
HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

OVERVIEW

We are a non-formal VET service provider in China, dedicated to making high-quality non-formal VET services accessible through technology and innovation. The business of our Group can be traced back to the year of 2013 when Mr. Zhang joined YUAN Inc, a leading online tutoring service provider in China, started our online career test preparation business. Mr. Zhang and Mr. WEI Liang co-founded the online career test preparation business with a founding team including Ms. SHENG Haiyan, recognizing the opportunities in online education in light of the development of internet infrastructure and technology. See “Directors and Senior Management” for the biographical details of Mr. Zhang, Mr. WEI Liang and Ms. SHENG Haiyan. In 2015, Fenbi Bluesky, our major operating entity, was established to operate the online career test preparation business of our Group with seed capital support from YUAN Inc.

In 2020, our Group underwent a reorganization and was spun off from YUAN Inc, and our Company was incorporated to become the holding company of Fenbi Bluesky. See “— Corporate Development of Our Group — Reorganization” for details. Given that (1) the business of our Group has been operated independently from the remaining business of YUAN Inc under a separate management team led by Mr. ZHANG since its establishment; (2) the business of our Group and our target customers and users are different in nature from those of YUAN Inc; and (3) the business of our Group has been operated under a separate brand name, independently from those of YUAN Inc, the spin-off of our Group from YUAN Inc is beneficial to both our Group and YUAN Inc in the following aspects (1) the business of our Group is expected to undergo relatively rapid business expansion and would be appealing to an investor base that focuses on high growth opportunities in the non-formal VET business other than the online tutoring services targeting primarily young children provided by YUAN Inc; (2) the spin-off could better reflect the value of our Group based on its own merits and further enhance its operational and financial transparency through which investors would be able to appraise and assess the performance and potential of our Group separately and distinctly from those of YUAN Inc; (3) the spin-off would also lead to a more direct alignment of our Group’s management’s responsibilities and accountability with the operating and financial performance of our Group; (4) the spin-off would enable our Group to promote our brand and business to the investors independently, and enable us to directly and independently access capital markets in the future; and (5) the spin-off and independent listing would enhance our Group’s profile and brand name among its users and business partners.

OUR MILESTONES

The following is a summary of our key business development milestones.

<u>Timeline</u>	<u>Event</u>
December 2013	We launched our first “Fenbi” mobile app, which is also the first comprehensive online training mobile app in China’s recruitment examination tutoring industry, according to the F&S Report.
September 2014	We launched our online civil servants examinations tutoring course, being the first of its kind in China, according to the same source.
December 2014	We launched our in-house developed RTC video system.
March 2015	We launched the first large-scale online mock examination product in China’s recruitment examination tutoring industry, according to the F&S Report.
June 2015	We launched the first comprehensive online question bank in China’s recruitment examination tutoring industry, according to the F&S Report.
December 2018	We launched the “challenge exercise” product leveraging our industry-leading data analytics and AI technologies.

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Timeline	Event
May 2020	We launched our offline course offerings on a large-scale basis to achieve OMO synergy.
June 2020	We launched our online premium courses with personalized tutoring services.
December 2020	Our annual paid enrollments first crossed 9.6 million.
December 2021	We established an extensive offline network covering 31 provinces, autonomous regions and municipalities in China.

OUR PRINCIPAL SUBSIDIARIES AND OPERATING ENTITIES

The following subsidiaries of our Group had made material contribution to our results of operations during the Track Record Period and up to the Latest Practicable Date.

Name	Place of establishment	Date of establishment	Interest held by our Group	Principal business activities
Fenbi Bluesky	PRC	February 25, 2015	100%	Online education and training services
Tianxia Culture	PRC	March 25, 2016	100%	Sales of books
Tianxia Education.	PRC	November 15, 2016	100%	Offline education and training services
Lancai Tianxia	PRC	October 27, 2020	100%	Book printing

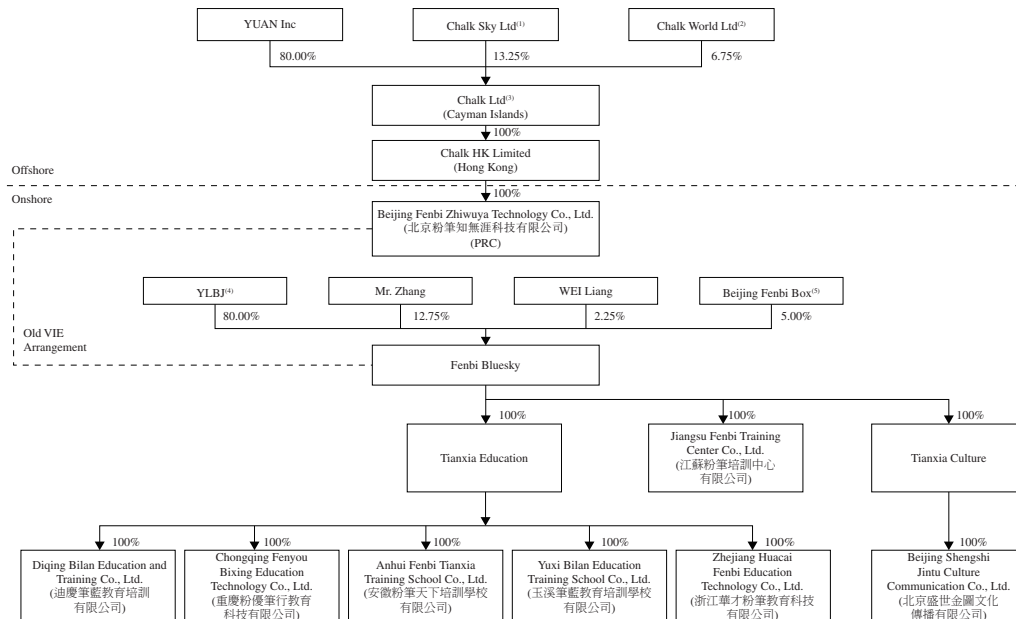
CORPORATE DEVELOPMENT OF OUR GROUP

Prior to the establishment of our Company in December 2020, our businesses were operated through Chalk Ltd, an exempted company with limited liability incorporated in the Cayman Islands in February 2018 and a non-wholly owned subsidiary of YUAN Inc. Chalk Ltd controlled the business of the Group and our primary operating entity in the PRC, Fenbi Bluesky, through a series of contractual agreements, including business cooperation agreement, exclusive option agreement and equity pledge agreement (the “Old VIE Arrangement”). YUAN Inc is a leading online tutoring service provider based in China, targeting primarily young children. Since its inception in 2012, YUAN Inc has focused on inspiring students’ learning interest through technology, and has recently expanded its business to engage in apparel manufacturing and operating coffee shops and postpartum care centers.

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Reorganization

The following chart sets forth the simplified corporate structure of the Group immediately prior to the Reorganization.



- (1) Chalk Sky Ltd was wholly-owned by Mr. Zhang, our executive Director, chairman of the Board, chief executive officer and one of our Controlling Shareholders.
- (2) Chalk World Ltd was wholly-owned by Mr. WEI Liang, our executive Director, president, chief technology officer and one of our Controlling Shareholders.
- (3) 5.00% of the enlarged share capital of Chalk Ltd was reserved as the underlying shares for the purpose of the employee share incentive plan of Chalk Ltd.
- (4) YLBJ is a PRC holding company of the PRC subsidiaries of YUAN Inc, and is owned by Mr. LI Yong, Mr. LI Xin, certain employees and financial investors of YUAN Inc.
- (5) Beijing Fenbi Box Enterprise Management LLP (北京粉筆盒子企業管理合夥企業(有限合夥)) (“Beijing Fenbi Box”) is an employee shareholding platform of the Group.

With a view to streamlining the shareholding structure of our Group and spinning off our Group from YUAN Inc, the Reorganization, as described below, has been carried out by YUAN Inc and us in anticipation of the [REDACTED].

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Set forth below is a summary of the major steps of the Reorganization.

Step 1: Restructuring of the VIE Arrangement

Prior to the Reorganization, Fenbi Bluesky, our primary operating entity in the PRC, was a consolidated affiliated entity of YUAN Inc and controlled by Chalk Ltd through the Old VIE Arrangement.

As part of the Reorganization, on November 25, 2020, YLBJ, a registered shareholder of Fenbi Bluesky transferred all its 80.00% equity interest in Fenbi Bluesky to Mr. LI Yong, Mr. LI Xin and Mr. GUO Changzhen (an employee of YUAN Inc and an Independent Third Party), immediately following which, Fenbi Bluesky was owned as to 70.66% by Mr. LI Yong, as to 12.75% by Mr. Zhang, as to 7.78% by Mr. LI Xin, as to 2.25% by Mr. WEI Liang, as to 1.56% by Mr. GUO Changzhen, and as to 5.00% by Beijing Fenbi Box, and such persons have served as new registered shareholders of Fenbi Bluesky since then. Accordingly, on the same date, a set of transitional contractual agreements (“Transitional VIE Arrangement”) with substantially the same terms as the Old VIE Arrangement were entered into by and among Chalk Ltd, Chalk HK Limited, Beijing Fenbi Zhiwuya Technology Co., Ltd. (北京粉筆知無涯科技有限公司), Fenbi Bluesky and its subsidiaries, and then existing registered shareholders, in order to reflect such changes in registered shareholders of Fenbi Bluesky and replace the Old VIE Arrangement.

Step 2: Establishment of New Corporate Structure

Prior to the spin-off of our Group from YUAN Inc, the sole purpose of Chalk Ltd, Chalk HK Limited and Beijing Fenbi Zhiwuya Technology Co., Ltd. (collectively, the “Old Holding Companies”) was to hold the business of Fenbi Bluesky, our primary operating entity. Our Company was established as the new [REDACTED] vehicle of our Group because YUAN Inc intends to use the Old Holding Companies to hold and operate other business of YUAN Inc due to business reasons.

On December 14, 2020, our Company was incorporated as an exempted company with limited liability in the Cayman Islands with an authorized share capital of US\$50,000 divided into 500,000,000 shares with a par value of US\$0.0001 each, among which, 477,534,400 ordinary shares were designated as class A ordinary shares and 22,465,600 ordinary shares were designated as class B ordinary shares.

On December 31, 2020, in anticipation of the establishment of new corporate structure of our Group, the Transitional VIE Arrangement was terminated. As a transitional arrangement and part of the Reorganization, on the same date, a confirmation agreement (the “Confirmation Agreement”) was entered into by and among the Company, Fenbi Bluesky and its then current registered shareholders, pursuant to which, the Company was entitled to control the operation and management of Fenbi Bluesky and its subsidiaries until the new contractual arrangements were established in July 2021. See “— Step 5: Establishment of New VIE Arrangement” for details.

Step 3: Flipping down of shareholding to the Company

In December 2020, the shareholdings of then shareholders of YUAN Inc were flipped down to the Company so as to mirror the beneficial ownership and equity interests of the shareholders in Chalk Ltd to that of the Company, pursuant to which, we issued and allotted class A ordinary shares, class B ordinary shares and series A preferred shares of our Company to the respective shareholders of YUAN Inc, as well as the investment holding companies controlled by the other shareholders of Chalk Ltd, on a pro rata basis with appropriate adjustment at nominal consideration. See notes to the table under “— Capitalization of Our Company” for the details of such shareholders that hold meaningful shareholding in our Company.

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Immediately after the aforementioned share issuance in December 2020, the authorized share capital of our Company was US\$50,000 divided into (i) 386,747,800 ordinary shares with a par value of US\$0.0001 each, including 364,282,200 class A ordinary shares and 22,465,600 class B ordinary shares, and (ii) 113,252,200 series A preferred shares with a par value of US\$0.0001 each. Among which, (i) 42,483,500 class A ordinary shares with a par value of US\$0.0001 each, (ii) 22,465,600 class B ordinary shares with a par value of US\$0.0001 each, and (iii) 113,252,200 series A preferred shares with a par value of US\$0.0001 each, were issued and outstanding.

Step 4: Establishment of offshore entity and new WFOEs

On January 15, 2021, Fenbi HK was incorporated under the laws of Hong Kong with limited liability as a wholly-owned subsidiary of our Company.

On April 9, 2021 and July 22, 2021, Fenbi ShangAn and Fenbi ChuXin were established under the laws of the PRC, respectively, as the new wholly-foreign owned entities of our Group.

Step 5: Establishment of New VIE Arrangement

On July 31, 2021, in order to comply with relevant foreign investment restrictions in the PRC and maintain effective control over the operations of our PRC operating entities, (i) Fenbi ShangAn entered into the Fenbi BlueSky Contractual Arrangements with Fenbi Bluesky and its registered shareholders, and (ii) Fenbi ChuXin entered into a series of contractual arrangements (including business cooperation agreement, exclusive option agreement, and equity pledge agreement) (“Tianxia Education Contractual Arrangements”) with Tianxia Education and its registered shareholder, to exercise control over the business operation of Tianxia Education and its subsidiaries.

On January 25, 2022, in order to ensure our contractual arrangements are narrowly tailored in accordance with the requirements of the Stock Exchange, we terminated the Tianxia Education Contractual Arrangements and further transferred the shareholding in Tianxia Education from Fenbi Bluesky to Fenbi ChuXin, so as that we can control Tianxia Education and its subsidiaries through the direct equity interest. See “— Step 6: Restructuring of certain onshore companies,” “— Step 7: Acquisition of Tianxia Culture and Tianxia Education by Fenbi ChuXin” and “Contractual Arrangements” for details.

Step 6: Restructuring of certain onshore companies

On October 15, 2021, the shareholding held by the registered shareholders of Fenbi Bluesky were adjusted, where Mr. LI Yong, Mr. LI Xin and Mr. GUO Changzhen transferred their respective 70.56%, 7.68% and 1.46% equity interests in Fenbi Bluesky to Mr. Zhang, at an aggregate consideration of approximately RMB8.0 million, which was determined with reference to the registered capital of Fenbi Bluesky; after which, among others, Mr. Zhang owns 92.45% of the equity interests in Fenbi Bluesky.

On July 22, 2021, as part of our internal business restructuring, Tianxia Culture transferred 100% of the equity interests in Lancai Tianxia to Fenbi Bluesky, after which Lancai Tianxia became a wholly-owned subsidiary of Fenbi Bluesky.

In order to ensure our contractual arrangements are narrowly tailored in accordance with the requirements of the Stock Exchange, Fenbi Bluesky (i) transferred 49.9% of the equity interests in Lancai Tianxia to Tianxia Education on November 24, 2021; and (ii) transferred 100% of the equity interests in Jiangsu Fenbi Training Center Co., Ltd. to Tianxia Education on July 22, 2021.

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Step 7: Acquisition of Tianxia Culture and Tianxia Education by Fenbi ChuXin

On November 30, 2021, an individual investor subscribed for 2% equity interests in Tianxia Culture and Tianxia Education at a consideration of approximately RMB1.4 million and RMB0.2 million, respectively, immediately after which, each of Tianxia Culture and Tianxia Education was owned as to 98% by Fenbi Bluesky and as to 2% by the individual investor.

On December 31, 2021, Fenbi ChuXin acquired 100% equity interest in Tianxia Culture from Fenbi Bluesky and the individual investor at an aggregate consideration of approximately RMB69.9 million. On the same date, Fenbi ChuXin acquired 100% equity interest in Tianxia Education from Fenbi Bluesky and the individual investor at an aggregate consideration of RMB10.0 million.

See “— Corporate Structure” for details of the corporate structure immediately after the Reorganization.

Our PRC Legal Advisors confirmed that, all necessary approvals, permits and licenses required under PRC laws and regulations in connection with the Reorganization have been obtained.

ESTABLISHMENT OF FAMILY TRUSTS

The ZXL Family Trust is a discretionary trust established by Mr. ZHANG Xiaolong as the settlor and the protector and Ocorian Trust Company as the trustee, and the beneficiaries of the trust include Mr. Zhang and his family members. On February 11, 2022, Chalk Sky Ltd allotted and issued 49,999 shares at par value of US\$1.00 each to Sonata (BVI) Limited which is wholly owned by Ocorian Trust Company, representing 99.998% of the enlarged share capital of Chalk Sky Ltd.

The WL Family Trust is a discretionary trust established by Mr. WEI Liang as the settlor and the protector and Ocorian Trust Company as the trustee, and the beneficiaries of the trust include Mr. Wei and his family members. On February 11, 2022, Chalk World Ltd allotted and issued 49,999 shares at par value of US\$1.00 each to Creciendo (BVI) Limited which is wholly owned by Ocorian Trust Company, representing 99.998% of the enlarged share capital of Chalk World Ltd.

SHARE INCENTIVE SCHEME

In anticipation of the [REDACTED] and as part of the Reorganization, in December 2020, we adopted the [REDACTED] Share Option Scheme to replace the previous share incentive plans of Chalk Ltd. The purpose of the [REDACTED] Share Option Scheme is to provide a means whereby Directors, members of the senior management, employees and consultants of the Group can acquire and maintain equity ownership, thereby strengthening their commitment to the welfare of the Group. As of the Latest Practicable Date, we granted options to subscribe for 218,556,500 Shares as underlying shares. See “Appendix IV — Statutory and General Information — D. [REDACTED] Share Option Scheme” for details.

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CONCERT PARTY ARRANGEMENT

Pursuant to a concert party agreement (the “Concert Party Agreement”) dated September 6, 2021 entered into by and among Mr. Zhang, Mr. WEI Liang, Mr. LI Yong and Mr. LI Xin (each a “Concert Party” and collectively, the “Concert Parties”), the Concert Parties acknowledged that they had been acting in concert with, and followed the instruction of, Mr. Zhang in respect of the decision making at the Board meeting and Shareholders meeting level relating to the business operation, corporate governance and major issues of the Company, and at board or shareholder meetings of any member of the Group, where applicable, since December 31, 2020 when the Group was spun-off from YUAN Inc; and the Concert Parties agreed to continue to act in concert with, and follow the instruction of, Mr. Zhang to vote, themselves or through any entity directly or indirectly controlled by them that own equity interest in the Company or any member of the Group, unanimously for any resolutions proposed at the Board meetings and Shareholders meetings of the Company and at such meetings of any member of the Group, where applicable. The Concert Party Agreement will not terminate until, whichever is the earliest: (i) all parties thereto agree in writing to terminate such agreement, (ii) (as to such party) a party ceases to be a shareholder of the Company or a shareholder of any member of the Group, or (iii) (as to the Company or such member of the Group as the case may be) the Company or any member of the Group is dissolved.

In addition, pursuant to our amended and restated shareholders agreement dated March 3, 2021 entered into, among others, by the Company and then shareholders of the Company, Mr. Zhang was granted three votes at the meetings of the Board as compared to one vote granted to each of the other members of the Board, and the Concert Parties were granted the right to collectively appoint four directors of the Company, and such rights granted to Mr. Zhang and the Concert Parties will be terminated upon the [REDACTED].

SHARE SUBDIVISION AND SHARE REDESIGNATION

On [•], our Shareholders resolved that, among other things, (i) each of our issued and unissued shares with par value of US\$0.0001 each be subdivided into ten Shares of our Company with par value of US\$0.00001 each, after which, the authorized share capital of our Company shall be US\$50,000 divided into 5,000,000,000 Shares with par value of US\$0.00001 each; and (ii) on the [REDACTED], each of the issued and unissued series A preferred shares, series B preferred shares, class A ordinary shares and class B ordinary shares of our Company will be re-designated as one ordinary share of our Company with par value of US\$0.00001 each. See “Share Capital” for details.

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CAPITALIZATION OF THE COMPANY

The following table sets out our shareholding structure as of the date of this document and immediately upon completion of the [REDACTED], assuming the [REDACTED] is not exercised and no Shares are issued pursuant to the [REDACTED] Share Option Scheme.

Shareholders	Class A ordinary shares of par value US\$0.00001 each	Series A preferred shares of par value US\$0.00001 each	Series B preferred shares of par value US\$0.00001 each	Aggregate total number of shares of par value US\$0.00001 each as of the date of this document	Aggregate ownership percentage as of the date of this document	Aggregate ownership percentage upon completion of the [REDACTED] ⁽¹⁾
Chalk Sky Ltd ⁽²⁾	257,200,000	—	—	257,200,000	12.38%	[REDACTED]
Chalk World Ltd ⁽³⁾	57,665,000	—	—	57,665,000	2.78%	[REDACTED]
Green Creek Holding Limited ⁽⁴⁾	62,988,000	—	—	62,988,000	3.03%	[REDACTED]
Feel the Truth Limited ⁽¹⁷⁾	20,702,000	364,000	—	21,066,000	1.01%	[REDACTED]
Chuang Ding Holding Limited ⁽¹⁶⁾	13,610,000	—	—	13,610,000	0.66%	[REDACTED]
Kun Yu Holding Limited ⁽¹⁸⁾	12,670,000	—	—	12,670,000	0.61%	[REDACTED]
Liang Ma Limited ⁽⁵⁾	224,656,000	35,080,000	—	259,736,000	12.50%	[REDACTED]
LI Xin ⁽⁴⁾	79,132,000	—	—	79,132,000	3.81%	[REDACTED]
IDG-Accel China Growth Fund III L.P. ⁽⁷⁾	—	142,454,000	—	142,454,000	6.86%	[REDACTED]
IDG-Accel China III Investors L.P. ⁽⁷⁾	—	10,108,000	—	10,108,000	0.49%	[REDACTED]
EVEN CLASSIC LIMITED ⁽⁷⁾	—	25,506,000	—	25,506,000	1.23%	[REDACTED]
Spring Moment Limited ⁽⁷⁾	—	5,366,000	—	5,366,000	0.26%	[REDACTED]
Matrix Partners China II, L.P. ⁽⁸⁾	—	134,884,800	—	134,884,800	6.49%	[REDACTED]
Matrix Partners China II-A, L.P. ⁽⁸⁾	—	14,987,200	—	14,987,200	0.72%	[REDACTED]
X Adventure Fund I L.P. ⁽¹⁹⁾	—	2,036,000	—	2,036,000	0.10%	[REDACTED]
CMC Ape Holdings Limited ⁽²⁰⁾	—	22,724,000	—	22,724,000	1.09%	[REDACTED]
Taurus Fund L.P. ⁽⁴⁾	—	17,236,000	—	17,236,000	0.83%	[REDACTED]
Morespark Limited ⁽⁶⁾	—	84,724,000	—	84,724,000	4.08%	[REDACTED]
Tencent Mobility Limited ⁽⁶⁾	—	178,736,000	—	178,736,000	8.60%	[REDACTED]
Triple Max Holding Limited ⁽⁶⁾	—	8,694,000	—	8,694,000	0.42%	[REDACTED]
TPP Opportunity I Holding C Limited ⁽⁶⁾	—	13,042,000	—	13,042,000	0.63%	[REDACTED]
TPP Fund II Holding C Limited ⁽⁶⁾	—	8,330,000	—	8,330,000	0.40%	[REDACTED]
VH PDII Holdings Limited ⁽⁹⁾	—	8,148,000	—	8,148,000	0.39%	[REDACTED]
HH AUT-XI Holdings Limited ⁽⁹⁾	—	84,724,000	—	84,724,000	4.08%	[REDACTED]
SUM XIII Holdings Limited ⁽⁹⁾	—	32,148,000	—	32,148,000	1.55%	[REDACTED]
Starry Planet Limited ⁽¹¹⁾	—	40,326,000	—	40,326,000	1.94%	[REDACTED]
Novich International Investment Limited ⁽²¹⁾	—	5,548,000	—	5,548,000	0.27%	[REDACTED]
KIWI JOLLY LIMITED ⁽²²⁾	—	1,702,000	—	1,702,000	0.08%	[REDACTED]
3W Global Fund ⁽²³⁾	—	1,064,000	—	1,064,000	0.05%	[REDACTED]
Blue Sky Frontier ⁽²⁴⁾	—	5,670,000	—	5,670,000	0.27%	[REDACTED]
Blue Sky Frontier II ⁽²⁴⁾	—	3,222,000	—	3,222,000	0.16%	[REDACTED]
Skycus China Fund, L.P. ⁽¹³⁾	—	6,810,000	—	6,810,000	0.33%	[REDACTED]
Duckling Fund, L.P. ⁽¹³⁾	—	4,880,000	24,291,000	29,171,000	1.40%	[REDACTED]

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Shareholders	Class A ordinary shares of par value US\$0.00001 each	Series A preferred shares of par value US\$0.00001 each	Series B preferred shares of par value US\$0.00001 each	Aggregate total number of shares of par value US\$0.00001 each as of the date of this document	Aggregate ownership percentage as of the date of this document	Aggregate ownership percentage upon completion of the [REDACTED] ⁽⁶⁾
DST Asia VII ⁽¹²⁾	—	13,148,000	—	13,148,000	0.63%	[REDACTED]
DSTG VI Investments-A, L.P. ⁽¹²⁾	—	4,880,000	—	4,880,000	0.23%	[REDACTED]
DSTG VI Investments-C, L.P. ⁽¹²⁾	—	9,758,000	—	9,758,000	0.47%	[REDACTED]
DSTG VII Investments-3, L.P. ⁽¹²⁾	—	12,190,000	—	12,190,000	0.59%	[REDACTED]
Winning Eleven Pro Ltd ⁽²⁵⁾	—	1,064,000	—	1,064,000	0.05%	[REDACTED]
Wisdom Choice Global Fund, L.P. ⁽²⁶⁾	—	1,064,000	—	1,064,000	0.05%	[REDACTED]
LUCK LEGEND INTERNATIONAL HOLDINGS LIMITED ⁽²⁷⁾	—	1,064,000	—	1,064,000	0.05%	[REDACTED]
Hundreds Golden Vision Fund L.P. ⁽²⁸⁾	—	958,000	8,097,000	9,055,000	0.44%	[REDACTED]
Hundreds ANTA Fund Limited Partnership ⁽²⁸⁾	—	974,000	—	974,000	0.05%	[REDACTED]
CY Banana Investment Limited ⁽¹⁴⁾	—	9,758,000	—	9,758,000	0.47%	[REDACTED]
DCP Vigor Limited ⁽¹⁵⁾	—	6,824,000	—	6,824,000	0.33%	[REDACTED]
Ocean Alliance IV, L.P. ⁽²⁹⁾	—	4,880,000	—	4,880,000	0.23%	[REDACTED]
TB Ape on the Rise Holdings Limited ⁽¹⁰⁾	—	7,812,000	—	7,812,000	0.38%	[REDACTED]
Library Group Volume I ⁽³⁰⁾	—	3,328,000	—	3,328,000	0.16%	[REDACTED]
Wen Yuan Ltd ⁽³⁰⁾	—	1,550,000	—	1,550,000	0.07%	[REDACTED]
Highbury Investment Pte Ltd ⁽³¹⁾	—	9,758,000	—	9,758,000	0.47%	[REDACTED]
Dan Capital Taihang Limited Partnership ⁽³²⁾	—	3,906,000	—	3,906,000	0.19%	[REDACTED]
BLUEMOUNTAIN NOBLE LIMITED ⁽³³⁾	—	2,934,000	—	2,934,000	0.14%	[REDACTED]
Trinityville Profit Limited ⁽³⁴⁾	—	974,000	—	974,000	0.05%	[REDACTED]
Franchise Fund LP ⁽³⁵⁾	—	974,000	—	974,000	0.05%	[REDACTED]
Aranda Investments Pte. Ltd. ⁽³⁶⁾	—	4,880,000	—	4,880,000	0.23%	[REDACTED]
YF Crescent Moon Limited ⁽³⁷⁾	—	29,276,000	—	29,276,000	1.41%	[REDACTED]
Kevin Sunny Holding Limited ⁽³⁸⁾	—	1,946,000	—	1,946,000	0.09%	[REDACTED]
LIN Bin ⁽³⁹⁾	—	974,000	—	974,000	0.05%	[REDACTED]
Modish Century Limited ⁽⁷⁾	—	—	40,485,630	40,485,630	1.95%	[REDACTED]
TBP Chalk Chalk Investment Holdings Limited ⁽¹⁰⁾	—	—	64,777,000	64,777,000	3.12%	[REDACTED]
CF Training Investment Limited ⁽¹⁴⁾	—	—	24,291,000	24,291,000	1.17%	[REDACTED]
East Lake Asia Investments Limited ⁽⁴⁰⁾	—	—	17,813,000	17,813,000	0.86%	[REDACTED]
Tipping Point Limited ⁽¹⁵⁾	—	—	24,291,000	24,291,000	1.17%	[REDACTED]
United Strength Elegant Limited ⁽⁴¹⁾	—	—	10,526,000	10,526,000	0.51%	[REDACTED]
Alpha Fibonacci Holdings Limited ⁽²⁰⁾	—	—	8,097,000	8,097,000	0.39%	[REDACTED]
Dan Capital Wuyi L.P. ⁽³⁵⁾	—	—	8,097,000	8,097,000	0.39%	[REDACTED]
3W Global Investment Limited ⁽⁴²⁾	—	—	4,048,000	4,048,000	0.19%	[REDACTED]
Weight Capital L.P. ⁽⁴³⁾	—	—	4,048,000	4,048,000	0.19%	[REDACTED]
Merchant Skill Limited ⁽⁷⁾	—	—	24,291,370	24,291,370	1.17%	[REDACTED]
NINGBO XIAOYAO EQUITY INVESTMENT PARTNERSHIP	—	—	—	—	—	—
ENTERPRISE (LIMITED PARTNERSHIP)	—	—	23,805,000	23,805,000	1.15%	[REDACTED]
(寧波逍遙股權投資合夥企業(有限合夥)) ⁽¹⁶⁾	—	—	—	—	—	—

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Shareholders	Class A ordinary shares of par value US\$0.00001 each	Series A preferred shares of par value US\$0.00001 each	Series B preferred shares of par value US\$0.00001 each	Aggregate total number of shares of par value US\$0.00001 each as of the date of this document	Aggregate ownership percentage as of the date of this document	Aggregate ownership percentage upon completion of the [REDACTED] ⁽⁶⁾
NINGBO BADOU EQUITY INVESTMENT PARTNERSHIP						
ENTERPRISE (LIMITED PARTNERSHIP) (寧波八斗股權投資合夥企業(有限合夥)) ⁽¹⁶⁾	—	—	16,194,000	16,194,000	0.78%	[REDACTED]
Shenzhen Jinglin Jingying Equity Investment Fund (Limited Partnership) 深圳景林景盈股權投資基金合夥企業 (有限合夥) ⁽⁴⁴⁾	—	—	12,145,000	12,145,000	0.58%	[REDACTED]
Other public Shareholders pursuant to the [REDACTED]	—	—	—	—	—	[REDACTED]
TOTAL	728,623,000	1,033,388,000	315,297,000	2,077,308,000	100.00%	100.00%

* The number of shares is adjusted to reflect the Share Subdivision unless otherwise stated.

(1) Assuming the [REDACTED] is not exercised and no Shares are issued pursuant to the [REDACTED] Share Option Scheme.

The following notes set forth information of our Shareholders. Except for Chalk Sky Ltd, Chalk Star Ltd, Chalk Wonder Ltd, Liang Ma Limited, Mr. LI Xin, Green Creek Holding Limited, Taurus Fund L.P., Tencent Shareholders and IDG USD RMB Fund Shareholder (as defined below), each of the other Shareholders is an Independent Third Party.

(2) Mr. Zhang is deemed to be interested in the entire interests held by Chalk Sky Ltd, a company incorporated in the BVI. See notes under “— Corporate Structure” and “Substantial Shareholders” for details.

(3) Mr. WEI Liang is deemed to be interested in the entire interests held by Chalk World Ltd, a company incorporated in the BVI. See notes under “— Corporate Structure” and “Substantial Shareholders” for details.

(4) Green Creek Holding Limited is a company incorporated in the BVI and wholly owned by Mr. LI Xin. Taurus Fund L.P. is a Cayman Islands exempted limited partnership, the general partner of which is controlled by Mr. LI Xin.

(5) Liang Ma Limited is a company incorporated in the BVI and wholly owned by Mr. LI Yong.

(6) Tencent Shareholders include Morespark Limited, Tencent Mobility Limited, Triple Max Holding Limited, TPP Opportunity I Holding C Limited, and TPP Fund II Holding C Limited, all of which are ultimately controlled by Tencent Holdings Limited, a company listed on the Stock Exchange (stock code: 0700). Each of Tencent Mobility Limited and Morespark Limited is a limited liability company incorporated under the laws of Hong Kong and a subsidiary of Tencent Holdings Limited. Triple Max Holding Limited is an exempted company incorporated in the Cayman Islands and beneficially owned by TPP Follow-on Fund I, LP, whose general partner is TPP Follow-on GP I, Ltd, which is in turn ultimately controlled by Tencent Holdings Limited. TPP Opportunity I Holding C Limited is an exempted company incorporated in the Cayman Islands and beneficially owned by TPP Opportunity Fund I, LP, whose general partner is TPP Opportunity GP I, Ltd, which is in turn ultimately controlled by Tencent Holdings Limited. TPP Fund II Holding C Limited is an exempted company incorporated in the Cayman Islands and beneficially owned by TPP Fund II, LP, whose general partner is TPP GP II, Ltd, which is in turn ultimately controlled by Tencent Holdings Limited.

(7) IDG-Accel China Growth Fund III L.P. and IDG-Accel China III Investors L.P. are exempted limited partnerships incorporated under the laws of the Cayman Islands which are ultimately controlled by Mr. Quan Zhou and Mr. Chi Sing Ho. Each of Modish Century Limited and Spring Moment Limited is a BVI business company and wholly owned by IDG Breyer Capital Fund L.P, which is ultimately controlled by Mr. Quan Zhou and Mr. Chi Sing Ho. EVEN CLASSIC LIMITED is a BVI business company ultimately controlled by Mr. Chi Sing Ho. IDG-Accel China Growth Fund III L.P., IDG-Accel China III Investors L.P., Modish Century Limited, Spring Moment Limited and EVEN CLASSIC LIMITED are collectively referred to as “IDG USD Fund Shareholders.” Merchant Skill Limited (referred to as “IDG RMB Fund Shareholder”) is a BVI business company and wholly owned by Shang Hai Jin Zhi Enterprise Management Consulting Partnership (Limited Partnership) (上海瑾芝企業管理諮詢合夥企業(有限合夥)), the sole general partner of which is Tibet Yu Chi Venture Capital Management Co. Ltd (西藏昱馳創業投資管理有限公司), a limited liability company established in the PRC and controlled by Jingbo Wang, Kuiguang Niu and Fei Yang, all of whom are IDG Capital partners. Founded in 1992, IDG Capital is a pioneer in introducing foreign venture capital into China. During its over 20 years of operation, IDG Capital brings a powerful combination of global perspective and local expertise to investment management, and its highly skilled team has an in-depth understanding of the China market with close relationships with many successful entrepreneurs and influential business leaders.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

- (8) Matrix Shareholders include Matrix Partners China II, L.P. and Matrix Partners China II-A, L.P., each being an exempted limited partnership organized and existing under the laws of the Cayman Islands. The general partner of Matrix Partners China II, L.P. and Matrix Partners China II-A, L.P. is Matrix China Management II, L.P. The general partner of Matrix China Management II, L.P. is Matrix China II GP GP, Ltd. Each of Matrix Partners China II, L.P. and Matrix Partners China II-A, L.P. is a venture capital fund with a primary purpose of making investments in the PRC, mainly focusing on companies in the advanced technology, mobile internet, healthcare and consumer sectors. Matrix Partners China II Hong Kong Limited, a company incorporated under the laws of Hong Kong and owned as to 90% by Matrix Partners China II, L.P. and 10% by Matrix Partners China II-A, L.P., transferred its 90% and 10% shareholding in the Company to Matrix Partners China II, L.P. and Matrix Partners China II-A, L.P., respectively, on May 26, 2022.
- (9) Hillhouse Shareholders include VH PDII Holdings Limited, HH AUT-XI Holdings Limited and SUM XIII Holdings Limited. Each of SUM XIII Holdings Limited, VH PDII Holdings Limited and HH AUT-XI Holdings Limited is an exempted company incorporated under the laws of Cayman Islands and wholly-owned by Hillhouse Fund IV, L.P., the sole investment manager of which is Hillhouse Investment Management, Ltd., a company incorporated in the Cayman Islands with limited liability (“Hillhouse Investment”). Founded in 2005, Hillhouse Investment is a global private equity firm of investment professionals and operating executives who are focused on building and investing in high quality business franchises that achieve sustainable growth. Independent proprietary research and industry expertise, in conjunction with world-class operating and management capabilities, are key to its investment approach. Hillhouse partners with exceptional entrepreneurs and management teams to create value, often with a focus on innovation and growth. Hillhouse invests in the fields of healthcare, business services, broad consumption and industrials. Hillhouse manages assets on behalf of institutional clients from across the globe.
- (10) Each of TBP Chalk Investment Holdings Limited and TB Ape on the Rise Holdings Limited is an exempted company incorporated under the laws of BVI and is controlled by Trustbridge Partners. Trustbridge Partners is a leading growth equity investor with offices in Shanghai, Hong Kong and Boston, focusing on high-quality growth opportunities in China, such as TMT, consumer and healthcare sectors.
- (11) Starry Planet Limited is a company incorporated in the Cayman Islands with limited liability and is controlled by Boyu Capital Fund IV, L.P. The general partner of Boyu Capital Fund IV, L.P. is Boyu Capital General Partner IV, Ltd. Boyu Capital Group Management Ltd. acts as the investment advisor of Boyu Capital Fund IV, L.P. Boyu Capital Group Management Ltd. is a private investment firm with an integrated, synergistic platform that specializes in private equity, public equity, venture capital and real estate. Employing a theme-driven and long-term oriented approach, it provides growth and transformational capital for leading businesses and entrepreneurs in areas that include technology, healthcare, consumer and business services.
- (12) DST Asia VII is a Mauritius private company limited by shares, and each of DSTG VI Investments-A, L.P., DSTG VI Investments-C, L.P. and DSTG VII Investments-3, L.P. is a Cayman Islands exempted limited partnership. DST Asia VII is wholly owned by DST Global VII, L.P., a Cayman Islands exempted limited partnership, which is controlled by DST Managers VII Limited, its general partner (“DSTM VII”). Each of DSTG VI Investments-A, L.P. and DSTG VI Investments-C, L.P. is controlled by DST Managers VI Limited, its respective general partner (“DSTM VI”, and together with DSTM VII, the “General Partners”). DSTG VII Investments-3, L.P. is controlled by DSTM VII, its general partner. The General Partners are ultimately controlled by Galileo (PTC) Limited, a BVI business company, as the trustee of The Cassiopeia Trust. The Cassiopeia Trust is an irrevocable discretionary trust established under the Laws of Jersey.
- (13) Skycus China Fund, L.P. is a limited partnership incorporated in the Cayman Islands. The general partner of Skycus China Fund, L.P. is Parallel Universes Asset Management Limited which is ultimately controlled by Mr. Eric Li, an Independent Third Party. Skycus China Fund, L.P. primarily invests in strategic emerging industries (including telecommunication, media and technology, culture, sports and grand health industries). Duckling Fund, L.P. is a limited partnership incorporated in the Cayman Islands. The general partner of Duckling Fund is Grandiflora Hook GP Limited which is ultimately controlled by Mr. Eric Li, an Independent Third Party. The sole limited partner of Duckling Fund is Lionet Fund, L.P., which is a fund focusing on logistics, healthcare, telecommunication, media, technology and consumer industries investment. The general partner of Lionet Fund, L.P. is Grandiflora Hook GP Limited.
- (14) CF Training Investment Limited and CY Banana Investment Limited are business companies incorporated in the BVI. CF Training Investment Limited is wholly-owned by CPE Global Opportunities Fund II, L.P. (“GOF II”), an exempted limited partnership registered in the Cayman Islands, whose general partner is CPE GOF GP Limited, an entity established in the Cayman Islands wholly-owned by CPE Management International Limited, which in turn is wholly owned by CPE Management International II Limited. CPE Management International II Limited is owned by a number of shareholders that are natural persons none of whom controls CPE Management International II Limited. CY Banana Investment Limited is owned as to 86% by CPEChina Fund III, L.P. (“CPE Fund III”) and 14% by CPE Global Opportunities Fund, L.P. (“GOF”). CPE Fund III and GOF are two exempted limited partnerships registered in the Cayman Islands. The general partner of CPE Fund III is CPE Funds III Limited, an exempted company incorporated in the Cayman Islands with limited liability, which is wholly owned by CPE Holdings Limited. CPE Holdings Limited is wholly owned by CPE Holdings International Limited. CPE Holdings International Limited is owned by a number of shareholders that are natural persons none of whom controls CPE Holdings International Limited. The general partner of GOF is CPE GOF GP Limited. GOF II, CPE Fund III and GOF (collectively, “CPE Funds”) are principally engaged in private equity investments. The investors of CPE Funds include sovereign wealth funds, pension funds, insurance and financial institutions, fund of funds, endowments, and other global institutional investors across North America, Europe, Asia and the Middle East.

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- (15) Tipping Point Limited and DCP Vigor Limited (together with their respective affiliates, collectively, “DCP”) are companies incorporated in the Cayman Islands, each of which is ultimately owned by DCP Capital Partners, L.P., a Cayman Islands exempted limited partnership, the fund size of which is approximately US\$2.05 billion. DCP General Partner, Ltd., a Cayman Islands exempted company, is the general partner of DCP Capital Partners, L.P. DCP General Partner, Ltd. is controlled by DCP, a leading Greater China-focused private equity firm, whose co-founders previously led KKR’s and, prior to that, Morgan Stanley’s private equity businesses in Asia and China, each of which had successful long-term track records across multiple economic cycles.
- (16) The general partner of NINGBO XIAOYAO EQUITY INVESTMENT PARTNERSHIP ENTERPRISE (LIMITED PARTNERSHIP) (寧波逍遙股權投資合夥企業(有限合伙)) (with fund size of approximately RMB665 million) is owned as to 55% by YIN Wei (尹巍), who is the beneficial owner of Chuang Ding Holding Limited, and as to 45% by Changxing Hongnuo Industrial Investment Co., Ltd. (長興弘諾實業投資有限公司), which owns all equity interest in the general partner of NINGBO BADOU EQUITY INVESTMENT PARTNERSHIP ENTERPRISE (LIMITED PARTNERSHIP) (寧波八斗股權投資合夥企業(有限合伙)) (with fund size of approximately RMB202 million).
- (17) Feel the Truth Limited is a company organized and existing under the laws of the BVI and wholly owned by Mr. GUO Changzhen, an employee of YUAN Inc and an Independent Third Party.
- (18) Kun Yu Holding Limited is a company organized and existing under the laws of the BVI and indirectly wholly owned by Trident Trust Company (HK) Limited.
- (19) X Adventure holds our Shares through X Adventure Fund I L.P. The general partner of X Adventure Fund I L.P. is X Adventure Management, L.P., whose general partner is X Adventure GP GP, Ltd. The sole director of X Adventure GP GP, Ltd. is Ms. YAN Xubin, an Independent Third Party, and is deemed to have investment voting power over the Shares held by X Adventure, which focuses on equity investment.
- (20) CMC Ape Holdings Limited is a Cayman Islands exempted company wholly-owned by CMC Ape, L.P., an exempted limited partnership organized and existing under the laws of the Cayman Islands. The general partner of CMC Ape, L.P. is CMC Ape GP, L.P. Alpha Fibonacci Holdings Limited is a Cayman Islands exempted company wholly-owned by Alpha Plus Fund, L.P., an exempted limited partnership organized and existing under the laws of the Cayman Islands. The general partner of Alpha Plus Fund, L.P. is Alpha Plus Fund GP, Ltd. Each of CMC Ape GP, L.P. and Alpha Plus Fund GP, Ltd. is ultimately controlled by Mr. LI Ruigang (黎瑞剛), an Independent Third Party.
- (21) Novich International Investment Limited is a company organized and existing under the laws of the Cayman Islands and ultimately controlled by Ms. HONG Jinxu (洪錦秀), an Independent Third Party.
- (22) KIWI JOLLY LIMITED is a company organized and existing under the laws of the BVI and wholly owned by Ms. LIU Jing, an Independent Third Party.
- (23) 3W Global Fund is a company limited by shares incorporated under the laws of the Cayman Islands, managed by 3W Fund Management Limited (“3W Fund Management”) as its investment manager. 3W Fund Management is an investment management firm with expertise in equity investments. 3W Fund Management is licensed by the SFC to carry out Type 9 (asset management) regulated activity and mainly manages assets for institutional investors.
- (24) Blue Sky Frontier is a company organized and existing under the laws of the Cayman Islands and majority owned by PV Capital Master Fund Limited, a diversified investment fund domiciled in the Cayman Islands. Blue Sky Frontier II is a company organized and existing under the laws of the Cayman Islands and wholly owned by PV Capital Master Fund Limited.
- (25) Winning Eleven Pro Ltd is a company organized and existing under the laws of the BVI, and is owned as to 70% by Ms. CHEN Cuilian (陳翠蓮) and as to 30% by Ms. LU Hui (盧慧), each being an Independent Third Party.
- (26) Wisdom Choice Global Fund, L.P. is an exempted limited partnership organized and existing under the laws of the Cayman Islands, with fund size of approximately US\$700 million. The general partner of Wisdom Choice Global Fund, L.P. is Wisdom Choice Global Capital Limited, which is ultimately controlled by Mr. YE Shuhong (葉樹騷) and Mr. LI Jing (李璟), each being an Independent Third Party.
- (27) LUCK LEGEND INTERNATIONAL HOLDINGS LIMITED is a company organized and existing under the laws of the BVI and wholly owned by Mr. WU Yongming (吳泳銘), an Independent Third Party.
- (28) Each of Hundreds Golden Vision Fund L.P. and Hundreds ANTA Fund Limited Partnership is an exempted limited partnership organized and existing under the laws of the Cayman Islands. The general partner of Hundreds Golden Vision Fund L.P. and Hundreds ANTA Fund Limited Partnership is Hundreds Capital, with its asset under management of more than RMB10 billion.
- (29) Ocean Alliance IV, L.P. is an exempted limited partnership organized and existing under the laws of the Cayman Islands, with its fund size of approximately US\$50 million. The general partner of Ocean Alliance IV, L.P. is Ocean Alliance IV Company Limited, which is owned as to 50% by Mr. JIANG Tianyi (江天一) and as to 50% by Mr. ZHENG Nanyan (鄭南雁), each being an Independent Third Party.
- (30) Library Group Volume I is a company organized and existing under the laws of the Cayman Islands and wholly owned by Library Research Limited. Wen Yuan Ltd is a company organized and existing under the laws of the Cayman Islands and wholly owned by Fourth Century, LLC., which is controlled by Library Research Limited.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

- (31) Highbury Investment Pte Ltd is a limited company established in Singapore. It is 100% owned by GIC (Ventures) Pte Ltd and managed by GIC Special Investments Pte. Ltd. GIC Special Investments Pte. Ltd. is wholly-owned by GIC Private Limited. GIC Private Limited is a limited company established in Singapore, a global asset management company established in 1981 to manage the foreign reserves of Singapore as well as a sophisticated investor.
- (32) Dan Capital Taihang Limited Partnership is an exempted limited partnership organized and existing under the laws of the Cayman Islands, with its fund size of approximately US\$40 million. Dan Capital Wuyi L.P., being an Independent Third Party, is an exempted limited partnership organized and existing under the laws of the Cayman Islands, with its fund size of approximately US\$10 million. The general partner of Dan Capital Taihang Limited Partnership and Dan Capital Wuyi L.P. is Dan Capital Management Ltd.
- (33) BLUEMOUNTAIN NOBLE LIMITED is a company organized and existing under the laws of the BVI, and its controlling shareholder is Greenwoods Bloom Fund III, L.P., an exempted limited partnership registered in the Cayman Islands.
- (34) Trinityville Profit Limited is a company organized and existing under the laws of the BVI, and is wholly owned by Sunshine Spring Limited, which is ultimately controlled by Mr. YANG Haoyong (楊浩湧), an Independent Third Party.
- (35) Franchise Fund LP is an exempted limited partnership organized and existing under the laws of the Cayman Islands, with its fund size of approximately US\$900 million. The general partner of Franchise Fund LP is Franchise GP Limited, which is ultimately controlled by Mr. WANG Shihong (王世宏), an Independent Third Party.
- (36) Aranda Investments Pte. Ltd. is a company organized and existing under the laws of Singapore, and is an indirect wholly-owned subsidiary of Temasek Holdings (Private) Limited.
- (37) YF Crescent Moon Limited is a company organized and existing under the laws of the BVI, and is owned as to 60.00% by YF Crescent Moon Co.-invest, L.P., as to 28.37% by Yunfeng Fund III, L.P., as to 11.43% by Yunfeng Fund III Parallel Fund, L.P. and as to 0.20% by Yunfeng Fund III Associate, L.P., and the general partner of each of the aforementioned four partnerships is ultimately controlled by Mr. YU Feng (虞鋒), an Independent Third Party.
- (38) Kevin Sunny Holding Limited is a company organized and existing under the laws of the BVI and wholly owned by Ms. WANG Huiwen (王慧文), an Independent Third Party.
- (39) Mr. LIN Bin is an Independent Third Party.
- (40) East Lake Asia Investments Limited is a company organized and existing under the laws of the BVI. The management shareholder of East Lake Asia Investments Limited is Huaxing Growth Capital Management, Ltd., which is ultimately owned by China Renaissance Holdings Limited, a company listed on the Stock Exchange (stock code: 1911).
- (41) United Strength Elegant Limited is a company organized and existing under the laws of the BVI and wholly owned by Expand Ocean Two Limited, which is ultimately controlled by Hony Capital.
- (42) 3W Global Investment Limited is a company organized and existing under the laws of the BVI and wholly owned by Mr. WU Weiwei, an Independent Third Party.
- (43) Welight Capital L.P. is an exempted limited partnership organized and existing under the laws of the Cayman Islands. The general partner of Welight Capital L.P. is Welight Capital Management Limited, which is ultimately controlled by Mr. WU Xiaoguang (吳宵光), an Independent Third Party.
- (44) Shenzhen Jinglin Jingying Equity Investment Fund (Limited Partnership) (深圳景林景盈股權投資基金合夥企業(有限合伙)) is a limited partnership organized and existing under the laws of the PRC, the general partner of which is Shenzhen Jinghui Equity Investment Management Partnership (Limited Partnership) (深圳景輝股權投資管理合夥企業(有限合伙)), which is in turn ultimately controlled by Mr. Jiang Jinzhi (蔣錦志), an Independent Third Party.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

[REDACTED] INVESTMENTS

Overview

After the completion of the Reorganization, the Company has independently raised approximately US\$389.4 million from a number of sophisticated investors (collectively, “[REDACTED] Investors”). See following introduction and “— Capitalization of the Company” for details.

Description and Principal Terms of the [REDACTED] Investments

Date of agreement	Date of Settlement	Total number of shares under the investment agreement ⁽¹⁾	Cost per share paid ⁽¹⁾	Total amount of consideration	Discount to the [REDACTED] ⁽²⁾	Post-money valuation of our Group after the investment	Shareholding in the Company upon the [REDACTED] ⁽³⁾
February 7, 2021	June 9, 2021	31,529,700 series B preferred shares with par value of US\$0.0001 each	US\$12.35	US\$389.4 million	[REDACTED]%	US\$3.0 billion	[REDACTED]%

(1) Prior to the Share Subdivision.

(2) 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 [REDACTED] of HK\$[REDACTED] to HK\$[REDACTED] per Share.

(3) Assuming the [REDACTED] is not exercised and no Shares are issued pursuant to the [REDACTED] Share Option Scheme.

Lock-up Period

Each of the [REDACTED] Investors is subject to a lock-up period of 180 days commencing on the date of this document as required by the [REDACTED].

Use of Proceeds from the [REDACTED] Investments

As of the Latest Practicable Date, we had utilized approximately 80.7% of the proceeds from the [REDACTED] investments for the development and operation of our business, including but not limited to personnel recruitment, new business and product development, technology infrastructure and general working capital needs.

Basis of determining the consideration paid

The consideration for the [REDACTED] investments were determined based on arm’s length negotiations between the [REDACTED] Investors and our Company, after taking into consideration, among others, the timing of the investments and the business performance and prospect of our Group.

Strategic benefits the [REDACTED] Investors brought to our Company

Our Directors are of the view that our Company would benefit from the additional capital provided by the [REDACTED] Investors’ investments in our Company and their knowledge and experience.

Special Rights of the [REDACTED] Investors

All of our [REDACTED] Investors are currently bound by the terms of the existing Articles, which will be replaced by our Articles effective upon completion of the [REDACTED]. Pursuant to our amended and restated shareholders agreement dated March 3, 2021 entered into, among others, by the Company and holders of the ordinary shares and preferred shares of the Company, the [REDACTED] Investors were granted certain special rights in relation to the Company, including, among others, rights of first refusal, rights of co-sale, redemption rights, information and inspection rights and pre-emptive rights. Such special rights will be suspended upon the submission of the [REDACTED] by our Company to the Stock Exchange and/or will be terminated upon completion of the [REDACTED], in compliance with Guidance Letter HKEX-GL43-12.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Information of Principal [REDACTED] Investors

The following sets forth information of the existing [REDACTED] investors that are sophisticated investors, being private equity funds and investment companies, and that have made meaningful investments in our Company (each holding 1.17% or above of our total issued share capital immediately prior to the [REDACTED]).

Modish Century Limited

Modish Century Limited is a BVI business company and wholly owned by IDG Breyer Capital Fund L.P. which is ultimately controlled by Mr. Quan Zhou and Mr. Chi Sing Ho. See notes to the table under “— Capitalization of Our Company” for details.

TBP Chalk Chalk Investment Holdings Limited

TBP Chalk Chalk Investment Holdings Limited is an exempted company incorporated under the laws of BVI and is controlled by Trustbridge Partners. Trustbridge Partners is a leading growth equity investor with offices in Shanghai, Hong Kong and Boston, focusing on high-quality growth opportunities in China, such as TMT, consumer and healthcare sectors.

CF Training Investment Limited

CF Training Investment Limited is wholly-owned by CPE Global Opportunities Fund II, L.P., an exempted limited partnership registered in the Cayman Islands, whose general partner is CPE GOF GP Limited, an entity established in the Cayman Islands wholly-owned by CPE Management International Limited, which in turn is wholly owned by CPE Management International II Limited. CPE Management International II Limited is owned by a number of shareholders that are natural persons none of whom controls CPE Management International II Limited.

Duckling Fund, L.P.

Duckling Fund, L.P. is a limited partnership incorporated in the Cayman Islands. The general partner of Duckling Fund is Grandiflora Hook GP Limited which is ultimately controlled by Mr. Eric Li, an Independent Third Party of the Company. The sole limited partner of Duckling Fund is Lionet Fund, L.P., which is a fund focusing on logistics, healthcare, telecommunication, media, technology and consumer industries investment. The general partner of Lionet Fund, L.P. is Grandiflora Hook GP Limited.

Tipping Point Limited

Tipping Point Limited is a company incorporated in the Cayman Islands, which is ultimately owned by DCP Capital Partners, L.P., a Cayman Islands exempted limited partnership. DCP General Partner, Ltd., a Cayman Islands exempted company, is the general partner of DCP Capital Partners, L.P. DCP General Partner, Ltd. is controlled by DCP, a leading Greater China-focused private equity firm. See notes to the table under “— Capitalization of Our Company” for details.

Merchant Skill Limited

Merchant Skill Limited is a BVI business company and wholly owned by Shang Hai Jin Zhi Enterprise Management Consulting Partnership (Limited Partnership) (上海瑾芝企業管理諮詢合夥企業(有限合夥)), the sole general partner of which is Tibet Yu Chi Venture Capital Management Co. Ltd (西藏昱馳創業投資管理有限公司), a limited liability company established in the PRC and controlled by Jingbo Wang, Kuiguang Niu and Fei Yang, all of whom are IDG Capital partners. See notes to the table under “— Capitalization of Our Company” for details.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Public Float

Upon completion of the [REDACTED], save for the Shares held by (i) Chalk Sky Ltd, Chalk Star Ltd, Chalk World Ltd, Chalk Wonder Ltd, Liang Ma Limited, Mr. LI Xin, Green Creek Holding Limited and Taurus Fund L.P., each being a Controlling Shareholder, (ii) Tencent Shareholders, including Morespark Limited, Tencent Mobility Limited, Triple Max Holding Limited, TPP Opportunity I Holding C Limited, and TPP Fund II Holding C Limited, collectively holding approximately [REDACTED]% of our issued share capital immediately upon completion of the [REDACTED] (assuming [REDACTED] is not exercised and no Shares are issued pursuant to the [REDACTED] Share Option Scheme), and (iii) IDG USD Fund Shareholders and IDG RMB Fund Shareholder, including IDG-Accel China Growth Fund III L.P., IDG-Accel China III Investors L.P., Modish Century Limited, Spring Moment Limited, EVEN CLASSIC LIMITED, and Merchant Skill Limited, collectively holding approximately [REDACTED]% of our issued share capital immediately upon completion of the [REDACTED] (assuming [REDACTED] is not exercised and no Shares are issued pursuant to the [REDACTED] Share Option Scheme), all the Shares held by the [REDACTED] Investors and other Shareholders will count towards part of the public float.

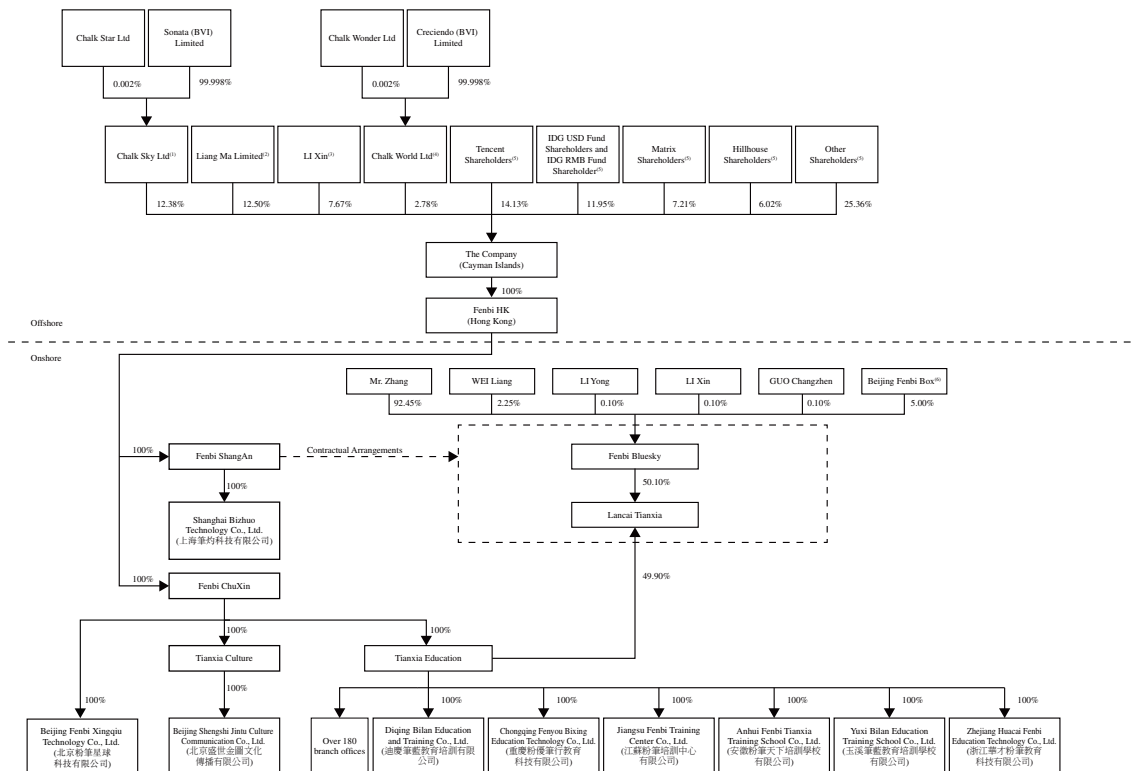
Compliance with Guidance Letters

The Joint Sponsors confirm that the [REDACTED] investments are in compliance with Guidance Letter HKEX-GL29-12 issued in January 2012 and updated in March 2017 by the Stock Exchange, Guidance Letter HKEX-GL43-12 issued in October 2012 and updated in July 2013 and in March 2017 by the Stock Exchange and Guidance Letter HKEX-GL44-12 issued in October 2012 and updated in March 2017 by the Stock Exchange.

CORPORATE STRUCTURE

Corporate Structure before the [REDACTED]

The following chart sets forth the shareholding structure of our Group as of the Latest Practicable Date and immediately after the Reorganization but prior to the completion of the [REDACTED] (without taking into account any Shares to be issued pursuant to the [REDACTED] Share Option Scheme):

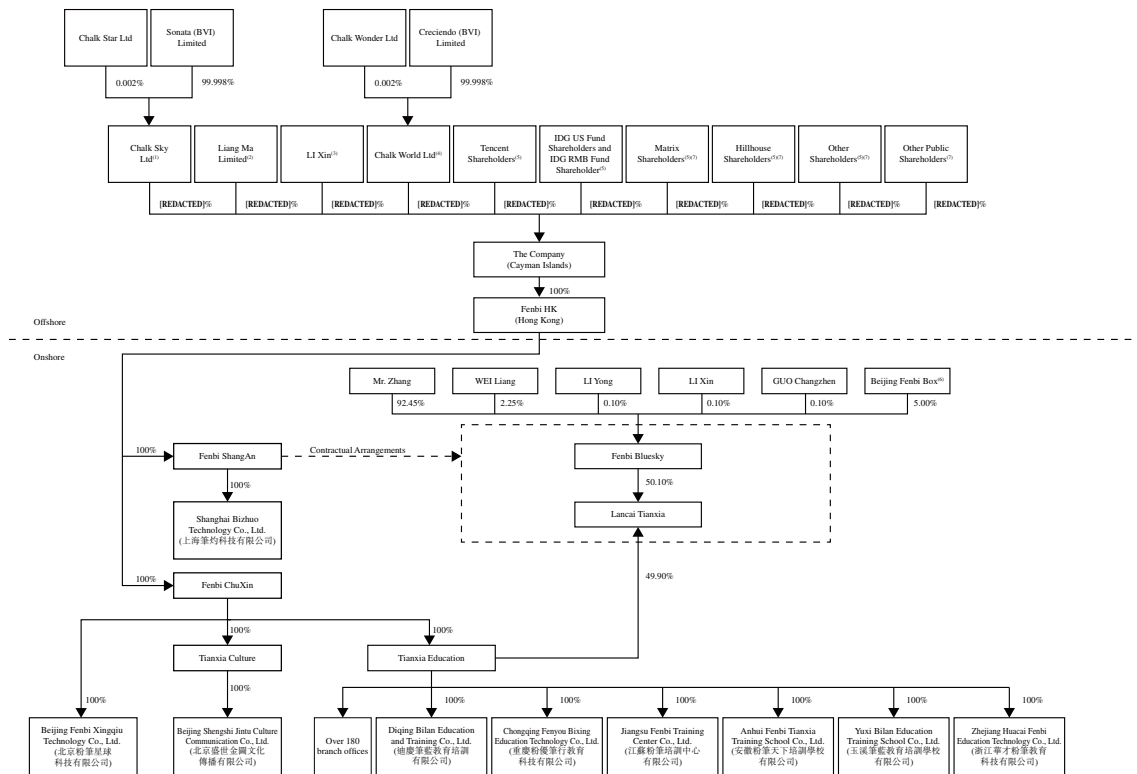


HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

- Chalk Sky Ltd is owned as to (a) 99.998% by Sonata (BVI) Limited, which is wholly owned by Ocorian Trust Company, the trustee of ZXL Family Trust with Mr. ZHANG Xiaolong as the settlor and protector, and (b) 0.002% by Chalk Star Ltd, which is wholly owned by Mr. ZHANG Xiaolong, our chairman of the Board, executive Director, chief executive officer and one of our Controlling Shareholders.
- Liang Ma Limited is wholly-owned by Mr. LI Yong, our non-executive Director and one of our Controlling Shareholders.
- Mr. LI Xin, our non-executive Director and one of our Controlling Shareholders, owns the Shares directly as well as through Green Creek Holding Limited and Taurus Fund L.P.
- Chalk World Ltd is owned as to (a) 99.998% by Creciendo (BVI) Limited, which is wholly owned by Ocorian Trust Company, the trustee of WL Family Trust with Mr. WEI Liang as the settlor and protector, and (b) 0.002% by Chalk Wonder Ltd, which is wholly owned by Mr. WEI Liang, our executive Director, president, chief technology officer and one of our Controlling Shareholders.
- See “— Capitalization of the Company” for details.
- Beijing Fenbi Box is owned as to 95.0% by Mr. Zhang as the general partner and as to 5.0% by Mr. WEI Liang as the limited partner. Mr. Zhang is the general partner of Beijing Fenbi Box and thus deemed to be interested in the entire interests held by Beijing Fenbi Box.

Corporate Structure immediately following the [REDACTED]

The following charts set forth the shareholding structure of our Group immediately after the [REDACTED] (assuming no exercise of the [REDACTED] and without taking into account any Shares to be issued pursuant to the [REDACTED] Share Option Scheme):



- (1) to (6): Please refer to the corresponding notes to the corporate structure of the Company in “— Corporate Structure — Corporate Structure before the [REDACTED].”
- Shares held by the Shareholders will count towards the public float for the purpose of Rule 8.08 of the Listing Rules. The expected public float immediately following completion of the [REDACTED] is [REDACTED]% (assuming the [REDACTED] is not exercised and without taking into account any Shares to be issued pursuant to the [REDACTED] Share Option Scheme). Accordingly, Company will be able to satisfy the minimum public float requirements prescribed under Rule 8.08(1)(a) of the Listing Rules upon [REDACTED] as the number of Shares to be held by the public is expected to represent more than 25% of the total number of issued Shares of the Company.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

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 (i) acquires the equity of a domestic enterprise so as to convert the domestic enterprise into a foreign-invested enterprise; (ii) subscribes the increased capital of a domestic enterprise so as to convert the domestic enterprise into a foreign-invested enterprise; (iii) establishes a foreign-invested enterprise through which it purchases the assets of a domestic enterprise and operates these assets; or (iv) 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 Advisors are of the opinion that approvals from the CSRC for the [REDACTED] is not required under the M&A Rules because (i) our wholly foreign-owned PRC subsidiaries were 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, (ii) Fenbi ChuXin acquired all equity interest in Tianxia Culture and Tianxia Education, respectively, after Tianxia Culture and Tianxia Education had been owned as to 2% by a foreign investor and converted into a foreign-invested enterprise, and thus, the each of the aforementioned acquisitions is an equity transfer in a foreign-invested enterprise, and the M&A Rules are not applicable to such acquisition; and (iii) 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投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, (i) 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 (ii) following the initial registration, the PRC resident is also required to register with the local SAFE branch for any major change, in respect of the Overseas SPV, including, among 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 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) (the “SAFE Circular 13”), 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 Advisors, all PRC residents as defined under the applicable provisions under SAFE Circular 37 who are the shareholders of the Overseas SPVs in our Group have completed the required initial foreign exchange registration under SAFE Circular 37.