 3,051,250 Class A Shares held by it, which represents 4.21% of the voting rights in Holdco Cayman.
4. The 3.25% shareholding held by Info Addition Capital Limited Partnership reflects the 2,537,796 Class A Shares held by it in Holdco Cayman. The shares in Holdco Cayman held by Info Addition represent 3.50% of the voting rights in Holdco Cayman. Dr. Tian is the sole shareholder of Info Addition Limited, which in turn is the general partner of Info Addition.
5. The 5.00% shareholding held by CBC reflects the 3,901,170 Class A Shares held by it in Holdco Cayman. The shares in Holdco Cayman held by CBC represent 5.38% of the voting rights in Holdco Cayman. Dr. Tian indirectly has full control over CBC Partners II L.P. which is the general partner of China Broadband Capital Partners II, L.P., which in turn is the sole shareholder of CBC.
6. The 1.84% shareholding beneficially and directly held by Mr. Ding reflects the 1,419,845 Class B voting shares of a par value of US\$0.005 each in the capital of Holdco Cayman (the “**Class B Shares**”) held by it in Holdco Cayman, and 19,743 Class C Shares held by him in Holdco Cayman. The shares in Holdco Cayman beneficially and directly held by Mr. Ding represent 1.96% of the voting rights in Holdco Cayman.
7. The 0.19% shareholding held by New Media China Investment I Limited in Holdco Cayman represents 149,805 Class B Shares held by it, which represents 0.21% of the voting rights in Holdco Cayman. New Media China Investment I Limited is wholly owned by Mr. Ding.
8. The 34.26% shareholding held by Skipper Investment Limited reflects the 26,740,619 Class B Shares held by it in Holdco Cayman. The shares in Holdco Cayman held by Skipper Investment Limited represent 36.89% of the voting rights in Holdco Cayman. Power Joy is the holding company of Skipper Investment Limited, which is a direct wholly-owned subsidiary of CITIC Capital China Partners II, L.P.
9. The 10.00% shareholding held by CA Software Investment Limited reflects the 7,802,341 Class B Shares. The shares in Holdco Cayman held by CA Software Investment Limited represent 10.76% of the voting rights in Holdco Cayman. CA Software Investment Limited is wholly-owned by CPEChina Fund, L.P., of which CITIC PE Associates, L.P. is the general partner.
10. The 8.33% shareholding held by Ellington Investments Pte. Ltd. reflects the 6,501,951 Class B Shares held by it in Holdco Cayman. The shares in Holdco Cayman held by Ellington Investments Pte. Ltd. represent 8.97% of the voting rights in Holdco Cayman. Ellington Investments Pte. Ltd. is wholly-owned by Bartley Investments Pte. Ltd., which in turn is wholly-owned by Tembusu Capital Pte. Ltd., which in turn is wholly-owned by Temasek Holdings (Private) Limited.
11. The 8.33% shareholding held by Al Gharrafa Investment Company reflects the 6,501,951 Class B Shares held by it in Holdco Cayman. The shares in Holdco Cayman held by Al Gharrafa Investment Company represent 8.97% of the voting rights in Holdco Cayman. Al Gharrafa Investment Company is wholly-owned by Qatar Holding LLC.
12. The 8.33% shareholding held by InnoValue Capital Ltd. reflects the 6,501,951 Class A Shares held by it in Holdco Cayman. The shares in Holdco Cayman held by InnoValue Capital Ltd. represent 8.97% of the voting rights in Holdco Cayman. InnoValue Capital Ltd. is wholly-owned by Ms. LIU Tzu-Lien.
13. Other shareholders of Holdco Cayman include certain individuals, corporations and partnerships, who are either our employees or independent third parties. None of them hold more than 1% shareholding interest in Holdco Cayman. The shares in Holdco Cayman held by other shareholders represent 3.36% of the voting rights in Holdco Cayman.
14. The 6 branch offices of Shanghai AsiaInfo Online are: Shanghai AsiaInfo Online Technology Limited Beijing Branch; Shanghai AsiaInfo Online Technology Limited Nanjing Branch; Shanghai AsiaInfo Online Technology Limited Guangzhou Branch; Shanghai AsiaInfo Online Technology Limited Changsha Branch; Shanghai AsiaInfo Online Technology Limited Hangzhou Branch and Shanghai AsiaInfo Online Technology Limited Chongqing Branch.
15. The 5 branch offices of AsiaInfo China are: AsiaInfo Technologies (China), Inc. Fuzhou Branch; AsiaInfo Technologies (China), Inc. Shenyang Branch; AsiaInfo Technologies (China), Inc. Guangzhou Branch; AsiaInfo Technologies (China), Inc. Shanghai Branch and AsiaInfo Technologies (China), Inc. Chengdu Branch.
16. The 4 branch offices of AsiaInfo Guangzhou Technology are: Guangzhou AsiaInfo Technology Co., Ltd Fuzhou Branch; Guangzhou AsiaInfo Technology Co., Ltd Chengdu Branch; Guangzhou AsiaInfo Technology Co., Ltd Shanghai Branch and Guangzhou AsiaInfo Technology Co., Ltd Hangzhou Branch.
17. The 1 branch office of AsiaInfo Hangzhou Cloud is Hangzhou AsiaInfo Cloud Information Technologies Limited Beijing Branch.
18. The 6 branch offices of Beijing AsiaInfo Smart Big Data are: Beijing AsiaInfo Smart Big Data Co., Ltd Nanjing Branch; Beijing AsiaInfo Smart Big Data Co., Ltd Chengdu Branch; Beijing AsiaInfo Smart Big Data Co., Ltd Fuzhou Branch; Beijing AsiaInfo Smart Big Data Co., Ltd Hangzhou Branch; Beijing AsiaInfo Smart Big Data Co., Ltd Shanghai Branch and Beijing AsiaInfo Smart Big Data Co., Ltd Guangzhou Branch.

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In preparation for the Listing, our Group has undertaken the Reorganization which involves the following steps:

### **Step 1: Transfer of HK AsiaInfo Technologies and AsiaInfo Big Data to AsiaInfo Technologies HK and Transfer of the Company to AsiaInfo Holdings**

On April 29, 2018, the Company, AsiaInfo Holdings and AsiaInfo Technologies HK entered into a deed of reorganization (the “**Reorganization Deed**”) pursuant to which (i) the Company agreed to transfer all of the issued shares of HK AsiaInfo Technologies and AsiaInfo Big Data to AsiaInfo Technologies HK; and (ii) AsiaInfo Technologies HK agreed to transfer all issued shares in the Company to AsiaInfo Holdings.

The transfers were completed on April 29, 2018. Immediately after completion of the transactions contemplated under the Reorganization Deed, (i) HK AsiaInfo Technologies and AsiaInfo Big Data became indirect wholly-owned subsidiaries of AsiaInfo Holdings through AsiaInfo Technologies HK, and (ii) the Company became a direct wholly-owned subsidiary of AsiaInfo Holdings.

### **Step 2: Transfer of AsiaInfo Technologies HK to the Company and Issuance of Share to AsiaInfo Holdings**

On April 30, 2018, the Company and AsiaInfo Holdings entered into a share transfer agreement (the “**Share Transfer Agreement**”) pursuant to which the Company agreed to allot and issue one new Share to AsiaInfo Holdings in consideration for AsiaInfo Holdings transferring all of the issued shares of AsiaInfo Technologies HK to the Company.

The transfer was completed on April 30, 2018. Immediately after the completion of the transactions contemplated under the Share Transfer Agreement, AsiaInfo Technologies HK became a direct wholly-owned subsidiary of the Company.

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### Step 3: Allotment and Issuance of New Shares by the Company to All of the Then Shareholders of Holdco Cayman

On June 26, 2018, the Company allotted and issued an aggregate of 78,043,522 new Shares to all of the then existing shareholders of Holdco Cayman for an aggregate nominal consideration of HK\$78.04 with reference to their respective shareholding in Holdco Cayman immediately before the commencement of the Reorganization (the “**Pushdown Allotment**”). Details of the Pushdown Allotment are set forth below:

Name of Allottee	Number of Shares in the Company allotted and issued	% of shareholding in the Company after the Pushdown Allotment	Consideration paid (HK\$)
Skipper Investment Limited . . . . .	26,740,619	34.2637%	26.74
CA Software Investment Limited . . . . .	7,802,341	9.9974%	7.80
Ellington Investments Pte. Ltd. . . . .	6,501,951	8.3312%	6.50
Al Gharrafa Investment Company . . . . .	6,501,951	8.3312%	6.50
InnoValue Capital Ltd. . . . .	6,501,951	8.3312%	6.50
Dr. Tian <sup>(1)</sup> . . . . .	4,958,197	6.3531%	4.96
CBC TMT III Limited . . . . .	3,901,170	4.9987%	3.90
PacificInfo Limited . . . . .	3,051,250	3.9097%	3.05
Info Addition Capital Limited Partnership . . . . .	2,537,796	3.2518%	2.54
Mr. Ding <sup>(2)</sup> . . . . .	1,439,588	1.8446%	1.44
World Sun Global Limited . . . . .	650,195	0.8331%	0.65
Hongtao Investment-I Ltd . . . . .	520,156	0.6665%	0.52
Rosehearty Investments LLC . . . . .	520,156	0.6665%	0.52
Mr. WANG Zhongjun . . . . .	260,078	0.3332%	0.26
New Media China Investment I Limited . . . . .	149,805	0.1920%	0.15
Mr. WU Jun . . . . .	147,337	0.1888%	0.15
AsiaInfo Resolute Limited I (the special purpose vehicle of Trust I) <sup>(3)</sup> . . . . .	3,958,552 <sup>(5)</sup>	5.0722%	3.96
AsiaInfo Resolute Limited II (the special purpose vehicle of Trust II) <sup>(4)</sup> . . . . .	1,900,429	2.4351%	1.90
<b>Total</b> . . . . .	<b><u>78,043,522<sup>(5)</sup></u></b>	<b><u>100%</u></b>	<b><u>78.04</u></b>

*Notes:*

- The 4,958,197 Shares of the Company issued to Dr. Tian reflect the 4,938,454 Class A Shares and 19,743 Class C Shares he then held in Holdco Cayman.
- The 1,439,588 Shares of the Company issued to Mr. Ding reflect the 1,419,845 Class B Shares and 19,743 Class C Shares he then held in Holdco Cayman.
- A total of 3,958,552 Shares in the Company were issued to AsiaInfo Resolute Limited I, being the special purpose vehicle of the Trust I, which were held on trust for certain holders of Class C Shares who were employees, ex-employees, consultants and ex-consultants of the Group (the “**Employee Shareholders**”). Each of the Employee Shareholders has confirmed in writing that Trust I shall subscribe for and hold such Shares of the Company that each of them was otherwise entitled to subscribe for and own personally as a result of the Pushdown Allotment on trust for them.
- A total of 1,900,429 Shares in the Company were issued to AsiaInfo Resolute Limited II, being a special purpose vehicle of the Trust II, which were held on trust for the certain holders of Class C Shares who were members of the management team of the Group (the “**Management Shareholders**”). Each of the Management Shareholders has confirmed in writing that Trust II shall subscribe for and hold Shares in the Company that each of them was otherwise entitled to subscribe for and own personally as a result of the Pushdown Allotment on trust for them.
- A total of 17 holders of Class C Shares holding an aggregate of 4,503 Class C Shares were either untraceable or had declined to participate in the Reorganization and therefore have not been issued any Shares of the Company in respect of the 4,503 Class C Shares held by such holders of Class C Shares.

### Step 4: Surrender of Shares by AsiaInfo Holdings

Pursuant to a share surrender letter signed by AsiaInfo Holdings, AsiaInfo Holdings surrendered all of the Shares in the Company held by AsiaInfo Holdings immediately after the

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## HISTORY, DEVELOPMENT AND REORGANIZATION

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Pushdown Allotment on June 26, 2018. Following the aforementioned surrender of Shares, AsiaInfo Holdings ceased to be a Shareholder of the Company.

### **Step 5: Adoption of the Pre-IPO Share Option Scheme and the Pre-IPO RSA Scheme and Grant of Share Options and RSAs**

#### *Pre-IPO Share Option Scheme*

On June 26, 2018, we adopted the Pre-IPO Share Option Scheme. On July 11, 2018 and August 1, 2018, pursuant to the Pre-IPO Share Option Scheme, we have granted an aggregate of 15,055,107 share options (being 120,440,856 share options after taking into account the Share Subdivision), representing rights to subscribe for 15,055,107 Shares (being 120,440,856 Shares after taking into account of Share Subdivision) to certain grantees who are our employees, ex-employees, consultants and ex-consultants (including members of our management team).

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

#### *Pre-IPO RSA Scheme*

On June 26, 2018, we adopted the Pre-IPO RSA Scheme. On July 11, 2018 and August 1, 2018, pursuant to the Pre-IPO RSA Scheme, we have granted an aggregate of 2,561,241 RSAs (being 20,489,928 RSAs after taking into account the Share Subdivision), representing rights to receive 2,561,241 Shares (being 20,489,928 Shares after taking into account of Share Subdivision) to certain grantees who are our employees, ex-employees, consultants and ex-consultants (including members of our management team).

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

### **EXERCISE OF SHARES OPTIONS/VESTING OF RSAs BEFORE THE LISTING AND THE ISSUANCE OF NEW SHARES**

On July 11, 2018, a total of 5,875 Shares (being 47,000 Shares after taking into account of Share Subdivision) were issued to certain grantees of the share options as a result of the exercise of certain share options granted under the Pre-IPO Share Option Scheme. On the same day, a total of 466,126 Shares (being 3,729,008 Shares after taking into account of Share Subdivision) were issued to certain grantees of the RSAs as a result of the vesting of certain RSAs granted under the Pre-IPO RSA Scheme. The 472,001 Shares allotted and issued pursuant to the above were held by SPV I and SPV II (being the special purpose vehicles of Trust I and Trust II respectively) on trust for the relevant grantees.

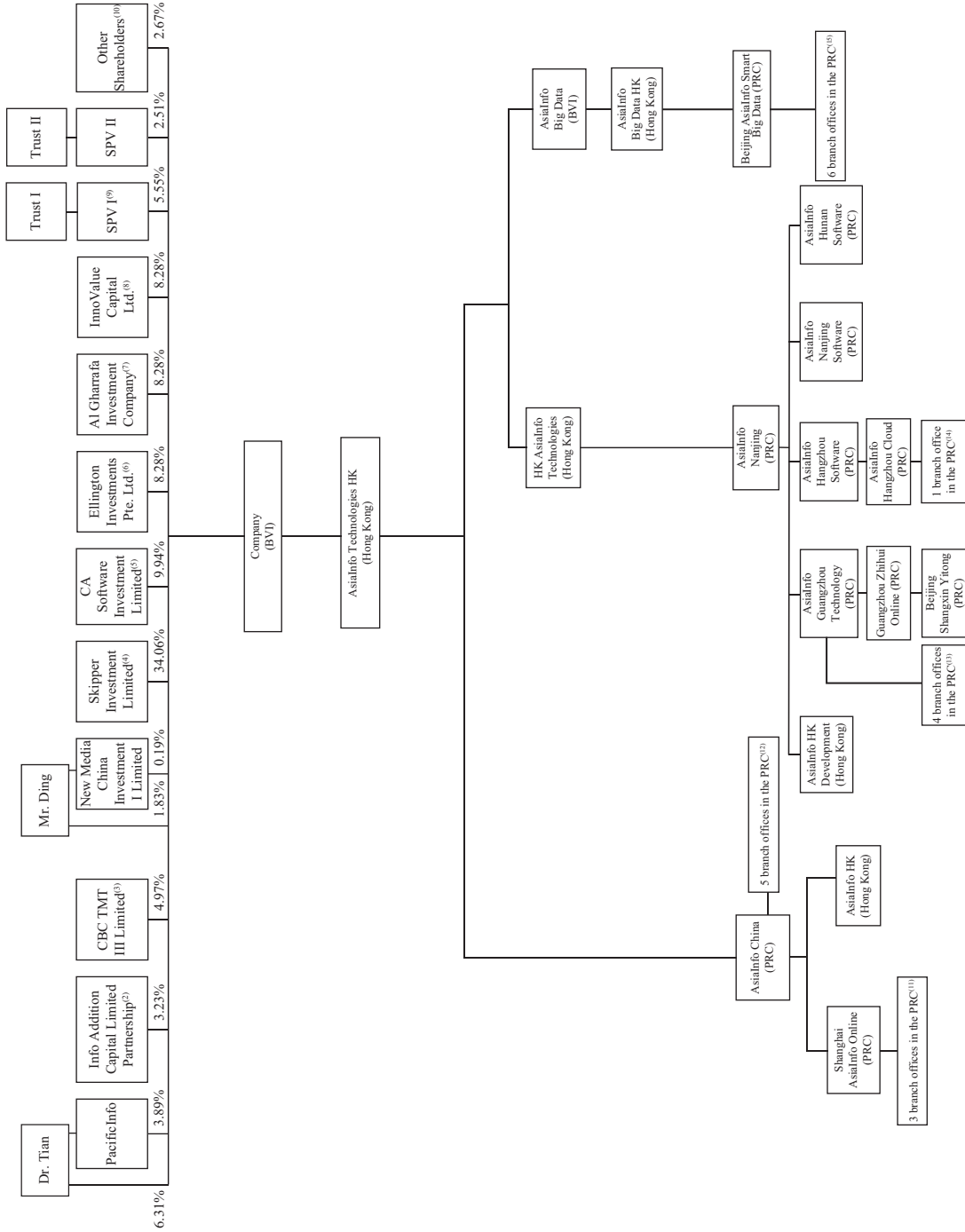
### **SHARE SUBDIVISION**

On November 26, 2018, our Shareholders resolved that each issued and unissued Shares of HK\$0.0000001 par value each of our Company be subdivided into 8 Shares of HK\$0.000000125 par value each. The Shareholders authorized the making of the filing in respect of the same with the Registrar of Corporate Affairs in the BVI and thereby giving effect to the same upon filing.



# HISTORY, DEVELOPMENT AND REORGANIZATION

The following chart sets forth our shareholding structure of our Group after the completion of the Reorganization and immediately prior to the Global Offering (unless otherwise specified, each subsidiary is 100% owned by its holding company<sup>(1)</sup>):



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## HISTORY, DEVELOPMENT AND REORGANIZATION

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*Notes:*

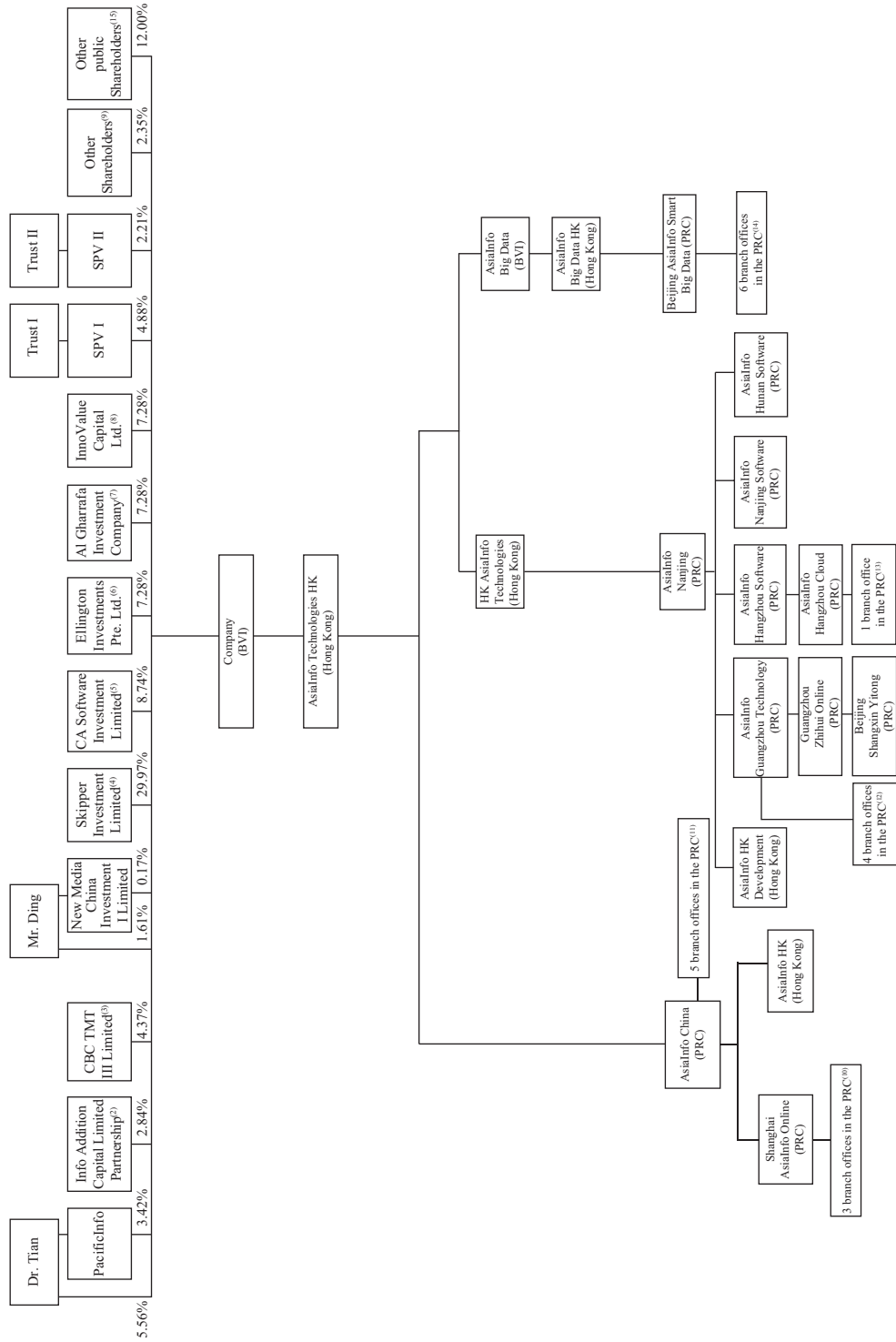
1. The percentage of the Shares are rounded to the nearest 2 decimal places, and the total number of the percentages may not add up to 100% due to rounding.
2. Dr. Tian is the sole shareholder of Info Addition Limited, which in turn is the general partner of Info Addition.
3. Dr. Tian indirectly has full control over CBC Partners II L.P. which is the general partner of China Broadband Capital Partners II, L.P., which in turn is the sole shareholder of CBC TMT III Limited.
4. Power Joy is the holding company of Skipper Investment Limited, which is a direct wholly-owned subsidiary of CITIC Capital China Partners II, L.P.
5. CA Software Investment Limited is wholly-owned by CPEChina Fund, L.P., of which CITIC PE Associates, L.P. is the general partner. The Shares held by CA Software Investment Limited are counted towards our public float under Rule 8.08 of the Listing Rules.
6. Ellington Investments Pte. Ltd. is wholly-owned by Bartley Investments Pte. Ltd., which in turn is wholly-owned by Tembusu Capital Pte. Ltd., which in turn is wholly-owned by Temasek Holdings (Private) Limited. The Shares held by Ellington Investments Pte. Ltd. are counted towards our public float under Rule 8.08 of the Listing Rules.
7. Al Gharrafa Investment Company is wholly-owned by Qatar Holding LLC. The Shares held by Al Gharrafa Investment Company are counted towards our public float under Rule 8.08 of the Listing Rules.
8. InnoValue Capital Ltd. is wholly-owned by Ms. LIU Tzu-Lien. The Shares held by InnoValue Capital Ltd. are counted towards our public float under Rule 8.08 of the Listing Rules.
9. The Shares held by SPV I are counted towards our public float under Rule 8.08 of the Listing Rules.
10. Other Shareholders include certain individuals, corporations and partnerships, each of which was a Shareholder of the Company prior to Listing and hold no more than 1% shareholding interest in the Company. The Shares held by other shareholders are counted towards our public float under Rule 8.08 of the Listing Rules.
11. The 3 branch offices of Shanghai AsiaInfo Online are: Shanghai AsiaInfo Online Technology Limited Beijing Branch; Shanghai AsiaInfo Online Technology Limited Guangzhou Branch and Shanghai AsiaInfo Online Technology Limited Chongqing Branch.
12. The 5 branch offices of AsiaInfo China are: AsiaInfo Technologies (China), Inc. Fuzhou Branch; AsiaInfo Technologies (China), Inc. Shenyang Branch; AsiaInfo Technologies (China), Inc. Guangzhou Branch; AsiaInfo Technologies (China), Inc. Shanghai Branch and AsiaInfo Technologies (China), Inc. Chengdu Branch.
13. The 4 branch offices of AsiaInfo Guangzhou Technology are: Guangzhou AsiaInfo Technology Co., Ltd Fuzhou Branch; Guangzhou AsiaInfo Technology Co., Ltd Chengdu Branch; Guangzhou AsiaInfo Technology Co., Ltd Shanghai Branch and Guangzhou AsiaInfo Technology Co., Ltd Hangzhou Branch.
14. The 1 branch office of AsiaInfo Hangzhou Cloud is Hangzhou AsiaInfo Cloud Information Technologies Limited Beijing Branch.
15. The 6 branch offices of Beijing AsiaInfo Smart Big Data are: Beijing AsiaInfo Smart Big Data Co., Ltd Nanjing Branch; Beijing AsiaInfo Smart Big Data Co., Ltd Chengdu Branch; Beijing AsiaInfo Smart Big Data Co., Ltd Fuzhou Branch; Beijing AsiaInfo Smart Big Data Co., Ltd Hangzhou Branch; Beijing AsiaInfo Smart Big Data Co., Ltd Shanghai Branch and Beijing AsiaInfo Smart Big Data Co., Ltd Guangzhou Branch.

### Shareholders' Agreement

Immediately after the Reorganization, the Company and certain Shareholders, including Skipper Investment Limited, CA Software Investment Limited, Al Gharrafa Investment Company, Ellington Investments Pte. Ltd., CBC TMT III Limited, InnoValue Capital Ltd., World Sun Global Limited, Hongtao Investment-I Ltd (former name known as Eager Info Investments Limited), Zhongjun Wang, Rosehearty Investments LLC, Dr. Tian, PacificInfo Limited, Info Addition Capital Limited Partnership, New Media China Investment I Limited, Mr. Ding, AsiaInfo Resolute Limited I and AsiaInfo Resolute Limited II entered into a Shareholders' Agreement dated June 26, 2018, pursuant to which certain shareholders of the Company were granted a number of special rights in the Company, including but without limitation pre-emptive rights, anti-dilution rights, information rights, drag along rights and tag along rights. The Shareholders' Agreement and such special rights will terminate effective upon completion of the Global Offering in accordance with the terms of the Shareholders' Agreement.

**OUR STRUCTURE IMMEDIATELY FOLLOWING THE GLOBAL OFFERING**

The following chart sets forth our shareholding structure immediately after the completion of the Share Subdivision and the Global Offering, without taking into consideration of any Shares that may be issued pursuant to the exercise of the Over-allotment Option and the outstanding share options granted under the Pre-IPO Share Option Scheme and the vesting of the outstanding RSAs granted under the Pre-IPO RSA Scheme (unless otherwise specified, each subsidiary is 100% owned by its holding company<sup>(1)</sup>):



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## HISTORY, DEVELOPMENT AND REORGANIZATION

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*Notes:*

1. The percentage of the Shares are rounded to the nearest 2 decimal places, and the total number of the percentages may not add up to 100% due to rounding.
2. Dr. Tian is the sole shareholder of Info Addition Limited which in turn is the general partner of Info Addition.
3. Dr. Tian indirectly has full control over CBC Partners II L.P. which is the general partner of China Broadband Capital Partners II, L.P. which in turn is the sole shareholder of CBC TMT III Limited.
4. Power Joy is the holding company of Skipper Investment Limited, which is a direct wholly-owned subsidiary of CITIC Capital China Partners II, L.P.
5. CA Software Investment Limited is wholly-owned by CPEChina Fund, L.P., of which CITIC PE Associates, L.P. is the general partner.
6. Ellington Investments Pte. Ltd. is wholly-owned by Bartley Investments Pte. Ltd., which in turn is wholly-owned by Tembusu Capital Pte. Ltd., which in turn is wholly-owned by Temasek Holdings (Private) Limited.
7. Al Gharrafa Investment Company is wholly-owned by Qatar Holding LLC.
8. InnoValue Capital Ltd. is wholly-owned by Ms. LIU Tzu-Lien.
9. Other Shareholders include certain individuals, corporations and partnerships, each of which held no more than 1% shareholding interest in the Company.
10. The 3 branch offices of Shanghai AsiaInfo Online are: Shanghai AsiaInfo Online Technology Limited Beijing Branch; Shanghai AsiaInfo Online Technology Limited Guangzhou Branch and Shanghai AsiaInfo Online Technology Limited Chongqing Branch.
11. The 5 branch offices of AsiaInfo China are: AsiaInfo Technologies (China), Inc., Fuzhou Branch; AsiaInfo Technologies (China), Inc. Shenyang Branch; AsiaInfo Technologies (China), Inc. Guangzhou Branch; AsiaInfo Technologies (China), Inc. Shanghai Branch and AsiaInfo Technologies (China), Inc. Chengdu Branch.
12. The 4 branch offices of AsiaInfo Guangzhou Technology are: Guangzhou AsiaInfo Technology Co., Ltd Fuzhou Branch; Guangzhou AsiaInfo Technology Co., Ltd Chengdu Branch; Guangzhou AsiaInfo Technology Co., Ltd Shanghai Branch and Guangzhou AsiaInfo Technology Co., Ltd Hangzhou Branch.
13. The 1 branch office of AsiaInfo Hangzhou Cloud is Hangzhou AsiaInfo Cloud Information Technologies Limited Beijing Branch.
14. The 6 branch offices of Beijing AsiaInfo Smart Big Data are: Beijing AsiaInfo Smart Big Data Co., Ltd Nanjing Branch; Beijing AsiaInfo Smart Big Data Co., Ltd Chengdu Branch; Beijing AsiaInfo Smart Big Data Co., Ltd Fuzhou Branch; Beijing AsiaInfo Smart Big Data Co., Ltd Hangzhou Branch; Beijing AsiaInfo Smart Big Data Co., Ltd Shanghai Branch and Beijing AsiaInfo Smart Big Data Co., Ltd Guangzhou Branch.
15. Other public Shareholders refer to persons who become Shareholders of the Company immediately upon Listing.

## COMPLIANCE WITH PRC LAWS AND REGULATIONS

### M&A Rules

The Provisions on Mergers and Acquisitions of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》) (“**M&A Rules**”), jointly promulgated by MOFCOM, SAT, SAIC, CSRC, SAFE and SASAC on August 8, 2006 and became effective on September 8, 2006 and was amended on June 22, 2009, govern, among other things, the purchase by foreign investors of equity interests in domestic enterprises, the subscription of the equity interests in domestic enterprises, and the purchase and operation by foreign investors of the assets and business of a domestic enterprise. In addition, the M&A Rules contain provisions which purport to require an offshore special purpose vehicle formed for listing purposes and controlled by PRC companies or individuals, to obtain the approval of CSRS prior to the offering of its securities on an overseas stock exchange market.

As advised by our PRC Legal Advisor, prior MOFCOM or CSRC approval for this offering is not required because our wholly-owned PRC subsidiaries were not established through mergers or acquisitions of domestic companies owned by PRC companies or individuals as defined under the M&A Rules that are the beneficial owners of our Company.

### SAFE Registration in the PRC

Pursuant to the SAFE Circular 37, promulgated by SAFE and which replaced the SAFE Circular 75 and became effective on July 4, 2014, (a) a PRC resident must register with the local SAFE branch before he or she contributes assets or equity interests in an overseas special purpose vehicle (“**SPV**”) that is directly established or indirectly controlled by the PRC resident for the purpose of conducting investment or financing, and (b) 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 SPV, including,

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## HISTORY, DEVELOPMENT AND REORGANIZATION

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among other things, a change of SPV's PRC resident shareholder(s), the name of the SPV, terms of operation, or any increase or reduction of the 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.

Pursuant to the Circular of the SAFE on Further Simplification and Improvement in Foreign Exchange Administration on Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》) (“**SAFE Circular 13**”), promulgated by SAFE and became effective on June 1, 2015, the power to accept SAFE registration was delegated from local SAFE branch to local banks where the assets or interest in the domestic entity was located.

Dr. Tian completed the registration under the SAFE Circular 37 on July 27, 2018. Other shareholders of the Company who can be identified as the PRC residents as of the date of this prospectus, including the employees who indirectly own the shares of the Company through Trust I and Trust II, are applying for their registration under the SAFE Circular 37. However, we cannot assure you that they will be able to complete the relevant registration. See the section headed “Risk Factors—Risks Relating to Doing Business in China—A failure by our Shareholders who are PRC residents to comply with certain PRC foreign exchange regulations could restrict our ability to distribute profits, restrict our overseas and cross-border investment activities and subject us to liability under PRC laws.”