
HISTORY, DEVELOPMENT AND REORGANISATION

OUR KEY MILESTONES

The following table sets forth the key milestones and achievements in the business development of our Group:

Years	Events
2009	<ul style="list-style-type: none">• We established Hangzhou Rego in the PRC
2015	<ul style="list-style-type: none">• We commenced our operation in traditional value-added telecommunications marketing and promotion business services
2017	<ul style="list-style-type: none">• We expanded into the pan-entertainment market and began to provide marketing and promotion services to, among others, online game operators• Hangzhou Rego was awarded the High and New Technology Enterprise Certificate• We began to operate our provision of virtual goods businesses by launching a virtual goods sourcing and delivery services platform• We began to engage in the provision of IT solutions services
2018	<ul style="list-style-type: none">• Zhejiang Runye was awarded the High and New Technology Enterprise Certificate• Hangzhou Rego was awarded the Software Enterprise Certificate
2019	<ul style="list-style-type: none">• We upgraded our virtual goods and services delivery platform with more diversified offering options• Zhejiang Runye was awarded the Software Enterprise Certificate
2020	<ul style="list-style-type: none">• We strategically acquired Xi’an Tiantai for offering IT solutions services with an aim to further expand our potential marketing channel• We launched our RegoAd SDK to establish direct cooperation with app operators to satisfy the mobile advertising needs of our customers
2021	<ul style="list-style-type: none">• We introduced to our advertisers a new type of marketing services, namely advertisement placement services. As an intermediate marketing service provider, we connect our advertisers with publishers, which are primarily large-scale media platform operators

HISTORY, DEVELOPMENT AND REORGANISATION

OUR CORPORATE HISTORY AND DEVELOPMENT

Our Company was incorporated in the Cayman Islands as an exempted company with limited liability on 8 August 2017. As a result of the Reorganisation, our Company became the holding company of our Group for the [REDACTED] purpose with our businesses conducted via our subsidiaries. Please refer to “– Reorganisation for [REDACTED]” below for more details.

Our Corporate History

The history of our Group can be traced back to 2009 when Hangzhou Rego was established in the PRC as a limited company by Mr. Tian together with Mr. Zhang Tao (張濤) (“**Mr. Zhang Tao**”) and two Independent Third Parties with the initial focus on the research and development of software. For details of the working experiences and background of Mr. Tian, our executive Director and executive officer, please refer to “Directors and Senior Management — Directors” in this document. Mr. Zhang Tao is our Group’s technical expert in software research and development. He has been working in our Group since its establishment and has accumulated over 10 years of experience in such field. The other two founders are companies established in PRC with limited liability principally engaged in the promotion and sale of real estate. The shareholders of these two founders have been acquainted with Mr. Tian for years and participated in the establishment of Hangzhou Rego with initial intention to leverage Mr. Tian’s expertise in research and development of software to develop the online display and promotion of their real estate business. In 2010, Mr. Chen (our chairman, executive Director and Controlling Shareholder) invested in Hangzhou Rego through a company controlled by him. Hangzhou Rego was founded or invested by the abovementioned parties with their own respective financial resources.

Being optimistic about development of the marketing services industry of telecommunication and in order to broaden our revenue stream, Hangzhou Rego commenced its operation in traditional value-added telecommunications marketing and promotion businesses in the PRC in 2015, by leveraging Mr. Tian’s experiences and in-depth knowledge and Mr. Chen’s networking in such area. The provision of marketing services to address corporate needs has been lying at the heart of our business operation ever since. Over the years, we have been expanding our capacities in providing comprehensive and tailored marketing services in accordance with the market developments. In 2017, we launched a self-developed virtual goods and services delivery platform to cater corporate needs in customer acquisition or retention by offering gifts or benefits to customers.

We also believe that by establishing a foothold in the targeted industries through the provision of excellent IT solutions services will ultimately conduce to a better understanding of the corporate needs, and more efficient implementation of our marketing proposals to market players. Therefore, since 2017, we began to engage in the provision of IT solutions services to the market players of the PRC online game industry for the purpose of enhancing the synergy effect with our marketing and promotion services. Through the strategic acquisition of Xi’an Tiantai in July 2020, we had built indirect business relationships with the provincial WLIACs in 23 provinces, municipalities and autonomous regions in the PRC covering over 97,000 lottery sales points as at the Latest Practicable Date, thereby expanding our retail lottery marketing channel.

HISTORY, DEVELOPMENT AND REORGANISATION

Our Major Subsidiaries

During the Track Record Period, the principal businesses of our Group had been operated under the following major operating subsidiaries, which made material contribution to our revenue during the Track Record Period. The following chart sets out the details of our major operating subsidiaries:

<u>Name of entity</u>	<u>Place of Establishment</u>	<u>Date of Establishment/ consolidating as our Group’s member</u>	<u>Registered Capital</u>	<u>Principal Business Activities</u>
Hangzhou Rego	PRC	25 June 2009	RMB15 million	Marketing and promotion services and IT solutions services
Hangzhou Runsheng	PRC	16 November 2017	RMB10 million	Promotion and advertising services
Yuncaitong	PRC	6 June 2018	RMB50 million	Marketing and promotion services and sales of lottery tickets
Hainan Rego	PRC	22 July 2019	RMB1 million	Promotion and advertising services
Xi’an Tiantai	PRC	31 July 2020	RMB10 million	Solutions on lottery related systems and equipment

Note:

During the Track Record Period, Zhejiang Runye Information Technology Company Limited* (浙江潤也信息科技有限公司) (“**Zhejiang Runye**”) and Jiangxi Yunjia Technology Company Limited* (江西雲家科技有限公司) (“**Jiangxi Yunjia**”) were our consolidated affiliated entity and subsidiary, respectively, with material revenue contribution. As at the Latest Practicable Date, (i) Zhejiang Runye was no longer a member of our Group due to the termination of the Contractual Arrangements with our Group; and (ii) Jiangxi Yunjia had been deregistered.

For details, please refer to the paragraphs headed “– Former major subsidiaries of our Group”, and “– Reorganisation For [REDACTED] – 5. Subsequent Termination of Zhejiang Runye’s Contractual Arrangements” in this section.

HISTORY, DEVELOPMENT AND REORGANISATION

Hangzhou Rego

Hangzhou Rego was jointly established as a limited company in the PRC on 25 June 2009, with an initial registered capital of RMB1 million, by Mr. Tian, Mr. Zhang Tao, and two Independent Third Parties upon its establishment. Hangzhou Rego was owned by Mr. Tian, Mr. Zhang Tao and the two Independent Third Parties by 30%, 15% and 55%, respectively. The two Independent Third Parties owned 45% (the “**First Ex-shareholder**”) and 10% (the “**Second Ex-shareholder**”) equity interest in Hangzhou Rego respectively, and divested their investments in Hangzhou Rego in 2010 and 2016 respectively due to their own business decisions.

On 31 December 2010, for the purpose of introducing Zhejiang Lande Venture Capital Company Limited* (浙江蘭德創業投資有限公司) (“**Zhejiang Lande**”) (Mr. Chen was the then majority shareholder of Zhejiang Lande) as a new investor and due to the business decision of the First Ex-shareholder to exit, Mr. Tian transferred his 10% equity interest in Hangzhou Rego to Zhejiang Lande at a consideration of RMB100,000, Mr. Zhang Tao transferred his 5% equity interest in Hangzhou Rego to Zhejiang Lande at a consideration of RMB50,000, and the First Ex-shareholder transferred its 15% and 30% equity interest in Hangzhou Rego to Zhejiang Lande and the Second Ex-shareholder at the considerations of RMB150,000 and RMB300,000, respectively. The considerations were determined by the parties based on arm’s length commercial negotiation with reference to the paid-up capital of Hangzhou Rego at the time of the transaction. The considerations were fully settled in January 2011. Set forth below the shareholding structure of Hangzhou Rego immediately before and after these transfers:

Name	Approximate equity interest % before the transfers	Approximate equity interest % after the transfers
Mr. Tian	30	20
Mr. Zhang Tao	15	10
First Ex-shareholder	45	0
Zhejiang Lande ^(Note)	0	30
Second Ex-shareholder	10	40
Total	100	100

Note:

At the time of the above transfers, Zhejiang Lande was owned by Shanghai Aifusheng Information Technology Co., Ltd.* (上海艾孚生信息科技有限公司) (“**Shanghai Aifusheng**”) as to 70% and Hangzhou Saier Telecommunication Equipment Co., Ltd.* (杭州賽爾通信設備有限公司) (“**Hangzhou Saier Equipment**”) as to 30%. At the time of the above transfers, Mr. Chen and Mr. Chen’s father, Mr. Chen Guocai (陳國才) owned 90% and 10% equity interests in Shanghai Aifusheng, respectively, and Hangzhou Saier Equipment was wholly owned by Mr. Chen.

HISTORY, DEVELOPMENT AND REORGANISATION

On 26 November 2012, due to its business decision to reduce its investment in Hangzhou Rego, the Second Ex-shareholder transferred its 13.75%, 0.625% and 8.125% equity interest in Hangzhou Rego to Mr. Tian, Mr. Zhang Tao and Zhejiang Lande at the considerations of RMB137,500, RMB6,250 and RMB81,250, respectively. The considerations were determined by the parties based on arm’s length commercial negotiation with reference to the paid-up capital of Hangzhou Rego at the time of the transaction. The considerations were fully settled in December 2012. Set forth below the shareholding structure of Hangzhou Rego immediately before and after these transfers:

Name	Approximate equity interest % before the transfers	Approximate equity interest % after the transfers
Mr. Tian	20	33.75
Mr. Zhang Tao	10	10.625
Second Ex-shareholder	40	17.5
Zhejiang Lande	30	38.125
Total	100	100

On 4 May 2016, due to Mr. Zhang Tao’s decision to focus on his role as a technical expert without the financial burden of being an investor, the Second Ex-shareholder’s business decision to divest its investment and Mr. Chen’s decision to hold his indirect interest in Hangzhou Rego by another company, (i) Mr. Zhang Tao transferred the entire 10.625% of his equity interest in Hangzhou Rego to Mr. Tian at a consideration of RMB106,250, (ii) Zhejiang Lande transferred 12.245% and 25.88% of its equity interest in Hangzhou Rego to Mr. Tian and Hangzhou Gongjia Investment Management Co., Ltd.* (杭州共佳投資管理有限公司) (formerly known as Hangzhou Gongjia Information Technology Co., Ltd.* (杭州共佳信息技術有限公司)) (“**Hangzhou Gongjia**”) at the considerations of RMB122,450 and RMB258,800, respectively; and (iii) the Second Ex-shareholder transferred its remaining 17.5% equity interest in Hangzhou Rego to Hangzhou Gongjia at a consideration of RMB175,000. The considerations were determined by the parties based on arm’s length commercial negotiation with reference to the paid-up capital of Hangzhou Rego at the time of the transaction. The considerations were fully settled in May 2016. Set forth below the shareholding structure of Hangzhou Rego immediately before and after these transfers:

Name	Approximate equity interest % before the transfers	Approximate equity interest % after the transfers
Mr. Tian	33.75	56.62
Mr. Zhang Tao	10.625	0
Second Ex-shareholder	17.5	0
Zhejiang Lande	38.125	0
Hangzhou Gongjia ^(Note)	0	43.38
Total	100	100

Note: Hangzhou Gongjia was owned by Shanghai Aifusheng and an Independent Third Party as to 91% and 9%, respectively. Shanghai Aifusheng was owned by Mr. Chen and Mr. Chen Guocai as to 90% and 10%, respectively.

HISTORY, DEVELOPMENT AND REORGANISATION

On 14 July 2017, with a view to recognising the contribution of Mr. Zhang (our executive Director, chief operating officer, and Controlling Shareholder) and Mr. Tian in the business of Hangzhou Rego, Hangzhou Gongjia transferred its 15% and 3.38% equity interest in Hangzhou Rego to Mr. Zhang and Mr. Tian at the considerations of RMB150,000 and RMB33,800, respectively. The considerations were determined by the parties based on arm’s length negotiation with reference to the paid-up capital of Hangzhou Rego at the time of the transaction. The considerations were fully settled in July 2017. Upon the completion, Hangzhou Rego was owned by Mr. Tian, Hangzhou Gongjia and Mr. Zhang as to 60%, 25% and 15%, respectively. Set forth below the shareholding structure of Hangzhou Rego immediately before and after these transfers:

Name	Approximate equity interest % before the transfers	Approximate equity interest % after the transfers
Mr. Tian	56.62	60
Hangzhou Gongjia	43.38	25
Mr. Zhang	0	15
Total	100	100

During the Track Record Period, Hangzhou Rego was principally engaged in the provision of (i) marketing and promotion services; and (ii) IT solutions services.

Hangzhou Runsheng

Hangzhou Runsheng was established as a limited company in the PRC on 16 November 2017 for the purpose of expanding our Group’s types of virtual goods offering and advertisement distribution services, with an initial registered capital of RMB10 million. Upon its establishment, Zhejiang Runye (a previous consolidated affiliated entity of our Group during the Track Record Period) owned 100% of the equity interest in Hangzhou Runsheng.

On 9 March 2018, Mr. Xia Yuanbo (夏遠波) and Mr. Yang Lei (楊磊) entered into an equity transfer agreement with Zhejiang Runye, respectively, under which Zhejiang Runye transferred 17.5% of its equity interest in Hangzhou Runsheng to each of them at nil consideration. The consideration was determined by the parties based on arm’s length commercial negotiation with reference to the circumstances that the registered capital of Hangzhou Runsheng had not been paid at that time. Upon the completion of the transfer, Zhejiang Runye’s equity interest in Hangzhou Runsheng decreased to 65%. As the then shareholders of Hangzhou Runsheng, Mr. Xia Yuanbo and Mr. Yang Lei have injected RMB350,000 and RMB350,000 to the same company as its paid-up capital, respectively. Both Mr. Xia Yuanbo and Mr. Yang Lei had extensive experience in sales and marketing business in value-added telecommunications and internet industries at the time of the above transaction.

HISTORY, DEVELOPMENT AND REORGANISATION

For the purpose of attracting and retaining talents with extensive marketing capability to assist Hangzhou Runsheng’s business development, we invited Mr. Xia Yuanbo and Mr. Yang Lei to invest in Hangzhou Runsheng. Mr. Yang Lei was a deputy general manager of Hangzhou Runsheng at the relevant time and Mr. Xia Yuanbo subsequently joined Hangzhou Runsheng as a general manager in April 2018. Save as abovementioned, there was no other relationship between Mr. Xia Yuanbo, Mr. Yang Lei and the Group.

Considering (i) the future business development of Hangzhou Runsheng may require additional capital contribution from shareholders, and (ii) their respective personal financial situations, Mr. Xia Yuanbo and Mr. Yang Lei decided to divest their interests in Hangzhou Runsheng. On 11 December 2019, each of Mr. Xia Yuanbo and Mr. Yang Lei entered into an equity transfer agreement with Zhejiang Runye so as to transfer each of their 17.5% equity interest in Hangzhou Runsheng to Zhejiang Runye, respectively at the consideration of RMB350,000, respectively. The considerations were determined by the parties based on arm’s length commercial negotiation with reference to the paid-up capital of Hangzhou Runsheng at the time of the transactions. Zhejiang Runye fully settled the considerations on 25 December 2019. Mr. Xia Yuanbo and Mr. Yang Lei are currently our senior management. For details of the background of Mr. Xia Yuanbo and Mr. Yang Lei and their key responsibilities, please refer to the section headed “Directors and Senior Management — Senior Management” in this document. In December 2020, the entire equity interest of Hangzhou Runsheng was transferred to Hangzhou Rego.

Yuncaitong

Yuncaitong was established as a joint stock company in the PRC on 7 March 2016, with an initial registered capital of RMB50 million. Upon its establishment, Yuncaitong was owned by Mr. Zhang Shidong (張士東) and Mr. Yao Daming (姚達明) (Independent Third Parties by then) as to 50% and 50%, respectively.

We acquired Yuncaitong in 2018. Considering Yuncaitong was a joint stock company at that time the acquisition was conducted separately by two of our then members for the compliance with Article 78 of PRC Company Law that a joint stock company should maintain at least two shareholders. On 6 June 2018, Mr. Zhang Shidong and Mr. Yao Daming entered into agreements with Zhejiang Runye to transfer their 50% and 20% shareholding in Yuncaitong to Zhejiang Runye at the considerations of RMB5.4 million and RMB1 million, respectively. The considerations were determined by the parties based on arm’s length commercial negotiation with reference to, among other things, Yuncaitong’s lottery sales points coverage and other lottery-related resources as well as its paid-up capital. On 12 October 2018, the considerations were fully settled by Zhejiang Runye.

HISTORY, DEVELOPMENT AND REORGANISATION

On 6 November 2018, Mr. Yao Daming further entered into an agreement with Jiangxi Yunjia to transfer his remaining 30% shareholding in Yuncaitong to Jiangxi Yunjia at a consideration of RMB2.7429 million. The consideration was determined by the parties based on arm’s length commercial negotiation with reference to, among other things, Yuncaitong’s lottery sales points coverage and other lottery-related resources as well as its paid-up capital. On 24 January 2019, the amount of the consideration was fully settled by Jiangxi Yunjia. Upon the completion of this transfer, Yuncaitong was owned by Zhejiang Runye and Jiangxi Yunjia as to 70% and 30%, respectively, and became an indirect wholly-owned subsidiary of our Company upon the completion of the transfer. Since Article 78 of PRC Company Law requires that a joint stock company should have at least two shareholders, in order to maintain only one shareholder of Yuncaitong, we decided to convert Yuncaitong into a limited liability company and the registration was completed in April 2020. Zhejiang Runye and Jiangxi Yunjia transferred their respective 70% and 30% equity interests in Yuncaitong to Hainan Rego. The acquisition of Yuncaitong does not constitute material acquisition according to Rule 4.05A of the Listing Rules and subsequent to the acquisition and up to 31 December 2021, Yuncaitong has contributed profit to our Group in the amount of approximately RMB588,000.

Yuncaitong principally engaged in lottery business in Hubei Province and has established business relationship with Hubei Province China Sports Lottery Administration Centres* (湖北省體育彩票管理中心). Yuncaitong mainly engaged in the provision of marketing and promotion service and sales of lottery tickets since the acquisition by our Group in 2018. We believe that the acquisition had enabled us to expand our marketing channels through Yuncaitong’s lottery sales points network. We also believe that such acquisition will enable us to develop future business in the sports lottery industry by providing the IT solutions services.

Hainan Rego

Hainan Rego was established as a limited company in the PRC on 22 July 2019 with an initial registered capital of RMB1 million. Upon its establishment, Hangzhou Rego owned 100% of the equity interest in Hainan Rego. Since 2021, Hainan Rego started to engage in the provision of promotion and advertising services and has been one of our major subsidiaries.

Xi’an Tiantai

Xi’an Tiantai was established as a limited company in the PRC on 13 June 2007 with an initial registered capital of RMB3 million. Prior to the Separation (as defined below), Xi’an Tiantai was wholly-owned by Xi’an Tiantai Huitou Enterprise Management Group Company Limited* (西安天泰匯投企業管理集團有限公司) (“**Tiantai Huitou**”), which was in turn owned by two Independent Third Parties.

For the purpose of selling the software development business of Xi’an Tiantai to Hangzhou Rego, on 30 April 2020, Xi’an Tiantai entered into a company separation agreement with its proposed derivative companies Xi’an Caipingfang Enterprise Management Co., Ltd.* (西安彩平方企業管理有限公司) and Xi’an Youran Lexiang Culture Media Co., Ltd.* (西安悠然樂享文化傳媒有限公司) for spinning off of all its assets, liabilities, business, registered and

HISTORY, DEVELOPMENT AND REORGANISATION

paid-up capitals based on Xi’an Tiantai’s assets as at 31 December 2019 (the “**Separation**”) to these two companies. After the Separation, Xi’an Tiantai continued to hold and carry on the software development business, while the lottery business and advertising businesses were held and carried out by Xi’an Caipingfang Enterprise Management Co., Ltd. and Xi’an Youran Lexiang Culture Media Co., Ltd., respectively.

On 31 July 2020, Tiantai Huitou entered into an agreement with Hangzhou Rego to transfer its entire equity interest in Xi’an Tiantai to Hangzhou Rego at a consideration of RMB15 million. The consideration was determined by the parties based on arm’s length commercial negotiation with reference to, among other things, the appraised value of Xi’an Tiantai of RMB15.8 million as at 31 March 2020 as set out in a valuation report issued by an independent valuer on 31 July 2020. The consideration was fully settled on 22 December 2020. Following the completion of the equity transfer, Xi’an Tiantai became a wholly-owned subsidiary of Hangzhou Rego.

Xi’an Tiantai has developed and owned many innovative products and solutions for lottery industry, including but not limited to an integrated business security access system (一線通), an electronic payment system for lottery industry (一付通) and an unified certification system for lottery industry (一證通). As at the Latest Practicable Date, Xi’an Tiantai had established business relationship with the provincial WLIACs in 23 provinces, municipalities and autonomous regions of the PRC covering over 97,000 lottery sales points. Xi’an Tiantai is also a Hightech Enterprise (national level). We believe that the strategic acquisition of Xi’an Tiantai will enable us to (i) take advantage of its extensive lottery sales points coverage as our potential marketing channel, and (ii) leverage its established stable relationship with WLIAC to keep abreast of the change in market trend and demand of the PRC lottery market at an early stage, which would assist our Group in providing tailor-made marketing and promotion proposals to the industry players more efficiently.

Former Major Subsidiaries of Our Group

During the Track Record Period, Zhejiang Runye and Jiangxi Yunjia were members of our Group with material revenue contribution. As at the Latest Practicable Date, (i) Zhejiang Runye was no longer a member of our Group due to the termination of its Contractual Arrangements with our Group; and (ii) Jiangxi Yunjia had been deregistered. Details of Zhejiang Runye and Jiangxi Yunjia are set forth below:

Zhejiang Runye

Zhejiang Runye was established as a limited company in the PRC on 14 September 2016, with an initial registered capital of RMB10 million. When we established Zhejiang Runye, we intended it as an entity to explore the business opportunities in the internet industry and therefore it might apply for an ICP license. Accordingly, Mr. Tian and Mr. Zhang have been the Registered Shareholders of Zhejiang Runye as to 70% and 30%, respectively. As Mr. Chen is a Hong Kong permanent resident, he was not arranged to be a registered owner of Zhejiang Runye but the Contractual Arrangements as set out below had been subsequently entered.

HISTORY, DEVELOPMENT AND REORGANISATION

On 1 January 2018, Zhejiang Runye, Mr. Tian and Mr. Zhang (as the Registered Shareholders of Zhejiang Runye) entered into a set of Contractual Arrangements (as supplemented and superseded by another set of Contractual Arrangements dated 24 February 2021) with Hangzhou Rego, pursuant to which, among other things, Hangzhou Rego would have the right to exercise control over the operation and enjoy all the economic benefits of Zhejiang Runye. After signing of the Contractual Arrangements, Zhejiang Runye became our consolidated affiliated entity. During the Track Record Period, Zhejiang Runye principally engaged in the provision of (i) marketing and promotion services, and (ii) IT solutions services. In 2018, Zhejiang Runye obtained an ICP License preparing for the intended operation of an mobile games application which however was not materialised subsequently.

As at the Latest Practicable Date, the Contractual Arrangements had been terminated and Zhejiang Runye was no longer a member of our Group. Zhejiang Runye contributed to approximately 58.9%, 25.1% and 2.9 % of our total revenue for FY2019, FY2020 and FY2021, respectively. Following the termination of the Contractual Arrangements, Hangzhou Rego had taken up the business operated by Zhejiang Runye. For details, please refer to the sub-section headed “– Reorganisation for [REDACTED] – 5. Termination of Zhejiang Runye’s Contractual Arrangements” in this section.

Jiangxi Yunjia

Jiangxi Yunjia was established on 30 March 2016 and upon its establishment, it was wholly owned by Jiangxi Tiansheng Yunsheng Technology Group Company Limited* (江西天盛雲生科技集團有限公司) (“**Jiangxi Tiansheng**”), an Independent Third Party. Jiangxi Yunjia had an initial registered share capital of RMB10 million.

On 17 January 2018, we (through Zhejiang Runye) entered into an agreement with Jiangxi Tiansheng to acquire its entire equity interest in Jiangxi Yunjia at the consideration of RMB2 million, which was determined by the parties based on arm’s length commercial negotiation with reference to Jiangxi Yunjia’s business prospects and its experienced team in internet business.

During the Track Record Period, Jiangxi Yunjia principally engaged in the provision of promotion and advertising services and mobile game and software development and maintenance services.

As Jiangxi Yunjia no longer conducted any business, on 2 September 2021, we resolved to deregister Jiangxi Yunjia for the purpose of saving administration cost and expenses and streamlining the structure of our Group. The deregistration was completed on 5 November 2021. Prior to its deregistration, Jiangxi Yunjia transferred all of its assets to Hangzhou Rego. As advised by our PRC Legal Advisers, Jiangxi Yunjia had not been involved in any litigation or non-compliances prior to its deregistration. During the Track Record Period, Jiangxi Yunjia generated profit in the amount of approximately RMB2.9 million and RMB377,000 for FY2019 and FY2021 (up to 5 November 2021) and made loss in the amount of approximately RMB237,000 for FY2020.

HISTORY, DEVELOPMENT AND REORGANISATION

Compliance with Rule 4.05A of the Listing Rules

Our Directors confirmed that, none of the companies acquired by us during the Track Record Period would be classified as a major transaction or a very substantial acquisition (based on the applicable percentage ratios as stipulated under the Listing Rules. Accordingly, we are not required to disclose the pre-acquisition financial information of any of the companies acquired by us during the Track Record Period pursuant to Rule 4.05A of the Listing Rules.

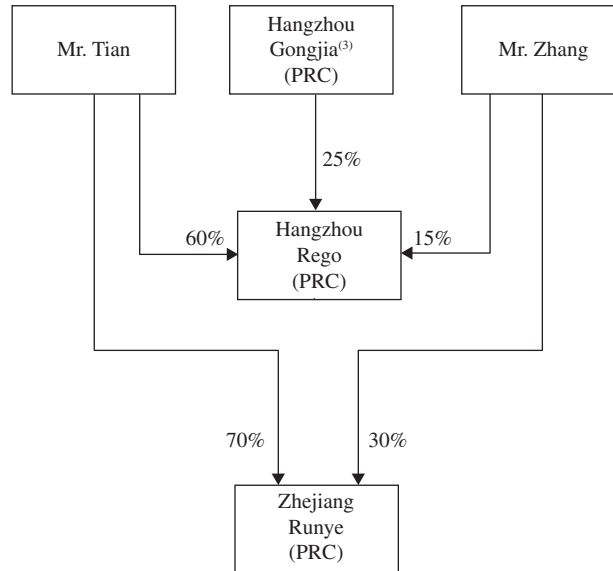
Common control by Acting-in-Concert Agreement

On 22 October 2021, Mr. Tian, Mr. Chen and Mr. Zhang (together, the “**Concerted Group**”), entered into an acting-in-concert agreement (the “**Acting-in-Concert Agreement**”) confirming that since 14 July 2017 when they started to own the equity interest of Hangzhou Rego in the proportions of 60%, 25% and 15%, respectively, directly and indirectly, among other things (i) the Concerted Group has been acting in concert in all major matters of our Group, and has reached unanimous consensus before exercising their voting rights at the shareholders’ meetings or other occasions for deciding major matters of our Group and voted unanimously; and (ii) the Concerted Group and the directors of respective members of our Group appointed by them have reached unanimous consensus and voted unanimously, when they exercise their decision making powers on major matters of our Group in the capacity as directors at the board meetings or other occasions, or exercising other powers on major matters in their capacity as senior management of the respective members of our Group. The Acting-in-Concert Agreement will remain in effect until (i) the parties to the Acting-in-Concert Agreement agree to terminate the Acting-in-Concert Agreement in writing; (ii) any party to the Acting-in-Concert Agreement ceases to have an interest in our Group, directly or indirectly; (iii) any party to the Acting-in-Concert Agreement deceases or no longer has normal capacity; or (iv) our Company and Hangzhou Rego are dissolved.

HISTORY, DEVELOPMENT AND REORGANISATION

REORGANISATION FOR [REDACTED]

The following chart sets forth the corporate and shareholding structure of our Group in 2017 and immediately before the Reorganisation⁽¹⁾⁽²⁾:



Notes:

1. Prior to the Reorganisation and at the time of our Company’s incorporation, the existing and former major subsidiaries of our Company, including Hangzhou Runsheng, Yuncaitong, Hainan Rego, Xi’an Tiantai and Jiangxi Yunjia, have not been established or acquired by our Group.
2. During the Track Record Period, our Group had certain insignificant non-wholly-owned subsidiaries, including Hangzhou Xinyou Network Technology Company Limited* (杭州信游網絡科技有限公司), Hainan Rego Huicai Network Technology Company Limited* (海南潤歌慧彩網絡科技有限公司) and Wuhan Cairun Technology Company Limited* (武漢彩潤科技有限公司). These companies were established or acquired after the commencement of the Reorganisation and had been subsequently disposed or deregistered.

Our PRC Legal Advisers have confirmed that (i) all of the above companies had not been involved in any material and/or systemic non-compliances during the Track Record Period up to the completion date of their respective disposal or deregistration; and (ii) each of the above disposal or deregistration was legally and properly completed and fully settled (if applicable), all approvals and permits had been obtained and were valid as at the Latest Practicable Date, and all procedures involved were in compliance with the PRC laws and regulations.

3. Hangzhou Gongjia was owned by Shanghai Aifusheng and an Independent Third Party as to 91% and 9%, respectively. Shanghai Aifusheng was owned by Mr. Chen and Mr. Chen Guocai as to 90% and 10%, respectively.

HISTORY, DEVELOPMENT AND REORGANISATION

The following are the major steps of our Reorganisation:

1. Incorporation of our offshore structure

On 14 July 2017, Mr. Tian incorporated Tanshin Investments Limited (天歡投資有限公司) (“**Tanshin Investments**”) (originally known as Tianyang Investments Limited (天陽投資有限公司)); Mr. Chen incorporated Vicen Investments Limited (緯晨投資有限公司) (“**Vicen Investments**”); and Mr. Zhang incorporated Sprus Investments Limited (雲杉投資有限公司) (“**Sprus Investments**”), in the BVI, respectively, as their respective special purpose vehicles.

2. Incorporation of our Company, Share subdivision and increment of Share capital

Our Company was incorporated as an exempted company with limited liability in the Cayman Islands on 8 August 2017 with an authorised share capital of USD50,000 divided into 50,000 ordinary Shares with a par value of USD1 each. Upon its incorporation, one fully paid Share of USD1 was issued to its first subscriber, which was then transferred to Tanshin Investments. On the same date, our Company allotted and issued 79 fully paid Shares of USD1 each to Tanshin Investments, and 20 fully paid Shares of USD1 each to Sprus Investments, respectively.

On 28 March 2019, Tanshin Investments transferred 20 Shares to Vicen Investments at a consideration of USD20, and Sprus Investments transferred five Shares to Vicen Investments at a consideration of USD5, respectively. The considerations were determined based on the par value of the Share, and were fully settled subsequently. Subsequently, Tanshin Investments, Vicen Investments and Sprus Investments held 60%, 25% and 15% of our Company, respectively.

Pursuant to an ordinary resolution of our Company dated 29 January 2021, each ordinary Share of a par value of USD1 in the authorised share capital of our Company (including issued and unissued share capital) was subdivided into 1,000 Shares of a par value of USD0.001 each (“**Share Subdivision**”). Immediately following the Share Subdivision, the authorised share capital of our Company became USD50,000.00 divided into 50,000,000 Shares of par value of USD0.001 each, all of which were designated as ordinary Shares and that the number of issued Shares to Tanshin Investments, Sprus Investments and Vicen Investments became 60,000 Shares of par value of USD0.001 each, 15,000 Shares of par value of USD0.001 each and 25,000 Shares of par value of USD0.001 each, respectively.

By ordinary resolution of the shareholders of our Company passed on [●], the authorised share capital of our Company was increased to USD2,000,000 divided into 2,000,000,000 Shares of UDS\$0.001 each by creation of additional 1,950,000,000 Shares of USD0.001 each.

HISTORY, DEVELOPMENT AND REORGANISATION

3. Incorporation of our Hong Kong and BVI subsidiaries

Vicen HK

Vicen International Holdings (Hong Kong) Limited (“**Vicen HK**”) was incorporated as a limited company in Hong Kong on 4 August 2017, with an issued share capital of HKD1 divided into one ordinary share. Upon incorporation, Vicen HK was wholly owned by Vicen Investments Limited, which was a wholly-owned company of Mr. Chen. On 4 February 2019, Vicen Investments Limited transferred its entire interest in Vicen HK to our Company.

Rego HK

Rego Investments Limited (“**Rego HK**”) was incorporated as a limited company in Hong Kong on 4 September 2017, with an issued share capital of HKD1 divided into one ordinary share. Upon incorporation, Rego HK was wholly owned by Rego BVI.

Rego BVI

Rego International Holdings Limited (“**Rego BVI**”) was incorporated in the BVI on 15 August 2017 which is authorised to issue a maximum of 50,000 shares with a par value of USD1 each. One share was allotted and issued to our Company at a consideration of USD1 which was determined with reference to the par value of the share allotted and issued. Upon completion of the allotment, Rego BVI became a direct wholly owned subsidiary of our Company.

4. Connecting the offshore structure to Hangzhou Rego

During the Reorganisation and the Track Record Period, Hangzhou Rego has been one of the major subsidiaries of our Company and an onshore holding company of our PRC subsidiaries.

On 10 October 2017, Hangzhou Gongjia entered into a share transfer agreement with Mr. Tian, pursuant to which Hangzhou Gongjia agreed to transfer its 25% equity interest in Hangzhou Rego to Mr. Tian at a consideration of RMB250,000. The consideration was determined by the parties based on arm’s length negotiation with reference to the paid-up capital of Hangzhou Rego at the time of the transaction. On 23 October 2017, the consideration was fully settled. Upon the completion of the transfer, Hangzhou Rego was owned by Mr. Zhang and Mr. Tian as to 15% and 85%, respectively.

On 26 October 2017, Mr. Tian entered into a share transfer agreement with Vicen HK, pursuant to which Mr. Tian agreed to transfer his 25% equity interest in Hangzhou Rego to Vicen HK at a consideration of RMB250,000. The consideration was determined by the parties arm’s length negotiation with reference to the paid-up capital of Hangzhou Rego at the time of the transaction. On 14 January 2019, the consideration was fully settled. At the time of the above transfer, Vicen HK was indirectly wholly-owned by Mr. Chen. Upon the completion of the transfer, Hangzhou Rego was owned by Mr. Zhang, Mr. Tian and Vicen HK as to 15%, 60% and 25%, respectively.

HISTORY, DEVELOPMENT AND REORGANISATION

On 10 November 2017, Mr. Tian entered into a share transfer agreement with Rego HK, pursuant to which Mr. Tian agreed to transfer his remaining 60% equity interest in Hangzhou Rego to Rego HK at a consideration of RMB0.6 million. On the same date, Mr. Zhang entered into a share transfer agreement with Rego HK, pursuant to which Mr. Zhang agreed to transfer his 15% equity interest at a consideration of RMB150,000 to Rego HK. Both considerations were determined by the parties arm’s length negotiations with reference to paid-up capital of Hangzhou Rego at the time of the transaction. On 14 January 2019, the considerations were fully settled by Rego HK. Upon the completion of the transfer, Hangzhou Rego was owned by Rego HK and Vicen HK as to 75% and 25%, respectively.

On 11 August 2020, the registered capital of Hangzhou Rego was increased from RMB1 million to RMB15 million. Rego HK and Vicen HK subscribed RMB10.5 million and RMB3.5 million registered share capital of Hangzhou Rego, respectively. Immediately after the increase of the registered capital and up to the Latest Practicable Date, Hangzhou Rego was owned by Rego HK and Vicen HK as to 75% and 25%, respectively.

5. Subsequent Termination of Zhejiang Runye’s Contractual Arrangements

During the Track Record Period, Zhejiang Runye principally engaged in the provision of (i) marketing and promotion services, and (ii) IT solutions services, and Zhejiang Runye had not carried out the intended business in the internet industry which requires an ICP License. However, in view of the holding of the ICP License, as mentioned in the sub-section headed “– Former Major Subsidiaries of Our Group” in this section, Mr. Tian and Mr. Zhang entered into a set of Contractual Arrangements with Hangzhou Rego on 1 January 2018, which were superseded by another set of contractual agreements on 24 February 2021 to refine relevant clauses with reference to the requirements of HKEX-GL-77-14.

As advised by our PRC Legal Advisers, the business operation of Zhejiang Runye does not fall under any restricted or prohibited businesses under the PRC laws and no contractual arrangement is required for such business operation. On this basis, the Contractual Arrangements would contravene the requirement of HKEX-GL-77-14 that a contractual arrangement should be narrowly tailored to achieve the issuer’s business purpose. On 17 August 2021, Zhejiang Runye, Hangzhou Rego and the Registered Shareholders (as the case may be) entered into agreements to terminate the Contractual Arrangements (the “**Termination**”). Upon the Termination, Zhejiang Runye ceased to be a member of our Group and its business has been continued by Hangzhou Rego. For a smooth and simpler business transfer, our Group decided to dispose of Zhejiang Runye instead of acquiring the entire registered capital of Zhejiang Runye which may involve significant cash outflow by our Group, (i) Zhejiang Runye has arranged its core handling employees to join Hangzhou Rego, (ii) Hangzhou Rego entered into an agreement with the then existing customer of Zhejiang Runye to continue the latter’s existing business; and (iii) Zhejiang Runye transferred two intellectual property rights that are material to our Group’s business development to Hangzhou Rego for a consideration of RMB1,564,465.44, determined based on their carrying amount as reflected in the management accounts of Zhejiang Runye as at 31 July 2021. As confirmed by the Registered Shareholders of Zhejiang Runye, it is Zhejiang Runye’s intention to retain its existing licences for its possible future business development when opportunities arise despite it did not have any business operation as at the Latest Practicable Date. Also, the existing reorganisation arrangement did have any material impact on our Group’s business operations

HISTORY, DEVELOPMENT AND REORGANISATION

and only resulted in a deemed distribution of net assets of Zhejiang Runye to the existing Shareholders of our Company and therefore the interest of the Shareholders is not materially affected. Based on the above, our Group decided to dispose of Zhejiang Runye.

For the purpose of the Termination, Mr. Tian, Mr. Zhang, Mr. Chen, Hangzhou Rego and Zhejiang Runye had entered into another agreement (the “**Termination Consideration Agreement**”), pursuant to which the parties had agreed that no consideration would be payable to our Group for the Termination), unless the disposal would otherwise affect our Company’s [REDACTED] under the Listing Rules, in which case Mr. Tian, Mr. Zhang and Mr. Chen would jointly and severally pay to us a sum of approximately RMB46.8 million, which was equivalent to the amount of net asset of Zhejiang Runye being disposed of as consideration for the Termination. In addition, Mr. Tian, Mr. Zhang and Mr. Chen had agreed in the Termination Consideration Agreement that they shall share the economic benefits as shareholders of Zhejiang Runye in the proportion of 60%, 15% and 25%, respectively. Accordingly, we consider that the disposal was in effect a deemed distribution of net assets of Zhejiang Runye to our shareholders, namely Mr. Tian, Mr. Zhang and Mr. Chen, as part of the Reorganisation from business perspective.

The Board is of the view that, the terms of the Termination Consideration Agreement (including the arrangement that no consideration would be payable to our Group for the Termination (the “**Nil Consideration Arrangement**”)) are fair and reasonable and on normal commercial terms, on the basis that, (i) all the business operations of Zhejiang Runye have been taken up by our Group following the Termination; (ii) the remaining assets of Zhejiang Runye mainly comprise of a non-trade balance due from our Group of RMB44.3 million, which will be repaid by us to Zhejiang Runye prior to the [REDACTED] and could be distributed among our Controlling Shareholders, namely Mr. Tian, Mr. Zhang and Mr. Chen. Accordingly, the Nil Consideration Arrangement was, in substance, a distribution of dividends to our Controlling Shareholders prior to the [REDACTED]; and (iii) as compared to making dividends payments by our PRC subsidiaries to our Controlling Shareholders through the offshore intermediate companies, the Nil Consideration Arrangement was a more administratively convenient and cost-efficient alternative to give effect to such distribution.

As confirmed by our PRC Legal Advisers, (i) the agreements for the above business arrangement and the Termination have been properly and legally executed or completed under the PRC laws and regulations; (ii) save as disclosed in this document, Zhejiang Runye has not been involved in any material and/or systemic non-compliances during the Track Record Period and up to the Termination. Due to the Termination, Zhejiang Runye is no longer a consolidated affiliated entity of our Group and was deemed to be disposed of by our Group to the Registered Shareholders.

Our PRC Legal Advisers further confirmed that (1) all the transfers of equity interests and increase in registered capital of our subsidiaries established in the PRC in relation to the Reorganisation or as otherwise described in this section were legally and properly completed and fully settled (if applicable), all approvals and permits have been obtained and are valid as at the Latest Practicable Date, and all procedures involved are in compliance with the PRC laws and regulations; (2) the establishment of our subsidiaries in the PRC and their subsequent shareholding changes have complied with the relevant laws and regulations in all material respects; and (3) the Reorganisation has complied with all applicable PRC laws and regulations in all material respects.

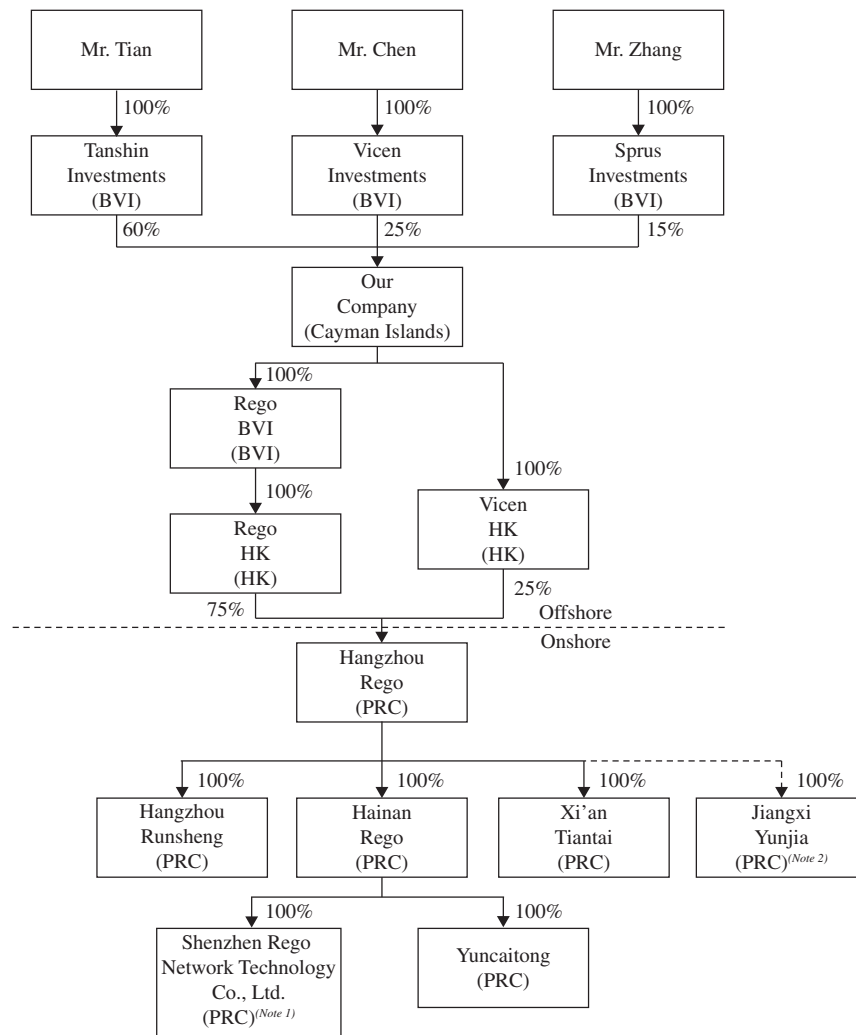
HISTORY, DEVELOPMENT AND REORGANISATION

[REDACTED]

Conditional upon the crediting of our Company’s share premium account as a result of the issue of the [REDACTED] pursuant to the [REDACTED], our Directors are authorised to capitalise an amount of [REDACTED] standing to the credit of the share premium account of our Company by applying such sum towards the paying up in full at par a total of [REDACTED] Shares for [REDACTED] and issue to our Shareholder(s) as at [●], on a pro rata basis.

CORPORATE STRUCTURE IMMEDIATELY AFTER THE REORGANISATION AND BEFORE COMPLETION OF THE [REDACTED] AND [REDACTED]

The following chart sets forth the corporate and shareholding structure of our Group immediately after the Reorganisation and before the completion of the [REDACTED] and the [REDACTED]:



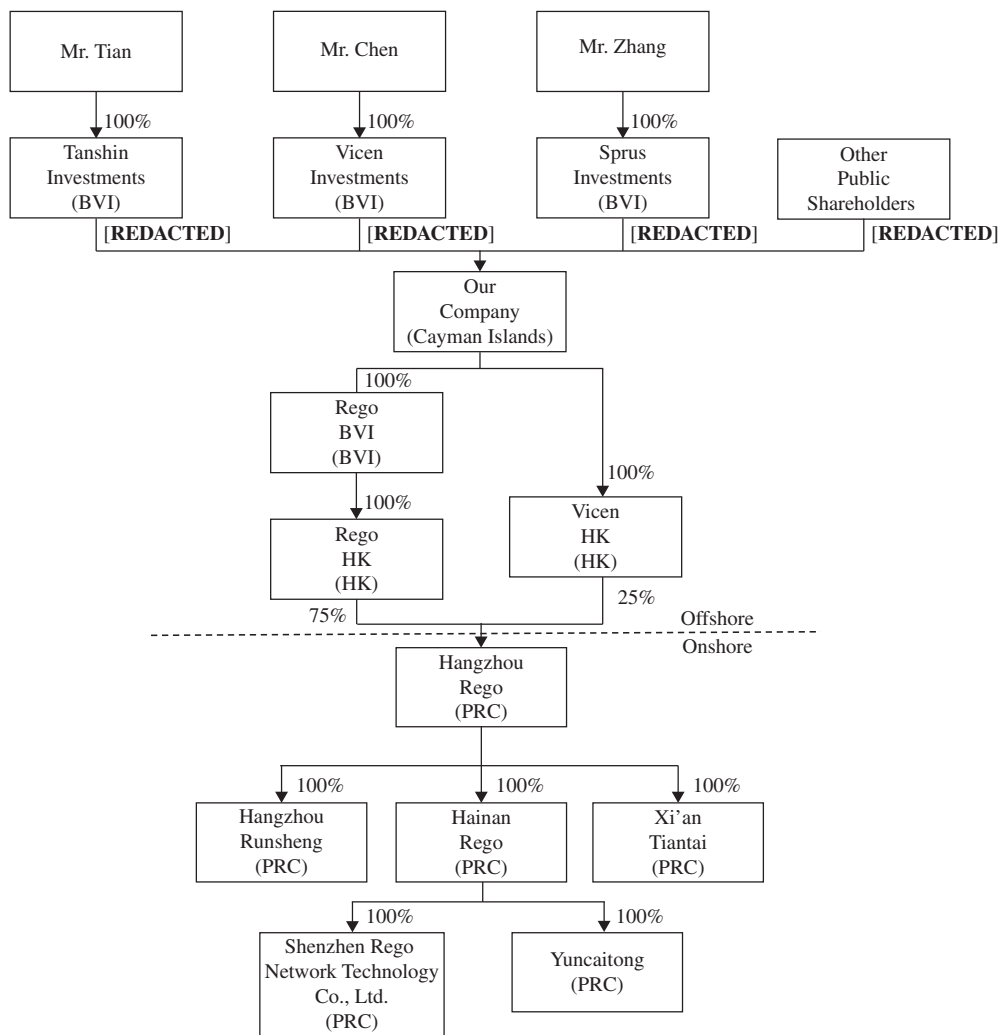
HISTORY, DEVELOPMENT AND REORGANISATION

Notes:

- As at the Latest Practicable Date, Shenzhen Rego Network Technology Co., Ltd.* (深圳潤歌網絡科技有限公司) was an insignificant subsidiary of our Company. For details, please refer to “Appendix I – Accountants’ Report” in this document.
- On 2 September 2021, we resolved to deregister Jiangxi Yunjia and the deregistration was completed on 5 November 2021.

CORPORATE STRUCTURE IMMEDIATELY AFTER COMPLETION OF THE [REDACTED] AND [REDACTED]

The following chart sets forth the corporate and shareholding structure of our Group immediately after of the [REDACTED] and [REDACTED] (without taking into account any Shares which may be allotted and issued upon any exercise of the [REDACTED] or options which have been or may be granted under the Share Option Scheme):



HISTORY, DEVELOPMENT AND REORGANISATION

PRC REGULATORY REQUIREMENTS

M&A Rules

On 8 August 2006, six PRC regulatory authorities, including MOFCOM, State-owned Assets Supervision and Administration Commission of the State Council, SAT, China Securities Regulatory Commission and SAFE, jointly issued the Regulations for Merger with and Acquisition of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》) (the “**M&A Rules**”), which became effective on 8 September 2006, and was amended on 22 June 2009. Pursuant to the M&A Rules, a foreign investor is required to obtain necessary approvals from MOFCOM or the department of commerce at the provincial level when (i) a foreign investor acquires equity in a domestic enterprise thereby converting it into a foreign-invested enterprise, or subscribes for new equity in a domestic enterprise through an increase of registered capital thereby converting it into a foreign-invested enterprise; or (ii) a foreign investor establishes a foreign-invested enterprise which purchases and operates the assets of a domestic enterprise, or which purchases the assets of a domestic enterprise and injects those assets to establish a foreign-invested enterprise. According to Article 11 of the M&A Rules, where a domestic enterprise or a domestic natural person, through an overseas company established or controlled by it/him/her, acquires a domestic enterprise which is related to or connected with it/him/her, approval from MOFCOM is required.

The acquisition (the “**Acquisition**”) of 25% equity interest in Hangzhou Rego by Vicen HK (a company incorporated in Hong Kong, which was in turn owned by Mr. Chen, who is a Hong Kong resident) in October 2017 is subject to the M&A Rules and Regulation on the Implementation of the Law of the People Republic of China on Chinese-Foreign Equity Joint Ventures (2014 Revision) (中華人民共和國中外合資經營企業法實施條例(2014修訂)). Immediately after consummation of the Acquisition, Hangzhou Rego has converted into a sino-foreign joint venture enterprise.

Thereafter, Rego HK acquired 60% and 15% equity interest in Hangzhou Rego from Mr. Tian and Mr. Zhang (the “**Subsequent Acquisition**”), respectively. Our PRC Legal Advisers advised that since Hangzhou Rego was a sino-foreign joint venture enterprise at the time of the Subsequent Acquisition and the Acquisition was not connected to other transaction, MOFCOM and China Securities Regulatory Commission’s approvals or filings are not required under the M&A Rules for the Subsequent Acquisition.

HISTORY, DEVELOPMENT AND REORGANISATION

SAFE Circulars 13 and 37

Pursuant to the Circular of the SAFE on Foreign Exchange Administration of Overseas Investment, Financing and Round-trip Investments Conducted by Domestic Residents through Special Purpose Vehicles (關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知) (the “**SAFE Circular 37**”), promulgated by SAFE and became effective on 14 July 2014, (i) 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 (the “**Overseas SPV**”) that is directly established or indirectly controlled by the PRC resident for the purpose of conducting investment or financing, and (ii) following the initial registration, the PRC resident is also required to register with the local SAFE branch for any major change, in respect of the Overseas SPV, including, among other things, a change of Overseas SPV’s PRC resident shareholder(s), the name of the Overseas SPV, terms of operation, or any increase or reduction of the Overseas SPV’s capital, share transfer or swap, and merger or division. Pursuant to SAFE Circular 37, failure to comply with these registration procedures may result in penalties.

On 13 February 2015, SAFE released the Notice regarding Further Simplification and Improvement in Foreign Exchange Administration on Direct Investment (國家外匯管理局關於進一步簡化和改進直接投資外匯管理政策的通知) (the “**SAFE Circular 13**”), which came into effect on 1 June 2015. This notice replaces the foreign direct investment (the “**FDI**”) and offshore direct investment (the “**ODI**”) registrations at SAFE with FDI and ODI registrations at qualified banks, which SAFE and its local branches will supervise indirectly.

As advised by our PRC Legal Advisers, Mr. Tian and Mr. Zhang (as PRC residents as defined under the applicable provisions under SAFE Circular 37) have completed the registration under the SAFE Circular 37 on 4 December 2017.