

HISTORY AND REORGANISATION

OVERVIEW

Our Group was founded in 2010 when one of our main Consolidated Affiliated Entities, Xuan Wu, was co-founded by, among a few other investors, Mr. Chen, Mr. Huang and Mr. Li. The history of the predecessor of Xuan Wu, Xuanwu Information and Technology, can be traced back to its establishment in 2000 and our founders, Mr. Chen, Mr. Huang and Mr. Li became major shareholders of Xuanwu Information and Technology with their personal funding and contributions. After Xuan Wu was established, the business of Xuanwu Information and Technology was transferred to Xuan Wu.

Prior to founding our Group, our founders had a good mixture of extensive experience in information technology and sales and marketing accumulated from their entrepreneurial experience during college and experience in information technology industries. For details of each of the biographies of Mr. Chen, Mr. Huang and Mr. Li, please refer to the section headed "Directors and Senior Management" in this [REDACTED].

In preparation for the [REDACTED] and in order to streamline our corporate structure, we implemented the Reorganisation to consolidate our interests in Xuan Wu. For details of the Reorganisation, please refer to the paragraph headed "Our Reorganisation" in this section.

On 17 December 2015, the shares of Xuan Wu were quoted on the NEEQ and subsequently delisted from the NEEQ on 28 May 2019 by way of voluntary application for delisting.

OUR MILESTONES

The following table sets forth our key development milestones:

Year	Event
2010	One of our main Consolidated Affiliated Entities, Xuan Wu, was established
2011	We launched universal message platform (UMP) as a Marketing Cloud solution
2012	We launched our cPaaS platform, a communication capabilities cloud platform
	We launched our MOS solution, a public cloud-based message operating system as part of our Marketing Cloud solution
2015	We launched our Fast Sales 100, the previous version of our Smart Sales 100, as a Sales Cloud solution

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| 2018 | We launched U-Client 100, a Sales Cloud solution with LTC module |
| | We launched our cPaaS platform incorporated with AI and DI capabilities |
| | We launched Service Cloud solutions through acquisition |
| | Xuan Wu was accredited with "2018 List of Unicorns in Guangzhou — Top Growth Rate Enterprise" |
| 2019 | We launched our ICC, an integrated communication centre as part of our Marketing Cloud solution |
| 2020 | We launched our Smart Sales 100, the upgraded Sales Cloud solution |

Please refer to the paragraph headed "Business — Awards and recognitions" in this [REDACTED] for further details of the awards and recognitions received by our Group.

PRIOR QUOTATION AND LISTING ON THE NEEQ AND THE DELISTING

In July 2015, the shareholders of Xuan Wu resolved to convert Xuan Wu into a joint stock company as Guangzhou Xuan Wu Wireless Technology Co., Ltd. (廣州市玄武無線科技股份有限公司). On 17 December 2015, the shares of Xuan Wu were quoted on the NEEQ under the stock code of 834968.

Following the continued growth in our scale of business and with a view to tap into capital markets with greater access to international investors and markets, Xuan Wu sought to voluntarily delist its shares from the NEEQ, which the directors of Xuan Wu considered to be commercially sensible and in the interest of the long-term development of Xuan Wu. On 28 March 2019, the shareholders of Xuan Wu passed a shareholders' resolution approving the application for delisting Xuan Wu's shares from the NEEQ. On 28 May 2019, the shares of Xuan Wu ceased to be quoted on the NEEQ.

Our Directors considered that international investors are relatively more familiar with our business and the industry in which our Company operates, such that the fair value of our Group can be identified and established by seeking the [REDACTED]. Having taken into account our long-term business development plan, financing needs for our further expansion, our Directors considered the [REDACTED], as an internationally recognised and reputable stock exchange, to be a more appropriate [REDACTED] venue that provides us with a good platform to access the international equity market.

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Our PRC Legal Advisor is of the view that, during the period of quoting on the NEEQ, Xuan Wu has not been subject to any material regulatory or disciplinary actions by The National Equities Exchange and Quotations Corporation Limited or any material regulatory actions, administration penalties or investigations by the CSRC and its agencies.

Our Directors confirm that, to the best of their knowledge and in respect of our business:

- (a) during the period the shares of Xuan Wu were quoted on the NEEQ, Xuan Wu:
 - (i) did not have any non-compliance in all material respects under the applicable PRC laws and regulations and the NEEQ rules and regulations; and
 - (ii) had not been subject to any material regulatory or disciplinary action by the relevant regulators in connection with the quotation on the NEEQ; and
- (b) there were no other matters in relation to the prior quotation on the NEEQ and the delisting that needs to be brought to the attention of the [REDACTED] or the potential investors of our Company.

Based on the due diligence work conducted by the Sole Sponsor, the Sole Sponsor concurs the above confirmations of the Directors.

CORPORATE DEVELOPMENT

The following sets forth the corporate history of members of our Group.

Our Company

Our Company was incorporated on 26 April 2021 in the Cayman Islands as an exempted company with limited liability with an initial authorised share capital of US\$50,000.00 divided into 500,000,000 ordinary shares of US\$0.0001 each.

It is the holding company of our subsidiaries and its principal business activity is investment holding. For details of the changes in the share capital of our Company pursuant to the Reorganisation, please refer to the paragraph headed "Our Reorganisation — The offshore restructuring" in this section. As a result of the Reorganisation, our Company is able to exercise control over the operations of, and enjoy the economic benefits of the Consolidated Affiliated Entities. Please refer to the paragraph headed "Our Reorganisation" in this section for further details.

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Our major subsidiaries and Consolidated Affiliated Entities

The following table sets forth certain information of our subsidiaries and Consolidated Affiliated Entities which made a material contribution to our results of operations during the Track Record Period:

Name of Company	Date of Establishment and Commencement of Business	Equity Interest Held by the Group	Place of Establishment	Principal Activities
Xuantao	6 August 2021	100.0%	PRC	Provision of technical support and consultation in relation to the Contractual Arrangements
Xuan Wu	2 November 2010	100.0%	PRC	Intelligent CRM services
Dejiu	4 January 2017	70.0% ⁽¹⁾	PRC	Provision of voice and video communication capabilities
Guangzhou Shangyu	4 June 2007	100.0%	PRC	Undertaking code numbers and procurement of channel resources from operators
Beijing Xiuwu	9 May 2008	100.0%	PRC	Undertaking code numbers and procurement of channel resources from operators
Henan Shangfang	14 June 2011	100.0%	PRC	Undertaking code numbers and procurement of channel resources from operators
Guangzhou Guanghan	21 October 2011	100.0%	PRC	Undertaking code numbers and procurement of channel resources from operators
Guangzhou Zhongmai	26 September 2012	100.0%	PRC	Undertaking code numbers and procurement of channel resources from operators
Guangzhou Zhengjun	28 January 2013	100.0%	PRC	Undertaking code numbers and procurement of channel resources from operators

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Name of Company	Date of Establishment and Commencement of Business	Equity Interest Held by the Group	Place of Establishment	Principal Activities
Guangzhou Xuxin	18 February 2013	100.0%	PRC	Undertaking code numbers and procurement of channel resources from operators
Guangzhou Xuanxun	20 May 2014	100.0%	PRC	Undertaking code numbers and procurement of channel resources from operators
Guangzhou Jixin	5 May 2017	100.0%	PRC	Undertaking code numbers and procurement of channel resources from operators

Notes:

- (1) The 30.0% equity interest of Dejiu is held by Mr. Luo Zhijian (羅志堅) ("Mr. Luo Zhijian"). For details, please refer to the paragraph headed "Our Reorganisation" in this section.
- (2) For an explanation of the group structure with a number of Consolidated Affiliated Entities, please refer to the paragraph headed "Major acquisitions, disposals and mergers" in this section.

Xuan Wu

During the Track Record Period, Xuan Wu was one of our main operating companies which principally engaged in the business of provision of intelligent CRM services. It attracted a series of capital injections since its establishment.

(1) Establishment of Xuan Wu

Xuan Wu was incorporated on 2 November 2010 in the PRC as a limited liability company with an initial registered capital of RMB1,000,000.00 which was held as to 28.57% by Mr. Song, 21.43% by Mr. Chen, 21.43% by Mr. Huang, 17.86% by Mr. Li and 10.71% by Mr. Xie.

After a series of capital increase and share transfer between 2011 and 2014, as at June 2014, the registered capital of Xuan Wu was increased to RMB23,000,000.00 which was held as to 29.29% by Mr. Chen, 25.71% by Mr. Song, 19.29% by Mr. Huang, 16.07% by Mr. Li and 9.64% by Mr. Xie.

(2) Share transfer in May 2015

On 22 May 2015, Mr. Chen, Mr. Song, Mr. Huang, Mr. Li and Mr. Xie entered into certain share transfer agreements, pursuant to which they transferred certain equity interests in Xuan Wu to Guangzhou Xuandong, Guangzhou Xuanxi, Guangzhou Xuannan, Guangzhou Xuanbei, SZR Investment, Mr. Guo Haiqiu (郭海

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球) (“**Mr. Guo Haiqiu**”), Mr. Chen Zhengxu (陳正旭) (“**Mr. Chen Zhengxu**”) and Mr. Wu Fugui (吳富貴) (“**Mr. Wu Fugui**”). The respective transferred equity interests and consideration were as follows:

Transferor	Transferee	Transferred Equity Interests	Consideration (RMB)
Mr. Chen	SZR Investment	1.1200%	5,440,000.00
Mr. Huang	Mr. Wu Fugui	1.1200%	5,440,000.00
Mr. Li	Mr. Chen Zhengxu	1.1200%	5,440,000.00
Mr. Chen	Mr. Guo Haiqiu	2.6828%	1,207,260.00
Mr. Huang	Mr. Guo Haiqiu	0.3172%	142,740.00
Mr. Huang	Guangzhou Xuanbei	3.0000%	1,350,000.00
Mr. Huang	Guangzhou Xuandong	0.1195%	53,775.00
Mr. Song	Guangzhou Xuandong	5.9133%	2,660,985.00
Mr. Xie	Guangzhou Xuandong	0.9672%	435,240.00
Mr. Chen	Guangzhou Xuannan	3.0000%	1,350,000.00
Mr. Chen	Guangzhou Xuanxi	0.0539%	24,255.00
Mr. Li	Guangzhou Xuanxi	2.6961%	1,213,245.00
Mr. Xie	Guangzhou Xuanxi	1.2500%	562,500.00
Total		23.3600%	25,320,000.00

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Guangzhou Xuandong, Guangzhou Xuanxi, Guangzhou Xuannan and Guangzhou Xuanbei were employee stock ownership platforms of Xuan Wu and all of their partners were directors, employees or former employees of the Group. Each of SZR Investment, Mr. Chen Zhengxu and Mr. Wu Fugui was an Independent Third Party save for the interests held in Xuan Wu.

(3) Capital increase in August 2015 and Quotation on the NEEQ

In contemplation of listing on the NEEQ, on 31 July 2015, the shareholders of Xuan Wu passed resolutions approving, among other matters, the conversion of Xuan Wu from a limited liability company into a joint stock company with limited liability and the change of name of Xuan Wu to Guangzhou Xuan Wu Wireless Technology Co., Ltd. (廣州市玄武無線科技股份有限公司). Upon completion of the registration of the conversion on 5 August 2015, the share capital of Xuan Wu was RMB45,000,000.00 divided into 45,000,000 shares with a nominal value of RMB1.00 each.

On 5 August 2015, Xuan Wu and its then shareholders entered into an investment agreement with Shanghai Fosun, Mr. Tang Bin (唐斌) ("Mr. Tang Bin") and Mr. Zhang Boxiao (張博曉) ("Mr. Zhang Boxiao"), pursuant to which Shanghai Fosun, Mr. Tang Bin and Mr. Zhang Boxiao, each being an Independent Third Party save for the interests held in Xuan Wu, subscribed for RMB3,541,300.00, RMB8,600.00 and RMB19,900.00 registered capital of Xuan Wu at a consideration of RMB49,600,000.00, RMB120,000.00 and RMB280,000.00, respectively, of which RMB3,569,800.00 was credited to the registered capital of Xuan Wu and the remaining RMB46,430,200.00 was credited to its capital reserve. The consideration paid by Shanghai Fosun, Mr. Tang Bin and Mr. Zhang Boxiao was settled on 18 August 2015, 20 August 2015 and 18 August 2015, respectively.

On 17 December 2015, the shares of Xuan Wu were listed on the NEEQ.

(4) Capital increase in February 2016

On 18 February 2016, the shareholders of Xuan Wu passed resolutions to approve GF Securities, Zhuhai Qianheng, CITIC Securities, and Orient Securities Company Limited (東方證券股份有限公司) ("Orient Securities"), Ping An Securities Ltd. (平安證券有限責任公司) ("Ping An Securities"), Huaan Securities Co., Ltd. (華安證券股份有限公司) ("Huaan Securities") and First Capital Securities Co., Ltd. (第一創業證券股份有限公司) ("First Capital"), each being an Independent Third Party save for the interests held in Xuan Wu, who subsequently ceased to be shareholders of Xuan Wu when their shares were repurchased by Xuan Wu, to subscribe 500,000 shares, 500,000 shares, 200,000 shares, 400,000 shares, 300,000 shares, 200,000 shares and 200,000 shares at a consideration of RMB11,325,000.00, RMB11,325,000.00, RMB4,530,000.00, RMB9,060,000.00, RMB6,795,000.00, RMB4,530,000.00 and RMB4,530,000.00, respectively, of which RMB2,300,000.00 was credited to the registered capital of Xuan Wu and the remaining RMB49,795,000.00 was credited to its capital reserve. The consideration paid by each of the investors was settled between 19 February 2016 and 26 February 2016.

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The major shareholders who held more than 5% equity interest of Xuan Wu following the capital increase in February 2016 were as follows:

Shareholders	Number of shares	Approximate shareholding percentage in Xuan Wu
Mr. Chen	10,094,985	19.8447%
Mr. Song	8,908,515	17.5123%
Mr. Huang	6,629,985	13.0332%
Mr. Li	5,514,255	10.8399%
Shanghai Fosun	3,541,300	6.9614%
Mr. Xie	3,340,260	6.5662%
Guangzhou Xuandong	3,150,000	6.1922%

(5) Acquisition of Dejiu

Dejiu was established in the PRC on 4 January 2017 as a limited liability company with a registered capital of RMB10,000,000.00. As at May 2017, Dejiu was held as to 70.0% by Mr. Zhang Wei (張煒) (“**Mr. Zhang Wei**”) who was a supervisor of Dejiu during the Track Record Period and 30.0% by Mr. Luo Zhijian. Both Mr. Zhang Wei and Mr. Luo Zhijian were Independent Third Parties at the time of acquisition. On 24 July 2018, Xuan Wu and Mr. Zhang Wei, entered into an agreement, pursuant to which Xuan Wu agreed to purchase the 70.0% equity interests of Dejiu held by Mr. Zhang Wei at a consideration of RMB11,619,200.00, of which RMB6,619,200.00 shall be settled by issuance of 224,000 ordinary shares of Xuan Wu at a price of RMB29.55 per share to Mr. Zhang Wei and RMB5,000,000.00 shall be settled in cash. The consideration was determined with reference to the valuation of all shareholders’ equity of Dejiu as at 31 March 2018 of RMB17,610,300.00 as appraised by an independent valuer. The issue price of Xuan Wu was determined taking into account various factors including, among others, the prospect and the trading price of Xuan Wu’s shares on the NEEQ. The shares issued to Mr. Zhang Wei were confirmed by The National Equities Exchange and Quotations Corporation Limited on 12 October 2018 and registered with the Beijing branch of the China Securities Depository and Clearing Corporation Limited on 26 October 2018 and the cash consideration was fully settled by offsetting prepayment paid on 2 July 2018. The registration procedures of change of 70.0% equity interests in Dejiu was completed on 16 August 2018.

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(6) Capital decrease and increase in 2019

On 15 June 2019, the shareholders of Xuan Wu passed resolutions to approve the repurchase of certain number of shares from Orient Securities, Ping An Securities, First Capital, Huaan Securities, Yichun City Mingbo Corporate Management Centre (Limited Partnership) (宜春市銘博企業管理中心(有限合夥)), Mr. You Haixiao (尤海嘯) and Mr. Li Dajun (李大軍), each being an Independent Third Party save for the interests held in Xuan Wu. The respective number of shares repurchased, share repurchase price and date of settlement of the share repurchase price were as follows:

Shareholders	Number of shares repurchased	Share repurchase price (RMB)	Date of settlement
Orient Securities	401,000	11,999,844.80	21 August 2019
Ping An Securities	301,000	8,424,990.00	8 November 2019
First Capital	194,000	5,383,500.00	27 December 2019
Huaan Securities	192,000	5,212,800.00	30 September 2019
Yichun City Mingbo Corporate Management Centre (Limited Partnership) (宜春市銘博企業管 理中心(有限合夥))	5,000	170,000.00	19 June 2019
Mr. You Haixiao (尤海嘯)	4,000	RMB136,000.00	25 June 2019
Mr. Li Dajun (李大軍)	2,000	RMB68,000.00	24 June 2019

The repurchase price was determined after arm's length negotiations among the parties with reference to the then market value of Xuan Wu. The registered share capital of Xuan Wu decreased by RMB1,099,000.00 to RMB49,994,800.00 and the capital reserve decreased by RMB30,296,134.80.

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The major shareholders who held more than 5% equity interest of Xuan Wu following the capital decrease in 2019 were as follows:

Shareholders	Number of shares	Approximate shareholding percentage in Xuan Wu
Mr. Chen	10,094,985	20.1920%
Mr. Song	8,908,515	17.8188%
Mr. Huang	6,629,985	13.2613%
Mr. Li	5,514,255	11.0296%
Shanghai Fosun	3,541,300	7.0833%
Mr. Xie	3,340,260	6.6812%
Guangzhou Xuandong	3,150,000	6.3006%

On 25 August 2019, Xuan Wu entered into an agreement with Mr. Chen, Mr. Song, Mr. Huang, Mr. Li and Mr. Xie, pursuant to which Mr. Chen, Mr. Song, Mr. Huang, Mr. Li and Mr. Xie subscribed certain number of shares of Xuan Wu. The respective number of shares subscribed, consideration and date of settlement of the consideration were as follows:

Subscribers	Number of shares subscribed	Consideration (RMB)	Date of settlement
Mr. Chen	1,815	54,450.00	26 August 2019
Mr. Song	1,602	48,060.00	26 August 2019
Mr. Huang	1,192	35,760.00	26 August 2019
Mr. Li	991	29,730.00	27 August 2019
Mr. Xie	600	18,000.00	26 August 2019

The consideration was determined with reference to the then market value of Xuan Wu.

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(7) Capital increase in September 2020

From 1 September 2020 to 10 September 2020, GL Venture Capital, Chengda Coastal, GF Qianhe and Zhuhai Qingshi, each being an Independent Third Party save for the interests held in Xuan Wu, subscribed 1,000,000 shares, 310,000 shares, 1,250,000 shares and 32,000 shares at a consideration of RMB23,990,000.00, RMB7,436,900.00, RMB29,987,500.00, and RMB767,680.00, respectively, of which RMB2,592,000.00 was credited to the registered capital of Xuan Wu and the remaining RMB59,590,080.00 was credited to its capital reserve (the "2020 Investment"). The consideration was determined after arm's length negotiations with reference to the then valuation of Xuan Wu. The consideration paid by GL Venture Capital was settled in cash on 15 September 2020, and the consideration paid by Chengda Coastal, GF Qianhe and Zhuhai Qingshi was all settled in cash on 14 September 2020.

The major shareholders who held more than 5% equity interest of Xuan Wu following the capital increase in 2020 were as follows:

Shareholders	Number of shares	Approximate shareholding percentage in Xuan Wu
Mr. Chen	10,096,800	19.1980%
Mr. Song	8,910,117	16.9416%
Mr. Huang	6,631,177	12.6085%
Mr. Li	5,515,246	10.4867%
Shanghai Fosun	3,541,300	6.7334%
Mr. Xie	3,340,860	6.3523%
Guangzhou Xuandong	3,150,000	5.9894%

(8) Share transfer in October 2020 (the "Guangzhou Zhengxin Share Transfer")

On 16 October 2020, Mr. Xie and Guangzhou Zhengxin, an Independent Third Party save for the interests held in Xuan Wu, entered into an equity transfer agreement, pursuant to which Mr. Xie agreed to sell and Guangzhou Zhengxin agreed to purchase 800,000 shares, which represented 1.5211% of the then equity interest of Xuan Wu, at a consideration of RMB23.99 per share. The consideration was determined after arm's length negotiations, which was fully settled in cash on 19 October 2020. On 17 October 2020, Shanghai Fosun and Guangzhou Zhengxin entered into an equity transfer agreement, pursuant to which Shanghai Fosun

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agreed to sell and Guangzhou Zhengxin agreed to purchase 400,000 shares, which represented 0.7606% of the then equity interest of Xuan Wu, at a consideration of RMB23.99 per share. The consideration was determined after arm's length negotiations with reference to the consideration of the 2020 Investment, which was fully settled in cash on 19 October 2020. For details, please refer to the paragraph headed "The [REDACTED] Investments" in this section.

The major shareholders who held more than 5% equity interest of Xuan Wu following the Guangzhou Zhengxin Share Transfer were as follows:

Shareholders	Number of shares	Approximate shareholding percentage in Xuan Wu
Mr. Chen	10,096,800	19.1980%
Mr. Song	8,910,117	16.9416%
Mr. Huang	6,631,177	12.6085%
Mr. Li	5,515,246	10.4867%
Guangzhou Xuandong	3,150,000	5.9894%
Shanghai Fosun	3,141,300	5.9728%

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

Save for our Group's acquisition of Dejiu during the Track Record Period referred to in the paragraph headed "Corporate development — Our major subsidiaries and Consolidated Affiliated Entities — Xuan Wu — (5) Acquisition of Dejiu" in this section, we have conducted the following acquisitions, disposals or mergers since our inception that we consider to be material to us.

Guangzhou Shangyu

Guangzhou Shangyu was established in the PRC on 4 June 2007 as a limited liability company with an initial registered capital of RMB500,000.00 and was initially held as to 50.0% by Mr. Song and 50.0% by Mr. Huang. On 14 February 2012, Xuan Wu entered into an agreement with Xuanwu Information and Technology, the then shareholder of Guangzhou Shangyu, to acquire 100.0% equity interest of Guangzhou Shangyu held by Xuanwu Information and Technology. The consideration of RMB3,446,454.36 was determined with reference to the audited net asset value of Guangzhou Shangyu as at 31 December 2011 and was fully settled in cash on 3 September 2012. As at the Latest Practicable Date, Guangzhou Shangyu had a registered capital of RMB10,000,000.00.

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Beijing Xiuwu

Beijing Xiuwu was established in the PRC on 9 May 2008 as a limited liability company with an initial registered capital of RMB1,000,000.00 and was initially held as to 50.0% by Mr. Zhu Lei (朱磊) ("**Mr. Zhu Lei**") and 50.0% by Mr. Chen Tuwang (陳突旺) ("**Mr. Chen Tuwang**"), each being an Independent Third Party. On 5 December 2011, the shareholder of Beijing Xiuwu passed a resolution to approve the equity interests of Beijing Xiuwu held by the then shareholder, Xuanwu Information and Technology, to be transferred to Xuan Wu. The consideration of RMB5,930,544.41 was determined after arm's length negotiations with reference to the unaudited net asset value of Beijing Xiuwu as at 31 December 2011 and was fully settled in cash on 30 November 2012. As at the Latest Practicable Date, Beijing Xiuwu had a registered capital of RMB10,000,000.00.

Guangzhou Zhengjun

Guangzhou Zhengjun was established in the PRC on 28 January 2013 as a limited liability company with an initial registered capital of RMB10,000,000.00 and was initially held as to 100.0% by Ms. Chen Ying (陳迎) ("**Ms. Chen Ying**"), who is an employee of Xuan Wu and a limited partner of Guangzhou Xuanbei and was a supervisor of Guangzhou Xuxin during the Track Record Period and a supervisor of Tianjin Xingjian since 28 February 2018. On 1 May 2015, Xuan Wu entered into an agreement with Ms. Chen Ying to acquire 100.0% equity interests of Guangzhou Zhengjun held by Ms. Chen Ying at a consideration of RMB6,969,090.65 which was fully settled in cash on 13 May 2015. The consideration was based on the unaudited net asset value of Guangzhou Zhengjun as at 30 April 2015. As at the Latest Practicable Date, Guangzhou Zhengjun had a registered capital of RMB10,000,000.00.

Henan Shangfang

Henan Shangfang was established in the PRC on 14 June 2011 as a limited liability company with an initial registered capital of RMB1,000,000.00 and was initially held as to 49.95% by Mr. Zhang Aiguo (張愛國) ("**Mr. Zhang Aiguo**") and 50.05% by Mr. Song Jianchao (宋建超) ("**Mr. Song Jianchao**"), each being an Independent Third Party. On 25 May 2015, the then shareholder of Henan Shangfang passed a resolution to approve the transfer of 100% equity interests of Henan Shangfang held by Mr. Chen Yongjian (陳永堅) ("**Mr. Chen Yongjian**"), the then sole shareholder of Henan Shangfang and an Independent Third Party, to Xuan Wu at a consideration of RMB99,978.16 which was fully settled in cash on 14 September 2015. The consideration was determined after arm's length negotiations with reference to the unaudited net asset value of Henan Shangfang as at 31 May 2015. As at the Latest Practicable Date, Henan Shangfang had a registered capital of RMB10,010,000.00.

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Guangzhou Xuxin

Guangzhou Xuxin was established in the PRC on 18 February 2013 as a limited liability company with an initial registered capital of RMB10,000,000.00 and was initially held as to 100.0% by Ms. Huang Liran (黃麗然) (“**Ms. Huang Liran**”), an employee of Xuan Wu and a limited partner of Guangzhou Xuanbei and was a supervisor of Guangzhou Zhengjun during the Track Record Period. On 19 May 2015, Xuan Wu entered into an agreement with Ms. Huang Liran to acquire 100.0% equity interests of Guangzhou Xuxin held by Ms. Huang Liran at a consideration of RMB7,119,208.32 which was fully settled in cash on 14 May 2015. The consideration was based on the unaudited net asset value of Guangzhou Xuxin as at 30 April 2015. As at the Latest Practicable Date, Guangzhou Xuxin had a registered capital of RMB10,000,000.00.

Guangzhou Zhongmai

Guangzhou Zhongmai was established in the PRC on 26 September 2012 as a limited liability company with an initial registered capital of RMB1,000,000.00 and was initially held as to 30.0% by Mr. Luo Weidong (羅偉東) (“**Mr. Luo Weidong**”) and 70.0% by Mr. Ouyang Fucheng (歐陽付成) (“**Mr. Ouyang Fucheng**”), each being an Independent Third Party. On 17 August 2015, the then shareholders of Guangzhou Zhongmai passed a resolution to approve the transfer of 30.0% and 70.0% equity interests of Guangzhou Zhongmai held by Mr. Luo Weidong and Mr. Ouyang Fucheng, respectively, to Xuan Wu at a consideration of RMB300,000.00 and RMB700,000.00 respectively which was fully settled in cash on 27 August 2015. The consideration was determined after arm’s length negotiations with reference to the then registered capital of Guangzhou Zhongmai. As at the Latest Practicable Date, Guangzhou Zhongmai had a registered capital of RMB10,000,000.00.

Guangzhou Xuanxun

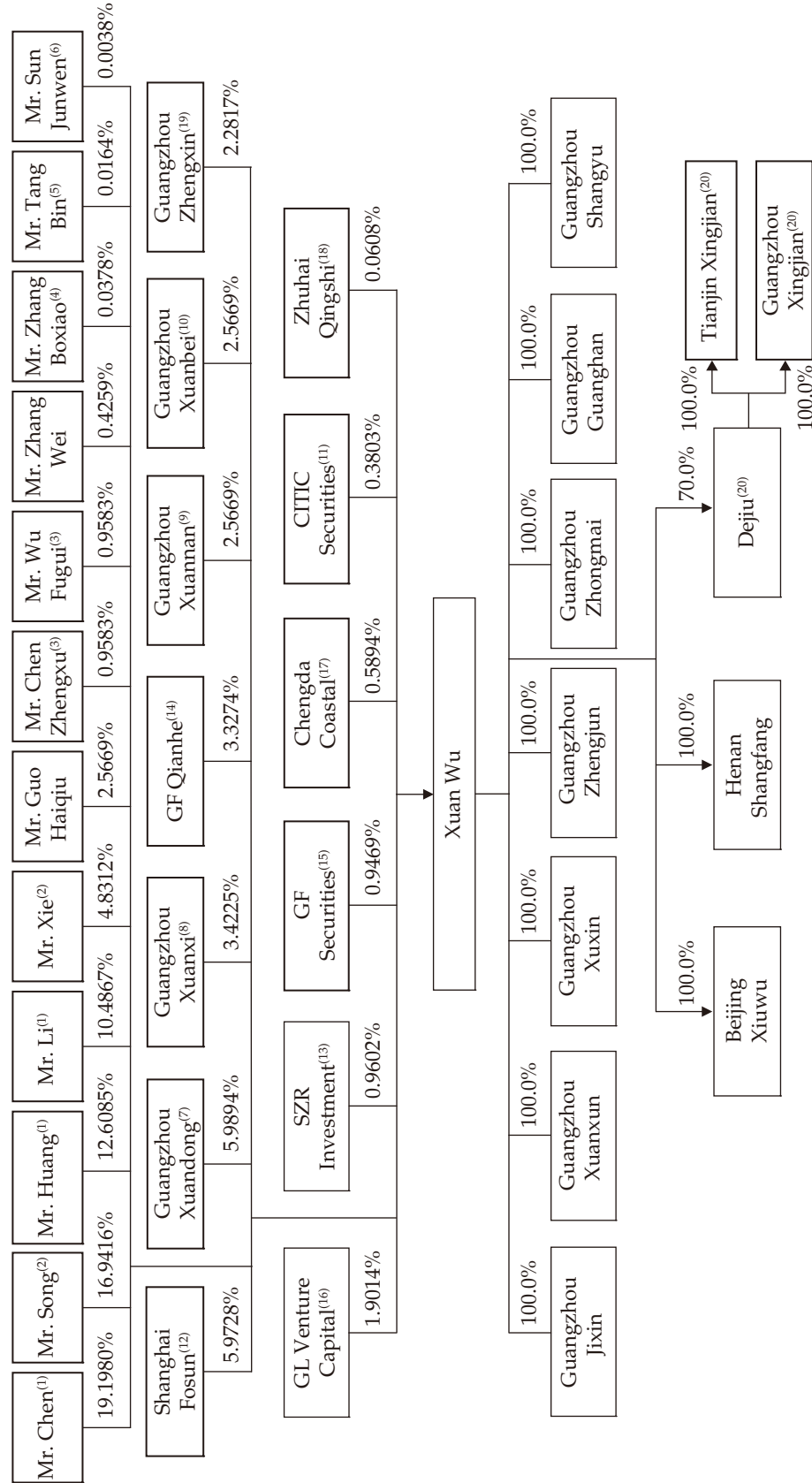
Guangzhou Xuanxun was established in the PRC on 20 May 2014 as a limited liability company with an initial registered capital of RMB500,000.00 and was initially held as to 100.0% by Mr. Li. On 16 May 2015, the then shareholder of Guangzhou Xuanxun passed a resolution to approve the transfer of 100.0% equity interests of Guangzhou Xuanxun held by Mr. Li to Xuan Wu at a consideration of RMB9,989,887.86 which was fully settled in cash on 13 July 2015. The consideration was determined after arm’s length negotiations with reference to the unaudited net asset value of Guangzhou Xuanxun as at 31 May 2015. As at the Latest Practicable Date, Guangzhou Xuanxun had a registered capital of RMB10,000,000.00.

We have adopted a group structure with a number of Consolidated Affiliated Entities, as in the course of our Group’s business operation, our Group has to procure channel resources which mainly consist of unique sequences of numbers with specific starting codes which must be applied from the MIIT. The Group’s channel resources include short message access codes. Under the *Measures for the Application, Allocation, Usage and Recovery of Telecommunication Network Code Resource* (短消息類服務接入代碼申請、分配、使用與收回管理辦法), a service provider can generally apply for one short message access code only for the same purpose. In light of the growing business needs, our Group set up different Consolidated Affiliated Entities to apply for multiple short message access code resources to enrich their channel resources.

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OUR REORGANISATION

In preparation for the [REDACTED], we commenced the Reorganisation with the establishment of our Company in April 2021 and further implemented a structure under which our Company became the holding company of our Group. Set forth below is our corporate structure immediately prior to the incorporation of our Company and the commencement of the Reorganisation.



HISTORY AND REORGANISATION

Notes:

- (1) *Mr. Chen, Mr. Huang, Mr. Li:* Mr. Chen, Mr. Huang and Mr. Li have been acting in concert with each other with respect to our Group since 13 July 2015, and would continue to act in the same manner in our Group after the [REDACTED]. For details, please refer to the section headed "Relationship with our Controlling Shareholders" in this [REDACTED].
- (2) *Mr. Song and Mr. Xie:* Mr. Song and Mr. Xie were acquaintances of Mr. Chen and Mr. Li and co-founded Xuanwu Information and Technology and Xuan Wu. Mr. Song is currently the president of the supervisory committee of Xuan Wu and the supervisor of Guangzhou Shangyu. Mr. Xie was a member of the supervisory committee of Xuan Wu during the Track Record Period until October 2020.
- (3) *Mr. Chen Zhengxu and Mr. Wu Fugui:* Mr. Chen Zhengxu and Mr. Wu Fugui are Independent Third Party individual investors and are acquaintances of our founders.
- (4) *Mr. Zhang Boxiao:* Mr. Zhang Boxiao is an Independent Third Party individual investor and was a person-in-charge of Shanghai Fosun's project of investing in Xuan Wu. Mr. Zhang Boxiao invested in Xuan Wu at the same time with Shanghai Fosun pursuant to Shanghai Fosun's internal regulations.
- (5) *Mr. Tang Bin:* Mr. Tang Bin is an Independent Third Party individual investor and is the chairman of Shanghai Fosun Chuangfu Investment Management Company Limited (上海復星創富投資管理股份有限公司), the fund manager of Shanghai Fosun. Mr. Tang Bin was a person-in-charge of Shanghai Fosun's project of investing in Xuan Wu and invested in Xuan Wu at the same time with Shanghai Fosun pursuant to Shanghai Fosun's internal regulations.
- (6) *Mr. Sun Junwen:* Mr. Sun Junwen is an Independent Third Party individual investor and became a shareholder of Xuan Wu through secondary market transactions during the period Xuan Wu was listed on the NEEQ.
- (7) *Guangzhou Xuandong:* Guangzhou Xuandong is a limited liability partnership established under the laws of the PRC and an employee stock ownership platform of our Group. As at the Latest Practicable Date, Guangzhou Xuandong was contributed as to (i) 48.7143% by Mr. Xie; (ii) 35.1429% by Mr. Chen; (iii) 7.1429% by Ms. Ge Ping, its general partner; (iv) 1.5000% by Mr. Zhang Deqi; and (v) 7.5000% by 3 employees or former employees of our Group who were not Directors or senior management of our Company.
- (8) *Guangzhou Xuanxi:* Guangzhou Xuanxi is a limited liability partnership established under the laws of the PRC and an employee stock ownership platform of our Group. As at the Latest Practicable Date, Guangzhou Xuanxi was contributed as to (i) 46.8392% by Mr. Chen, its general partner; (ii) 21.9408% by Mr. Li; (iii) 3.0000% by Mr. Liu Hanwei; and (iv) 28.2200% by 29 employees or former employees of our Group who were not Directors or senior management of our Company.
- (9) *Guangzhou Xuannan:* Guangzhou Xuannan is a limited liability partnership established under the laws of the PRC and an employee stock ownership platform of our Group. As at the Latest Practicable Date, Guangzhou Xuannan was contributed as to (i) 32.4646% by Mr. Chen, its general partner; (ii) 1.9796% by Mr. Li; (iii) 10.0000% by Mr. Zhu Yuan; and (iv) 55.5558% by 29 employees or former employees of our Group who were not Directors or senior management of our Company.
- (10) *Guangzhou Xuanbei:* Guangzhou Xuanbei is a limited liability partnership established under the laws of the PRC and an employee stock ownership platform of our Group. As at the Latest Practicable Date, Guangzhou Xuanbei was contributed as to (i) 34.4728% by Mr. Chen, its general partner; (ii) 2.2292% by Mr. Li; and (iii) 63.2980% by 23 employees or former employees of our Group who were not Directors or senior management of our Company.

HISTORY AND REORGANISATION

- (11) *CITIC Securities*: CITIC Securities is a joint stock company incorporated in the PRC with limited liability, the shares of which are listed on the Stock Exchange (stock code: 6030) and on the Shanghai Stock Exchange (stock code: 600030).
- (12) *Shanghai Fosun*: Shanghai Fosun is a limited liability partnership established in the PRC and a private equity fund filed with the Asset Management Association of China (filing number: SD1365). The executive partner of Shanghai Fosun is Shanghai Fosun Weishi Investment Management Company Limited (上海復星樞實投資管理有限公司), an Independent Third Party. Shanghai Fosun is managed by Shanghai Fosun Chuangfu Investment Management Company Limited (上海復星創富投資管理股份有限公司), an Independent Third Party, which is registered with the Asset Management Association of China (registration number: P1000303).
- (13) *SZR Investment*: SZR Investment is a limited liability company incorporated in the PRC which is a private equity manager registered with the Asset Management Association of China (registration number: P1014500).
- (14) *GF Qianhe*: GF Qianhe is a limited liability company incorporated in the PRC, and wholly owned by GF Securities. It was the sole shareholder of Zhuhai Qianheng before Zhuhai Qianheng was deregistered on 3 December 2019. Pursuant to a shareholder's decision of GF Qianhe dated 27 March 2019 and an agreement between GF Qianhe and Zhuhai Qianheng dated 2 August 2019, Zhuhai Qianheng was merged and consolidated with GF Qianhe and the equity and investment rights and interests enjoyed by Zhuhai Qianheng in its invested entities shall be succeeded by GF Qianhe. Upon the merger and consolidation, GF Qianhe became the owner of the 500,000 shares held by Zhuhai Qianheng.
- (15) *GF Securities*: GF Securities is a joint stock company incorporated in the PRC with limited liability, the shares of which are listed on the Stock Exchange (stock code: 1776) and on the Shenzhen Stock Exchange (stock code: 000776).
- (16) *GL Venture Capital*: GL Venture Capital is a limited liability partnership established in the PRC. For details, please refer to the paragraph headed "The [REDACTED] Investments — Information regarding the [REDACTED] Investors" in this section.
- (17) *Chengda Coastal*: Chengda Coastal is a limited liability partnership established in the PRC. For details, please refer to the paragraph headed "The [REDACTED] Investments — Information regarding the [REDACTED] Investors" in this section.
- (18) *Zhuhai Qingshi*: Zhuhai Qingshi is a limited liability partnership established in the PRC. For details, please refer to the paragraph headed "The [REDACTED] Investments — Information regarding the [REDACTED] Investors" in this section.
- (19) *Guangzhou Zhengxin*: Guangzhou Zhengxin is a limited liability partnership established in the PRC. For details, please refer to the paragraph headed "The [REDACTED] Investments — Information regarding the [REDACTED] Investors" in this section.
- (20) *Dejiu, Tianjin Xingjian and Guangzhou Xingjian*: As at the Latest Practicable Date, the 30.0% equity interests of Dejiu is held by Mr. Luo Zhujian. Tianjin Xingjian and Guangzhou Xingjian are wholly-owned subsidiaries of Dejiu.

HISTORY AND REORGANISATION

The onshore restructuring

Step 1: Establishment of Xuantao and the Contractual Arrangements

Xuantao was established in the PRC on 6 August 2021 as a wholly foreign-owned enterprise with a registered capital of USD11,000,000.00, which was subscribed for by Xuan Wu HK.

On 10 August 2021 and 29 December 2021, Xuantao entered into various agreements which constitute the Contractual Arrangements with Xuan Wu and its subsidiaries and the Registered Shareholders, under which we are able to exercise effective control over our Consolidated Affiliated Entities and the economic benefits arising from the businesses of our Consolidated Affiliated Entities are transferred to Xuantao to the extent permitted under PRC Laws by means of services fees payable by Xuan Wu and its subsidiaries to Xuantao. For details, please refer to the section headed "Contractual Arrangements" in this [REDACTED].

The offshore restructuring

Step 1: Incorporation of offshore holding entities

Our Company was incorporated on 26 April 2021. The initial sole Share of our Company was allotted and issued to the initial subscriber who immediately transferred that Share to Zhenghao Global. On the same day, 999 Shares were allotted and issued to Zhenghao Global.

Xuan Wu BVI was incorporated on 28 May 2021 in the BVI, with 50,000 ordinary shares allotted and issued to the Company being the sole shareholder of Xuan Wu BVI.

Xuan Wu HK was incorporated on 17 June 2021 in Hong Kong, with 10,000 ordinary shares issued and allotted to Xuan Wu BVI being the sole shareholder of Xuan Wu HK.

Step 2: Offshore shareholding restructuring

To reflect the onshore shareholding structure of Xuan Wu, on 3 August 2021, our Company allotted and issued a total of 52,592,000 Shares to (i) the offshore holding companies that are ultimately and respectively owned by Mr. Chen, Mr. Huang, Mr. Li, Mr. Song, Mr. Xie, Mr. Guo Haiqiu, Mr. Chen Zhengxu, Mr. Wu Fugui, Mr. Zhang Wei, Mr. Zhang Boxiao, Mr. Tangbin, Mr. Sun Junwen and CITIC Securities; and (ii) Shanghai Fosun, Guangzhou Xuandong, Guangzhou Xuanxi, Guangzhou Xuannan, Guangzhou Xuanbei, GF Qianhe, Guangzhou Zhengxin, GL Venture Capital, SZR Investment, GF Securities, Chengda Coastal and Zhuhai Qingshi. Upon such allotment and issuance of Shares, each of the shareholders of Xuan Wu or their respective offshore holding companies became shareholders of our Company with the same shareholding percentages in Xuan Wu. The respective nominal subscription consideration does not reflect the investment costs of each of the shareholders in our Group.

HISTORY AND REORGANISATION

Upon completion of the reorganisation steps described above, the shareholding structure of our Company was as follows:

Name of Shareholders	Number of Shares	Approximate Shareholding Percentage in Our Company after the Allotment	Subscription Consideration (US\$)
Zhenghao Global	10,096,800	19.1980%	1,009.68
Baoya Group	8,910,117	16.9416%	891.01
Honghan Worldwide	6,631,177	12.6085%	663.12
Double Winner	5,515,246	10.4867%	551.52
Guangzhou Xuandong	3,150,000	5.9894%	315.00
Shanghai Fosun	3,141,300	5.9728%	314.13
East Pride Industrial	2,540,860	4.8312%	254.09
Guangzhou Xuanxi	1,800,000	3.4225%	180.00
GF Qianhe	1,750,000	3.3274%	175.00
Guangzhou Xuannan	1,350,000	2.5669%	135.00
Guangzhou Xuanbei	1,350,000	2.5669%	135.00
East Pride Development	1,350,000	2.5669%	135.00
Guangzhou Zhengxin	1,200,000	2.2817%	120.00
GL Venture Capital	1,000,000	1.9014%	100.00
SZR Investment	505,000	0.9602%	50.50
Top Lux	504,000	0.9583%	50.40
Horizon Worldwide	504,000	0.9583%	50.40
GF Securities	498,000	0.9469%	49.80
Chengda Coastal	310,000	0.5894%	31.00
Ace Quality	224,000	0.4259%	22.40
Pluto Connection	200,000	0.3803%	20.00
Zhuhai Qingshi	32,000	0.0608%	3.20
Bravo Great	19,900	0.0378%	1.99
Genius Professional	8,600	0.0164%	0.86
Champion Team	2,000	0.0038%	0.20
	52,593,000	100.0000%	

Compliance with the Cayman Islands laws

Our legal adviser as to the laws of the Cayman Islands has confirmed that the above issuances and transfers of shares of the Company as mentioned under Steps 1 to 2, were completed and settled in compliance with applicable laws and regulations in the Cayman Islands.

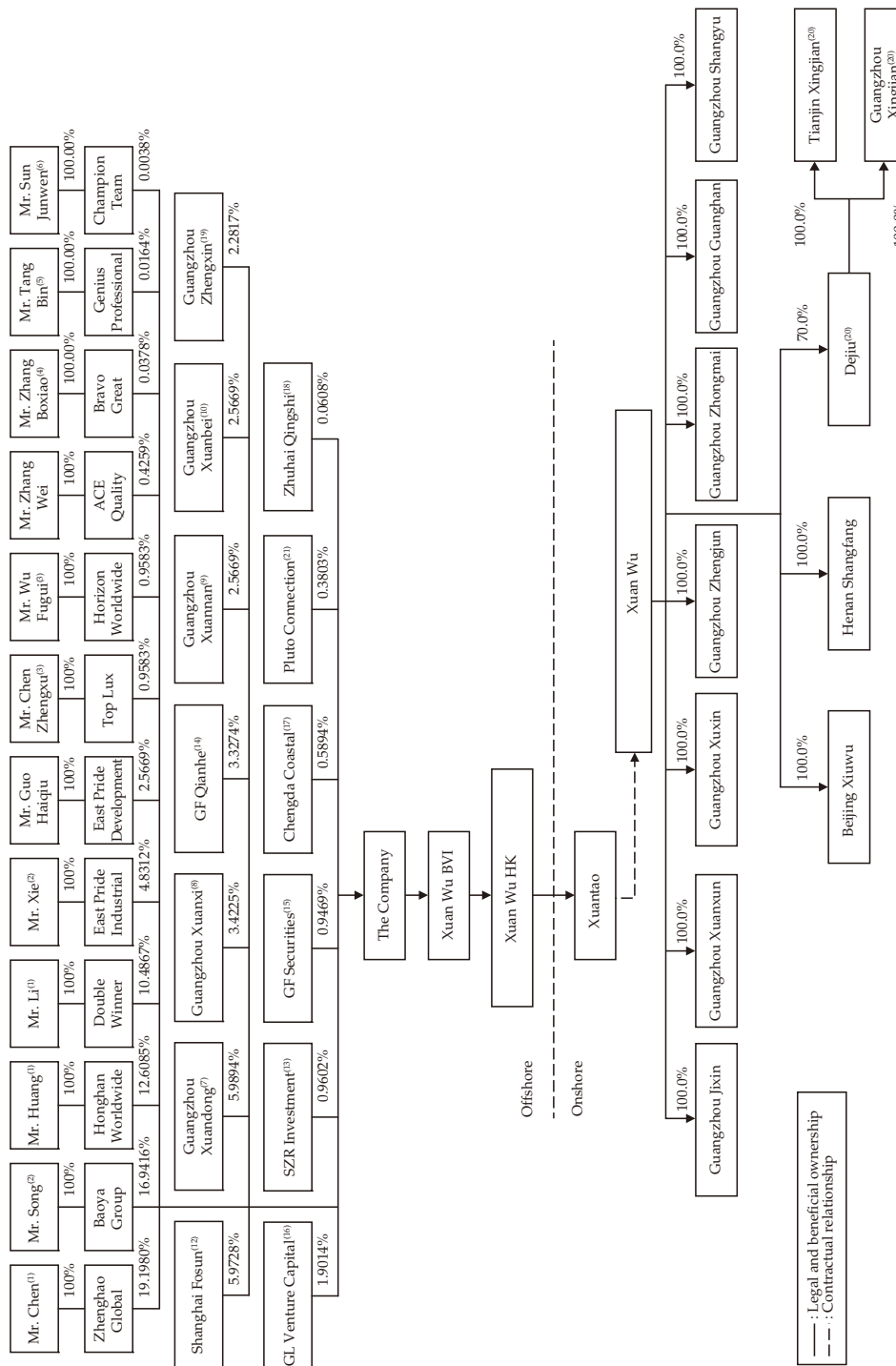
No further material acquisitions or disposals

Except for the acquisitions described above and in the paragraph headed "Our Reorganisation" in this section, our Group has not undertaken any other major acquisitions, disposals or mergers during the Track Record Period.

HISTORY AND REORGANISATION

Our Group structure after the Reorganisation

The following chart illustrates our corporate and shareholding structure immediately following the completion of the Reorganisation, but before the [REDACTED]:



Notes: (1) to (20): Please refer to the diagram contained under the paragraph headed "Our Reorganisation" in this section.
 (21): Pluto Connection is a business company incorporated in the BVI and ultimately wholly owned by CITIC Securities.

HISTORY AND REORGANISATION

THE [REDACTED] INVESTMENTS

Overview

We have received two rounds of investments from our [REDACTED] Investors since the establishment of our Group, which are summarised below:

Key information of the [REDACTED] Investments

The following table sets forth certain key information of the [REDACTED] Investments:

Item	Names of [REDACTED] Investors	GF Qianhe	GL Venture Capital	Chengda Coastal	Zhuhai Qingshi	Guangzhou Zhengxin
Date of initial share purchase agreement/ share transfer agreement	10 September 2020	10 September 2020	1 September 2020	10 September 2020	10 September 2020	16 October 2020 17 October 2020
Number of shares acquired	1,250,000	1,000,000	310,000	32,000	1,200,000	[REDACTED]
Cost per share paid under the [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Total consideration paid	RMB29,987,500.00 ⁽¹⁾	RMB23,990,000.00 ⁽¹⁾	RMB7,436,900.00 ⁽¹⁾	RMB767,680.00 ⁽¹⁾	RMB28,788,000.00 ⁽¹⁾	
Date consideration paid	14 September 2020	15 September 2020	14 September 2020	14 September 2020	19 October 2020	

Notes:

(1) The total consideration paid by the investors was in respect of the relevant equity interests in Xuan Wu.

HISTORY AND REORGANISATION

Item	Names of [REDACTED] Investors	GF Qianhe	GL Venture Capital	Chengda Coastal	Zhuhai Qingshi	Guangzhou Zhengxin
Basis of determination of the consideration	For details, please refer to the paragraph headed “Corporate development — Our major subsidiaries and Consolidated Affiliated Entities — Xuan Wu — (7) Capital increase in September 2020” in this section.					For details, please refer to the paragraph headed “Corporate development — Our major subsidiaries and Consolidated Affiliated Entities — Xuan Wu — (8) Share transfer in October 2020” in this section.
Use of proceeds and whether they have been fully utilised	The proceeds from the investments of GF Qianhe, GL Venture Capital, Chengda Coastal and Zhuhai Qingshi have been used for the expansion of our Group’s business and the Reorganisation and general working capital purpose. As at the Latest Practicable Date, the proceeds from the investments of GF Qianhe, GL Venture Capital, Chengda Coastal and Zhuhai Qingshi have been fully utilised ⁽²⁾ .					
Strategic benefits	Our Directors are of the view that our Company could benefit from the additional capital provided by GF Qianhe, GL Venture Capital, Chengda Coastal and Zhuhai Qingshi and our Company could leverage the [REDACTED] Investors’ network, knowledge and experience. For example, our [REDACTED] Investors advised us as to the planning and formulation of project team for financing projects. In addition, GF Qianhe, the holding company of which is GF Securities, one of our clients, introduced us clients.					
Shareholding immediately before completion of [REDACTED] and the [REDACTED]	3.3274% ⁽³⁾	1.9014%	0.5894%	0.0608%	2.2817%	
Discount to mid-point of the [REDACTED]	approximately [REDACTED]%	approximately [REDACTED]%	approximately [REDACTED]%	approximately [REDACTED]%	approximately [REDACTED]%	approximately [REDACTED]%
Shareholding upon the completion of [REDACTED] and the [REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
Notes:						
(2)	The consideration of the Guangzhou Zhengxin Share Transfer was payable to the respective transferors and did not form part of the [REDACTED] of the [REDACTED] Investments.					
(3)	The 3.3274% interests in our Company held by GF Qianhe includes reflection in the shareholding in our Company of 500,000 shares of Xuan Wu previously held by Zhuhai Qianheng and succeeded by GF Qianhe.					

HISTORY AND REORGANISATION

Item	Names of [REDACTED] Investors	GF Qianhe	GL Venture Capital	Chengda Coastal	Zhuhai Qingshi	Guangzhou Zhengxin
Percentage of shareholding in our Company immediately after completion of [REDACTED] and the [REDACTED] (assuming the [REDACTED] is not exercised)		[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%	[REDACTED]%
Lock-up		No lock-up period	No lock-up period ⁽⁵⁾	No lock-up period	No lock-up period	No lock-up period
[REDACTED]		Our Shares held by each of GL Venture Capital, Chengda Coastal, GF Qianhe, Zhuhai Qingshi and Guangzhou Zhengxin are considered as part of the [REDACTED] for the purposes of Rule 8.08 of the Listing Rules as each of them (i) is not a core connected person of our Company; (ii) the subscription of its respective shareholding interest in our Company was not financed directly or indirectly by any core connected person of our Company; and (iii) is not accustomed to take instructions from a core connected person in relation to the acquisition, disposal, voting or other disposition of securities of our Company registered in its name or otherwise held by it.				
[REDACTED] valuation of each round of investment ⁽⁶⁾		RMB1,262,000,000.00	RMB1,262,000,000.00	RMB1,262,000,000.00	RMB1,262,000,000.00	RMB1,262,000,000.00
Special rights		The [REDACTED] Investors have not been granted any special rights in relation to our Company.				
<i>Notes:</i>						
⁽⁵⁾	The shares of Xuan Wu subscribed by GL Venture Capital under the 2020 Investment were subject to a lock-up period of 3 years from the date of completing registration procedures with the industry and commerce department for the issuance of shares if the investment took place within 6 months of filing of application for [REDACTED] by Xuan Wu. The registration procedures with the industry and commerce department was completed on 22 September 2020. Therefore, the shares subscribed by GL Venture Capital under the 2020 Investment are not subject to any lock-up period.					
⁽⁶⁾	The consideration for the [REDACTED] investments paid by each [REDACTED] Investor was in respect of the relevant equity interest in Xuan Wu, and accordingly the valuation represents the valuation of Xuan Wu at the relevant time.					

HISTORY AND REORGANISATION

Information regarding the [REDACTED] Investors

GF Qianhe

GF Qianhe is a limited liability company incorporated in the PRC, and wholly owned by GF Securities. GF Securities is a joint stock company incorporated in the PRC with limited liability, the shares of which are listed on the Stock Exchange (stock code: 1776) and on the Shenzhen Stock Exchange (stock code: 000776).

GL Venture Capital

GL Venture Capital is a limited liability partnership established in the PRC and a private equity fund filed with the Asset Management Association of China (filing number: SLU687). It is managed by its general partner Xinjiang Lanshi Venture Capital Limited Partnership (新疆蘭石創業投資有限合夥企業), an Independent Third Party, which is registered with the Asset Management Association of China (registration number: P1008004).

Chengda Coastal

Chengda Coastal is a limited liability partnership established in the PRC and a private equity fund filed with the Asset Management Association of China (filing number: SD4858). It is managed by its general partner Chengda Coastal Industry (Dalian) Fund Management Company Limited (成大沿海產業(大連)基金管理有限公司), an Independent Third Party, which is registered with the Asset Management Association of China (registration number: P1007964).

Zhuhai Qingshi

Zhuhai Qingshi is a limited liability partnership established in the PRC, and an employee co-investment scheme of GF Qianhe. It is managed by its general partner, Mr. He Kuanhua, who is a managing director of GF Qianhe and an Independent Third Party.

Guangzhou Zhengxin

Guangzhou Zhengxin is a limited liability partnership established in the PRC and a private equity fund filed with the Asset Management Association of China (filing number: SLM210). It is managed by its general partner Guangdong Hongzhengtai Capital Management Company Limited (廣東弘正泰資本管理有限公司), an Independent Third Party, which is registered with the Asset Management Association of China (registration number: P1030307).

HISTORY AND REORGANISATION

Sole Sponsor's confirmation

On the basis that (i) the consideration paid by each of the [REDACTED] Investors was settled on or before 19 October 2020 which was more than 28 clear days before the date of our submission of the [REDACTED] to the [REDACTED] of the Stock Exchange in relation to the [REDACTED]; and (ii) the [REDACTED] Investors shall have the same right as the other Shareholders after the [REDACTED], the Sole Sponsor has confirmed that the [REDACTED] Investments are in compliance with (i) the Interim Guidance on [REDACTED] Investments (HKEX-GL29-12) issued by the Stock Exchange; and (ii) the guidance letter HKEX-GL43-12 issued by the Stock Exchange.

COMPLIANCE WITH PRC LAWS, RULES AND REGULATIONS

Our PRC Legal Advisor has confirmed that (i) the PRC companies in our Group as referred to in this section have been duly established, (ii) all necessary regulatory approvals, permits and licences in respect of the incorporation and changes of the PRC companies have been obtained in accordance with PRC Laws, and all the share transfers and changes in the registered capital in respect of our PRC subsidiaries throughout its corporate development as described above have been approved by and/or filed with the relevant PRC government authorities and the procedures involved are in accordance with PRC law and regulations.

The rules on the mergers and acquisitions of domestic enterprises by foreign investors in China

According to the M&A Rules jointly issued by the MOFCOM, the State-owned Assets Supervision and Administration Commission of the State Council (國務院國有資產管理監督委員會), the STA, the CSRC, the SAIC and the SAFE in 2006 and amended in 2009, a foreign investor is required to obtain necessary approvals when it:

- (a) acquires the equity of a domestic non-foreign invested enterprise, or subscribes for the increased capital of a domestic non-foreign invested enterprise, thereby converting the domestic enterprise into a foreign-invested enterprise (the "Equity Merger");
- (b) establishes a foreign-invested enterprise which purchases and operates the assets of a domestic enterprise; or
- (c) purchases the assets of a domestic enterprise and injects those assets to establish a foreign-invested enterprise (the "Asset Merger").

Where a domestic company, enterprise or natural person intends to acquire its/his/her related domestic company in the name of an offshore company which it/he/she lawfully establishes or controls, the acquisition shall be subject to the examination and approval of the MOFCOM.

HISTORY AND REORGANISATION

Our PRC Legal Advisor has advised that the control by our Group over the Consolidated Affiliated Entities through Xuantao by way of the Contractual Arrangements does not fall within the Equity Merger or the Asset Merger and therefore, the M&A Rules is not applicable to the Reorganisation. However, there is uncertainty as to how the M&A Rules will be interpreted or implemented and we cannot assure you that relevant PRC governmental authorities, including the CSRC, would reach the same conclusion as our PRC Legal Advisor.

ODI approval

Pursuant to the *Measures for the Administration of Overseas Investment* (《境外投資管理辦法》) promulgated by the MOFCOM, the *Administrative Measures for Overseas Investment of Enterprises* (《企業境外投資管理辦法》) promulgated by the NDRC, the *Circular of SAFE on Further Simplifying and Improving the Direct Investment — related Foreign Exchange Administration Policies* (《國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知》) promulgated by SAFE and other rules (collectively, “**ODI Rules**”), a domestic institution is required to undergo relevant procedures for offshore investment prior to its overseas direct investment and obtain relevant record-filing, approval, certificate or permit.

As confirmed by our PRC Legal Advisor, Shanghai Fosun, GF Qianhe, Guangzhou Zhengxin, GL Venture Capital, SZR Investment, GF Securities, Chengda Coastal, Zhuhai Qingshi and the ESOP Platforms completed the registration/record-filing with Department of Commerce of Guangdong Province, Guangdong Provincial Development and Reform Commission and the local bank on 2 August 2021, 27 July 2021 and 20 August 2021, respectively in accordance with the ODI Rules in relation to their offshore investments as domestic institutions.

SAFE registration in China

According to Circular 37, a PRC resident must register with SAFE before he or she contributes assets or equity interests in an overseas special purpose vehicle (the “**Overseas SPV**”) that is directly established or indirectly controlled by the PRC resident for the purpose of conducting investment or financing.

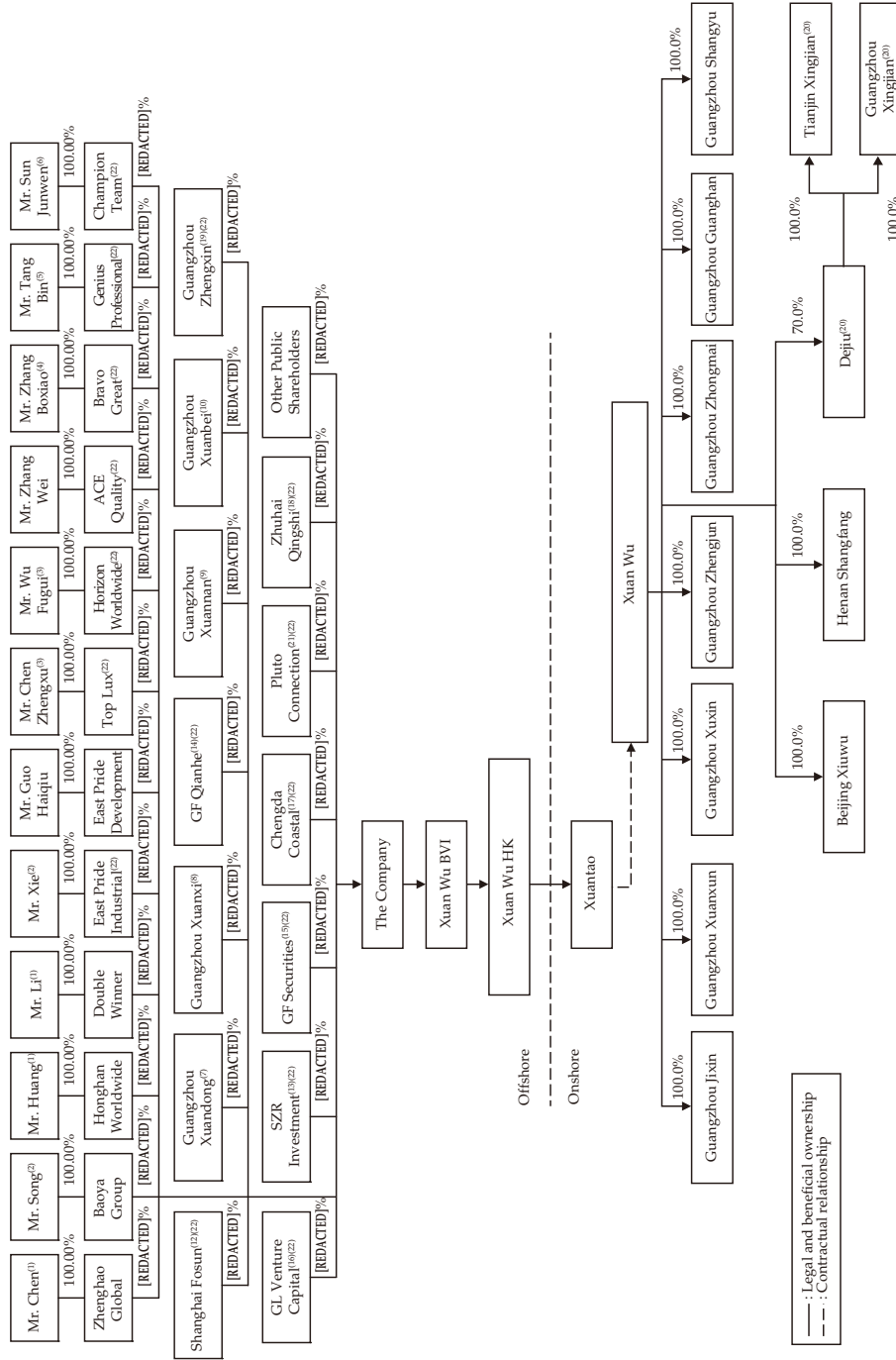
As confirmed by our PRC Legal Advisor, Mr. Chen, Mr. Song, Mr. Huang, Mr. Li, Mr. Xie, Mr. Guo Haiqiu, Mr. Chen Zhengxu, Mr. Wu Fugui, Mr. Zhang Wei, Mr. Zhang Boxiao, Mr. Tang Bin, Mr. Sun Junwen, all being PRC residents, are required to obtain the relevant registration with SAFE pursuant to the SAFE Circular 37. On 1 June 2021, they completed their SAFE Circular 37 registration.

As confirmed by our PRC Legal Advisor, we have obtained and completed all requisite approvals and/or registrations in all material aspects from the relevant PRC authorities in respect of the Reorganisation, and the Reorganisation has, in all material aspects, complied with the applicable PRC laws, regulations and rules.

HISTORY AND REORGANISATION

GROUP STRUCTURE IMMEDIATELY AFTER COMPLETION OF THE [REDACTED]

We expect the corporate and shareholding structure of our Group immediately following completion of the [REDACTED] and the [REDACTED] (assuming the [REDACTED] is not exercised) will be as follows:



Notes:

- (1) to (20): Please refer to the diagram contained under the paragraph headed "Our Reorganisation" in this section.
- (21): Please refer to the diagram contained under the paragraph headed "Our Reorganisation - Our Group structure after the Reorganisation" in this section.
- (22): Shares held by each of these Shareholders are considered as part of the [REDACTED] for the purposes of Rule 8.08 of the Listing Rules and aggregately accounted to [REDACTED] of the Shares upon [REDACTED].