
HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

OVERVIEW

We are an internet company in China, offering video- and audio-based live entertainment and social networking services to our users. We operate one of the leading online entertainment live streaming platforms in China. We offer video- and audio-based live entertainment and social networking services through our flagship products, *Huajiao* and *6.cn*. We also offer social networking and discovery services through our overseas products under HOLLA Group.

Since the inception of the Group in 2006, the Group has developed its business by providing users with a diversified business portfolio from live streaming to a suite of multi-faceted video- and audio-based social networking products and services. In 2006, the Group launched *6.cn* through Huafang Technology, which empowers hosts to form streaming clans and fan bases and compete against one another, fostering a competitive environment that encourages user engagement. In 2015, *Huajiao* was launched through Mijing Hefeng, which offers a stage for people who aspire to show their talents and share their skills, experience and lifestyles through interactive and entertaining experience delivered in live streaming sessions. The *Huajiao-6.cn* Merger (as defined below) in 2019 has allowed the Group to leverage the rich media and operational experiences of *6.cn* to diversify its service offerings and create a more engaging experience for users. In 2020, in order to expand the matrix of products and services as well as to serve a truly global user community, the Group acquired HOLLA Group, a group of companies operated under EXU Inc., and has since introduced other video-based social networking products in North America, Europe, Far East and MENA.

We operate *Huajiao* through Mijing Hefeng and *6.cn* through Huafang Technology following the *Huajiao-6.cn* Merger (as defined below), which was completed on April 29, 2019. For details of the *Huajiao-6.cn* Merger, see “— Our Corporate Development — Huafang Technology” of this section. Huafang Technology had been the onshore holding company of our Group prior to the Reorganization.

OUR MILESTONES

The following table sets forth major events and milestones in the development of our business:

Year	Event
May 2006	Launched <i>6.cn</i>
May 2015	Launched <i>Huajiao</i>
September 2016	Held a performance event, <i>Night of Huajiao</i> , also known as the Oscar in the live streaming industry, which promoted the recognition of our brand among viewers and hosts

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Year	Event
April 2019	Huajiao-6.cn Merger completed
December 2020	Acquisition of HOLLA Group completed for expansion of our overseas business
May 2022	Cumulative registered users of our Group reached 414.9 million

OUR MAJOR SUBSIDIARIES AND OPERATING ENTITIES

The following entities are of strategic importance to us or have made material contributions to our results of operations during the Track Record Period, each of which commenced business after their respective incorporation or establishment:

1. Chengdu Huafang Online Technology Co., Ltd. (成都花房在線科技有限公司)

Chengdu Huafang Online Technology Co., Ltd., our WFOE, was incorporated as a company with limited liability in the PRC on June 28, 2021.

We have adopted a series of Contractual Arrangements among WFOE, Huafang Technology and their Registered Shareholders, pursuant to which the Company shall exercise control over the business operation of our Consolidated Affiliated Entities and enjoy substantially all the economic interests derived therefrom through WFOE. See “Contractual Arrangements” for details of our Contractual Arrangements.

2. Huafang Technology

Huafang Technology was incorporated as a company with limited liability in the PRC on March 22, 2006. Huafang Technology is principally engaged in live entertainment and video-based social networking services business and operates *6.cn*. Huafang Technology is one of our Consolidated Affiliated Entities.

3. Mijing Hefeng

Mijing Hefeng was incorporated as a company with limited liability in the PRC on December 24, 2014. Mijing Hefeng is principally engaged in video- and audio-based live entertainment and social networking services business and operates *Huajiao*. Mijing Hefeng is one of our Consolidated Affiliated Entities.

4. Hainan Kailin

Hainan Kailin was incorporated as a company with limited liability in the PRC on May 22, 2020. Hainan Kailin is principally engaged in live streaming related business, including recruitment and management of hosts.

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5. EXU Inc.

EXU Inc. was incorporated as a company with limited liability in the Cayman Islands on August 6, 2014. EXU Inc. is the holding company of our overseas business, including *Holla* and *Monkey*. EXU Inc. was acquired by our Company in December 2020.

OUR CORPORATE DEVELOPMENT

We conduct our business mainly through Huafang Technology and Mijing Hefeng. The corporate information and development of these entities as of the Latest Practicable Date are set out below.

1. Huafang Technology

Huafang Technology operates our *6.cn*, a primarily PC client-based live streaming product with its own mobile app, and is one of the principal operating entities of our Group during the Track Record Period and up to the date of this document. Huafang Technology had been the onshore holding company of our Group prior to the Reorganization.

Huafang Technology was established on March 22, 2006 as a limited liability company in the PRC by two individuals with an initial registered capital of RMB30,000. After a series of share transfers and capital injections, as of March 9, 2015, Huafang Technology was owned by eight individuals (namely, Wang Wangji (王望記), Jiang Hong (姜宏), Zhu Xiaoming (朱曉明), Lu Baogang (盧寶剛), Liu Yan (劉岩), Sun Mingqi (孫明琪), Gao Yuqing (高宇慶) and Yang Xiaolong (楊小龍)) and Hangzhou Songcheng Group Holding Co., Ltd. (杭州宋城集團控股有限公司) (the “Previous Shareholders of Huafang Technology”).

On July 27, 2015, the Previous Shareholders of Huafang Technology completed the transfers of all of their equity interests in Huafang Technology to Songcheng Performance and upon such share transfers, Huafang Technology became a wholly-owned subsidiary of Songcheng Performance. The then registered capital of Huafang Technology was RMB20 million. Songcheng Performance is a company incorporated in the PRC and listed on the Shenzhen Stock Exchange since December 9, 2010 (300144.SZ), which is principally engaged in investment, development and operation of theme parks, tourism, and cultural performances. According to the 2022 interim report issued by Songcheng Performance, as of June 30, 2022, Mr. Huang Qiaoling (黃巧靈), the director, controlling shareholder and actual controller of Songcheng Performance, together with the parties acting in concert with him, namely Huang Qiaolong (黃巧龍), Liu Ping (劉萍), Huang Qiaoyan (黃巧燕) and Dai Yinqin (戴音琴), directly and indirectly owned 45.96% shareholding of Songcheng Performance in aggregate. Save as Songcheng Performance’s indirect interests in the Company and the nomination of Mr. Chen Shengmin as a non-executive Director of our Group by Songcheng Performance, there is no family, business, employment, financing, trust and shareholding relationships between Mr. Huang Qiaoling, together with the parties acting in concert with him, and our Group, other Shareholders, Directors and our senior management.

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In June 2018, Huafang Technology entered into a restructuring agreement with (1) Mijing Hefeng, (2) the then shareholders of Mijing Hefeng, which included Qihoo 360, Huajiao No. 1, Huajiao No. 2 and 12 other shareholders (collectively the “Mijing Hefeng’s Then Shareholders”), and (3) Songcheng Performance (the “Restructuring Agreement”), pursuant to which Huafang Technology agreed to issue 60% of its shares to the Mijing Hefeng’s Then Shareholders in return for the entire equity interest of Mijing Hefeng comprising of: (1) 19.96% of equity interest in Mijing Hefeng held by Huajiao No. 1 and Huajiao No. 2; and (2) 80.04% of equity interest in Mijing Hefeng held by the then remaining shareholders of Mijing Hefeng (the “Huajiao-6.cn Merger”). The consideration for the issuance of the shares of Huafang Technology under the Restructuring Agreement was determined based on arm’s lengths negotiations among the parties involved with reference to the valuation reports of Mijing Hefeng and Huafang Technology as of December 31, 2017 as appraised by an independent asset valuer. Such consideration was fully settled on April 29, 2019. The Huajiao-6.cn Merger has been accounted for as a reverse acquisition in accordance with IFRSs 3 “Business Combinations”. The Huajiao-6.cn Merger was not a related party transaction. For the details of the accounting treatment of the Huajiao-6.cn Merger, see the section headed “Appendix I — Accountants’ Report.” An impairment loss of RMB1,777.7 million was recognized in 2020 for the goodwill arising from the Huajiao-6.cn Merger. Huafang Technology changed its name from Beijing 6.cn Technology Co., Ltd. (北京六間房科技有限公司) to Beijing Huafang Technology Co., Ltd. (北京花房科技有限公司) on December 17, 2020.

Our Board at the relevant time considered that the Huajiao-6.cn Merger would generate desired synergy, help us effectively grow our business and improve our financial performance. In particular, in terms of user traffic, as *Huajiao* as a mobile app and *6.cn* as a PC client acquire users through different channels, our Board at the relevant time considered that the user base of *Huajiao* and *6.cn* could complement each other, which could enable our Group to reach a broader and more diversified user base. In terms of host resources, the combination of the host resources of *Huajiao* and *6.cn* would improve our content ecosystem so as to enhance user acquisition, retention and engagement. Furthermore, the Huajiao-6.cn Merger accelerated *6.cn*’s expansion from PC clients to mobile apps to reach more users and achieve greater agility in meeting their demands. We believe that these business initiatives have paved the way for the sustained business performance of Huafang Technology.

Upon completion of the Huajiao-6.cn Merger on April 29, 2019, Mijing Hefeng became a wholly-owned subsidiary of Huafang Technology, and Huafang Technology was owned by (i) the Mijing Hefeng’s Then Shareholders as to 60%, including Huajiao No. 1 as to 7.98%, Huajiao No. 2 as to 3.99%, Qihoo 360 as to 27.1%, Jinhua Xuance Investment Management Co., Ltd. (金華萱策投資管理有限公司) (“Jinhua Xuance”) as to 1.82%, Jinhua Duanxuan Investment Management General Partnership (G.P.) (金華端萱投資管理合夥企業(普通合夥)) (“Jinhua Duanxuan”) as to 0.72%, Beijing Cultural Center Construction and Development Limited Partnership (L.P.) (北京市文化中心建設發展基金(有限合夥)) (“Beijing Cultural Center”) as to 3.99%, Mango Culture Creativity (Shanghai) Equity Investment Limited Partnership (L.P.) (芒果文創(上海)股權投資基金合夥企業(有限合夥)) (“Mango Culture”) as to 1.6%, Shenzhen Zhirun No. 1 Investment Limited Partnership (L.P.) (深圳致潤一號投資合夥企業(有限合夥)) (“Zhirun No. 1”) as to 1.36%, Shenzhen Zhirun No. 2 Investment Limited

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Partnership (L.P.) (深圳致潤二號投資合夥企業(有限合夥)) (“Zhirun No. 2”) as to 3.18%, Ningbo Meishan Free Trade Port Area Huabo Blooming Equity Investment Limited Partnership (L.P.) (寧波梅山保稅港區花播盛開股權投資合夥企業(有限合夥)) (“Ningbo Huabo”) as to 2.73%, Ningbo Meishan Free Trade Port Area Huajiao Equity Investment Limited Partnership (L.P.) (寧波梅山保稅港區花椒股權投資中心(有限合夥)) (“Ningbo Huajiao”) as to 1.82%, Shoujin Capital Management (Beijing) Co., Ltd. (首金聯合資本管理(北京)有限公司) as to 0.12%, Shanghai Huawei Equity Investment Limited Partnership (L.P.) (上海驊偉股權投資基金合夥企業(有限合夥)) (“Shanghai Huawei”) as to 0.4%, Great Chiliocosm (Kunshan) Cultural Investment Partnership (L.P.) (三千世界(昆山)文化產業投資合夥企業(有限合夥)) (formerly known as Zhongtuo Zhongcai (Kunshan) Game Industry Phase II Investment Partnership (Limited Partnership) (中投中財(昆山)遊戲產業二期投資合夥企業(有限合夥))) (“Great Chiliocosm”) as to 0.2% and Zhang Fa as to 2.99%, and (ii) Songcheng Performance as to 40% with a registered capital of RMB50 million.

In June 2019, Songcheng Performance transferred 0.47% of equity interest in Huafang Technology to Qihoo 360 at a consideration of RMB40,000,000, which was fully settled on June 28, 2019. The cash consideration paid for such transfer was determined based on arm’s length negotiations between Songcheng Performance and Qihoo 360. Upon completion of such share transfer, Huafang Technology was owned by (1) Qihoo 360, Huajiao No. 1 and Huajiao No. 2, in aggregate as to approximately 39.54%, (2) Songcheng Performance as to 39.53%, and (3) other shareholders as to 20.93%.

On November 10, 2020, the registered share capital of Huafang Technology was increased from RMB50,000,000 to RMB53,333,333 by way of capital contribution of RMB3,333,333 by Tianjin Huafang Feiteng Technology Center (L.P.) (天津花房飛騰科技中心(有限合夥)) (“Huafang Feiteng”), which was fully settled on November 27, 2020. Huafang Feiteng was a shareholding vehicle established by our employees on September 1, 2020. The general partner of Huafang Feiteng is Tianjin Yongsheng Technology Co., Ltd. (天津詠升科技有限公司), which is controlled by Ms. Li Rui (李蕊), our employee and the beneficial owners of Huafang Feiteng are employees of our Group including our senior management, namely Ms. YU Dan (于丹), Mr. TAO Sha (陶沙), Mr. JIAO Yang (焦陽), Mr. LIU Kaiyin (劉鏞寅), Mr. WANG Wangji (王望記) and Mr. TANG Geng (唐賡).

On November 16, 2020, Shoujin Capital Management (Beijing) Co., Ltd. (首金聯合資本管理(北京)有限公司) (“Shoujin Capital”) transferred 0.11% of equity interest in Huafang Technology to Qihoo 360 at a consideration of RMB9,350,000, which was fully settled on March 18, 2021. The cash consideration paid for such transfer was determined based on arm’s length negotiations between Shoujin Capital and Qihoo 360 after taking into consideration, among others, the comparable companies in the industry and their valuation and the growth prospects of our Group.

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The following table indicated the shareholding structure of Huafang Technology following a series of transfers of existing shares as further set out in the table below prior to the Reorganization:

Name of shareholders of Huafang Technology	Percentage of the equity interest in Huafang Technology
Qihoo 360 ⁽¹⁾	26.67%
Huajiao No. 1 ⁽¹⁾	7.69%
Huajiao No. 2 ⁽¹⁾	3.85%
Songcheng Performance	37.06%
Huafang Feiteng	6.25%
Beijing Siming Juncheng Technology Co., Ltd (北京思明駿程 科技有限公司) (“Siming Juncheng”) ⁽²⁾	3.85%
Zhirun No. 2 ⁽²⁾	3.07%
Zhang Fa (張發) ⁽³⁾	2.89%
Shanghai Zuosan Digital Technology Co., Ltd. (上海佐三數字 科技有限公司) (“Shanghai Zuosan”) ⁽²⁾	2.63%
Jinhua Xuance ⁽²⁾	1.75%
Mango Culture ⁽²⁾	1.54%
Zhirun No. 1 ⁽²⁾	1.31%
Jinhua Duanxuan ⁽⁴⁾	0.69%
Shanghai Huawei ⁽⁵⁾	0.38%
Great Chiliocosm ⁽⁶⁾	0.19%
Ningbo Huajiao ⁽⁷⁾	0.18%
Total	100%

(1) Qihoo 360 is a limited liability company incorporated in the PRC on May 4, 2009, which is principally engaged in providing internet and security services. Qihoo 360 is controlled by Beijing Qifei Xiangyi Business Consultancy Co., Ltd. (北京奇飛翔藝商務諮詢有限公司) (“Qifei Xiangyi”), which is ultimately controlled by Mr. Zhou since January 1, 2020, our controlling shareholder.

Huajiao No. 1 is a limited partnership incorporated in the PRC on September 13, 2016, which is principally engaged in investment holding. The general partner of Huajiao No. 1 is Beijing Qianqian Technology Co., Ltd. (北京千阡科技有限公司), which has been controlled by Mr. Zhou since October 18, 2019.

Huajiao No. 2 is a limited partnership incorporated in the PRC on September 13, 2016, which is principally engaged in investment holding. The general partner of Huajiao No. 2 is Beijing Qianqian Technology Co., Ltd., which has been controlled by Mr. Zhou since October 18, 2019.

(2) See “— [REDACTED]” for details.

(3) Zhang Fa is an Independent Third Party.

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- (4) Jinhua Duanxuan is a limited partnership incorporated in the PRC on September 23, 2015. Jinhua Duanxuan is owned by 3 limited partners, Zhou Yanyun (周燕雲), Xie Meifang (謝美芳) and Guo Xiaomin (郭小敏), each an Independent Third Party, as to 7.62%, 7.14% and 4.76%, respectively. The general partner of Jinhua Duanxuan is Shen Meiyang (沈美英) holding 80.48% shareholding of Jinhua Duanxuan, an Independent Third Party.
- (5) Shanghai Huawei is a limited partnership incorporated in the PRC on December 8, 2015. The general partner of Shanghai Huawei is Shanghai Dunhong Assets Management Co., Ltd. (上海敦鴻資產管理有限公司), which is ultimately controlled by Yuan Guoliang (袁國良), an Independent Third Party. Shanghai Huawei is owned by 6 limited partners in aggregate as to approximately 99.73%, each holding ranging from approximately 0.53% to 40.00%.
- (6) Great Chiliocosm is a limited partnership incorporated in the PRC on May 26, 2016. The general partner of Great Chiliocosm is Beijing Great Chiliocosm Investment Management Partnership (Limited Partnership) (北京三千投資管理合夥企業(有限合夥)) which is ultimately controlled by Huang Huang (黃璜), an Independent Third Party. Great Chiliocosm is owned by 3 limited partners, Shenzhen CGS Fund Management Co., Ltd (深圳中證金葵花基金管理有限公司), Beijing World Star Technology Co., Ltd. (北京世界星輝科技有限責任公司) and Kunshan Three Thousand World Investment Management Co., Ltd. (昆山三千世界投資管理有限公司), as to 77.33%, 16.00% and 5.67%, respectively.
- (7) Ningbo Huajiao is a limited partnership incorporated in the PRC on April 14, 2017, which is principally engaged in investment holding. Ningbo Huajiao is owned by a limited partner, Li Jie (李潔), an Independent Third Party, as to 99.00%. The general partner of Ningbo Huajiao is Haoyue Capital Management Co., Ltd. (皓玥資本管理有限公司), which is owned by Ge Yajing (葛雅靜) as to 80% and by He Huifang (何惠芳) as to 20%. Both of them are Independent Third Parties.

As Ningbo Huajiao failed to pay the consideration for its investment of 1.53% equity interest in Huafang Technology, after the negotiation between Ningbo Huajiao and the other the shareholders of Huafang Technology, in order to eliminate the dilution effect on the other then shareholders' interest in Huafang Technology, in March 2021, Ningbo Huajiao transferred approximately 0.21%, 0.1%, 0.72%, 0.05%, 0.02%, 0.1%, 0.04%, 0.04%, 0.08%, 0.07%, 0.01%, 0.01% and 0.08% of equity interest in Huafang Technology to Huajiao No. 1, Huajiao No. 2, Qihoo 360, Jinhua Xuance, Jinhua Duanxuan, Siming Juncheng, Mango Culture, Zhirun No. 1, Zhirun No. 2, Shanghai Zuosan, Shanghai Huawei, Great Chiliocosm and Zhang Fa, respectively, at nil consideration.

2. Mijing Hefeng

Mijing Hefeng operates our mobile app *Huajiao* and is one of the principal operating entities of our Group during the Track Record Period and up to the date of this document.

Previous Major Shareholding Changes of Mijing Hefeng

Mijing Hefeng was established on December 24, 2014 as a limited liability company in the PRC by Ou Sheng (歐勝) and Wang Dongpan (王東攀), Independent Third Parties, with an initial registered capital of RMB30,000.

After a series of share transfers and capital injections, as of December 7, 2016, Mijing Hefeng was owned by Jiaying Shoujian Yalong No. 16 Investment Partnership (L.P.) (嘉興首建樞樞十六號投資合夥企業(有限合夥)) (“Yalong No. 16”) as to 70%, by Huajiao No. 1 as to 20% and by Huajiao No. 2 as to 10%, with a registered capital of RMB10,000,000. Yalong No.

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16 was deregistered on October 29, 2021. Immediately prior to the deregistration, the general partner of Yalong No. 16 was Shoujin Capital, which is ultimately controlled by Liu Chang (劉暢), a former supervisor at Mijing Hefeng from January 9, 2017 to April 6, 2019. Yalong No. 16 was owned by (1) Jiaxing Shoujian Yalong No. 6 Investment Partnership (L.P.) (嘉興首建樞樞六號投資合夥企業(有限合夥)), which was owned by Qifei Xiangyi as limited partner, as to 69.9970%, (2) Qihoo 360 as limited partner as to 26.9988%, (3) Jinhua Duanxuan as limited partner as to 2.5750%, and (4) Shoujin Capital as general partner as to 0.4292%. Qifei Xiangyi is a limited liability company incorporated in the PRC on August 17, 2012, which is principally engaged in investment holding.

In January 2017, the registered capital of Mijing Hefeng was increased from RMB10,000,000 to RMB12,300,000 with (1) RMB1,000,000 additional registered capital contributed by Beijing Cultural Center, which was ultimately controlled by Beijing State-owned Cultural Assets Supervision and Administration Office (北京市國有文化資產監督管理辦公室), at a consideration of RMB100,000,000, (2) RMB750,000 additional registered capital contributed by Beijing Ziqi Mining Technology Co., Ltd. (北京紫氣礦業科技有限公司) (“Ziqi Mining”), which was ultimately owned by seven Independent Third Party individuals, at a consideration of RMB75,000,000, (3) RMB400,000 additional registered capital contributed by Mango Culture, at a consideration of RMB40,000,000 (4) RMB100,000, additional registered capital contributed by Shanghai Huawei, at a consideration of RMB10,000,000, and (5) RMB50,000 additional registered capital contributed by Great Chiliocosm at a consideration of RMB5,000,000 (“2016 First Round Capital Increase”). The aforementioned considerations were fully settled on January 19, 2017 and was determined based on arm’s length negotiations between Mijing Hefeng and the above investors of Mijing Hefeng after taking into consideration, among others, the comparable companies in the industry and their valuation and the growth prospects of Mijing Hefeng.

In December 2017, the registered capital of Mijing Hefeng was further increased from RMB12,300,000 to RMB15,033,300 with (1) RMB455,400 additional registered capital contributed by Jinhua Chaduan Investment Management Co., Ltd. (金華察端投資管理有限公司) (“Jinhua Chaduan”), which was ultimately owned by Lu Peng (盧鵬) and Zhou Yingxian (周穎仙), both Independent Third Parties, at a consideration of RMB100,000,000, (2) RMB684,000 additional registered capital contributed by Guangzhou Leichen Investment Consulting Co., Ltd. (廣州鑄晨投資諮詢有限公司) (“Guangzhou Leichen”), which was ultimately owned by He Wenqiang (何文強), Zhong Weiyuan (鐘偉源) and Zhou Weiwen (周偉文), all of which are Independent Third Parties, at a consideration of RMB150,000,000, (3) RMB455,400 additional registered capital contributed by Ningbo Huajiao, at a consideration of RMB100,000,000, (4) RMB341,300 additional registered capital contributed by Zhirun No.1, at a consideration of RMB75,000,000, and (5) RMB797,200 additional registered capital contributed by Zhirun No.2, at a consideration of RMB175,000,000 (“2017 Second Round Capital Increase”). The aforementioned considerations were fully settled on September 27, 2017 and was determined based on arm’s length negotiations between Mijing Hefeng and the above investors of Mijing Hefeng after taking into consideration, among others, the comparable companies in the industry and their valuation and the growth prospects of Mijing Hefeng.

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In 2018, the then shareholders of Mijing Hefeng conducted the following share transfers (collectively, “2018 Share Transfers”):

- (1) in February 2018, as an intra-group transaction, Guangzhou Leichen transferred 4.55% of equity interest in Mijing Hefeng to its affiliate, Ningbo Huabo, at a consideration of RMB150,000,000;
- (2) in June 2018, as intra-group transactions, Yalong No.16 transferred 46.56% in aggregate of equity interest in Mijing Hefeng to its limited partners, including Qihoo 360, Shoujin Capital and Jinhua Duanxuan, at the considerations of RMB250,500,000, RMB990,000 and RMB6,000,000, respectively;
- (3) in December 2018, as an intra-group transaction, Jinhua Chaduan transferred 3.03% of equity interest in Mijing Hefeng to its affiliate, Jinhua Xuance, at the consideration of RMB100,000,000; and
- (4) in December 2018, Ziqi Mining transferred 4.99% of equity interest in Mijing Hefeng to Zhang Fa (張發), at the consideration of RMB75,000,000.

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The following table sets forth details of the shareholding structure of Mijing Hefeng immediately before and after the completion of each round of the [REDACTED] and share transfers.

Name of shareholders of Mijing Hefeng	Percentage of equity interest in Mijing Hefeng immediately before 2016 First Round Capital Increase	Percentage of equity interest in Mijing Hefeng immediately after 2016 First Round Capital Increase and prior to 2017 Second Round Capital Increase	Percentage of equity interest in Mijing Hefeng immediately after 2017 Second Round Capital Increase and immediately prior to 2018 Share Transfers	Percentage of equity interest in Mijing Hefeng immediately after 2018 Share Transfers and immediately prior to the Huajiao-6.cn Merger
Yalong No. 16	70%	56.91%	46.56%	–
Qihoo 360	–	–	–	45.17%
Jinhua Duanxuan	–	–	–	1.20%
Shoujin Capital	–	–	–	0.19%
Huajiao No. 1	20%	16.26%	13.30%	13.30%
Huajiao No. 2	10%	8.13%	6.65%	6.65%
Beijing Cultural Center	–	8.13%	6.65%	6.65%
Ziqi Mining	–	6.10%	4.99%	–
Zhang Fa	–	–	–	4.99%
Mango Culture	–	3.25%	2.66%	2.66%
Shanghai Huawei	–	0.81%	0.67%	0.67%
Great Chiliocosm	–	0.41%	0.33%	0.33%
Jinhua Chaduan	–	–	3.03%	–
Jinhua Xuance	–	–	–	3.03%
Guangzhou Leichen	–	–	4.55%	–
Ningbo Huabo	–	–	–	4.55%
Ningbo Huajiao	–	–	3.03%	3.03%
Zhirun No. 1	–	–	2.27%	2.27%
Zhirun No. 2	–	–	5.30%	5.30%
Total	100%	100%	100%	100%

Upon completion of the Huajiao-6.cn Merger on April 29, 2019, Mijing Hefeng became a wholly-owned subsidiary of Huafang Technology. For details of the Huajiao-6.cn Merger, see “— Our Corporate Development — Huafang Technology” of this section.

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Financial Investors’ Indirect Interests in Qihoo 360 Following the Privatization

Our controlling shareholder, Mr. Zhou, is also the founder of Qihoo 360 Technology Co., Ltd. (“360 Technology”). 360 Technology was principally engaged in offering internet and mobile security products and providing users with secure access points to internet activities. 360 Technology became listed on the New York Stock Exchange in March 2011 (QIHU.NYSE).

Subsequently, in July 2016, 360 Technology was taken private by a consortium led by Tianjin Qixin Zhicheng Technology Co., Ltd. (天津奇信志成科技有限公司) (“Tianjin Qixin”) and other consortium members and delisted from the New York Stock Exchange. Tianjin Qixin was incorporated in December 2015 as one of the special purpose vehicles for the privatization of 360 Technology (the “Privatization”). In May 2016, Tianjin Qixin issued new shares to thirty-six consortium members (the “Buyer Group”) for the purpose of fund-raising for the Privatization. As such, Tianjin Qixin has been owned by Mr. Zhou as to approximately 17.38% and the Buyer Group as to approximately 82.62%. Immediately upon completion of the Privatization, 360 Technology was ultimately owned by (1) Tianjin Qixin as to 51.78%, (2) Mr. Zhou and Shanghai Guanying Corporate Management Partnership (L.P.) (上海冠鷹企業管理合夥企業(有限合夥)) (“Shanghai Guanying”), the general partner of which was controlled by Mr. Zhou, as to approximately 15.90% in aggregate, and (3) the Buyer Group, Mr. Qi Xiangdong (齊向東), Tianjin Juxin Equity Investment Limited Partnership (天津聚信股權投資合夥企業(有限合夥)) (“Tianjin Juxin”) and Tianjin Tianxin Equity Investment Limited Partnership (天津天信股權投資合夥企業(有限合夥)) (“Tianjin Tianxin”) (the Buyer Group, Mr. Qi Xiangdong, Tianjin Juxin and Tianjin Tianxin collectively as “Financial Investors”), as to approximately 32.32% in aggregate. Each of the Financial Investors is an Independent Third Party.

After the Privatization, 360 Technology underwent a series of reorganization of its business. In February 2018, the major business segment of 360 Technology was listed on the Shanghai Stock Exchange as 360 Security Technology Inc. (三六零安全科技股份有限公司) (stock code: 601360) by way of reverse takeover. Qihoo 360, one of the business segments not held by 360 Security Technology Inc. (三六零安全科技股份有限公司), held 26.6736% of equity interest in Huafang Technology prior to the Reorganization. The ultimate beneficial owners of Qihoo 360 are the same as those of 360 Technology immediately following the Privatization as mentioned above. Qihoo 360 was controlled by Qifei Xiangyi, which was owned by (1) Tianjin Qixin as to 51.78%, (2) Mr. Zhou and Shanghai Guanying, the general partner of which was controlled by Mr. Zhou, as to approximately 15.90% in aggregate, and (3) the Financial Investors, as to approximately 32.32% in aggregate.

Therefore, the Financial Investors’ indirect interests in Qihoo 360 are also regarded as indirect passive investment in Mijing Hefeng. See “— [REDACTED]” for details.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

ACQUISITIONS DURING THE TRACK RECORD PERIOD

Holla Technology

Holla Technology (formerly known as Mizhi Technology) was established in the PRC with limited liability on July 22, 2016 and was engaged in virtual idol and virtual live-streaming business. Liu Yong (劉勇) was the sole director and chief executive officer of Holla Technology prior to the Group’s acquisition of Holla Technology. Prior to the Group’s acquisition of 82% equity interest in Holla Technology, Huafang Technology owned 18% equity interest in Holla Technology. Upon completion of the Group’s acquisition of Holla Technology, Holla Technology’s board of director consists of three members, namely Yu Dan (于丹), Tao Sha (陶沙) and Jiao Yang (焦陽). Tao Sha (陶沙) serves as the general manager of Holla Technology. See “— Directors and Senior Management” for details.

On April 8, 2020, Huafang Technology entered into a share transfer agreement with Ningbo Songcheng Performance Live Entertainment Investment Partnership (L.P.) (寧波宋城演藝現場娛樂投資合夥企業(有限合夥)) (“Ningbo Songcheng”), pursuant to which, Huafang Technology agreed to acquire 42.19% equity interest in Holla Technology from Ningbo Songcheng at a consideration of RMB31.5 million. The consideration was determined based on arm’s lengths negotiations among the parties involved with reference to the valuation report of Holla Technology as of December 31, 2019 as appraised by an independent asset valuer. Such consideration was fully settled on May 13, 2020. Ningbo Songcheng is a limited partnership incorporated in the PRC on July 1, 2015, which is ultimately controlled by Songcheng Performance, our controlling shareholder.

On May 11, 2020, Huafang Technology entered into a share transfer agreement with Liu Yan (劉岩), Liu Yong (劉勇) and Gao Yuqing (高宇慶) pursuant to which, Huafang Technology agreed to acquire an aggregate of 39.81% equity interest in Holla Technology from (i) Liu Yan (劉岩), founder, one of previous shareholders and former director and chief executive officer of Huafang Technology, (ii) Liu Yong (劉勇), an Independent Third Party, and (iii) Gao Yuqing (高宇慶), a former vice president at Huafang Technology from February 2011 to December 2018, at nil consideration. Such nil consideration was determined based on arm’s lengths negotiations among the parties involved and the fact that Liu Yan, Liu Yong and Gao Yuqing did not pay up the registered capital of Holla Technology. Save as disclosed above, to the best knowledge, information and belief of our Directors after having made all reasonable enquiries, none of Liu Yan (劉岩), Liu Yong (劉勇) and Gao Yuqing (高宇慶) has any past or present relationship with our Group. Upon completion of the share transfer, Huafang Technology fully paid up such registered capital of Holla Technology in the amount of RMB29,760,000. Upon completion of such equity transfer, Holla Technology became a wholly-owned subsidiary of our Company. There has been no change in the equity interest in Holla Technology since then. As of the Latest Practicable Date, Holla Technology was an indirect wholly-owned subsidiary of our Company.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Huafang Technology acquired Holla Technology as the Board considered that:

- (i) Holla Technology has created valuable content in terms of music, cartoon, live streaming and performance based on its copyrights of virtual character, which can support and complement the Group’s entertainment live streaming business;
- (ii) upon three-year R&D and operation, Holla Technology had held seven patent applications with regards to motion capture, virtual live streaming, and performance; and
- (iii) Holla Technology’s research and development capability in virtual content, especially virtual live streaming, virtual concert and short video production.

In December 2020, the Group’s management considered that (1) the monetization potential for virtual celebrities and virtual live streaming businesses was not fully realized due to slower-than-expected development of virtual celebrity market which was not foreseeable at the time of the acquisition of Holla Technology; (2) the virtual live streaming businesses incurred increasing R&D expenditure. After the Group adjusted strategic focus to entertainment live streaming and social networking services and balanced the profitability potential of virtual live streaming business and its heavy R&D spending, the virtual content business of Holla Technology was suspended. Due to such business suspension, our Group recognized full impairment loss of the goodwill arising from the acquisition of Holla Technology amounting to RMB65.5 million.

HOLLA Group

HOLLA Group includes a group of companies operated under EXU Inc., including EXU (HK) LIMITED, Monkey, Inc., Chatwith, Inc., Oviedo Interactives Limited and Mitu Inc Limited, each of which is our subsidiary. EXU Inc. was incorporated as a company with limited liability in the Cayman Islands on August 6, 2014. EXU Inc. is the holding company of our overseas business, including *Holla* and *Monkey*.

On September 2, 2020, Huafang Technology entered into an acquisition agreement with (i) EXU Inc., EXU (HK) LIMITED, Monkey, Inc., Chatwith, Inc., Oviedo Interactives Limited, Damo Yingshi (Beijing) Network Technology Co., Ltd. (達摩英時(北京)網絡科技有限公司) and Beijing Laksa Network Technology Co., Ltd. (北京拉克沙網絡科技有限公司) (“Laksa”) (collectively as the “HOLLA Target Group”), as the target companies, (ii) Tao Sha (陶沙) and Dharma Initiatives Holdings Limited (“Dharma”) (collectively as the “HOLLA Founder Sellers”), the founder of HOLLA Group and his special purpose vehicle, (iii) Masterywang Sailing Holding Limited, GGV Capital V L.P., GGV Capital V Entrepreneurs Fund L.P., Supernova Investment (HK) Limited, Giant Wisdom Limited, N5Capital Fund I, L.P. and Grandtech Limited, as the investors of HOLLA Group, together with their respective onshore holding vehicles or individuals, including Wang Gang (王剛), GGV Corporate Management Consulting (Shanghai) Co., Ltd. (紀威企業管理諮詢(上海)有限公司), Gongqingcheng Supernova Investment Management Partnership (L.P.) (共青城睿創投資管理合夥企業(有限合

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

夥)), Xinyu Heitao Giant Wisdom Investment Management Center (L.P.) (新余黑桃宏慧投資管理中心(有限合夥)), Liu Kun (劉坤) and Shanghai Guanmu Investment Management Partnership (L.P.) (上海觀目投資管理合夥企業(有限合夥)) (“HOLLA Investor Sellers”), pursuant to which, Huafang Technology agreed to acquire 100% shareholding of the HOLLA Target Group from the HOLLA Founder Sellers and the HOLLA Investor Sellers at a consideration of RMB16,600,000 in aggregate. The consideration was determined based on arm’s lengths negotiations among the parties involved with reference to the valuation report of HOLLA Group as of June 30, 2020 as appraised by Tongzhixinde (Beijing) Assets Appraisal Co., Ltd. (同致信德(北京)資產評估有限公司), an independent asset valuer. Such consideration was fully settled on December 9, 2020. Tao Sha is our chief innovation officer. Each of the HOLLA Investor Sellers is an Independent Third Party.

Pursuant to the above acquisition agreement, we acquired both 100% onshore and offshore interest of HOLLA Target Group upon the full settlement of the consideration. On November 6, 2020, Laksa, a wholly-owned subsidiary of Huafang Technology, entered into a nominee agreement with Dharma, a nominee shareholder of EXU INC. Dharma was wholly owned by Mr. Tao Sha (陶沙), our senior management.

Pursuant to the nominee agreement, Dharma agreed to hold all shares in EXU INC. on behalf of and for the benefit of Laksa and take all instructions from Laksa, including but not limited to the voting and disposal of shares (the “Nominee Arrangement”). Laksa shall enjoy the benefit, and bear the risk, of all distributions of income, dividends, cash or other property relating to its shares in EXU INC. Through the Nominee Arrangement, the Group would be able to enjoy the economic benefits and as such to consolidate the offshore interest of HOLLA Target Group since December 2020.

On June 9, 2021, in anticipation of the reorganization for the [REDACTED], our Company acquired 100% shares in EXU INC. upon the completion of which the nominee agreement was terminated. According to our PRC Legal Advisor, no further government approvals in the PRC are required in material respects for our Company’s holding of shares in EXU INC.

According to the Measures for the administration of Overseas Investment of Enterprises (the “ODI Measures”) issued by the NDRC, Huafang Technology must undertake overseas direct investment filings for its acquisition of rights and interests in EXU INC. with the relevant governmental authority. On August 18, 2022, our PRC Legal Advisor and the PRC Legal Advisor of the Joint Sponsors consulted with an official of the competent authority in charge of overseas investment activities. After being introduced with the Nominee Arrangement and informed that this arrangement had already been unwound, the official expressed that no penalties under the ODI Measures will be ordered against either Huafang Technology or any personnel in charge.

Therefore, based on the facts that (1) we have acquired 100% equity interest of EXU INC. immediately after the incorporation, as a result of which the Nominee Arrangement was terminated and the legal defect has been rectified, (2) throughout the acquisition of HOLLA Target Group and during the term of the Nominee Arrangement, there had been no unlawful

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cross-border transfer of funds, (3) neither of the target jurisdiction nor the target business of EXU INC. falls into a sensitive area that requires the approvals from the relevant governmental authority rather than filings, and (4) we have not been subject to any review, inquiry, investigation or penalty by the relevant authorities on the Nominee Arrangement, and based further on the consultation with the the competent authority, our PRC Legal Advisor is of the view that we will not be penalized for the Nominee Arrangement.

HOLLA Group has successfully operated several products focusing on social discovery in North America, Europe, Far East and MENA, such as *HOLLA* and *Monkey*. The global Generation Z users have strong social entertainment needs and diverse preferences exclusive to their age cohort, which has not been fully addressed by traditional social media products, and due to the different culture and user habits, there are notable variations in the social entertainment needs of Generation Z users in different geographical regions, including North America, Europe, Far East and MENA, representing ample opportunities for innovative social networking products and services in each local market. Our Board considers the products operated by HOLLA Group have robust growth potential and acquisition of HOLLA Group would enable our Group to expand the matrix of products and services in social networking and entertainment to serve a truly global user community and attract and retain the Generation Z users.

The table below sets forth certain pre-acquisition financial information of the above acquired subsidiaries and the goodwill and the impairment loss of goodwill arising from the acquisitions:

Name of acquired subsidiary	Revenue for the year ended December 31, 2019	Net profit/(loss) before taxation for the year ended December 31, 2019	Goodwill Recorded ¹	Impairment Loss of Goodwill ⁶
	<i>(RMB in thousands)</i>			
Holla Technology	4,986 ⁴	(10,033) ⁴	65,510 ²	65,510
HOLLA Group	66,872 ⁵	11,458 ⁵	17,394 ³	–

Notes:

- Please refer to the section “Financial Information—Discussion of Major Balance Sheet Items—Goodwill” and note 13 of the Accountants’ Report as set out in Appendix I to this document for further details regarding the goodwill arising from the acquisitions.
- Goodwill of Holla Technology is calculated based on the consideration of RMB45.0 million (the aggregation of the cash consideration RMB31.5 million and the fair value of the originally owned 18% equity interest of Holla Technology RMB13.5 million) minus the fair value of the net identifiable liabilities of Holla Technology RMB20.5 million on the acquisition date.

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- 3 Goodwill of HOLLA Group is calculated based on the consideration of RMB16.6 million minus the fair value of the net identifiable liabilities of HOLLA Group RMB0.8 million on the acquisition date.
- 4 The data is based on the financial report issued by an independent accounting firm.
- 5 The data is based on the unaudited management account of HOLLA Group.
- 6 Please refer to the section “Financial Information — Key Components of Our Results of Operations — Impairment Loss of Goodwill” and note 13 of the Accountants’ Report as set out in Appendix I to this document for further details regarding the goodwill impairment arising from the acquisitions.

Our Directors have confirmed that none of the applicable percentage ratios as defined under the Listing Rules in respect of the abovementioned acquisitions of Holla Technology and HOLLA Target Group exceeds 25%. Accordingly, the relevant pre-acquisition financial information of Holla Technology and HOLLA Target Group is not required to be disclosed pursuant to Rule 4.05A of the Listing Rules.

LINGDONG ACQUISITION AND DISPOSAL

Acquisition of Beijing Lingdong

On March 6, 2017, prior to the Huajiao-6.cn Merger, Huafang Technology entered into a share transfer agreement (the “Acquisition Agreement”) with Lanxi Runbo Investment Partnership (L.P.) (蘭溪潤博投資合夥企業(有限合夥)) (“Lanxi Runbo”), Lanxi Huachuang Investment Partnership (L.P.) (蘭溪華創投資合夥企業(有限合夥)) (“Lanxi Huachuang”), Oriental Fortune (Shanghai) Venture Capital Enterprise (L.P.) (東方富海(上海)創業投資企業(有限合夥)), Pingxiang Xinyue Investment Consulting Partnership (L.P.) (萍鄉市鑫悅投資諮詢合夥企業(有限合夥)) and Chengdu Zhengyue Technology Co., Ltd. (成都正越科技有限公司), pursuant to which Huafang Technology acquired 100% of equity interests in Beijing Lingdong Shikong Technology Co., Ltd. (北京靈動時空科技有限責任公司) (“Beijing Lingdong”) at a total consideration of RMB380,000,000 (“Acquisition of Beijing Lingdong”). Such consideration was determined with reference to the valuation report of Beijing Lingdong issued by an independent appraisal agency. The Acquisition of Beijing Lingdong was completed on March 10, 2017.

Pursuant to the Acquisition Agreement, Huafang Technology partially settled RMB255,246,000 of the consideration in cash. The aggregate amount of such remaining acquisition consideration of RMB75,744,090.88 and RMB49,009,909.12 payable to Lanxi Runbo and Lanxi Huachuang, respectively, had not been settled by Huafang Technology up to December 1, 2019 (being the date of the Disposal of Beijing Lingdong by Huafang Technology as further described below).

Beijing Lingdong was principally engaged in mobile game development and operation. Its founder, Fang Qi (方奇) (“Beijing Lingdong Founder”), was the controlling shareholder (indirectly holding the majority of equity interest in Beijing Lingdong), CEO and the legal representative of Beijing Lingdong before completion of the Acquisition of Beijing Lingdong. Beijing Lingdong Founder remained as director, CEO and legal representative of Beijing

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Lingdong, and continued to manage Beijing Lingdong’s daily operations after the Acquisition of Beijing Lingdong. Based on publicly available information and to the best knowledge of our Company, save as disclosed above, Fang Qi served as the chairman of the board of director and manager of Beijing Bitu Technology Co., Ltd. (北京璧途科技有限責任公司) from March 2017 to January 2020 and the chairman of the board of director of Beijing A-one Sci&Tech Development Co., Ltd. (北京極品無限科技發展有限責任公司) from November 2011 to October 2016.

The Acquisition of Beijing Lingdong was made in light of the promising prospect of the gaming industry in 2017 with expectation from the then management of Huafang Technology that the Acquisition of Beijing Lingdong would bring potential synergy effect between gaming and live streaming businesses upon completion of the Acquisition of Beijing Lingdong with a view to materializing the conception of “Live Streaming + Game” and attracting higher user traffic.

Disposal of Beijing Lingdong

Principal Terms

After the Huajiao-6.cn Merger, the management of Huafang Technology reviewed the business performance of Beijing Lingdong and considered that the gaming business of Beijing Lingdong failed to achieve the desired synergy effect with the live streaming business of Huafang Technology as Beijing Lingdong had developed certain board & card game with the conception of “Live Streaming + Game” but Beijing Lingdong did not successfully launch such game due to the regulatory tightening of China’s gaming industry in 2018, and therefore, Huafang Technology entered into another share transfer agreement (the “Disposal Agreement”) with Lanxi Runbo, Lanxi Huachuang and Beijing Rongyu Technology Co., Ltd. (北京榮昱科技有限公司) (“Beijing Rongyu”) on December 1, 2019, pursuant to which Huafang Technology sold 100% of equity interests in Beijing Lingdong to Lanxi Runbo, Lanxi Huachuang and Beijing Rongyu at the original consideration of the Acquisition of Beijing Lingdong, i.e. RMB380,000,000 (the “Disposal of Beijing Lingdong”, together with Acquisition of Beijing Lingdong, the “Lingdong Transactions”). Such consideration was based on arm’s length negotiations between Huafang Technology as seller (being represented by the former chief executive officer in the negotiation, who also negotiated the Acquisition of Beijing Lingdong on behalf of Huafang Technology) and Lanxi Runbo, Lanxi Huachuang and Beijing Rongyu as buyers (being represented by Beijing Lingdong Founder). The Disposal of Beijing Lingdong was legally completed on December 12, 2019.

Pursuant to the Disposal Agreement, the payment arrangement is set out below:

- (a) Huafang Technology agreed to transfer 19.8226% of equity interest in Beijing Lingdong to Lanxi Runbo at a consideration of RMB75,744,090.88, which was fully offset by the unpaid part of consideration (i.e. RMB75,744,090.88) payable to Lanxi Runbo for the Acquisition of Beijing Lingdong;

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- (b) Huafang Technology agreed to transfer 12.8261% of equity interest in Beijing Lingdong to Lanxi Huachuang at a consideration of RMB49,009,909.12, which was fully offset by the unpaid part of consideration (i.e. RMB49,009,909.12) payable to Lanxi Huachuang for the Acquisition of Beijing Lingdong; and
- (c) Huafang Technology agreed to transfer 67.3513% of equity interest in Beijing Lingdong to Beijing Rongyu at a consideration of RMB255,246,000, which shall be paid in four installments, of which (i) RMB30,000,000 shall be paid on December 1, 2019, (ii) RMB75,082,000 shall be paid before December 31, 2020, (iii) RMB75,082,000 shall be paid before December 31, 2021, and (iv) RMB75,082,000 shall be paid before December 31, 2022.

Dividend Distribution

Pursuant to the Disposal Agreement, Beijing Lingdong also agreed to distribute dividend in the amount of RMB90,000,000 (the “Distributable Dividend”) to Huafang Technology (the “Dividend Distribution”), which was the distributable profit of Beijing Lingdong attributable to Huafang Technology during the period it held equity interest in Beijing Lingdong.

The Dividend Distribution was guaranteed by Beijing Lingdong Founder. In the event that Beijing Lingdong failed to make the Dividend Distribution, Beijing Lingdong Founder would make such payment to Huafang Technology and compensate for any losses arising therefrom.

Information of the buyers in the Disposal of Beijing Lingdong

Lanxi Runbo was a limited partnership incorporated in the PRC on December 26, 2016, which was principally engaged in investment holding. The general partner of Lanxi Runbo was Beijing Lingdong Founder. Lanxi Runbo was dissolved by deregistration on November 12, 2020. It was one of the selling shareholders under the Acquisition of Beijing Lingdong.

Lanxi Huachuang was a limited partnership incorporated in the PRC on December 26, 2016, which was principally engaged in investment holding. Lanxi Huachuang was dissolved by deregistration on November 12, 2020. It was one of the selling shareholders under the Acquisition of Beijing Lingdong. The general partner of Lanxi Huachuang was a former vice chairman of the board of directors of Beijing Lingdong.

Beijing Rongyu is a limited liability company incorporated in the PRC on November 18, 2019, which is a special investment vehicle established for the Disposal of Beijing Lingdong. Beijing Rongyu is wholly owned by a nominee, while, based on the understanding of the management of Huafang Technology, Beijing Lingdong Founder was

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the actual controller of Beijing Rongyu and, no written nomination agreement was entered into between him and such nominee. Accordingly, the management of Huafang Technology recognized Beijing Lingdong Founder as the actual controller of Beijing Rongyu.

Default under the Disposal of Beijing Lingdong

On April 17, 2020, Beijing Rongyu paid RMB30,000,000 to Huafang Technology as the first installment of the consideration in accordance with the Disposal Agreement.

Pursuant to the Disposal Agreement, the second installment of RMB75,082,000 shall be settled by Beijing Rongyu before December 31, 2020. However, in November 2020, Beijing Rongyu formally informed Huafang Technology that it was unable to pay any of the remaining consideration of RMB225,246,000 in accordance with the Disposal Agreement and failed to settle the second installment within the deadline. As of the Latest Practicable Date, Lanxi Runbo and Lanxi Huachuang had no payment obligation, and Beijing Rongyu is still obligated to pay the remaining consideration for the Disposal of Beijing Lingdong in the amount of RMB225,246,000 (the “Outstanding Consideration”).

In addition, neither Beijing Lingdong nor Beijing Lingdong Founder (as the guarantor) had paid the Distributable Dividend (i.e. RMB90,000,000) to Huafang Technology in accordance with the Disposal Agreement. As of the Latest Practicable Date, both the Outstanding Consideration and the Distributable Dividend remain outstanding and unsettled.

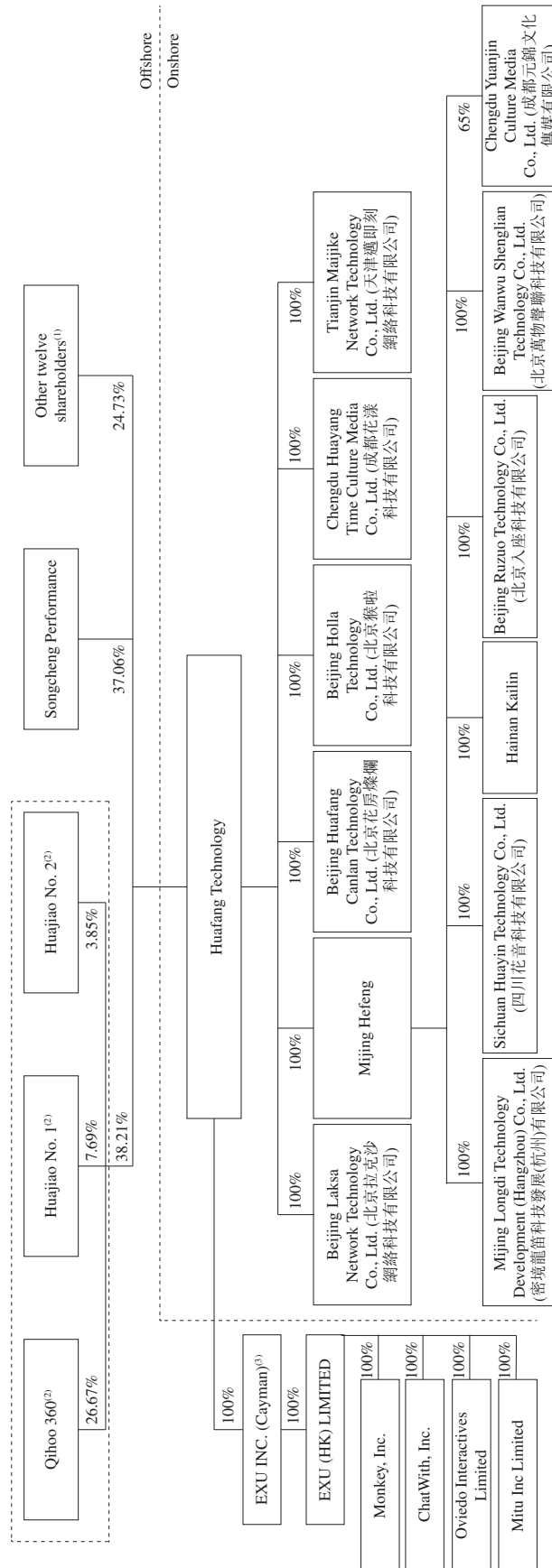
Legal remedy

We have sought legal remedy against Beijing Rongyu, Beijing Lingdong and Beijing Lingdong Founder. See “Business — Legal Proceedings” for details.

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OUR REORGANIZATION

Our corporate structure immediately prior to the Reorganization are set out as follows:



(1) Include approximately (i) 2.89% held by Zhang Fa, (ii) 6.25% held by Huafang Feiteng, (iii) 1.54% held by Mango Culture, (iv) 2.63% held by Shanghai Zuosan, (v) 0.69% held by Jinhua Duanxuan, (vi) 0.18% held by Ningbo Huajiao, (vii) 1.31% held by Zhirun No.1, (viii) 3.07% held by Zhirun No.2, (ix) 1.75% held by Jinhua Xuance, (x) 3.85% held by Siming Juncheng, (xi) 0.38% held by Shanghai Huawei, (xii) 0.19% held by Great Chilicosm. See “Our Corporate Development — Huafang Technology” for details.

(2) Each of Qihoo 360, Huajiao No. 1 and Huajiao No. 2 is controlled by Mr. Zhou, our controlling shareholder.

(3) Our Group held 100% equity interests in EXU INC. through a nominee, Dharma, from December 31, 2020 to June 8, 2021. Our Group has directly owned 100% equity interests in EXU INC. since June 9, 2021. See “Acquisitions During the Track Record Period — HOLLA Group” for details.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

OUR REORGANIZATION

In anticipation of the [REDACTED], we carried out the Reorganization, which included the following major steps:

Step 1: Establishment of offshore corporate structure

Our Company was incorporated under the laws of Cayman Islands as an exempted company with limited liability on June 1, 2021 to act as the holding company and [REDACTED] vehicle of our Group. Upon incorporation, the authorized share capital of our Company was US\$50,000 divided into 500,000,000 shares of US\$0.0001 each. On the same day, one fully paid share of our Company with a par value of US\$0.0001 was transferred from the initial subscriber, an Independent Third Party, to Pepper Blossom Limited, an offshore holding company ultimately controlled by Mr. Zhou, our controlling shareholder.

Liuhua HK Limited (六花香港有限公司) (“Liuhua HK”) was incorporated under the laws of Hong Kong on June 10, 2021 and is wholly-owned by our Company.

Step 2: Establishment of certain onshore subsidiaries

Beijing Huafang Hongfa Technology Co., Ltd. (北京花房鴻發科技有限公司) (“**Beijing Hongfa**”) was established under the laws of the PRC on May 13, 2021 and was owned by Mr. Zhou as to 78.2974% and Zhang Fa as to 21.7026% upon incorporation.

Chengdu Huafang Online Technology Co., Ltd., our WFOE, was established under the laws of the PRC on June 28, 2021 as a wholly-foreign owned entity and a wholly-owned subsidiary of Liuhua HK.

On July 30, 2021, Mr. Zhou and Zhang Fa transferred 68.2974% and 21.7026% equity interest of Beijing Hongfa to Huafang Technology at nil consideration. On the same date, the registered capital of Beijing Hongfa was further increased from RMB100,000 to RMB 1,000,000 with RMB900,000 additional registered capital contributed by Huafang Technology. After the aforementioned share transfers and capital injections, as of the Latest Practicable Date, Beijing Hongfa was owned as to 99% by Huafang Technology and 1% by Mr. Zhou.

Step 3: Issuance of Shares to the shareholders of Huafang Technology

On June 1, 2021 and July 29, 2021, our Company allotted and issued an aggregate of 53,333,333 Shares to each of then existing shareholders of Huafang Technology or their respective affiliated designees on a *pro rata* basis at nominal consideration. After such allotment and issuance of Shares, the respective shareholdings of our Shareholders reflected the shareholdings of the shareholders in Huafang Technology.

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The table below sets forth details of the Shareholders of our Company immediately after the allotment and issuance of Shares on July 29, 2021 as well as their corresponding shareholding in Huafang Technology immediately prior to the allotment and issuance of Shares.

Name of shareholders of Huafang Technology	Percentage of equity interest in Huafang Technology	Name of shareholders of our Company	Number of Shares	Percentage of the equity interest in our Company
Qihoo 360 ⁽¹⁾	26.67%	Pepper Blossom Limited ⁽¹⁾	20,380,418	38.21%
Huajiao No. 1 ⁽¹⁾	7.69%			
Huajiao No. 2 ⁽¹⁾	3.85%			
Songcheng Performance ⁽²⁾	37.06%	Global Bacchus Limited ⁽²⁾	19,764,706	37.06%
Huafang Feiteng ⁽³⁾	6.25%	Blossom Bliss Limited ⁽³⁾	3,333,333	6.25%
Zhirun No. 1 ⁽⁴⁾	1.31%	Sun Link Trade Limited ⁽⁴⁾	2,335,633	4.38%
Zhirun No. 2 ⁽⁴⁾	3.07%			
Siming Juncheng	3.85%	Siming Juncheng	2,051,501	3.85%
Zhang Fa ⁽⁵⁾	2.89%	JY Infinitas Limited ⁽⁵⁾	1,538,626	2.89%
Shanghai Zuosan ⁽⁶⁾	2.63%	AAPC NETWORK Ltd. ⁽⁶⁾	1,403,227	2.63%
Jinhua Xuance ⁽⁷⁾	1.75%	Three Birds Holdings Limited ⁽⁷⁾	934,253	1.75%
Mango Culture ⁽⁸⁾	1.54%	Mango Ningze Limited ⁽⁸⁾	820,600	1.54%
Jinhua Duanxuan ⁽⁹⁾	0.69%	Wingsound Technology Limited ⁽⁹⁾	369,886	0.69%
Shanghai Huawei	0.38%	Shanghai Huawei	205,150	0.38%
Great Chiliocosm	0.19%	Great Chiliocosm	102,575	0.19%
Ningbo Huajiao ⁽¹⁰⁾	0.18%	Myanmar Commercial Asset Management Company Limited ⁽¹⁰⁾	93,425	0.18%
		Total	53,333,333	100%

(1) Each of Qihoo 360, Huajiao No. 1 and Huajiao No. 2 has been controlled by Mr. Zhou, our controlling shareholder since January 1, 2020. Pepper Blossom Limited is a BVI company ultimately controlled by Mr. Zhou.

(2) Global Bacchus Limited is a BVI company wholly owned by Songcheng Performance.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

- (3) Blossom Bliss Limited is a BVI company wholly owned by Huafang Feiteng.
- (4) Sun Link Trade Limited is the affiliated designee of both Zhirun No. 1 and Zhirun No. 2.
- (5) JY Infinitas Limited is a BVI company wholly owned by Zhang Fa.
- (6) AAPC NETWORK Ltd. is the affiliated designee of Shanghai Zuosan.
- (7) Three Birds Holdings Limited is the affiliated designee of Jinhua Xuance.
- (8) Mango Ningze Limited is a BVI company wholly owned by Mango Culture.
- (9) Wingsound Technology Limited is the affiliated designee of Jinhua Duanxuan.
- (10) Myanmar Commercial Asset Management Company Limited is the affiliated designee of Ningbo Huajiao.

Step 4: Restructuring of Our Business and Subsidiaries

Beijing Laksa Network Technology Co., Ltd. was established in the PRC with limited liability on December 12, 2014 by EXU (HK) LIMITED, a wholly-owned subsidiary of EXU INC. In order to streamline our corporate structure, Beijing Laksa Network Technology Co., Ltd. was voluntarily dissolved by deregistration on October 18, 2021 due to its non-operating nature. Beijing Laksa Network Technology Co., Ltd. was solvent at the time of its deregistration.

Mijing Longdi Technology Development (Hangzhou) Co., Ltd. was established in the PRC with limited liability on June 19, 2017 and was an indirect wholly-owned subsidiary of Huafang Technology. In order to streamline our corporate structure, Mijing Longdi Technology Development (Hangzhou) Co., Ltd. was voluntarily dissolved by deregistration on July 30, 2021 due to its non-operating nature. Mijing Longdi Technology Development (Hangzhou) Co., Ltd. was solvent at the time of its deregistration.

Beijing Wanwu Shenglian Technology Co., Ltd. was established in the PRC with limited liability on January 15, 2020 and was an indirect wholly-owned subsidiary of Huafang Technology. In order to streamline our corporate structure, Beijing Wanwu Shenglian Technology Co., Ltd. was voluntarily dissolved by deregistration on July 27, 2021 due to its non-operating nature. Beijing Wanwu Shenglian Technology Co., Ltd. was solvent at the time of its deregistration.

Step 5: Establishment of Contractual Arrangements

On October 18, 2021 and September 8, 2022, in order to comply with relevant foreign investment restrictions in the PRC and maintain effective control over the operation of our Consolidated Affiliated Entities, our WFOE entered into the Contractual Arrangements with the Consolidated Affiliated Entities and its registered shareholders, providing our Group with effective control over, and to consolidate all economic benefits arising from our Consolidated Affiliated Entities into our Group. See “Contractual Arrangements” for details.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

COMPLIANCE WITH PRC LAWS AND REGULATIONS

Our PRC Legal Advisor has confirmed that we have obtained or made all requisite approvals or filings in accordance with PRC laws and regulations in material respects regarding our Reorganization as set out above.

[REDACTED] AND [REDACTED]

Subject to the share premium account of our Company having sufficient balance, or otherwise being credited as a result of the [REDACTED] pursuant to the [REDACTED], our Directors are authorized to allot and issue a total of [REDACTED] Shares credited as fully paid at par value to the Shareholder whose name appears on the register of members of our Company at the close of business on the date immediately preceding the date on which the [REDACTED] becomes unconditional (or as it may direct) by way of capitalization of the sum of US\$[REDACTED] standing to the credit of the share premium account of our Company. The Shares allotted and issued pursuant to the above [REDACTED] will rank *pari passu* in all respects with the existing issued Shares.

[REDACTED] SHARE OPTION SCHEME

Our Company has conditionally adopted the [REDACTED] Share Option Scheme on [●] 2022. For more details of the [REDACTED] Share Option Scheme, see the section headed “Statutory and General Information — D. [REDACTED] Share Option Scheme” in Appendix IV to this document.

[REDACTED]

Our Company underwent the following [REDACTED]:

- (i) the Financial Investors’ indirect interests in Qihoo 360 following the Privatization. For details see “— Our Corporate Development — 2. Mijing Hefeng — Financial Investors’ Indirect Interests in Qihoo 360 Following the Privatization” of this section;
- (ii) previous investment and transfers of equity interests in Mijing Hefeng; and
- (iii) previous transfers of equity interests in Huafang Technology.

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Principal terms of the [REDACTED]

Name of Investors	Offshore entities directly or indirectly holding interests in our Company	Date of agreement	Date of Settlement	Consideration	Post-money valuation ⁽¹⁾	[REDACTED] ⁽²⁾	Cost per Share	Discount to the [REDACTED] ⁽³⁾
Financial Investors' Indirect Interests in Qihoo 360 Following the Privatization⁽⁴⁾								
The Buyer Group ⁽⁵⁾	Blossom Leadings Limited and Blossom Pathway Limited	December 18, 2015	July 15, 2016	N/A	N/A	[REDACTED]	[REDACTED]	[REDACTED]
Qi Xiangdong	Total Wisdom Ventures Limited	December 18, 2015	July 15, 2016	N/A	N/A	[REDACTED]	[REDACTED]	[REDACTED]
Tianjin Juxin	Blossom Leadings Limited	December 18, 2015	July 15, 2016	N/A	N/A	[REDACTED]	[REDACTED]	[REDACTED]
Tianjin Tianxin	Blossom Leadings Limited	December 18, 2015	July 15, 2016	N/A	N/A	[REDACTED]	[REDACTED]	[REDACTED]
Previous Investment in Mijing Hefeng								
2016 First Round Capital Increase								
Siming Juncheng ⁽⁶⁾	Siming Juncheng	October 25, 2016	January 19, 2017	RMB100,000,000	RMB1,230 million ⁽⁷⁾	[REDACTED]	[REDACTED]	[REDACTED] ⁽⁸⁾
Mango Culture	Mango Ningze Limited	October 25, 2016	November 11, 2016	RMB40,000,000	RMB1,230 million ⁽⁷⁾	[REDACTED]	[REDACTED]	[REDACTED] ⁽⁸⁾
Shanghai Huawei	Shanghai Huawei	October 25, 2016	November 11, 2016	RMB10,000,000	RMB1,230 million ⁽⁷⁾	[REDACTED]	[REDACTED]	[REDACTED] ⁽⁸⁾
Great Chilocosm	Great Chilocosm	October 25, 2016	November 11, 2016	RMB5,000,000	RMB1,230 million ⁽⁷⁾	[REDACTED]	[REDACTED]	[REDACTED] ⁽⁸⁾
2017 Second Round Capital Increase								
Jinhua Xuance ⁽⁹⁾	Three Birds Holdings Limited	April 28, 2017	September 27, 2017	RMB100,000,000	RMB3,210 million ⁽¹⁰⁾	[REDACTED]	[REDACTED]	[REDACTED] ⁽⁸⁾
Ningbo Huajiao	Myanmar Commercial Asset Management Company Limited	April 28, 2017	June 6, 2017	RMB10,000,000	RMB3,210 million ⁽¹⁰⁾	[REDACTED]	[REDACTED]	[REDACTED] ⁽⁸⁾
Zhirun No. 1 and Zhirun No. 2	Sun Link Trade Limited	April 28, 2017	August 31, 2017	RMB250,000,000	RMB3,210 million ⁽¹⁰⁾	[REDACTED]	[REDACTED]	[REDACTED] ⁽⁸⁾

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Name of Investors	Offshore entities directly or indirectly holding interests in our Company	Date of agreement	Date of Settlement	Consideration	Post-money valuation ⁽¹⁾	[REDACTED] ⁽²⁾	Cost per Share	Discount to the [REDACTED] ⁽³⁾
Transfer of Equity Interests in Mijing Hefeng in 2018								
Zhang Fa ⁽¹¹⁾	JY Infinitas Limited	December 10, 2018	December 18, 2018	RMB75,000,000	N/A	[REDACTED]	[REDACTED] ⁽¹²⁾	[REDACTED] ⁽⁸⁾
Jinhua Duanxuan ⁽¹³⁾	Wingsound Technology Limited	June 20, 2018	January 13, 2021	RMB6,000,000	N/A	[REDACTED]	[REDACTED] ⁽¹³⁾	[REDACTED] ⁽⁸⁾
Transfer of Equity Interests in Huafang Technology in 2021								
Shanghai Zuosan ⁽¹⁴⁾	AAPC	February 18, 2021	February 22, 2021	RMB150,000,000	N/A	[REDACTED]	[REDACTED]	[REDACTED] ⁽⁸⁾

(1) Post-money valuation reflects the then valuation of Huafang Technology or Mijing Hefeng and its respective subsidiaries at the time of the investment.

(2) It represents the number of Shares held by and/or the shareholding of the investor or its affiliate or overseas investment platform in the Company immediately after completion of the [REDACTED] and the [REDACTED] (assuming the [REDACTED] or any option granted under the [REDACTED] Share Option Scheme is not exercised). See the table under the section headed “— Our Reorganization — Step 3: Issuance of Shares to the shareholders of Huafang Technology” for details of the corresponding relationship between the investors and the respective offshore shareholding entities.

The Financial Investors do not directly hold any Share and will hold certain beneficial interests of our Company through their indirect interests in Pepper Blossom Limited.

(3) The discount to the [REDACTED] is calculated based on the assumption that the [REDACTED] is HK\$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] range of HK\$[REDACTED] to HK\$[REDACTED] per Share, and based on the number of Shares in issue upon the completion of the [REDACTED] and the [REDACTED], assuming the [REDACTED] or any option granted under the [REDACTED] Share Option Scheme is not exercised.

(4) The information of consideration, post-money valuation, cost per Share and discount to the [REDACTED] are not meaningfully available as to the Financial Investors’ indirect interests in Qihoo 360 following the Privatization, because the total consideration of such investment was based on the then valuation of 360 Technology at the time of the Privatization instead of the valuation of Mijing Hefeng.

(5) The Buyer Group include the following entities.

a) Zhejiang Haining Guoan Ruiwei Investment Partnership (Limited Partnership) (浙江海寧國安睿威投資合夥企業(有限合夥)) holding 5.25% of equity interest in Tianjin Qixin. Its general partner is Tibet Guoan Ruibo Private Fund Management Co., Ltd. (西藏國安睿博私募基金管理有限公司), which is controlled by CITIC Guoan Information Industry Co., Ltd. (中信國安信息產業股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000839). Its limited partner is Shanghai Muyun Information Technology Investment Co., Ltd. (上海沐雲信息技術投資有限公司).

b) Shenzhen Ping An Real Estate Investment Co., Ltd. (深圳市平安置業投資有限公司) holding 4.20% of equity interest in Tianjin Qixin. It is ultimately controlled by Ping An Insurance (Group) Company of China, Ltd. (中國平安保險(集團)股份有限公司), a company listed on the Stock Exchange (stock code: 2318) and Shanghai Stock Exchange (stock code: 601318).

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- c) Sunshine Life Insurance Company Ltd. (陽光人壽保險股份有限公司) holding 2.23% of equity interest in Tianjin Qixin. It is controlled by Sunshine Insurance (Group) Company Limited (陽光保險集團股份有限公司), which is owned by 34 shareholders. Its largest shareholder is Shenzhen Linfeng Investment Holdings Co., Ltd. (深圳市霖峰投資控股有限公司), which holds 10.36% of equity interest and is controlled by Wang Xiu'e (王秀娥).
- d) Nanjing Ruilian No. 1 Investment Center (Limited Partnership) (南京瑞聯一號投資中心(有限合夥)) holding 3.28% of equity interest in Tianjin Qixin. Its general partner is Jiangsu Ruilian Investment Fund Management Co., Ltd. (江蘇瑞聯投資基金管理有限公司), which is ultimately owned by Chen Zhijie (陳志傑) as to 49.36% and Zhang Tong (章童) as to 28.24%. It is owned by 13 limited partners in aggregate as to 99.97%, each holding ranging from approximately 0.02% to 69.63%. Its principal limited partner holding more than 20% of equity interest is Bosera Capital Management Co., Ltd. (博時資本管理有限公司).
- e) Yantai Minhe Haohu Investment Center (Limited Partnership) (煙台民和吳虎投資中心(有限合夥)) holding 1.71% of equity interest in Tianjin Qixin. Its general partner is Yixing Financial Holding Investment Co., Ltd. of Lhasa Economic and Technological Development Zone (拉薩經濟技術開發區亦興金控投資有限公司), which is controlled by Han Bing (韓冰). It is owned by seven limited partners in aggregate as to 96.62%, each holding ranging from approximately 1.64% to 43.24%. Its principal limited partners holding more than 20% of equity interest include Beijing Yizhuang International Emerging Industry Investment Center (Limited Partnership) (北京亦莊國際新興產業投資中心(有限合夥)) and Pu Zhongjie (蒲忠傑).
- f) SIP Oriza Chongyuan M&A Fund Partnership (Limited Partnership) (蘇州工業園區元禾重元併購股權投資基金合夥企業(有限合夥)) holding 0.66% of equity interest in Tianjin Qixin. Its general partner is SIP Chongyuan M&A Equity Investment Management Center (Limited Partnership) (蘇州工業園區重元併購股權投資管理中心(有限合夥)), which is ultimately owned by Ru Huajie (茹華傑) as to 38.10%, Yao Hua (姚驊) as to 38.10% and Meng Aimin (孟愛民) as to 23.81%. It is owned by two limited partners, China Merchants Wealth Asset Management Co., Ltd. (招商財富資產管理有限公司) and Suzhou Oriza Holding Co., Ltd. (蘇州元禾控股股份有限公司), as to 66.52% and 33.26%, respectively.
- g) Suzhou Taiping Guofa Tongrong No. 2 Investment Enterprise (Limited Partnership) (蘇州太平國發通融貳號投資企業(有限合夥)) holding 1.31% of equity interest in Tianjin Qixin. Its general partner is Suzhou Guofa Asset Management Co., Ltd. (蘇州國發資產管理有限公司), which is ultimately controlled by Suzhou Finance Bureau (蘇州市財政局). It is owned by seven limited partners in aggregate as to 99.99%, each holding ranging from approximately 2.50% to 40.00%. Its principal limited partner holding more than 20% of equity interest is Ningbo Rongbao Asset Management Co., Ltd. (寧波榮寶資產管理有限公司).
- h) Shanghai Sailing Boda Kedian Investment Management Center (Limited Partnership) (上海賽領博達科電投資管理中心(有限合夥)) holding 1.31% of equity interest in Tianjin Qixin. Its general partner is Qiyuan (Shanghai) Enterprise Management Center (Limited Partnership) (旗源(上海)企業管理中心(有限合夥)), which is ultimately controlled by James Xiaodong Liu. It is owned by three limited partners in aggregate as to 99.91%, each holding ranging from approximately 19.98% to 39.96%. Its principal limited partners holding more than 20% of equity interest include Sailing Yongchu Equity Investment (Shanghai) Co., Ltd. (賽領永初股權投資(上海)有限公司) and Hangzhou Sailing Daolin Investment Management Partnership (Limited Partnership) (杭州賽領道麟投資管理合夥企業(有限合夥)).
- i) Mango Culture Creativity (Shanghai) Equity Investment Limited Partnership (L.P.) (芒果文創(上海)股權投資基金合夥企業(有限合夥)) holding 1.31% of equity interest in Tianjin Qixin. See “[REDACTED]” for details.
- j) Qiancai NO. 1 Equity Investment Limited Partnership Enterprise (Limited Partnership) (千採壹號(象山)股權投資合夥企業(有限合夥)) holding 0.39% of equity interest in Tianjin Qixin. Its general partner is Shanghai Qiancai Investment Management Co., Ltd. (上海千採投資管理有限公司), which is ultimately controlled by Wei Ying (韋影). It is owned by three limited partners, Zhejiang Jinghua Investment Co., Ltd. (浙江景錘投資有限公司), Xinzhou Group Co., Ltd. (新洲集團有限公司) and Zhou Xin (周鑫), as to 45.58%, 33.68% and 20.69%, respectively.

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- k) Zhujiang Life Insurance Co., Ltd. (珠江人壽保險股份有限公司) holding 1.31% of equity interest in Tianjin Qixin. It is owned by (i) Guangdong Zhujiang Investment Holding Group Co., Ltd. (廣東珠江投資控股集團有限公司) as to 30.15%, which is ultimately controlled by Zhu Weihang (朱偉航), (ii) Guangdong Zhuguang Group Co., Ltd. (廣東珠光集團有限公司) as to 20%, which is ultimately controlled by Xie Bingzhao (謝炳釗), and (iii) Hengyang Hechuang Real Estate Development Co., Ltd. (衡陽合創房地產開發有限公司) as to 18.96%, which is ultimately owned by Huang Li (黃莉), Zhu Jiehou (朱介侯), Zhu Jiewen (朱介文), Zeng Guokui (曾國魁), Zhu Pengli (朱蓬麗), Zhu Fengfu (朱逢富) and Zhu Fengcai (朱逢才).
- l) Hengdian Group Holdings Limited (橫店集團控股有限公司) holding 1.31% of equity interest in Tianjin Qixin. It is ultimately controlled by Dongyang Hengdian Community Economic Enterprise Federation (東陽市橫店社團經濟企業聯合會).
- m) Shanghai Greenlintron Investment Partnership (Limited Partnership) (上海綠廬創舸投資合夥企業(有限合夥)) holding 1.31% of equity interest in Tianjin Qixin. Its general partner is Greenland Sustainable Wealth Investment Management Co., Ltd. (綠地永續財富投資管理有限公司), which is ultimately controlled by Greenland Holdings Corporation Ltd. (綠地控股集團股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600606). It is owned by seven limited partners in aggregate as to 99.85%, each holding ranging from approximately 0.86% to 30.25%. Its principal limited partners holding more than 20% of equity interest include Jiaying Xingran Investment Partnership (Limited Partnership) (嘉興興然投資合夥企業(有限合夥)) and Beijing Heyuan Rongqi Equity Investment Center (Limited Partnership) (北京合源融企股權投資中心(有限合夥)).
- n) China Merchants Wealth Asset Management Co., Ltd. (招商財富資產管理有限公司) holding 1.31% of equity interest in Tianjin Qixin. It is ultimately owned by China Merchants Bank Co., Ltd. (招商銀行股份有限公司), a company listed on the Stock Exchange (stock code: 3968), and China Merchants Securities Co., Ltd. (招商證券股份有限公司), a company listed on the Stock Exchange (stock code: 6099).
- o) Ruijin City Huarong Ruize No. 1 Investment Center (Limited Partnership) (瑞金市華融瑞澤一號投資中心(有限合夥)) holding 1.71% of equity interest in Tianjin Qixin. Its general partner is Huarong Ruize Investment Management Co., Ltd. (華融瑞澤投資管理有限公司), which is ultimately controlled by China Huarong Asset Management Co., Ltd. (中國華融資產管理股份有限公司), a company listed on the Stock Exchange (stock code: 2799). It is owned by four limited partners, China Economic (Tianjin) Asset Management Center (Limited Partnership) (中經(天津)資產管理中心(有限合夥)), Hunan Television Media Co., Ltd. (湖南電廣傳媒股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 000917), Liu Fengqin (劉鳳琴) and Tang Xianhong (唐先洪), as to 61.54%, 22.86%, 7.91% and 3.85%, respectively.
- p) Golden Brick Silk Road (Yinchuan) Equity Investment Partnership (Limited Partnership) (金磚絲路(銀川)股權投資合夥企業(有限合夥)) holding 3.28% of equity interest in Tianjin Qixin. Its general partner is Tianjin Huixin Jiahua Technology Co., Ltd. (天津匯新嘉華科技有限公司), which is owned by (i) Tianjin Haikai Xinchuang Industry Development Co., Ltd. (天津海開信創產業發展有限公司), which is ultimately controlled by Management Committee of Tianjin Binhai High-tech Industrial Development Zone (天津濱海高新技術產業開發區管委會), (ii) Xinzhou Group Co., Ltd. (新洲集團有限公司), which is ultimately controlled by Zhang Aijuan (張愛娟), and (iii) Xihu Zhongbao Co., Ltd. (新湖中寶股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 600208). It is owned by eight limited partners in aggregate as to 99.90%, each holding ranging from 5.77% to 28.86%. Its principal limited partner holding more than 20% of equity interest is Tianjin Haikai Xinchuang Industry Development Co., Ltd. (天津海開信創產業發展有限公司).
- q) Golden Brick Silk Road (Shenzhen) Equity Investment Partnership (Limited Partnership) (金磚絲路(深圳)股權投資合夥企業(有限合夥)) holding 1.31% of equity interest in Tianjin Qixin. Its general partner is Golden Brick Silk Road Capital Holdings (Shenzhen) Co., Ltd. (金磚絲路資本控股(深圳)有限公司), which is ultimately controlled by Yue Shunxi (岳舜璽). It is owned by three limited partners, Beijing Xinrui Wuyuan Equity Investment Management Center (Limited Partnership) (北京鑫瑞物源股權投資管理中心(有限合夥)), Shenzhen Tianlong Equity Investment Partnership (Limited Partnership) (深圳天隆股權投資合夥企業(有限合夥)) and Yinchuan Jintianlun Investment Management Co., Ltd. (銀川金天倫投資管理有限公司), as to 77.01%, 16.59% and 5.40%, respectively.

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- r) CICC Jiali (Tianjin) Investment Center (Limited Partnership) (中金佳立(天津)投資中心(有限合夥)) holding 0.66% of equity interest in Tianjin Qixin. Its general partner is CICC Capital Operation Co., Ltd. (中金資本運營有限公司), which is controlled by China International Capital Corporation Limited (中國國際金融股份有限公司), a company listed on the Stock Exchange (stock code: 3908) and Shanghai Stock Exchange (stock code: 601995). Its limited partner is CICC Jiatai (Tianjin) Equity Investment Fund Partnership Enterprise (L.P.) (中金佳泰(天津)股權投資基金合夥企業(有限合夥)), holding approximately 99.43% of equity interest in it.
- s) Shenzhen Huasheng Lingyou Private Equity Fund Investment (Limited Partnership) (深圳華晟領優股權投資合夥企業(有限合夥)) holding 2.36% of equity interest in Tianjin Qixin. Its general partner is Tianjin Huafeng Asset Management Partnership (Limited Partnership) (天津鐸峰資產管理合夥企業(有限合夥)), which is ultimately owned by Zhen Yi (鄭熠) and Xin xin (辛欣). It is owned by 11 limited partners in aggregate as to 99.95%, each holding ranging from 3.21% to 24.06%. Its principal limited partner holding more than 20% of equity interest is Shanghai Xinyin Investment Management Center (上海莘胤投資管理中心).
- t) Ningbo Borui Weisen Equity Investment Partnership (Limited Partnership) (寧波博睿維森股權投資合夥企業(有限合夥)) holding 2.63% of equity interest in Tianjin Qixin. Its general partners are (i) Shanghai Xinkun Investment Management Co., Ltd. (上海鑫琨投資管理有限公司), which is ultimately controlled by Xie Yunyan (謝雲燕), (ii) Shenzhen Ivy Capital Management Co., Ltd. (深圳常春藤資本管理有限公司), which is ultimately controlled by Pan Shiming (潘世明), and (iii) Ningbo Yanghua Enterprise Management Consulting Partnership (Limited Partnership) (寧波仰華企業管理諮詢合夥企業(有限合夥)), which is ultimately controlled by Sun Kai (孫凱). It is owned by five limited partners in aggregate as to 99.95%, each holding ranging from 3.40% to 34.88%. Its principal limited partners holding more than 20% of equity interest are Hengtai Pioneer Investment Co., Ltd. (恒泰先鋒投資有限公司) and Guizhou Railway First Phase I Equity Investment Fund Center No. 2 (Limited Partnership) (貴州鐵路壹期貳號股權投資基金中心(有限合夥)).
- u) Yi Capital Qiyuan Fund, L.P. (寧波執一奇元股權投資中心(有限合夥)) holding 1.31% of equity interest in Tianjin Qixin. Its general partner is Ningbo Zhiyi Qiyuan Investment Management Co., Ltd. (寧波執一啟元投資管理有限公司), which is controlled by Chen Wenjiang (陳文江). It is owned by seven limited partners in aggregate as to 99.88%, each holding ranging from 0.12% to 24.94%. Its principal limited partners holding more than 20% of equity interest are Fan Kangqi (范康麒) and Tibet Haoxuan Investment Co., Ltd. (西藏皓軒投資有限公司).
- v) Ningbo Jianhu Qirong Equity Investment Partnership (Limited Partnership) (寧波建虎啟融股權投資合夥企業(有限合夥)) holding 1.31% of equity interest in Tianjin Qixin. Its general partner is Zhuhai Jianrong Venture Capital Co., Ltd. (珠海建融創業投資有限公司), which is ultimately controlled by Zhu Xiaodong (朱曉東). It is owned by eight limited partners in aggregate as to 99.98%, each holding ranging from 3.12% to 34.37%. Its principal limited partner holding more than 20% of equity interest is Qingdao Jingbei Minerals Co., Ltd. (青島京北礦產有限公司).
- w) Jiaxing Yingfei Investment Center (Limited Partnership) (嘉興英飛投資中心(有限合夥)) holding 0.59% of equity interest in Tianjin Qixin. Its general partner is Beijing Dade Hongtao Asset Management Co., Ltd. (北京大得宏濤資產管理有限公司), which is ultimately controlled by Zhao Xiaoling (趙曉玲). It is owned by three limited partners, Zhao Yufei (趙宇飛), Beijing Fenxin Investment Management Co., Ltd. (北京奮信投資管理有限公司) and Beijing Guotian Technology Development Co., Ltd. (北京國田科技發展有限公司), as to 79.60%, 16% and 4%, respectively.
- x) Jiaxing Yunqi Net Plus Venture Capital Partnership (Limited Partnership) (嘉興雲啟網加創業投資合夥企業(有限合夥)) holding 0.59% of equity interest in Tianjin Qixin. Its general partner is Jiaxing Yunqi Venture Capital Partnership (Limited Partnership) (嘉興雲啟創業投資合夥企業(有限合夥)), which is controlled by Mao Chengyu (毛丞宇). It is owned by two limited partners, Shanghai Jingang Longchen Investment Partnership (Limited Partnership) (上海景盎隆琛投資合夥企業(有限合夥)) and Jiang Lixia (蔣麗霞), as to 34.44% and 34.13%, respectively.
- y) Beijing Kaijin Alpha Assets Management Center (Limited Partnership) (北京凱金阿爾法資產管理中心(有限合夥)) holding 0.66% of equity interest in Tianjin Qixin. Its general partner is Beijing Keywise Capital Management Co., Ltd. (北京凱思博投資管理有限公司), which is controlled by Zheng Fang (鄭方) and Zheng Wen (鄭文). It is owned by three limited partners, Zheng Fang (鄭方), Ningbo Meishan

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- Free Trade Port Area Shifa Equity Investment Partnership Enterprise (Limited Partnership) (寧波梅山保稅港區世發股權投資合夥企業(有限合夥)) and Gaoli Holdings Group Co., Ltd. (高力控股集團有限公司), as to 37.59%, 37.44% and 24.96%, respectively.
- z) Ningbo Zhixin Phase I Equity Investment Partnership (Limited Partnership) (寧波摯信一期股權投資合夥企業(有限合夥)) holding 1.18% of equity interest in Tianjin Qixin. Its general partner is Ningbo Zhixin Investment Management Partnership (Limited Partnership) (寧波摯信投資管理合夥企業(有限合夥)), which is controlled by Li Shujun (李曙軍). Its limited partner is Shenzhen Zhongheng Xingguang Financial Holdings Co., Ltd. (深圳中恒星光金融控股有限公司), holding 99.68% of equity interest in it.
- aa) Langtai Chuanfu Investment (Shenzhen) Partnership (Limited Partnership) (朗泰傳富投資(深圳)合夥企業(有限合夥)) holding 0.66% of equity interest in Tianjin Qixin. Its general partner is Langtai Junde Investment Management Phase I (Shenzhen) Partnership (Limited Partnership) (朗泰峻德投資管理一期(深圳)合夥企業(有限合夥)), which is ultimately controlled by Chen Xueliang (陳學梁), Wang Liangtao (王良韜) and Zhang Wei (張煒). It is owned by seven limited partners in aggregate as to 97.07%, each holding ranging from 3.17% to 31.86%. Its principal limited partner holding more than 20% of equity interest is Cai Shaohong (蔡少紅).
- bb) Jinhua City Puhua Baichuan Start-up Investment Partnership (Limited Partnership) (金華市普華百川創業投資合夥企業(有限合夥)) holding 0.66% of equity interest in Tianjin Qixin. Its general partner is Zhejiang Puhua Tianqin Equity Investment Management Co., Ltd. (浙江普華天勤股權投資管理有限公司), which is controlled by Shen Qinhua (沈琴華). It is owned by five limited partners in aggregate as to 99.73%, each holding ranging from 0.54% to 70.27%. Its principal limited partners holding more than 20% of equity interest are Lanxi Puhua Juli Equity Investment Partnership (Limited Partnership) (蘭溪普華聚力股權投資合夥企業(有限合夥)) and Deqing Pengyu Enterprise Management Partnership (Limited Partnership) (德清鵬裕企業管理合夥企業(有限合夥)).
- cc) Huizhen Capital Management (Shenzhen), L.P. (匯臻資本管理(深圳)合夥企業(有限合夥)) holding 2.63% of equity interest in Tianjin Qixin. Its general partner is Chuangzhan Capital Management (Shenzhen) Co., Ltd. (創展資本管理(深圳)有限公司), which is controlled by Peng Shuqi (彭書棋). It is owned by six limited partners in aggregate as to 99.64%, each holding ranging from 9.32% to 28.45%. Its principal limited partners holding more than 20% of equity interest are Beijing Hongyuan Taichang Sports Development Co., Ltd. (北京弘源泰昌體育發展有限公司) and Zheng Yanhua (鄭燕華).
- dd) Tianjin Xinxin Qiyuan Investment Limited Partnership (天津信心奇緣股權投資合夥企業(有限合夥)) holding 6.85% of equity interest in Tianjin Qixin. Its general partner is Tianjin Qiyuan Equity Investment Management Co., Ltd. (天津奇緣股權投資管理有限公司), which is owned by Huo Quansheng (霍全生), Feng Dehua (馮德華) and Wang Ye (王擘). It is owned by 28 limited partners in aggregate as to 97.94%, each holding ranging from 0.42% to 17.94%. None of its limited partners hold more than 20% of equity interest.
- ee) Tianjin Xinxinsheng Equity Investment Partnership (Limited Partnership) (天津欣新盛股權投資合夥企業(有限合夥)) holding 13.13% of equity interest in Tianjin Qixin. See “— [REDACTED]” for details.
- ff) Beijing Rongjia Huineng Investment Management Center (Limited Partnership) (北京融嘉匯能投資管理中心(有限合夥)) holding 1.97% of equity interest in Tianjin Qixin. Its general partner is Riverhead Capital Investment Management Co., Ltd. (陽光融匯資本投資管理有限公司), which is owned by (i) Beijing Fitch Capital Equity Investment Management Center (Limited Partnership) (北京惠譽達股權投資管理中心(有限合夥)), which is ultimately controlled by Zhang Wenwen (張文雯), Wang Dexiao (王德曉) and Yuan Tao (袁濤), (ii) Sunshine Asset Management Co., Ltd. (陽光資產管理股份有限公司), which is ultimately controlled by Sunshine Insurance (Group) Corporation Limited (陽光保險集團股份有限公司), and (iii) Tibet Shengbo Enterprise Management Co., Ltd. (西藏晟博企業管理有限公司), which is owned by Fu Ting (付婷) and Zhang Wenwen (張文雯). It is owned by six limited partners in aggregate as to 98%, each holding ranging from 3.85% to 59.54%. Its principal limited partner holding more than 20% of equity interest is Beijing River Head Sunshine Emerging Industry Investment Management Center (Limited Partnership) (北京融匯陽光新興產業投資管理中心(有限合夥)).

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- gg) Ruipu Wenhua (Tianjin) Investment Center (Limited Partnership) (銳普文華(天津)投資中心(有限合夥)) holding 1.05% of equity interest in Tianjin Qixin. Its general partner is Ruipu Jinse (Tianjin) Asset Management Partnership (Limited Partnership) (銳普錦瑟(天津)資產管理合夥企業(有限合夥)), which is owned by (i) Li Lin (李琳), (ii) Zhang Han (張涵), (iii) Zhang Mingchen (張鳴晨), (iv) Ruipu Huida (Tianjin) Asset Management Co., Ltd. (銳普匯達(天津)資產管理有限公司), which is controlled by Wang Hongsheng (王鴻生). It is owned by four limited partners, Shanghai Guotai Junan Technology Investment Center (Limited Partnership) (上海國泰君安科技投資中心(有限合夥)), Tibet Dazhunchunxin Ansheng Investment Center (Limited Partnership) (西藏達孜淳信安晟投資中心(有限合夥)), Zhang Han (張涵) and Beijing Chunxin Hongtu Investment Management Co., Ltd. (北京淳信宏圖投資管理有限公司), as to 29.25%, 24.89%, 24.17% and 21.54%, respectively.
- hh) Shanghai Yongzheng Investment Management Co., Ltd. (上海永掙投資管理有限公司) holding 1.05% of equity interest in Tianjin Qixin. It is ultimately controlled by Wang Liangping (王良平).
- ii) Beijing Sequoia Yiyuan Equity Investment Center (Limited Partnership) (北京紅杉懿遠股權投資中心(有限合夥)) holding 8.80% of equity interest in Tianjin Qixin. Its general partner is Beijing Sequoia Kun Tak Investment Management Center (Limited Partnership) (北京紅杉坤德投資管理中心(有限合夥)), which is ultimately controlled by Zhou Kui (周達). It is owned by three limited partners, China Merchants Wealth Asset Management Co., Ltd. (招商財富資產管理有限公司), Beijing Sequoia Huiyuan Equity Investment Center (Limited Partnership) (北京紅杉薈遠股權投資中心(有限合夥)) and Beijing Sequoia Zhangyuan Equity Investment Center (Limited Partnership) (北京紅杉濂遠股權投資中心(有限合夥)), as to 64.27%, 26.48% and 9.25%, respectively.
- jj) Hangzhou Yiyang Investment Management Limited Partnership (Limited Partnership) (杭州以盈投資管理合夥企業(有限合夥)) holding 1.31% of equity interest in Tianjin Qixin. Its general partner is Jinsheng Future Investment Management Co., Ltd. (金生未來投資管理有限公司), which is ultimately controlled by China Minsheng Bank Trade Union Committee (中國民生銀行工會委員會). Its limited partner is Shanghai Jiayue Investment Management Center (Limited Partnership) (上海嘉岳投資管理中心(有限合夥)), holding 99.99% of equity interest in it.

Items (a) to (ee) of the Buyer Group indirectly hold interests in our Company through Blossom Pathway Limited and items (ff) to (jj) of the Buyer Group indirectly hold interests in our Company through Blossom Leadings Limited. Each of the members of the Buyer Group is an Independent Third Party.

- (6) Beijing Cultural Center was one of the investment vehicles participating in 2016 First Round Capital Increase. As an intra-group transaction, in February 2021, Beijing Cultural Center transferred 3.74% of equity interest in Huafang Technology to its subsidiary, Siming Juncheng.
- (7) The post-money valuation of 2016 First Round Capital Increase was determined based on parties' arm's length negotiation with reference to (i) the experience of Mijing Hefeng's management team; (ii) the growth of cumulative registered users since the launch of Huajiao in May 2015 and the number of Huajiao's cumulative registered users as of September 30, 2016 amounting to approximately 41.0 million; (iii) the then estimated revenue for the year ended December 31, 2016; (iv) the growth prospects of Mijing Hefeng and the rapid growth of live streaming market in China; and (v) the comparable companies in the industry and their valuation.
- (8) The discount to the [REDACTED] for the previous investment in Mijing Hefeng 2016 First Round Capital Increase is not applicable as the cost per Share of the previous investment in Mijing Hefeng 2016 First Round Capital Increase is higher than the [REDACTED].

The discount to the [REDACTED] for 2017 Second Round Capital Increase is not applicable as the cost per Share of the 2017 Second Round Capital Increase is higher than the [REDACTED].

The discount to the [REDACTED] for Zhang Fa under the transfer of equity interests in Mijing Hefeng in 2018 is not applicable as the cost per Share of the transfer of equity interests in Mijing Hefeng in 2018 is higher than the [REDACTED].

The discount to the [REDACTED] for the transfer of equity interests in Huafang Technology in 2021 is not applicable as the cost per Share of the transfer of equity interests in Huafang Technology in 2021 is higher than the [REDACTED].

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- (9) Jinhua Chaduan was one of the investment vehicles participating in 2017 Second Round Capital Increase. As an intra-group transaction, in December 2018, Jinhua Chaduan transferred 3.03% of equity interest in Mijing Hefeng to its affiliate, Jinhua Xuance.
- (10) The post-money valuation of 2017 Second Round Capital Increase was determined based on parties’ arm’s length negotiation with reference to (i) the experience of Mijing Hefeng’s management team (ii) the growth of cumulative registered users since the date of 2016 First Round Capital Increase and the number of Huajiao’s cumulative registered users as of March 31, 2017 amounting to approximately 79.5 million, which almost doubled the number as of September 30, 2016; (iii) the then estimated revenue for the year ended December 31, 2017; (iv) the growth prospects of Mijing Hefeng and the rapid growth of live streaming market in China; and (v) the comparable companies in the industry and their valuation. The post-money valuation after 2017 Second Round Capital Increase increased by approximately 161% as compared to the post-money valuation after 2016 First Round Capital Increase, which was mainly due to the facts that: (i) the number of *Huajiao*’s cumulative registered users was 84.4 million as of April 30, 2017, representing an increase of approximately 40.7% as compared to *Huajiao*’s accumulated registered users of around 62 million as of December 31, 2016, (ii) the revenue generated from Mijing Hefeng in 2017 was RMB2,418.6 million, representing an increase of approximately 126% as compared to the revenue of RMB1,070.3 million generated from Mijing Hefeng in 2016, and (iii) the rapid growth of live streaming market in China in 2017.
- (11) Ziqi Mining was one of the investors participating in 2016 First Round Capital Increase. In December 2018, Zhang Fa acquired 4.99% of equity interest in Mijing Hefeng from Ziqi Mining.
- (12) In December 2018, Ziqi Mining transferred 4.99% of equity interest in Mijing Hefeng to Zhang Fa at the consideration of RMB75 million (the “Transfer to Zhang Fa”), which was the original cost of Ziqi Mining’s investment in 2016 First Round Capital Increase. The Company was not involved in the negotiations of the investors.
- (13) In June 2018, as intra-group transactions, Yalong No.16 transferred 46.56% in aggregate of equity interest in Mijing Hefeng to its limited partners, including Qihoo 360, Shoujin Capital and Jinhua Duanxuan. Based on the information provided by Jinhua Duanxuan, the equity transfer agreement entered into between Yalong No. 16 and Jinhua Duanxuan did not provide any payment deadline for the consideration of RMB6 million, and Jinhua Duanxuan’s settlement in January 2021 did not breach any obligation under such equity transfer agreement given the nature of the intra-group transaction of the Transfer to Jinhua Duanxuan.
- The Company was not involved in the negotiations of the investors. Based on the information provided by Jinhua Duanxuan, the cost per share for the transfer of equity interest in Mijing Hefeng from Yalong No. 16 to Jinhua Duanxuan (the “Transfer to Jinhua Duanxuan”) was relatively low because the Transfer to Jinhua Duanxuan was an intra-group transaction, where Yalong No. 16 transferred all of its equity interest in Mijing Hefeng to its three limited partners (including Qihoo 360, Shoujin Capital and Jinhua Duanxuan) at a relatively low price as the limited partners who previously held indirect interests in Mijing Hefeng through Yalong No. 16 intended to directly hold interests in Mijing Hefeng.
- (14) Guangzhou Leichen was the original investment vehicle for 2017 Second Round Capital Increase. As an intra-group transaction, in February 2018, Guangzhou Leichen transferred 4.55% of equity interest in Mijing Hefeng to its affiliate, Ningbo Huabo. In February 2021, Shanghai Zuosan acquired 2.56% of equity interests in Huafang Technology from Ningbo Huabo.

The consideration for the [REDACTED] were determined based on arm’s length negotiation between (1) Huafang Technology/Mijing Hefeng and the [REDACTED] or (2) the transferors and transferees in the [REDACTED], after taking into consideration of, among others, the timing of investments, and the business performance and prospect of Huafang Technology/Mijing Hefeng. See “— Our Corporate Development” for further details, including basis of the consideration for each investment, the respective equity interests held by [REDACTED] after each investment and respective settlement date of the consideration for each investment.

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The premium of the Company’s market capitalization upon the [REDACTED], as compared to its post-money valuation after 2016 First Round Capital Increase, has taken into account the significant growth of our business and financial performance as well as the difference in risks taken by the [REDACTED] in 2016 First Round Capital Increase by investing in a private company as contrary to public investors. In particular, the number of *Huajiao*’s cumulative registered users (excluding *Naitang*’s operating results) was 215.0 million as of December 31, 2021, representing an increase of approximately 246.8% as compared to *Huajiao*’s accumulated registered users (excluding *Naitang*’s operating results) of around 62.0 million as of December 31, 2016. The revenue generated from the Company increased from approximately RMB1,090 million in 2016 to RMB4,600 million in 2021 at a CAGR of 33.37%.

Our Directors are of the view that we would benefit from the additional capital injected by the [REDACTED]’ investments in our Group, their business resources, knowledge and experience, and potential business opportunities and benefits that may be provided by them.

Lock-up Period

As of the Latest Practicable Date, each of JY Infinitas Limited, Mango Ningze Limited, Shanghai Huawei Equity Investment Limited Partnership (L.P.) (上海驊偉股權投資基金合夥企業(有限合夥)), AAPC NETWORK Ltd., Wingsound Technology Limited, Myanmar Commercial Asset Management Company Limited and Three Birds Holdings Limited has [executed] a lock-up undertaking, and undertaken that, they will not, at any time during the period commencing from the date of the lock-up undertaking and ending on the date falling 5 months after the [REDACTED], transfer any Shares or any interest in such Shares directly or indirectly held by such Shareholder in the Company without prior written consent of the [REDACTED] and the Joint Sponsors.

As of the Latest Practicable Date, Blossom Bliss Limited, being our employee shareholding ownership platform, has also [executed] a lock-up undertaking, and undertaken that, it will not, at any time during the period commencing from the date of the lock-up undertaking and ending on the date falling 9 months after the [REDACTED], transfer any Shares or any interest in such Shares directly or indirectly held by it in the Company without prior written consent of the [REDACTED] and the Joint Sponsors.

For the shareholding of the shareholders of the Company prior to the [REDACTED], please refer to the paragraph “— Our Reorganization — Step 3: Issuance of Shares to the shareholders of Huafang Technology”.

Special Rights of the [REDACTED]

All of our [REDACTED] are currently bound by the terms of the currently effective memorandum and articles of association of the Company, which will be replaced by our Memorandum and Articles effective upon the completion of the [REDACTED] and the [REDACTED]. Pursuant to the shareholders agreement of Huafang Technology dated June 27,

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2018 and its supplemental agreement dated October 18, 2021 (the “Shareholders Agreement”) entered into, among others, by our Company, Huafang Technology, WFOE, the Registered Shareholders and the shareholders of our Company, our [REDACTED] (other than the Financial Investors) were granted certain special rights in relation to the Company, including:

- (i) *pre-emptive rights* – In the event the Company proposes to increase its registered capital, subject to customary exceptions, the shareholders of the Company will have a pre-emptive right to subscribe for such increased registered capital on the same terms under the proposed increase of registered capital by the Company;
- (ii) *rights of first refusal* – In the event any shareholder of the Company proposes to directly or indirectly sell or dispose its shares of the Company in whole or in part, the other shareholders of the Company will have a right of first refusal to purchase such shares in whole or in part on the same terms under the proposed transfer by such shareholder.
- (iii) *information rights* – In the event that the shareholders of the Company request the Company to provide financial information for their financial reporting purposes, the Company shall make its best efforts to cooperate.
- (iv) *liquidation rights* – In the event that (i) the Company is liquidated, dissolved, bankrupted or merged, or (ii) more than 50% of the shares of the Company have been sold, or (iii) the Company has sold substantially all of its assets, or (iv) the Company has transferred or exclusively grant the license of all or the vast majority of its intellectual property rights, the shareholders of the Company is entitled to be distributed the assets of the Company legally available for distribution on a pro rata basis.

The divestment rights of our Company under the Shareholders Agreement have been terminated immediately prior to the first submission of the [REDACTED] to the Stock Exchange for the purpose of the [REDACTED]. All other aforementioned special rights under the [REDACTED] shall cease to be effective and be discontinued upon the [REDACTED] in accordance with the terms of the Shareholders Agreement.

Public Float

Upon the completion of the [REDACTED] and the [REDACTED] (assuming the [REDACTED] or any option granted under the [REDACTED] Share Option Scheme is not exercised), the shares held by certain of our existing Shareholders who are, or are indirectly controlled by, our core connected persons, will not be counted towards the public float. Details of these Shareholders and their controllers are set out below:

- (1) the shares held by Pepper Blossom Limited will not be considered as part of the public float because it is under the control of Mr. Zhou, our controlling shareholder and non-executive Director; and

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- (2) the shares held by Global Bacchus Limited will not be considered as part of the public float because it is under the control of Songcheng Performance, our controlling shareholder.

Save as disclosed above, no other Shareholder is a core connected person of the Company, as defined in the Listing Rules. Therefore, the Shares held by the other Shareholders will count towards the public float. The expected public float percentage of our Company immediately following the [REDACTED] and the [REDACTED] is approximately [REDACTED]% (assuming the [REDACTED] or any option granted under the [REDACTED] Share Option Scheme is not exercised).

[REDACTED] from the [REDACTED]

All the [REDACTED] from the [REDACTED] received by the Company were applied towards, among others, the business development and operation, including but not limited to research and development, new business development, administrative expenses and general working capital needs of the Group. As of the Latest Practicable Date, such [REDACTED] have been fully utilized by the Company. The Company did not receive any of the [REDACTED] in connection with the Huajiao-6.cn Merger and the share transfers between the transferors and transferees in the [REDACTED].

Information of Principal [REDACTED]

The following sets forth information of the existing [REDACTED] each holding, directly or indirectly, 1% or above of our total issued and outstanding Shares immediately after the [REDACTED] and the [REDACTED] (including any Shares which may be issued pursuant to the exercise of the [REDACTED] or any shares which may be issued upon the exercise of any option granted under the [REDACTED] Share Option Scheme).

Mango Culture is a limited partnership incorporated in the PRC on December 11, 2015, which is principally engaged in technology development. Mango Culture is owned by 14 limited partners in aggregate as to approximately 99.94%, each holding ranging from approximately 0.65% to 16.66%. The general partner of Mango Culture is Yize Capital Management Co., Ltd. (易澤資本管理有限公司), which is owned (i) as to 40% by Mango Media Co., Ltd. (芒果傳媒有限公司), which is wholly owned by Hunan Broadcasting System (湖南廣播電視台), an Independent Third Party, and (ii) as to 40% by Shanghai Dunhui Enterprise Consultancy Management Centre (L.P.) (上海敦惠企業諮詢管理中心(有限合夥)), the general partner of which is Shanghai Lubai Enterprise Management and Consultancy Co., Ltd. (上海麓柏企業管理諮詢有限公司), which is owned as to 60% by Huang Guoxiong (黃國雄) and as to 40% by Yuan Guoliang (袁國良). Both of them are Independent Third Parties.

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Siming Juncheng is a limited liability company incorporated in the PRC on August 3, 2018, which is principally engaged in technology development. Siming Juncheng is owned as to 90.625% by Beijing Cultural Center. The general partner of Beijing Cultural Center is Beijing Cultural Center Construction Development Fund Management Co., Ltd. (北京市文化中心建設發展基金管理有限公司), which is wholly-owned by Beijing Cultural Investment Development Group Co., Ltd. (北京市文化投資發展集團有限責任公司). Beijing Cultural Investment Development Group Co., Ltd. (北京市文化投資發展集團有限責任公司) is wholly owned by Beijing State-owned Cultural Assets Supervision and Administration Office (北京市國有文化資產監督管理辦公室).

Shanghai Zuosan is a limited liability company incorporated in the PRC on December 3, 2020, which is principally engaged in technology development. Shanghai Zuosan is wholly owned by Shanghai Junzuo Electronic Technology Co., Ltd. (上海均佐電子科技有限公司), which is owned by Zhang Zuo (張作) as to 99% and Chen Zhuozhi (陳焯枝) as to 1%. Both of them are Independent Third Parties.

Zhirun No. 1 is a limited partnership incorporated in the PRC on August 17, 2017, which is principally engaged in investment holding. Zhirun No. 1 is owned by two limited partners, Shenzhen Hongrun No. 5 Investment Partnership (L.P.) (深圳泓潤五號投資合夥企業(有限合夥)) and Shenzhen Zhongzhou Hongyun Investment Partnership (L.P.) (深圳中洲泓運投資合夥企業(有限合夥)), as to 98.90% and 1.08%, respectively. The general partner of Zhirun No. 1 and Shenzhen Hongrun No. 5 Investment Partnership (L.P.) is Shenzhen Qianhai Junxin Investment Holdings Co., Ltd. (深圳市前海君信投資控股有限公司), which is owned by Huang Zhuguang (黃珠光) as to 98% and Chen Yejia (陳業佳) as to 2%. Both of them are Independent Third Parties.

Zhirun No. 2 is a limited partnership incorporated in the PRC on August 17, 2017, which is principally engaged in investment holding. The general partner of Zhirun No. 2 and Shenzhen Hongrun No. 5 Investment Partnership (L.P.) is Shenzhen Qianhai Junxin Investment Holdings Co., Ltd. (深圳市前海君信投資控股有限公司), which is owned by Huang Zhuguang (黃珠光) as to 98% and Chen Yejia (陳業佳) as to 2%. Both of them are Independent Third Parties. Zhirun No.2 is owned by two limited partners, Shenzhen Hongrun No. 5 Investment Partnership (L.P.) (深圳泓潤五號投資合夥企業(有限合夥)) and Shenzhen Zhongzhou Hongyun Investment Partnership (L.P.) (深圳中洲泓運投資合夥企業(有限合夥)), as to 98.87% and 1.12%, respectively.

Jinhua Xuance is a limited liability company incorporated in the PRC on April 10, 2015, which is principally engaged in investment holding. Jinhua Xuance is wholly owned by Jinhua Jiujiu Information Technology Co., Ltd. (金華玖玖信息技術有限公司), which is owned by Fu Zhengjun (傅政軍) as to 98% and Fu Yanchang (傅延長) as to 2%. Both of them are Independent Third Parties.

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Tianjin Xinxinsheng Investment Limited Partnership (天津欣新盛股權投資合夥企業(有限合夥)), one member of the Buyer Group, is a limited partnership incorporated in the PRC on November 23, 2015, which is principally engaged in investment holding. The general partner of Tianjin Xinxinsheng Investment Limited Partnership is Tianjin Qihu Xincheng Technology Co., Ltd. (天津奇虎欣盛科技有限公司), which is ultimately controlled by Li Qinglu (李慶璐), an Independent Third Party. It is owned by 13 limited partners in aggregate as to 98.80%, each holding ranging from 0.59% to 32.41%.

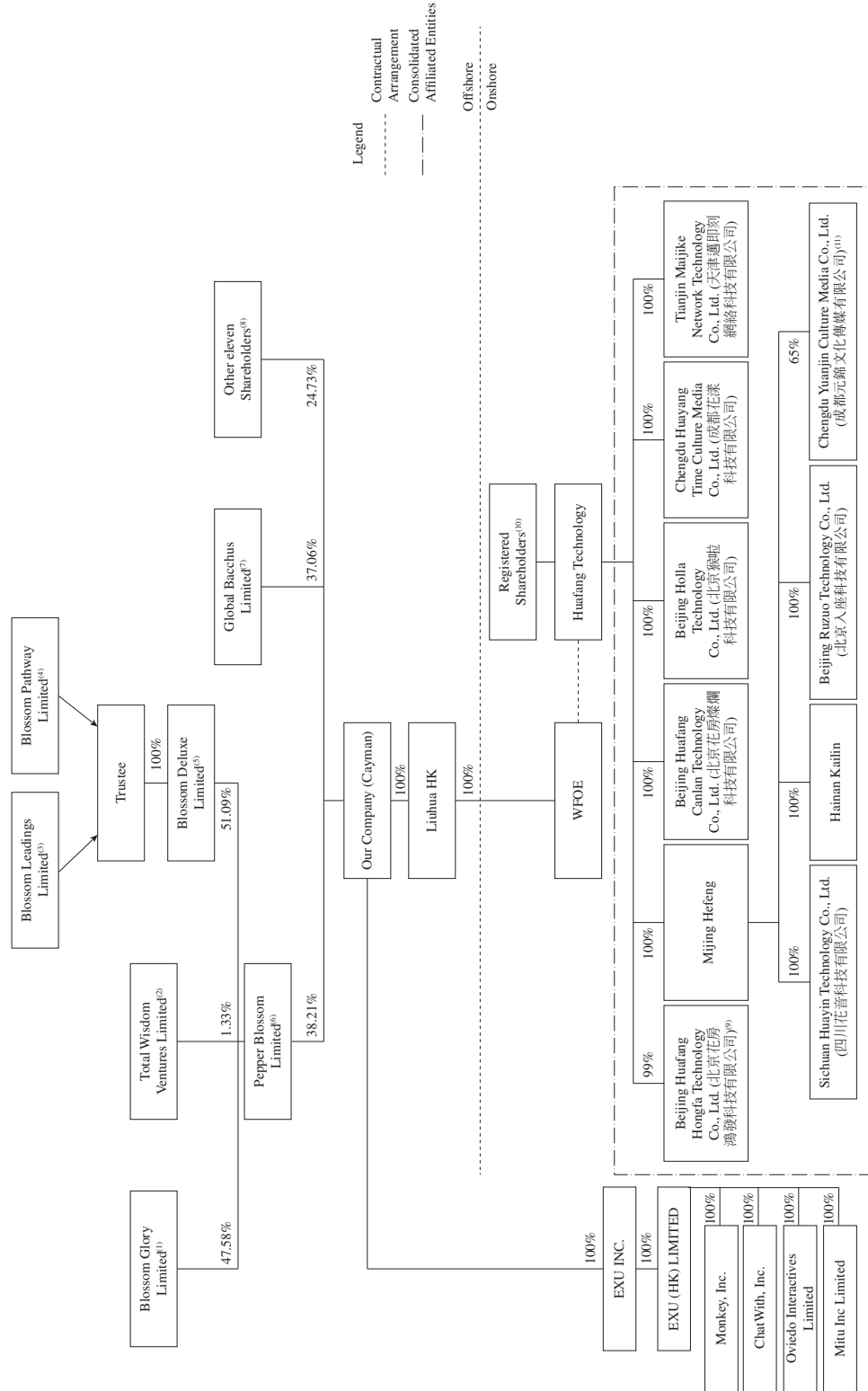
COMPLIANCE WITH INTERIM GUIDANCE AND GUIDANCE LETTERS

Based on the documents provided by the Company relating to the [REDACTED], the Joint Sponsors confirm that the [REDACTED] are in compliance with Guidance Letter HKEX-GL29-12 issued by the Stock Exchange in January 2012 and updated in March 2017, Guidance Letter HKEX-G43-12 issued by the Stock Exchange in October 2012 and updated in July 2013 and March 2017 and Guidance Letter HKEX-44-12 issued by the Stock Exchange in October 2012 and updated in March 2017.

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OUR CORPORATE STRUCTURE

The following chart illustrates our corporate structure as of the Latest Practicable Date and immediately prior to the [REDACTED]:



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- (1) Blossom Glory Limited is owned by (i) Blossom Eternity Limited as to approximately 71.94%, (ii) Blossom Growth Limited as to approximately 21.84%, and (iii) Wingsound Technology Limited and Three Birds Holdings Limited as to approximately 6.22%. Each of Blossom Eternity Limited and Blossom Growth Limited is wholly owned by Mr. Zhou, our controlling shareholder. Therefore, Blossom Glory Limited is owned by Mr. Zhou as to approximately 93.78% and ultimately controlled by Mr. Zhou.
- (2) Zhejiang Genfan Investment Management Co., Ltd. (浙江巨凡投资管理有限公司) is a limited partner of Huajiao No. 2, holding 29.4194% interests in Huajiao No. 2. Wingsound Technology Limited and Three Birds Holdings Limited are offshore entities holding the equity interests of Blossom Glory Limited for and on behalf of Zhejiang Genfan Investment Management Co., Ltd. (浙江巨凡投资管理有限公司) to reflect its interests in Huajiao No. 2 as a limited partner prior to the Reorganization.
- (3) The general partner of Huajiao No. 2 is Beijing Qianqian Technology Co., Ltd., which has been controlled by Mr. Zhou since October 18, 2019.
- (4) Total Wisdom Ventures Limited is wholly owned by Mr. Qi Xiangdong, an individual investor and an Independent Third Party.
- (5) Blossom Leadings Limited is wholly owned by Beijing Qifei Xiangyi Business Consulting Co., Ltd. which is ultimately controlled by Mr. Zhou and represent certain Financial Investors' interest in our Company. Please refer to “Principal terms of the [REDACTED]” for the details of the Financial Investors.
- (6) Blossom Pathway Limited is wholly owned by Beijing Feixiang Qiyi Management Consulting Partnership (Limited Partnership) (北京飛翔奇藝管理諮詢合夥企業(有限合夥)). The general partner of Beijing Feixiang Qiyi Management Consulting Partnership (Limited Partnership) is Boneng Nuohu (Beijing) Technology Co., Ltd. (博能諾和(北京)科技有限公司), which is owned by Wang Jie (王潔) as to 50% and Zhang Hongyan (張紅艷) as to 50%. Both of them are Independent Third Parties. The limited partners of this partnership represent certain Financial Investors' interest in our Company. Please refer to “Principal terms of the [REDACTED]” for the details of the Financial Investors.
- (7) Blossom Leadings Limited and Blossom Pathway Limited as joint settlors established a discretionary trust (the “Trust”) with Tricolor Equity Trustee Limited as trustee (the “Trustee”). The Trustee holds 51.10% of the equity interest of Pepper Blossom Limited through a holding company, Blossom Deluxe Holdings Limited, for the benefit of the beneficiaries of the Trust. The beneficiaries of the Trust are Blossom Leadings Limited and Blossom Pathway Limited. The Trustee follows the voting instructions of the beneficiaries of the Trust. The economic interest enjoyed by the Trust shall be distributed to its beneficiaries pursuant to the terms of the Trust, and the beneficiaries would further distribute to their respective ultimate beneficial owners. For the background of Blossom Leadings Limited and Blossom Pathway Limited, please refer to the paragraph (3) and (4) above. Blossom Deluxe Limited has entered into a voting proxy with Blossom Glory Limited to entrust 42.69% voting rights held by Blossom Deluxe Limited in Pepper Blossom Limited to Blossom Glory Limited, which enables Blossom Glory Limited to exercise 90.26% of voting rights at the general meeting of Pepper Blossom Limited. To the best knowledge of the Company, as certain ultimate beneficial owners of Blossom Leadings Limited did not express their views on whether to entrust their voting rights in Pepper Blossom Limited to Blossom Glory Limited, Blossom Deluxe Limited keeps its remaining 8.41% voting rights in Pepper Blossom Limited and Blossom Deluxe Limited will exercise the remaining 8.41% voting rights in Pepper Blossom Limited in accordance with the instruction of such ultimate beneficial owners of Blossom Leadings Limited. Each of such ultimate beneficial owners of Blossom Leadings Limited is an Independent Third Party. To the best knowledge of the Company, there is not acting-in-concert arrangement among such ultimate beneficial owners of Blossom Leadings Limited.
- (8) Pepper Blossom Limited is ultimately controlled by Mr. Zhou, our controlling shareholder.
- (9) Global Bacchus Limited is wholly owned by Songcheng Performance, our controlling shareholder.
- (10) See “— Our Reorganization — Step 3: Issuance of Shares to the shareholders of Huafang Technology” for details.
- (11) Beijing Hongfa was established by Mr. Zhou and Zhang Fa on May 13, 2021 as a limited liability company in the PRC with an initial registered capital of RMB100,000. As of the Latest Practicable Date, Beijing Hongfa was owned by Huafang Technology as to 99% and by Mr. Zhou as to 1%.

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- (10) The Registered Shareholders refer to the registered shareholders of Huafang Technology. Huafang Technology was owned as to 26.67% by Qihoo 360 Software (Beijing) Co., Ltd. (奇虎三六零軟件(北京)有限公司), 7.69% by Tianjin Huajiao No. 1 Technology Limited Partnership (天津花椒壹號科技合夥企業(有限合夥)), 3.85% by Tianjin Huajiao No. 2 Technology Limited Partnership (天津花椒貳號科技合夥企業(有限合夥)), 37.06% by Songcheng Performance Development Co., Ltd. (宋城演藝發展股份有限公司), 1.75% by Jinhua Xuance Investment Management Co., Ltd. (金華萱策投資管理有限公司), 0.69% by Jinhua Duanxuan Investment Management General Partnership (G.P.) (金華端萱投資管理合夥企業(普通合夥)), 3.85% by Beijing Siming Juncheng Technology Co., Ltd. (北京思明駿程科技有限公司), 1.54% by Mango Culture Creativity (Shanghai) Equity Investment Limited Partnership (L.P.) (芒果文創(上海)股權投資基金合夥企業(有限合夥)), 1.31% by Shenzhen Zhirun No. 1 Investment Limited Partnership (L.P.) (深圳致潤一號投資合夥企業(有限合夥)), 3.07% by Shenzhen Zhirun No. 2 Investment Limited Partnership (L.P.) (深圳致潤二號投資合夥企業(有限合夥)), 2.63% by Shanghai Zuosan Digital Technology Co., Ltd. (上海佐三數字科技有限公司), 0.18% by Ningbo Meishan Free Trade Port Area Huajiao Equity Investment Limited Partnership (L.P.) (寧波梅山保稅港區花椒股權投資中心(有限合夥)), 0.38% by Shanghai Huawei Equity Investment Limited Partnership (L.P.) (三千世界(崑山)文化產業投資合夥企業(有限合夥)), 0.19% by Great Chilliocosm (Kunshan) Cultural Investment Partnership (L.P.) (成都元歸文化傳媒有限公司) is owned as to 65% by Mijing Hefeng and as to 35% by Miao Lijie (苗李杰), an Independent Third Technology Center (L.P.) (天津花房飛騰科技中心(有限合夥)) as of the Latest Practicable Date.
- (11) Chengdu Yuanjin Culture Media Co., Ltd. (成都元歸文化傳媒有限公司) is owned as to 65% by Mijing Hefeng and as to 35% by Miao Lijie (苗李杰), an Independent Third Party.

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REGULATORY REQUIREMENTS OF CHINA

According to 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”) jointly issued by MOFCOM, the State-owned Assets Supervision and Administration Commission of the State Council, the SAT, the CSRC, the SAIC and SAFE on August 8, 2006, effective as of September 8, 2006 and amended on June 22, 2009, a foreign investor is required to obtain necessary approvals when it (1) acquires the equity of a domestic enterprise so as to convert the domestic enterprise into a foreign-invested enterprise; (2) subscribes the increased capital of a domestic enterprise so as to convert the domestic enterprise into a foreign-invested enterprise; (3) establishes a foreign-invested enterprise through which it purchases the assets of a domestic enterprise and operates these assets; or (4) purchases the assets of a domestic enterprise, and then invests such assets to establish a foreign invested enterprise. The M&A Rules, among other things, further purport to require that an offshore special vehicle, or a special purpose vehicle, formed for the listing purposes and controlled directly or indirectly by PRC companies or individuals, shall obtain the approval of the CSRC prior to the [REDACTED] and [REDACTED] of such special purpose vehicle’s securities on an overseas stock exchange, especially in the event that the special purpose vehicle acquires shares of or equity interests in the PRC companies in exchange for the shares of offshore companies.

Our PRC Legal Advisor is of the opinion that, based on its understanding of the current PRC laws and regulations, MOFCOM and CSRC approvals for the [REDACTED] under the M&A Rules are not required because (1) WFOE was not established through a merger or acquisition of equity interest or assets of a PRC domestic company owned by PRC companies or individuals as defined under the M&A Rules that are the beneficial owners of our Company, and (2) no provision in the M&A Rules clearly classifies contractual arrangements as a type of transaction subject to the M&A Rules.

SAFE REGISTRATION IN CHINA

Pursuant to the Circular of 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融資及返程投資外匯管理有關問題的通知) (the “SAFE Circular 37”), issued by SAFE and effective on July 4, 2014, (1) a PRC resident must register with the local SAFE branch before he or she contributes assets or equity interests to an overseas special purpose vehicle (the “Overseas SPV”) that is directly established or indirectly controlled by the PRC resident for the purpose of conducting investment or financing, and (2) 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 others, 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. In the event that a PRC shareholder holding interests in a special purpose vehicle fails to fulfill the required SAFE registration, the PRC subsidiaries of that special purpose vehicle may be restricted from making profit distributions to the offshore parent and from carrying out subsequent

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cross-border foreign exchange activities, and the special purpose vehicle may be restricted in its ability to contribute additional capital into its PRC subsidiaries. Furthermore, failure to comply with the various SAFE registration requirements described above could result in liability under PRC law for evasion of foreign exchange controls.

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

As advised by our PRC Legal Advisor, Mr. Zhou Hongyi, Mr. Zhang Fa and Mr. Qi Xiangdong, who are PRC residents, have completed the foreign exchange registration under the SAFE Circular 37.