
HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

OVERVIEW

We are a mobile game developer, publisher and operator in the PRC with a focus on mobile sports simulation games for global markets. Our business commenced in 2013 through the establishment of Wangchen Technology, one of our PRC Operating Entities. Over the years, we developed and operated primarily mobile sports games. As of the Latest Practicable Date, we developed and operated four mobile sports games, among which *Football Master* (足球大師), *NBA Basketball Master* (NBA籃球大師) and *Football Champion* (最佳11人 — 冠軍球會) formed the backbone of our business and contributed the majority of our revenue during the Track Record Period. We have cultivated our user base from *Football Master* (足球大師), our first flagship mobile sports management simulation game launched in July 2014. Leveraging our success of *Football Master* (足球大師), we developed and launched our second mobile sports management simulation game, *NBA Basketball Master* (NBA籃球大師) in September 2017. Our *Football Champion* (最佳11人 — 冠軍球會) was launched in April 2020 with enhanced realistic graphics to feature more authentic 3D simulation on professional player’s motion, and with IP right licenses obtained from internationally renowned sports league, sports associations and sports clubs that are appealing to global football fans. In July 2022, we launched our new mobile sports action simulation game, *Total Football* (最佳球會) which incorporates the state of art 3D gameplay scenes and more advanced AI technology to enhance users’ sensational experience in the virtual sports matches by the application of manual steering skills.

Our Founders, Mr. Jia, who is also our executive Director, the chairman of our Board and our chief executive officer, and Mr. Huang, who is also our executive Director, together with the other Original Shareholders established Wangchen Technology to engage in mobile sports games development. Mr. Jia and Mr. Huang funded their initial investment in Wangchen Technology with their own resources and savings. For further details of the background and experience of Mr. Jia and Mr. Huang, please refer to the section headed “Directors and Senior Management” in this document.

Our Company was incorporated in the Cayman Islands on June 12, 2018 as an exempted company with limited liability.

MILESTONES

The following is a summary of our Group’s key business development milestones:

Year	Event
2013	Wangchen Technology was established by our Founders in December.
2014	<i>Football Master</i> (足球大師), our first flagship mobile football management simulation game, was launched in July.
2016	We secured partnership with sports league, sports associations and sports clubs, such as FIFPro, F.C. Barcelona, Juventus F.C., F.C. Internazionale Milano and NBA.
	Wangchen Technology obtained the qualification as a “High and New Technology Enterprise”.

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Year	Event
2017	<i>NBA Basketball Master (NBA籃球大師)</i> , a mobile basketball management simulation game developed by us, was launched in September.
2018	We secured partnership with NBPA.
2019	We secured partnership with Liverpool F.C. and A.C. Milan.
2020	<i>Football Champion (最佳11人 — 冠軍球會)</i> , another mobile football management simulation game developed by us, was launched in April.
2022	Our new mobile football action simulation game, <i>Total Football (最佳球會)</i> , was launched in July. Wangchen Technology was recognised as Technologically Advanced Small to Medium Enterprise of Shenzhen Municipality of 2021 (2021年度深圳市專精特新中小企業) by Industry and Information Technology Bureau of Shenzhen Municipality (深圳市工業和信息化局). We secured licensing partnership with Borussia Dortmund.

OUR MAJOR SUBSIDIARIES

Our PRC Operating Entities

As of the Latest Practicable Date, we had two PRC Operating Entities in the PRC, namely Wangchen Technology and Moji Technology, which made material contribution to the results of operation of our Group during the Track Record Period. The details of our PRC Operating Entities are set forth below:

Name of Entity	Date of establishment	Principal business activities	Ownership as of the date of this document	Business License(s) Owned
Wangchen Technology	December 20, 2013	Development and operation of online games	100%	ICP License
Moji Technology	July 8, 2016	Operation of online games	100%	ICP License

Due to foreign ownership restrictions under the applicable PRC laws and regulations, we have implemented the Contractual Arrangements with respect to our PRC Operating Entities whereby we would gain effective control over, and receive substantially all the economic benefits generated by the businesses operated by, our PRC Operating Entities. For details, please refer to “Contractual Arrangements” in this document.

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Wangchen Technology

Wangchen Technology was established in the PRC with limited liability on December 20, 2013 with an initial registered capital of RMB100,000. Upon its establishment, the registered capital of Wangchen Technology was held as to 42.5% by Mr. Jia, 25.5% by Mr. Huang, 17% by Mr. Wang, 7.5% by Chuangxingu and 7.5% by Longyuan Tianqi.

As at the Latest Practicable Date, Chuangxingu was owned as to (1) 60.31%, (2) 14.43%, (3) 7.80%, (4) 7.00%, (5) 5.00%, (6) 2.90%, (7) 1.56% and (8) 1.00% by (1) Gong Chuanjun (龔傳軍), (2) Qin Jianxiang (秦建香), (3) Xiao Xu (肖旭), (4) Jiadao Gongcheng, (5) 深圳市前海喜樂佳投資有限公司 (for identification only, Shenzhen Qianhai Xilejia Investment Co., Ltd.), (6) 北京厚德文華投資諮詢有限公司 (for identification only, Beijing Houde Wenhua Investment Consulting Co., Ltd.), (7) Liu Chengmin (劉成敏) (“**Mr. Liu**”) and (8) 北京正禾谷科技發展有限公司 (for identification only, Beijing Zhenghegu Technology Development Co., Ltd.), respectively. All shareholders of Chuangxingu are private investors.

As at the Latest Practicable Date, Mr. Gao Bo (高波) was the general partner of Longyuan Tianqi with approximately 1.19% partnership interest in Longyuan Tianqi, and each of (1) 北京百度網訊科技有限公司 (for identification only, Beijing Baidu Netcom Science Technology Co., Ltd.), (2) 寧波崑崙點金股權投資有限公司 (for identification only, Ningbo Kunlun Dianjin Equity Investment Co., Ltd.), (3) Mr. Liu, (4) 北京創時信和創業投資有限公司 (for identification only, Beijing Chuangshixinhe Venture Capital Co., Ltd.), (5) 天津和易谷兩股權投資合夥企業(有限合夥) (for identification only, Tianjin Heyiguyu Equity Investment Partnership (Limited Partnership)), (6) He Honghui (何宏輝), (7) Tian Yan (田艷), (8) Tao Zheng (陶正), (9) Liang Qiangzhao (梁強昭), (10) 四川省鑫巢資本管理有限公司 (for identification only, Sichuan Xinchao Capital Management Co., Ltd.) and (11) Xiao Yongquan (肖永泉) was a limited partner of Longyuan Tianqi with approximately (1) 19.23%, (2) 19.19%, (3) 15.38%, (4) 11.54%, (5) 11.54%, (6) 3.85%, (7) 3.85%, (8) 3.85%, (9) 3.85%, (10) 3.85% and (11) 2.69% partnership interest in Longyuan Tianqi, respectively. Beijing Baidu Netcom Science Technology Co., Ltd. is ultimately controlled by Baidu, Inc., a company primary listed on Nasdaq Global Select Market (ticker symbol: BIDU) and secondary listed on the Stock Exchange (stock code: 9888), and all other limited partners are private investors.

Since its establishment, Wangchen Technology has undertaken a series of capital increases to raise funds for its business development and to bring in new shareholders. There were also equity transfers in Wangchen Technology, resulting in the exit of certain investors and the entry of new investors, without any fund-raising by Wangchen Technology. Please refer to the paragraph headed “The Onshore Pre-[REDACTED] Investments” below.

Employee share incentive arrangements

For the purpose of incentivizing Mr. Zeng Ke (曾科) (one of our senior management) to contribute to building up our research and development capabilities, with effect from April 22, 2014 and April 25, 2014, each of Mr. Jia and Mr. Huang agreed to treat 1.5% equity interest in Wangchen Technology as being held on behalf of Mr. Zeng Ke, respectively, subject to fulfillment of certain performance conditions by Mr. Zeng Ke. On April 22, 2014, Mr. Jia also entered into a share option agreement (the “**Zeng Ke Option Agreement**”) with Mr. Zeng Ke, pursuant to which Mr. Jia granted to Mr. Zeng Ke options to purchase from Mr. Jia up to 5% equity interest in Wangchen Technology in three batches over three years, each batch exercisable by Mr. Zeng Ke in respect of up to approximately 1.6667% equity interest in Wangchen Technology at par value after he had completed a relevant full year of employment with our Group, subject to fulfillment of certain performance

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conditions by Mr. Zeng Ke (the “Zeng Ke Options”). The Zeng Ke Options were exercised by Mr. Zeng Ke in respect of in aggregate 3.7352% equity interest in Wangchen Technology (then diluted to 3.2518% by subsequent capital increases of Wangchen Technology), and Mr. Jia transferred the relevant equity interest to Mr. Zeng Ke and Wangnuo Kanpu on January 11, 2018 as described below.

On January 11, 2018, pursuant to the relevant notices of exercise dated December 31, 2017, the following equity transfers were effected by Mr. Jia and Mr. Huang at nominal consideration to transfer the relevant incentive shares onto the relevant employee shareholding platforms and senior management:

Transferor	Transferee	Percentage of equity interest transferred
Mr. Jia	Wangnuo Kanpu (<i>Notes 1 and 2</i>)	6.691%
	Chengwang Investment (<i>Notes 1 and 3</i>)	1.55%
	Wangsheng Xiluo (<i>Notes 1 and 4</i>)	0.535%
	Mr. Zeng Ke (<i>Note 5</i>)	1.215%
	Mr. Li Xin (<i>Note 6</i>)	1.5%
	Total:	11.491%
Mr. Huang	Chengwang Investment (<i>Notes 1 and 2</i>)	1.5%
	Wangsheng Xiluo (<i>Notes 1 and 4</i>)	0.53%
	Mr. Zeng Ke (<i>Note 5</i>)	1.215%
	Mr. Li Xin (<i>Note 6</i>)	1.5%
	Total:	4.745%

Notes:

1. Wangnuo Kanpu, Chengwang Investment and Wangsheng Xiluo are limited partnerships established in the PRC which served as platforms through which our Founders provided selected senior management and employees of our Group an opportunity to hold indirect beneficial ownership in Wangchen Technology as share incentives.
2. As of January 11, 2018, Wangnuo Kanpu was owned as to (i) 48.60% by Mr. Zeng Ke (a senior management of our Group) as general partner, (ii) 18.60% by Mr. Li Zhenyang (an employee of our Group) as general partner, (iii) 18.60% by Mr. Yin Tao (an employee of our Group) as general partner, (iv) 6.70% by Mr. Tang Yiwen (an employee of our Group) as limited partner, (v) 6.70% by Mr. Yao Jialuo (an employee of our Group) as limited partner, and (vi) 0.80% by Mr. Jia as general partner.

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3. As of January 11, 2018, Chengwang Investment was owned as to (i) 32.7869% by Mr. Huang as general partner; (ii) 34.4262% Mr. Jia as limited partner; and (iii) 32.7869% by Mr. Zhao Xin (one of our senior management) as limited partner.
4. As of January 11, 2018, Wangsheng Xiluo was owned as to (i) 25.30% by Mr. Jia as general partner; (ii) 49.80% by Ms. Wang Qinwen (a former employee of our Group) as limited partner; and (iii) 24.90% by Mr. Huang as limited partner.
5. Mr. Zeng Ke is a senior management of our Group.
6. Mr. Li Xin is an executive Director.

On September 9, 2020, Mr. Zeng Ke and Mr. Jia transferred 2.2925% and 2.6245% equity interests in Wangchen Technology to Wangbo Nawu at a nominal consideration of RMB1, respectively. Mr. Zeng Ke also transferred 48.60% partnership interest (representing all the interest held by him) in Wangnuo Kanpu (which held 6.3123% equity interest in Wangchen Technology) to Mr. Jia on September 4, 2020. The above transfers by Mr. Zeng Ke were intended to unwind the share incentive arrangement that was made in favour of Mr. Zeng Ke by Mr. Jia and Mr. Huang as Mr. Zeng Ke did not fulfill the relevant performance targets as originally intended. Wangbo Nawu is a limited partnership established in the PRC, whose general partner is Mr. Jia, and served as a platform through which our Founders intended to provide selected senior management and employees of our Group an opportunity to hold indirect beneficial ownership in Wangchen Technology as share incentives. As of September 9, 2020, Wangbo Nawu was owned as to (i) 76.70% by Mr. Jia as general partner and (ii) 23.30% by Mr. Huang as limited partner.

As part of the Reorganization, new Shares were allotted and issued to the offshore investment vehicles of the relevant employees to substantially reflect their see-through beneficial interest in Wangchen Technology held by the employee shareholding platforms. Please refer to the paragraph headed “Reorganization” below for details of the Reorganization.

As part of the employee share incentive arrangement between the Founders and the relevant employees, Ms. Wang Qinwen (王沁雯) obtained 49.8% partnership interest in Wangsheng Xiluo in July 2017 and her offshore investment vehicle, Dawn Treasure Holding Limited, was allotted and issued 5,003 Shares (representing approximately 0.5003% of the issued share capital of our Company) in May 2021 pursuant to the Reorganization. In accordance with the employee share incentive arrangement, following her resignation as employee of our Group on June 30, 2022, Ms. Wang Qinwen (i) procured Dawn Treasure Holding Limited to transfer 5,003 Shares to Mr. Jia’s offshore investment vehicle, Great Shine, at a consideration of HK\$1 (based on nominal consideration), and (ii) transferred her 49.8% partnership interest in Wangsheng Xiluo to Mr. Jia at a consideration of RMB1 (based on nominal consideration). The above transfers were completed on July 25, 2022 and July 29, 2022, respectively. Immediately upon completion of the above transfers, Great Shine held 275,647 Shares, representing approximately 27.56% of the issued share capital of our Company, and Wangsheng Xiluo was owned as to 61.1% by Mr. Jia, 24.6% by Mr. Li Xin and 14.3% by Mr. Huang.

Moji Technology

Moji Technology was established as a limited liability company in the PRC on July 8, 2016 with an initial registered capital of RMB1,000,000. Upon its establishment, Moji Technology was wholly-owned by an Independent Third Party.

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On March 30, 2017, the entire equity interest in Moji Technology was transferred by its then sole shareholder to Wangchen Technology at a consideration of RMB2,000, which was determined with reference to the investment cost of Moji Technology. Since then, Moji Technology has been wholly-owned by Wangchen Technology.

Chuangzhen Shijie

Chuangzhen Shijie was established as limited liability company in the PRC on December 21, 2016 with an initial registered capital of RMB5,000,000. Upon its establishment, Chuangzhen Shijie was owned as to 60% by Wangchen Technology, 21% by Yingnuo Ruier, 10% by Xu Weiwei (許威威) (an Independent Third Party), 3.5% by Wang Fang (王芳) (an Independent Third Party), 3% by Wu Qing (吳慶) (an Independent Third Party other than his interest in Yingnuo Ruier), 2% by Ma Guolin (馬國琳) (one of our existing Pre-[REDACTED] Investors) and 0.5% by Deng Yun (鄧贇) (an Independent Third Party).

After a series of equity transfer (including equity transfers effected pursuant to the Reorganization), Chuangzhen Shijie became owned as to 84% by the WFOE, 10% by Xu Weiwei (許威威) (an Independent Third Party), 3.5% by Wang Fang (王芳) (an Independent Third Party), 2% by Shenzhen Yunda (one of our existing Pre-[REDACTED] Investors) and 0.5% by Deng Yun (鄧贇) (an Independent Third Party). Please refer to the paragraph headed “Reorganization” below for details for the equity transfers effected pursuant to the Reorganization.

Gala Sports HK

Gala Sports HK was incorporated in Hong Kong with limited liability on April 17, 2012. Upon its incorporation, Gala Sports HK had a share capital of HK\$10,000 comprising 10,000 ordinary shares, all of which were fully paid up and subscribed by Mr. Huang Xiang. On March 20, 2014, Mr. Huang transferred all such 10,000 ordinary shares in Gala Sports HK to Wangchen Technology at a consideration of HK\$10,000.

As part of the Reorganization, on May 6, 2021, all the issued shares of Gala Sports HK were transferred by Wangchen Technology to Gala Technology (BVI) at a consideration of RMB3,155,880, which represented the book value of the equity investment by Wangchen Technology in Gala Sports HK in the management accounts of Wangchen Technology as of 31 December 2020. Since then, Gala Sports HK has been wholly owned by Gala Technology (BVI).

The WFOE

The WFOE was established in the PRC with limited liability on July 30, 2019 with an initial registered capital of RMB10.0 million. On December 15, 2021, the registered capital of the WFOE increased from RMB10.0 million to RMB42.0 million. Since its establishment, the WFOE has been wholly-owned by Gala Technology (HK).

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PRE-[REDACTED] [REDACTED]

The Onshore Pre-[REDACTED] Investments

A number of investors (the “Onshore Pre-[REDACTED] Investors”) made pre-[REDACTED] investments in Wangchen Technology between 2015 and 2021 (the “Onshore Pre-[REDACTED] Investments”). The following table sets forth key particulars of the Onshore Pre-[REDACTED] Investments.

Name of the Onshore Pre-[REDACTED] Investors	Date of Agreement	% equity interest in Wangchen Technology acquired	Total consideration (RMB)	Proceeds received by Wangchen Technology (RMB)	Corresponding valuation of Wangchen Technology (RMB)	Date on which consideration was fully settled	Cost per Share (RMB)	Discount to the mid-point of the [REDACTED] range (Note 10)	Shareholding in our Company immediately upon completion of the [REDACTED] (assuming full conversion of the Pre-[REDACTED] Convertible Bonds) (Note 1)
<i>By way of capital injection to Wangchen Technology (the “Capital Increases”)</i>									
Baotuan Investment	January 24, 2015	4.995%	2,500,000	2,500,000	50,000,000	March 17, 2015	[REDACTED]	[REDACTED]	[REDACTED]
Yashang Mobeier	January 24, 2015	4.9995%	2,500,000	2,500,000	50,000,000	March 17, 2015	[REDACTED]	[REDACTED]	[REDACTED]
Yingfeng Zhihui	August 10, 2016	5%	15,000,000	15,000,000	300,000,000	September 2, 2016	[REDACTED]	[REDACTED]	[REDACTED]
Zhuyuan Caifu	August 10, 2016	5%	15,000,000	15,000,000	300,000,000	September 1, 2016	[REDACTED]	[REDACTED]	[REDACTED]
Longyuan Yunteng	January 20, 2017	1.8868%	6,000,000	6,000,000	318,000,000	February 13, 2017	[REDACTED]	[REDACTED]	[REDACTED]
Yashang Yueke	January 20, 2017	1.8868%	6,000,000	6,000,000	318,000,000	March 8, 2017	[REDACTED]	[REDACTED]	[REDACTED]
Jiadao Gongcheng	January 20, 2017	1.8868%	6,000,000	6,000,000	318,000,000	June 28, 2017	[REDACTED]	[REDACTED]	[REDACTED]
<i>By way of acquisition from other shareholders of Wangchen Technology</i>									
Zhangshang Zongheng (Note 3)	January 24, 2015	5%	2,500,000	N/A	N/A (Note 8)	June 30, 2015	[REDACTED]	[REDACTED]	[REDACTED]
Chuangxin Yizhou (Note 3)	January 24, 2015	2%	1,000,000	N/A	N/A (Note 8)	June 2, 2015	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Zhang Litao (Note 4)	November 4, 2016	2.5%	6,111,111	N/A	N/A (Note 8)	December 15, 2016	[REDACTED]	[REDACTED]	[REDACTED]
Yingfeng Zhihui (Note 4)	November 4, 2016	2.5%	6,111,111	N/A	N/A (Note 8)	November 25, 2016	[REDACTED]	[REDACTED]	[REDACTED]
Zhuyuan Caifu (Note 4)	November 4, 2016	2.5%	6,111,111	N/A	N/A (Note 8)	November 23, 2016	[REDACTED]	[REDACTED]	[REDACTED]
Heguang Investment (Note 4)	November 4, 2016	2.7%	6,600,000	N/A	N/A (Note 8)	January 3, 2017	[REDACTED]	[REDACTED]	[REDACTED]
Tap4fun (Note 2)	December 8, 2017	4.4995%	13,041,138.78	N/A	N/A (Note 8)	December 26, 2017	[REDACTED]	[REDACTED]	[REDACTED]
Suzhou Youshun (Note 2)	December 8, 2017	2.7%	8,580,000	N/A	N/A (Note 8)	November 6, 2017	[REDACTED]	[REDACTED]	[REDACTED]
Shenzhen Yunda (Note 5)	January 29, 2018	2.8302%	8,100,000	N/A	286,200,000	March 17, 2017	[REDACTED]	[REDACTED]	[REDACTED]
Yashang Nuohui (Note 6)	April 19, 2018	4%	16,000,000	N/A	400,000,000	March 15, 2018	[REDACTED]	[REDACTED]	[REDACTED]
Mr. Ma Guolin (Note 6)	April 19, 2018	0.5%	2,000,000	N/A	400,000,000	April 25, 2018	[REDACTED]	[REDACTED]	[REDACTED]
Xinhaiyi (Note 7)	May 29, 2020	7.0755%	21,111,111	N/A	N/A (Note 8)	May 29, 2020	[REDACTED]	[REDACTED]	[REDACTED]
Suzhou Fudebo (Note 7)	October 20, 2020	7.0755%	26,000,000	N/A	N/A (Note 8)	April 27, 2021	[REDACTED]	[REDACTED]	[REDACTED]

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Notes:

1. The shareholding percentage of the existing Onshore Pre-[REDACTED] Investors as of the Latest Practicable Date held through their respective offshore investment vehicle is shown. For details of the offshore investment vehicles of the existing Onshore Pre-[REDACTED] Investors, please see the paragraph headed “Reorganization — 7. Issue of Shares to certain offshore investment vehicles to substantially reflect the original beneficial shareholding in Wangchen Technology” below.
2. Baotuan Investment divested its entire equity investment in our Group, being 4.4995% equity interest in Wangchen Technology at the time of the transfer, by transferring such equity interest to Tap4fun at a consideration of RMB13,041,138.78. Huguang Investment also divested its entire equity investment in our Group, being 2.7% equity interest in Wangchen Technology at the time of the transfer, by transferring such equity interest to Suzhou Youshun at a consideration of RMB8,580,000. The registration for these equity transfers was approved by the Shenzhen Administration for Market Regulation (the “**Shenzhen AMR**”) on December 26, 2017.
3. Chuangxingu (one of the Original Shareholders) transferred 3.5% equity interest in Wangchen Technology to Zhangshang Zongheng at a consideration of RMB1,750,000, and Longyuan Tianqi (one of the Original Shareholders) transferred 1.5% and 2% equity interest in Wangchen Technology to Zhangshang Zongheng and Chuangxin Yizhou at a consideration of RMB750,000 and RMB1,000,000, respectively. The registration for these equity transfers was approved by the Shenzhen AMR on August 12, 2015.
4. On December 7, 2016, the registration for the following equity transfers was approved by the Shenzhen AMR:
 - (i) Zhangshang Zongheng divested its entire equity investment in our Group, being 4.5% equity interest in Wangchen Technology at the time of the transfer, by transferring 2.5% and 2% equity interest in Wangchen Technology to Mr. Zhang Litao and Yingfeng Zhihui at a consideration of RMB6,111,111 and RMB4,888,889, respectively;
 - (ii) Chuangxin Yizhou divested its entire equity investment in our Group, being 1.8% equity interest in Wangchen Technology at the time of the transfer, by transferring 0.5% and 1.3% equity interest in Wangchen Technology to Yingfeng Zhihui and Zhuiyuan Caifu at a consideration of RMB1,222,222 and RMB3,177,778, respectively;
 - (iii) Mr. Jia transferred 1.2% equity interest in Wangchen Technology to Zhuiyuan Caifu at a consideration of RMB2,933,333; and
 - (iv) Mr. Wang (one of the Original Shareholders) divested his equity interest in our Group, being 2.7% equity Wangchen Technology, by transferring 2.7% equity interest in Wangchen Technology to Huguang Investment at a consideration of RMB6,600,000.
5. Mr. Huang transferred 2.8302% equity interest in Wangchen Technology to Shenzhen Yunda at a consideration of RMB8,100,000. The registration for the equity transfer was approved by the Shenzhen AMR on January 29, 2018.

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6. Mr. Jia transferred 4% equity interest in Wangchen Technology to Yashang Nuohui at a consideration of RMB16,000,000, and Mr. Li Xin transferred 0.5% equity interest in Wangchen Technology to Mr. Ma Guolin at a consideration of RMB2,000,000. The registration for these equity transfers was approved by the Shenzhen AMR on April 20, 2018.
7. Xinhaiyi, previously the 100% holding company of Yingfeng Zhihui (then known as 深圳市易博軟件技術有限公司 (for identification only, Shenzhen Yisibo Software Technology Co., Ltd.)) until Xinhaiyi's disposal of 95% equity interest in Yingfeng Zhihui to a third party in November 2019, replaced Yingfeng Zhihui as an investor in our Group and acquired all the equity interest in Wangchen Technology held by Yingfeng Zhihui (being 7.0755% equity interest in Wangchen Technology) on May 29, 2020 at a consideration of RMB21,111,111 and the registration for such equity transfer was approved by the Shenzhen AMR on the same day. The consideration payable by Xinhaiyi to Yingfeng Zhihui was settled by way of set off against the consideration receivable by Xinhaiyi from the said third party in relation to Xinhaiyi's disposal of Yingfeng Zhihui to such third party. Xinhaiyi divested its equity interest in our Group (being 7.0755% equity interest in Wangchen Technology) to Suzhou Fudebo at a consideration of RMB26,000,000 and the registration for such equity transfer was approved by the Shenzhen AMR on October 20, 2020. To the best knowledge of the Directors, the divestment of 7.0755% equity interest in Wangchen Technology by Xinhaiyi was a commercial decision of Xinhaiyi after taking into account Xinhaiyi's own business focus on the development of its principal business and its level of liquidity and cash flow.
8. The valuation basis was not stated as the relevant transfers were made between third parties.
9. The consideration payable by Tap4fun to Baotuan Investment for the equity transfer was settled by way of set off against the payables receivable by Tap4fun from Baotuan Investment.
10. Based on the HK\$ to RMB exchange rate set out in “Information about the Document and the [REDACTED] — Exchange Rates” of this document for illustration purpose only.

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Out of the Onshore Pre-[REDACTED] Investments, our Group received proceeds from the Capital Increases. Our Group utilized the [REDACTED] from the Onshore Pre-[REDACTED] Investments to finance our research and development activities, staff recruitment and working capital requirements. As at the Latest Practicable Date, all of the [REDACTED] raised by our Group from the Onshore Pre-[REDACTED] Investments had been utilized as intended.

Our Directors were of the view that our Group would benefit from the capital raised through the Onshore Pre-[REDACTED] Investments, the Onshore Pre-[REDACTED] Investors’ knowledge and experience, and the endorsement of our Group’s performance, strength and prospects reflected by the Onshore Pre-[REDACTED] Investments.

As part of the Reorganization (details of which are set out in “Reorganization — 7. Issue of Shares to certain offshore investment vehicles to substantially reflect the original beneficial shareholding in Wangchen Technology” below), Shares were allotted and issued to the offshore investment vehicles of the Onshore Pre-[REDACTED] Investors. Immediately before the [REDACTED], further Shares will be allotted and issued to the shareholders of our Company (including the aforesaid offshore investment vehicles) on a pro rata basis pursuant to the [REDACTED]. As Mr. Zhang Litao is a director of Wangchen Technology and Mighty Yellow Holding Limited is a close associate of Mr. Zhang Litao, Mighty Yellow Holding Limited (being one of the aforesaid offshore investment vehicles) is a core connected person of our Company and the Shares held by it will not be counted as part of the public float for the purpose of Rule 8.08 of the Listing Rules. Save for the Shares held by Mighty Yellow Holding Limited, the Shares held by the offshore investment vehicles of the other Onshore Pre-[REDACTED] Investors will be counted as part of the public float for the purpose of Rule 8.08 of the Listing Rules.

All special rights granted to the Onshore Pre-[REDACTED] Investors had been terminated as of the Latest Practicable Date.

Background information about the existing Onshore Pre-[REDACTED] Investors

Background information of the existing Onshore Pre-[REDACTED] Investors based on the information provided by them are set out below:

Suzhou Fudebo and Mr. Zhang Litao

Suzhou Fudebo is a limited partnership established in the PRC in August 2020. As at the Latest Practicable Date, Mr. Song Yubo (宋宇博) was the general partner of Suzhou Fudebo with 2.00% partnership interest in Suzhou Fudebo, and each of Mr. Lu Yaoping (陸耀平) and Mr. Gong Peigen (龔培根) was a limited partner of Suzhou Fudebo with 49.00% and 49.00% partnership interest in Suzhou Fudebo, respectively. Mr. Song Yubo (宋宇博), Mr. Lu Yaoping (陸耀平) and Mr. Gong Peigen (龔培根) are private investors.

Mr. Zhang Litao (張栗滔) (“**Mr. Zhang**”) is the controlling shareholder of 蘇州泓融投資有限公司 (for identification only, Suzhou Hongrong Investment Development Co., Ltd.), a company established in the PRC with limited liability in March 2010 which holds direct and indirect equity investments in various enterprises in technological and communications industries in the PRC.

Mr. Zhang has been a director of Wangchen Technology since July 19, 2019 to monitor the affairs of Wangchen Technology at the board level as a passive investor of Wangchen Technology. As Mr. Zhang has not been involved in the daily management and operation of Wangchen Technology, Mr. Zhang is not a senior management of our Group.

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Mr. Zhang is also the sole director of Crystal Pleasant Holding Limited (“**Crystal Pleasant**”), the offshore investment vehicle of Suzhou Fudebo for holding its equity interest in our Company. Suzhou Fudebo nominated Mr. Zhang as the sole director of Crystal Pleasant due to (i) Mr. Zhang introduced Wangchen Technology to Suzhou Fudebo for investment in October 2020; and (ii) in view that Mr. Zhang has invested in Wangchen Technology since December 2016 and has maintained communication with Wangchen Technology since then, and thereby has a better understanding of the overall situation of Wangchen Technology, Suzhou Fudebo expects it may incur less time and communication costs on acquainting with and maintaining its relationship with Wangchen Technology as a passive investor of Wangchen Technology with Mr. Zhang’s assistance.

Nonetheless, Crystal Pleasant, being the offshore investment vehicle of Suzhou Fudebo, shall be regarded as a member of the public and the Shares held by it upon the [REDACTED] shall be regarded as being in public hands pursuant to Rule 8.24 of the Listing Rules on the following basis: (a) Crystal Pleasant will not be a substantial shareholder or a core connected person of the Company immediately upon the [REDACTED]; (b) Crystal Pleasant is wholly-owned by Suzhou Fudebo, whose partners (namely Mr. Song Yubo, Mr. Lu Yaoping and Mr. Gong Peigen) are independent third parties to the Company; (c) Mr. Zhang does not have any partnership interest in Suzhou Fudebo or any shareholding interest in Crystal Pleasant; and (d) despite the nomination of Mr. Zhang as the sole director of Crystal Pleasant by Suzhou Fudebo, any acquisition, disposal, voting or other disposition of the Shares held by Crystal Pleasant shall only be conducted with the authorization and instruction from Suzhou Fudebo.

Zhuiyuan Caifu and Longyuan Yunteng (together “Mr. Liu Investor Group”)

Zhuiyuan Caifu is a limited partnership established in the PRC in July 2015. As at the Latest Practicable Date, 北京追遠創業投資有限公司 (for identification only, Beijing Zhuiyuan Venture Investment Co., Ltd.) (“**Zhuiyuan Venture**”) was the general partner of Zhuiyuan Caifu with approximately 2.02% partnership interest in Zhuiyuan Caifu, and each of (1) 北京中關村創業投資發展有限公司 (for identification only, Beijing Zhongguancun Venture Capital Development Co., Ltd.), (2) Jiang Xun (姜迅), (3) 北京紫荊華融股權投資有限公司 (for identification only, Beijing Zijing Huarong Equity Investment Co., Ltd.), (4) 寧波梅山保税港區領慧投資合夥企業(有限合夥) (for identification only, Ningbo Meishan Bonded Port Area Linghui Investment Partnership (Limited Partnership)), (5) 北京品素熙傾投資中心(有限合夥) (for identification only, Beijing Pinwenxueqing Investment Center (Limited Partnership)), (6) 天津星富源智科技合夥企業(有限合夥) (for identification only, Tianjin Xingfuyuanzhi Technology Partnership (Limited Partnership)), (7) Yao Bizheng (姚必正), (8) Yin Taiyang (尹太陽), (9) Wu Xiaomin (吳霄敏), (10) Wang Jun (王軍), (11) 遼寧北國文化投資股份有限公司 (for identification only, Liaoning Northern Nation Culture Investment Co., Ltd.), (12) Liu Fu (劉福), (13) Yu Huiyong (余惠勇), (14) Liu Yang (劉楊), (15) Zhang Yong (張勇), (16) Le Luping (樂露萍) and (17) Liu Shurong (劉淑榮) was a limited partner of Zhuiyuan Caifu with approximately (1) 34.68%, (2) 11.56%, (3) 11.56%, (4) 8.67%, (5) 5.78%, (6) 4.62%, (7) 2.89%, (8) 2.89%, (9) 2.89%, (10) 2.89%, (11) 2.89%, (12) 1.73%, (13) 1.45%, (14) 1.45%, (15) 0.87%, (16) 0.58% and (17) 0.58% partnership interest in Zhuiyuan Caifu, respectively. Beijing Zhongguancun Venture Capital Development Co., Ltd. is ultimately controlled by 北京市人民政府國有資產監督管理委員會 (State-owned Assets Supervision and Administration Commission of People’s Government of Beijing Municipality). Liaoning Northern Nation Culture Investment Co., Ltd. is listed and quoted for trading on The National Equities Exchange and Quotations (全國中小企業股份轉讓系統) (stock code: 832647). All other limited partners of Zhuiyuan Caifu are private investors.

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Zhuyuan Venture is a company established in the PRC with limited liability in April 2015. As at the Latest Practicable Date, Zhuyuan Venture was owned as to (1) 37.00%, (2) 30.00%, (3) 18.00%, (4) 10.00% and (5) 5.00% by (1) Mr. Liu Chengmin (劉成敏) (“**Mr. Liu**”), (2) Ms. Wang Lixia (王麗霞), (3) Mr. Song Fei (宋飛), (4) Mr. Ma Ming (馬明) and (5) Mr. Gao Bo (高波), respectively. All shareholders of Zhuyuan Venture are private investors. Zhuyuan Venture is controlled by Mr. Liu, an Independent Third Party and the general partner of Longyuan Yunteng. Mr. Song Fei (宋飛), who owns 18.00% equity interest in Zhuyuan Venture as of the Latest Practicable Date, is also a director of Wangchen Technology but he has not been involved in the daily management and operation of Wangchen Technology. Mr. Song Fei is a private investor focusing on software, information technology and application service industries and a director of Zhuyuan Venture who is responsible for managing the investment projects of Zhuyuan Venture. He was nominated by Zhuyuan Caifu as an investor representative to the board of directors of Wangchen Technology for the purpose of supervising and overseeing its investment in Wangchen Technology as a passive investor and acted as the contact person between Zhuyuan Caifu and Wangchen Technology. The funds managed by Zhuyuan Venture has a focus on investees in various innovative fields such as the internet, internet-of-things, integrated circuit, advanced manufacturing, advanced material and new energy, etc.

Longyuan Yunteng is a limited partnership established in the PRC in May 2014. As at the Latest Practicable Date, Mr. Liu was the general partner of Longyuan Yunteng with approximately 22.94% partnership interest in Longyuan Yunteng, and each of (1) 昆山龍石投資中心(有限合夥) (for identification only, Kunshan Longshi Investment Center (Limited Partnership)), (2) 北京百度網訊科技有限公司 (for identification only, Beijing Baidu Netcom Science Technology Co., Ltd.), (3) Mr. He Honghui (何宏輝), (4) 晉商財富投資控股有限公司 (for identification only, Jinshang Wealth Investment Holdings Co., Ltd.), (5) 遼寧津享逸投資發展有限公司 (for identification only, Liaoning Jinxiangyi Investment Development Co., Ltd.), (6) Liaoning Northern Nation Culture Investment Co., Ltd. and (7) 北京中清龍圖網絡技術有限公司 (for identification only, Beijing Zhongqing Longtu Network Technology Co., Ltd.) was a limited partner of Longyuan Yunteng with approximately (1) 18.35%, (2) 14.68%, (3) 11.01%, (4) 11.01%, (5) 11.01%, (6) 5.50% and (7) 5.50% partnership interest in Longyuan Yunteng, respectively. Kunshan Longshi Investment Center (Limited Partnership) is ultimately controlled by Liu Yan (劉燕). Beijing Baidu Netcom Science Technology Co., Ltd. is ultimately controlled by Baidu, Inc., a company primary listed on Nasdaq Global Select Market (ticker symbol: BIDU) and secondary listed on the Stock Exchange (stock code: 9888). Liaoning Northern Nation Culture Investment Co., Ltd. is listed and quoted for trading on The National Equities Exchange and Quotations (全國中小企業股份轉讓系統) (stock code: 832647). Beijing Zhongqing Longtu Network Technology Co., Ltd. is a mobile game developer and publisher established in the PRC and is ultimately controlled by Yang Shenghui (楊聖輝). All other limited partners of Longyuan Yunteng are private investors.

As of the Latest Practicable Date, Mr. Liu also holds (i) 1.56% equity interest in Chuangxingu, one of the Original Shareholders and (ii) approximately 15.38% equity interest in Longyuan Tianqi, one of the Original Shareholders.

Yashang Mobeier, Yashang Nuohui and Yashang Yueke (together “Yashang Investor Group”)

Yashang Mobeier, Yashang Nuohui and Yashang Yueke are funds marketed under the “亞商資本 ABC Capital” brand.

Yashang Mobeier is a limited partnership established in the PRC in July 2014. As at the Latest Practicable Date, 上海亞商財富投資管理有限公司 (for identification only, Shanghai Yashang Wealth Investment Management Co., Ltd.) (“**Yashang Wealth Management**”) was the general

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partner of Yashang Mobeier with 1.25% partnership interest in Yashang Mobeier, and each of (1) Ying Jue (應珏), (2) 上海成茂聚業投資合夥企業(有限合夥) (for identification only, Shanghai Chengmao Juye Investment Partnership (Limited Partnership)), (3) 上海新昌和豐投資有限公司 (for identification only, Shanghai Xinchang Hefeng Investment Co., Ltd.), (4) 上海亞商發展集團有限公司 (for identification only, Shanghai Yashang Development Group Co., Ltd.), (5) Shi Lin (石林), (6) You Fenge (尤鳳娥), (7) Zhou Jiabin (周家彬), (8) Zhang Jingjing (張靜靜), (9) 上海佳乘實業有限公司 (for identification only, Shanghai Jiacheng Industrial Co., Ltd.), (10) Yuan Ming (袁鳴), (11) He Zhiguang (何志光), (12) Ding Cheng (丁承), (13) Yan Borong (嚴伯榮), (14) Gu Jiawang (谷嘉旺), (15) Li Xunlei (李迅雷), (16) Li Songxue (李誦雪) was a limited partner of Yashang Mobeier with (1) 16.25%, (2) 12.50%, (3) 12.50%, (4) 10.00%, (5) 7.50%, (6) 7.50%, (7) 5.00%, (8) 5.00%, (9) 5.00%, (10) 2.50%, (11) 2.50%, (12) 2.50%, (13) 2.50%, (14) 2.50%, (15) 2.50% and (16) 2.50% partnership interest in Yashang Mobeier, respectively. All limited partners of Yashang Mobeier are private investors.

Yashang Mobeier is a fund managed by Yashang Wealth Management with a focus on early investment in the entertainment and culture industries. Yashang Wealth Management is a company established in the PRC with limited liability in March 2015 and is ultimately controlled by Mr. Chen Qiwei (陳琦偉), an Independent Third Party.

Yashang Yueke is a limited partnership established in the PRC in January 2016. As at the Latest Practicable Date, 前海亞商粵科投資管理(深圳)有限公司 (for identification only, Qianhai Yashang Yueke Investment Management (Shenzhen) Co., Ltd.) (“**Qianhai Yashang**”) was the general partner of Yashang Yueke with approximately 2.86% partnership interest in Yashang Yueke, and each of 上海亞商因耐投資中心(有限合夥) (for identification only, Shanghai Yashang Yinnai Investment Center (Limited Partnership)) and 廣東省粵科創新創業投資母基金有限公司 (for identification only, Guangdong Yueke Innovation and Venture Capital Fund Co., Ltd.) was a limited partner of Yashang Yueke with approximately 82.86% and 14.28% partnership interest in Yashang Yueke, respectively. Guangdong Yueke Innovation and Venture Capital Fund Co., Ltd. is ultimately controlled by China Merchants Bank Co., Ltd., a company established in the PRC whose A shares were listed on Shanghai Stock Exchange (stock code: 600036) and H shares were listed on the Stock Exchange (stock code: 3968) and Shanghai Yashang Yinnai Investment Center (Limited Partnership) is a private investor. 上海亞商股權投資管理有限公司 (for identification only, Shanghai Yashang Equity Investment Management Co., Ltd.) is the general partner of Shanghai Yashang Yinnai Investment Center (Limited Partnership) with approximately 0.86% partnership interest in Shanghai Yashang Yinnai Investment Center (Limited Partnership), and each of 深圳市榮高匯創業投資有限公司 (for identification only, Shenzhen Ronggaohui Venture Capital Co., Ltd.), 寧波嘉源信德創業投資有限公司 (for identification only, Ningbo Jiayuan Xinde Venture Capital Co., Ltd.) and 中山市長青新產業有限公司 (for identification only, Zhongshan Changqing New Industry Co., Ltd.) is a limited partner of Shanghai Yashang Yinnai Investment Center (Limited Partnership) with approximately 51.72%, 25.86% and 21.55% partnership interest in Shanghai Yashang Yinnai Investment Center (Limited Partnership), respectively. Shanghai Yashang Equity Investment Management Co., Ltd. is ultimately controlled by Mr. Chen Qiwei (陳琦偉).

Yashang Yueke is a fund managed by Qianhai Yashang and principally engages in private equity investment, with a focus on TMT (technology, media and telecommunications) and consumption fields. Qianhai Yashang is a company established in the PRC with limited liability in September 2015 and is ultimately controlled by Mr. Chen Qiwei (陳琦偉).

Yashang Nuohui is a limited partnership established in the PRC in August 2017. As at the Latest Practicable Date, 深圳亞商諾輝股權投資管理有限公司 (for identification only, Shenzhen Yashang Nuohui Equity Investment Management Co., Ltd.) (“**Yashang Investment Management**”)

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was the general partner of Yashang Nuohui with approximately 3.03% partnership interest in Yashang Nuohui, and each of (1) 深圳諾輝長實創投合夥企業(有限合夥) (for identification only, Shenzhen Nuohui Changshi Venture Capital Partnership (Limited Partnership)), (2) 深圳市引導基金投資有限公司 (for identification only, Shenzhen Guiding Fund Investment Co., Ltd.), (3) 深圳市福田引導基金投資有限公司 (for identification only, Shenzhen Futian Guiding Fund Investment Co., Ltd.) and (4) 寧波嘉源信德創業投資有限公司 (for identification only, Ningbo Jiayuan Xinde Venture Capital Co., Ltd.) was a limited partner of Yashang Nuohui with approximately (1) 43.42%, (2) 35.00%, (3) 14.00% and (4) 4.55% partnership interest in Yashang Nuohui, respectively. Shenzhen Nuohui Changshi Venture Capital Partnership (Limited Partnership) and Ningbo Jiayuan Xinde Venture Capital Co., Ltd. are private investors while Shenzhen Guiding Fund Investment Co., Ltd. and Shenzhen Futian Guiding Fund Investment Co., Ltd. are ultimately controlled by the Shenzhen municipal government. Wang Xiaojuan (汪小娟) is the general partner of Shenzhen Nuohui Changshi Venture Capital Partnership (Limited Partnership) with approximately 0.02% partnership interest in Shenzhen Nuohui Changshi Venture Capital Partnership (Limited Partnership), and each of (1) Xu Helian (許和連), (2) Shao Zhengyi (邵正義), (3) Tang Zhengjun (唐正軍), (4) 深圳市前海滙天投資管理合夥企業(有限合夥)(for identification only, Shenzhen Qianhai Haotian Investment Management Partnership (Limited Partnership)), (5) Li Yulin (李俞霖), (6) Luo Xilan (羅細蘭), (7) Lai Minde (賴民德), (8) Li Shurong (李樹榮), (9) Liang Shihao (梁詩豪), (10) Yuan Wei (袁唯), (11) 深圳市前海益能達投資管理有限公司 (for identification only, Shenzhen Qianhai Yinengda Investment Management Co., Ltd.), (12) 深圳科創鑫華科技有限公司 (for identification only, Shenzhen Kechuang Xinhua Technology Co., Ltd.) and (13) Pan Weibo (潘偉波) was a limited partner of Shenzhen Nuohui Changshi Venture Capital Partnership (Limited Partnership) with approximately (1) 34.93%, (2) 13.97%, (3) 10.48%, (4) 6.99%, (5) 5.59%, (6) 4.89%, (7) 3.56%, (8) 3.49%, (9) 3.49%, (10) 3.49%, (11) 3.49%, (12) 3.49% and (13) 2.10% partnership interest in Shenzhen Nuohui Changshi Venture Capital Partnership (Limited Partnership), respectively.

Yashang Nuohui is a fund managed by Yashang Investment Management and principally engages in private equity fund investment, with a focus on the TMT (technology, media and telecommunications), consumption, intelligent manufacturing, new energy and semi-conductor industries. Yashang Investment Management is a company established in the PRC with limited liability in May 2017 and is ultimately controlled by 上海亞商發展集團有限公司 (for identification only, Shanghai Asia Business Development Group Co., Ltd.) (“**Shanghai ABD Group**”). Mr. Chen Qiwei (陳琦偉), an Independent Third Party, is the ultimate controlling shareholder of Shanghai ABD Group.

Pacific Mars Holding Limited, Genesis Fountain Holding Limited and Splendid Fame Holding Limited, the offshore investment vehicle of Yashang Mobeier, Yashang Nuohui and Yashang Yueke, respectively, have a common sole director, namely Mr. Guo Rui (郭銳) who is a partner (合夥人) of “亞商資本 ABC Capital”, a private equity investment platform under the Shanghai ABD Group and an Independent Third Party.

Tap4fun

Tap4fun is a joint stock limited liability company established in the PRC in March 2008 and is principally engaged in development, sales and operation of mobile games. As at the Latest Practicable Date, Tap4fun was owned as to approximately (1) 60.01%, (2) 14.63%, (3) 9.05%, (4) 5.56%, (5) 4.97%, (6) 3.32%, (7) 1.67% and (8) 0.79% by (1) Mr. Yang Xiangji (楊祥吉先生), (2) 經緯(杭州)創業投資合夥企業(有限合夥) (for identification only, Jingwei (Hangzhou) Venture Capital Partnership (Limited Partnership)), (3) 成都仁義智信投資合夥企業(有限合夥) (for identification only, Chengdu Renyi Zhixin Investment Partnership (Limited Partnership)), (4) 成都完美初心投資合

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夥企業(有限合夥) (for identification only, Chengdu Wanmei Chuxin Investment Partnership (Limited Partnership)), (5) Zhang Tongjie (張同杰), (6) Xu Zizhan (徐子瞻), (7) 成都大快樂企業管理諮詢合夥企業(有限合夥) (for identification only, Chengdu Da Kuaile Enterprise Management Consulting Partnership (Limited Partnership)) and (8) 成都小快樂企業管理諮詢合夥企業(有限合夥) (for identification only, Chengdu Xiao Kuaile Enterprise Management Consulting Partnership (Limited Partnership)), respectively. All shareholders of Tap4fun are private investors. The ultimate controlling shareholder of Tap4fun is Mr. Yang Xiangji (楊祥吉先生), an Independent Third Party.

Shenzhen Yunda and Mr. Ma Guolin (together “Mr. Ma Investor Group”)

Shenzhen Yunda is a company established in the PRC with limited liability in June 2015. As of the Latest Practicable Date, Shenzhen Yunda was owned as to (1) 50.00%, (2) 10.00%, (3) 10.00%, (4) 10.00%, (5) 10.00% and (6) 10.00% by each of (1) Mr. Ma Guolin (馬國琳) (“**Mr. Ma**”), (2) Gong Qiong (龔瓊), (3) Liu Guilin (劉桂林), (4) Sun Jingping (孫敬平), (5) Guan Zhiqiang (管志強) and (6) Fei Guixiang (費桂香), respectively. All shareholders of Shenzhen Yunda are private investors. Shenzhen Yunda is controlled by Mr. Ma, one of the Pre-[REDACTED] Investors. Shenzhen Yunda principally engages in holding its equity investment in Wangchen Technology and Chuangzhen Shijie.

Mr. Ma is an investor who holds direct and indirect equity investments in various information technology enterprises in the PRC.

Suzhou Youshun

Suzhou Youshun is a limited partnership established in the PRC in November 2016. As at the Latest Practicable Date, 南通仁順投資管理有限公司 (for identification only, Nantong Renshun Investment Management Co., Ltd.) (“**Nantong Renshun**”) was the general partner of Suzhou Youshun with approximately 0.59% partnership interest in Suzhou Youshun, and each of (1) 蘇州天利投資有限公司 (for identification only, Suzhou Tianli Investment Co., Ltd.), (2) Zheng Heng (鄭衡), (3) Chen Dan (陳丹), (4) Ouyang Yufen (歐陽玉芬), (5) Wen Xinju (文馨菊), (6) Lin Fan (林凡), (7) Du Xuan (杜煊), (8) Zhu Changwei (朱長偉), (9) 福建昆沐商貿有限公司 (for identification only, Fujian Kunmu Trading Co., Ltd.), (10) Ding Cheng (丁承), (11) Liu Ning (劉寧) and (12) Liu Yidong (劉憶東) was a limited partner of Suzhou Youshun with approximately (1) 49.41%, (2) 14.71%, (3) 5.88%, (4) 5.88%, (5) 5.88%, (6) 4.41%, (7) 2.94%, (8) 2.94%, (9) 2.94%, (10) 1.47%, (11) 1.47% and (12) 1.47% partnership interest in Suzhou Youshun, respectively. Suzhou Tianli Investment Co., Ltd. is a subsidiary of 天順風能(蘇州)股份有限公司 (Titan Wind Energy (Suzhou) Co., Ltd.), a company established in the PRC whose shares were listed on Shenzhen Stock Exchange (stock code: 2531). All other limited partners of Suzhou Youshun are private investors.

Nantong Renshun is a company established in the PRC with limited liability in August 2016 and is controlled by Mr. Ding Cheng (丁承) (“**Mr. Ding**”), an Independent Third Party. Suzhou Youshun is a fund managed by Nantong Renshun with a focus on industries such as new energy, consumption and TMT.

As of the Latest Practicable Date, Mr. Ding also holds 2.50% equity interest in Yashang Mobeier, one of the Onshore Pre-[REDACTED] Investors.

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Jiadao Gongcheng

Jiadao Gongcheng is a limited partnership established in the PRC in November 2014, the general partner of which is 深圳嘉道谷投資管理有限公司 (for identification only, Shenzhen Jiadaogu Investment Management Co., Ltd.) (“**Jiadaogu**”).

Jiadaogu is a company established in the PRC with limited liability in October 2014 and whose general manager is Mr. Gong Hongjia (龔虹嘉), an Independent Third Party. Jiadao Gongcheng is a private equity fund managed by Jiadaogu and is ultimately beneficially owned by Ms. Chen Chunmei (陳春梅), the spouse of Mr. Gong Hongjia who is a renowned angel investor in the PRC. As at December 31, 2021, significant investment areas of Jiadao Gongcheng included environmental protection and modern agricultural industries, big health and biopharmaceuticals education and innovative technologies.

Jiadao Gongcheng holds 7.00% equity interest in Chuangxingu, one of the Original Shareholders. The controlling shareholder of Chuangxingu, Mr. Gong Chuanjun (龔傳軍), is the brother of Mr. Gong Hongjia (龔虹嘉) and the brother-in-law of Ms. Chen Chunmei (陳春梅) and as of the Latest Practicable Date, holds approximately 13.33% equity interest in Jiadaogu.

To the best knowledge of our Directors, save as disclosed under the paragraphs headed “Background information about the existing Onshore Pre-[REDACTED] Investors” in this section, each of the above Onshore Pre-[REDACTED] Investors is an Independent Third Party as at the Latest Practicable Date and the Onshore Pre-[REDACTED] Investments were not financed directly or indirectly by any connected persons of our Company.

The Pre-[REDACTED] CB Subscription

On June 16, 2021, our Company, Garena Ventures, Mr. Jia, Mr. Huang, the WFOE, Wangchen Technology, Gala Technology (BVI), Gala Technology (HK) and Gala Sports HK entered into the Pre-[REDACTED] CB Subscription Agreement, pursuant to which Garena Ventures agreed to [REDACTED] for the Pre-[REDACTED] Convertible Bonds in the principal amount of HK\$[REDACTED] and the issuance of the Pre-[REDACTED] Convertible Bonds by our Company to Garena Ventures was completed on June 21, 2021. On May 31, 2022, our Company and Garena Ventures executed a supplemental deed to extend the maturity date of the Pre-[REDACTED] Convertible Bonds from June 6, 2022 to June 6, 2023.

Assuming full conversion of the Pre-[REDACTED] Convertible Bonds immediately before the [REDACTED], Garena Ventures will be issued [REDACTED] Shares, representing approximately [REDACTED] of the issued share capital of our Company immediately upon completion of the [REDACTED] and the [REDACTED] (without taking into account any Shares which may be issued upon exercise of any option which may be granted under the Share Option Scheme).

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The following table summarizes the key terms of the pre-[REDACTED] investment made by Garena Ventures in our Company by way of the Pre-[REDACTED] CB Subscription.

Investor	Garena Ventures
Date of the Pre-[REDACTED] CB Subscription Agreement	June 16, 2021
Amount of investment	HK\$77,112,000
Settlement date of investment amount	June 21, 2021
Investment cost per Share (Note 1)	approximately HK\$[REDACTED]
Discount to the [REDACTED] (Note 2)	[REDACTED]
Use of [REDACTED]	<p>The [REDACTED] from the Pre-[REDACTED] CB Subscription may be used for research and development expenditure for existing and new games.</p> <p>As at the Latest Practicable Date, the [REDACTED] from the Pre-[REDACTED] CB Subscription had been fully utilized for the aforesaid purpose.</p>
Benefits from the Pre-[REDACTED] CB Subscription	<p>Our Directors believe that Garena Ventures will bring strategic benefits to our Group by providing potential cooperation in the development, publishing and operations of mobile games, especially in Southeast Asia, Taiwan and Latin America markets. Our Directors also consider that by introducing Garena Ventures as a strategic investor, our Company would benefit from the insights and industry experience of the ultimate holding company of Garena Ventures.</p>
Approximate shareholding in our Company immediately upon [REDACTED] (Note 1)	[REDACTED]

Notes:

1. Based on a total of [REDACTED] Shares, being the aggregate number of Shares held by Garena Ventures immediately upon completion of the [REDACTED] and the [REDACTED] and at a conversion price of HK\$[REDACTED] per Share (without taking into account any Shares which may be allotted and issued upon any exercise of any option that may be granted under the Share Option Scheme, assuming that there is no adjustment to the conversion price and assuming full conversion of the Pre-[REDACTED] Convertible Bonds).
2. Based on the [REDACTED] of HK\$[REDACTED] per Share (being the mid-point of the indicative [REDACTED] range).

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Garena Ventures is a company incorporated in Singapore with limited liability and is principally engaged in investment holding. Garena Ventures is wholly-owned by Sea Limited, a company listed on the New York Stock Exchange (ticker symbol: SE) and a leading global consumer internet company founded in Singapore. Sea Limited and its subsidiaries (the “**Sea Group**”) operates three core businesses across digital entertainment, e-commerce, as well as digital payments and financial services, known as Garena, Shopee, and SeaMoney, respectively. Garena is a leading global online games developer and publisher. Shopee is the largest pan-regional e-commerce platform in Southeast Asia and Taiwan. SeaMoney is a leading digital payments and financial services provider in Southeast Asia. As disclosed in the “Business” section of this document, we have established a strategic partnership with Garena, pursuant to which, we believe Garena can serve as a solid foundation for our global expansion in the overseas market. To the best knowledge of our Directors, save as disclosed in the “Business” section of this document, the Sea Group does not have any other relationship, whether present or past, with our Group, our Shareholders, our Directors, the senior management of our Group, any connected persons of our Company and any of their respective associates and the Sea Group had been Independent Third Parties before its investment in our Group. The Pre-[REDACTED] CB Subscription by Garena Ventures as stated above was not financed directly or indirectly by any connected persons of our Company.

To the best knowledge of our Directors, the terms of the Pre-[REDACTED] Convertible Bonds were arrived at after arm’s length negotiation between our Company and Garena Ventures. The following table sets forth a summary of the material terms of the Pre-[REDACTED] Convertible Bonds:

Issuer	Our Company
Subscriber	Garena Ventures
Issuance date of the Pre-[REDACTED] Convertible Bonds	June 21, 2021
Principal amount	HK\$77,112,000
Conversion price	HK\$[REDACTED] per Share (the “ Conversion Price ”), subject to adjustment for consolidation, sub-division, capitalization issue and issuance of new Shares at a price less than the Conversion Price (excluding, among others, any issuance of Shares pursuant to the [REDACTED] and the [REDACTED]).
Interest rate	The Pre-[REDACTED] Convertible Bonds are not interest bearing if the conversion takes place before the Maturity Date. The Pre-[REDACTED] Convertible Bonds shall bear a simple interest computed at a rate of 5% per annum (on the basis of a 365-day year and the actual number of days elapsed), commencing on the issuance date of the Pre-[REDACTED] Convertible Bonds and until the full payment of the principal amount and payable at maturity or redemption of the Pre-[REDACTED] Convertible Bonds.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Maturity date

June 6, 2023, or if such date is not a business day, the business day immediately preceding such date (or such later date as may be agreed between our Company and Garena Ventures) (the “**Maturity Date**”).

Redemption

Garena Ventures may (i) require our Company to redeem the Pre-[REDACTED] Convertible Bonds on the Maturity Date at the Redemption Amount (as defined below) in the event that our Company will not be listed on the Stock Exchange or other reputable stock exchange on or before the Maturity Date, or that the final [REDACTED] is less than the Conversion Price, or (ii) require our Company to convert the Pre-[REDACTED] Convertible Bonds into a new series of preferred shares of our Company with customary rights, preferences and privileges of the preferred shares of our Company in the event that our Company will not be [REDACTED] on the Stock Exchange or other reputable stock exchange on or before the Maturity Date.

If there is a sale or transfer of more than 50% of the voting power of our Company, or a disposition of all or substantially all of our Company’s property or business, or a merger or consolidation of our Company with or into any other entity (excluding a merger or consolidation of our Company with its wholly owned subsidiary and a merger of our Company effected exclusively for the purpose of changing the domicile of our Company) (each such event, a “**Change of Control**”), Garena Ventures may either (i) require our Company to redeem the Pre-[REDACTED] Convertible Bonds after the occurrence of the Change of Control at the Redemption Amount (as defined below), or (ii) require our Company to convert the Pre-[REDACTED] Convertible Bonds into a new series of preferred shares of our Company with customary rights, preferences and privileges of the preferred shares of our Company.

“**Redemption Amount**” means the amount equal to the aggregate of the outstanding principal amount of and any accrued and unpaid interest on the Pre-[REDACTED] Convertible Bonds to be redeemed.

The redemption provisions above shall be terminated on the date before the [REDACTED].

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Conversion

If the final [REDACTED] is not less than the Conversion Price (for instance, being set at HK\$[REDACTED], the mid-point of the indicative [REDACTED] range, or at a higher price), all outstanding principal amount of the Pre-[REDACTED] Convertible Bonds will be automatically converted into Shares at the Conversion Price immediately prior to the [REDACTED].

Otherwise, if the final [REDACTED] is less than the Conversion Price, automatic conversion will not be triggered. Instead, conversion of the Pre-[REDACTED] Convertible Bonds will be at Garena Ventures’ discretion, and Garena Ventures may elect to convert all or part of the outstanding principal amount of the Pre-[REDACTED] Convertible Bonds at the Conversion Price prior to or after the [REDACTED] but in any event prior to the Maturity Date.

Our Directors believe that the above conversion mechanism is acceptable to Garena Ventures as Garena Ventures retains the discretion on whether or not and when to convert the Pre-[REDACTED] Convertible Bonds into Shares in the event that the final [REDACTED] is less than the Conversion Price.

Transferability

The Pre-[REDACTED] Convertible Bonds shall not be transferred without the prior written consent of our Company, except by a transfer to a wholly-owned subsidiary of, or an affiliate controlled by or under the common control of, the holder of the Pre-[REDACTED] Convertible Bonds.

Lock-up

The Shares under the Pre-[REDACTED] Convertible Bonds are subject to a lock-up period of 180 days from the [REDACTED] provided that (a) the Shares may be transferred to Garena Ventures’ wholly-owned subsidiary or affiliate on the condition that such wholly-owned Subsidiary or affiliate shall undertake to comply with such lock-up undertaking and it remains a subsidiary of Sea Limited; and (b) any transfer of shares or other securities of Sea Limited shall not be restricted.

Public float

Garena Ventures is an Independent Third Party and therefore its shareholding in our Company will be considered as part of the public float for the purposes of Rule 8.08(1)(a) of the Listing Rules.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Information right

Our Company shall deliver to the holder of the Pre-[REDACTED] Convertible Bonds financial statements, budget, business plan, forecast and other financial or other information regarding our Group’s operations, activities, finances and accounts as the holder of the Pre-[REDACTED] Convertible Bonds may require for reasonable purposes. The right under this clause shall be terminated immediately before the [REDACTED].

Pursuant to a keepwell deed dated June 16, 2021 (the “**Keepwell Deed**”) entered into among our Company, the WFOE, Wangchen Technology and Garena Ventures, the WFOE and Wangchen Technology agreed to procure that our Company will, for so long as the Pre-[REDACTED] Convertible Bonds remain outstanding, remain solvent and have sufficient liquidity to ensure timely payment by our Company of any amounts under the Pre-[REDACTED] CB Subscription Agreement, the Pre-[REDACTED] Convertible Bonds and the Keepwell Deed, and to make sufficient funds available to our Company to enable our Company to comply with such payment obligations as they fall due. The Keepwell Deed is not intended to be construed as or give rise to a guarantee or indemnity.

Save as disclosed under the paragraphs headed “The Pre-[REDACTED] CB Subscription” in this section, no special right has been granted to Garena Ventures in connection with its investments in our Group.

The Sole Sponsor’s Confirmation

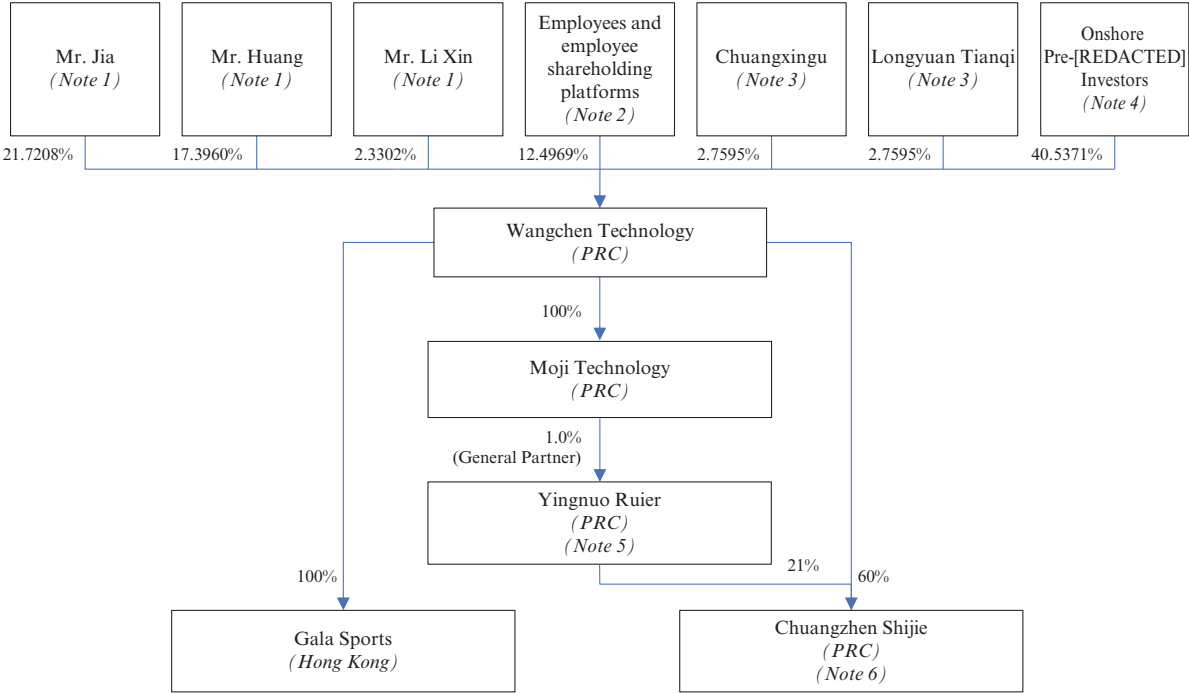
On the basis that (i) the consideration for the Pre-[REDACTED] Investments had been settled as at the Latest Practicable Date and the consideration for the Pre-[REDACTED] Convertible Bonds was settled no less than 120 clear days before the [REDACTED], (ii) all special rights granted to the Onshore Pre-[REDACTED] Investors had been terminated as at Latest Practicable Date and (iii) no special right has been granted to Garena Ventures in connection with its [REDACTED] in our Group save for (a) the right of Garena Ventures as holder of the Pre-[REDACTED] Convertible Bonds to require our Company to redeem the Pre-[REDACTED] Convertible Bonds which has been suspended after the first submission of our Company’s [REDACTED] to the Stock Exchange and will be terminated on the date before the [REDACTED], (b) the information right of Garena Ventures as holder of the Pre-[REDACTED] Convertible Bonds which will be terminated on the date before the [REDACTED], and (c) the Keepwell Deed which is not intended to be construed as or give rise to a guarantee or indemnity, the Sole Sponsor has confirmed that the Pre-[REDACTED] Investments are in compliance with the Interim Guidance on Pre-[REDACTED] Investments (HKEX-GL29-12), the Guidance on Pre-[REDACTED] Investments (HKEX-GL43-12) and the Guidance on Pre-[REDACTED] Investments in Convertible Instruments (HKEX-GL44-12) issued by the Stock Exchange.

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

REORGANIZATION

The following diagram illustrates our shareholding structure before the Reorganization:



Notes:

1. Each of Mr. Jia, Mr. Huang and Mr. Li Xin is our executive Director.
2. These equity interests in Wangchen Technology were held as to (i) 2.2925% by Mr. Zeng Ke, one of our senior management; (ii) 6.3123% by Wangnuo Kanpu; (iii) 2.8874% by Chengwang Investment; and (iv) 1.0047% by Wangsheng Xiluo.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

The see-through beneficial interest in Wangchen Technology through Wangnuo Kanpu, Chengwang Investment and Wangsheng Xiluo were as follows:

Platform	Attributable interest in platform	See-through beneficial interest in Wangchen Technology
Wangnuo Kanpu		
Mr. Zeng Ke (曾科)	48.6000%	3.0678%
Mr. Li Zhenyang (李臻洋)	18.6000%	1.1741%
Mr. Yin Tao (殷濤)	18.6000%	1.1741%
Mr. Tang Yiwen (湯逸文)	6.7000%	0.4229%
Mr. Yao Jialuo (姚嘉洛)	6.7000%	0.4229%
Mr. Jia	0.8000%	0.0505%
Total	100.0%	6.3123%
Chengwang Investment		
Mr. Huang	32.7869%	0.9467%
Mr. Jia	34.4262%	0.9940%
Mr. Zhao Xin (趙鑫)	32.7869%	0.9467%
Total	100.0%	2.8874%
Wangsheng Xiluo		
Mr. Jia	25.3000%	0.2542%
Ms. Wang Qinwen (王沁雯)	49.8000%	0.5003%
Mr. Huang	24.9000%	0.2502%
Total	100.0%	1.0047%

Please refer to “Our Major Subsidiaries — Wangchen Technology” above in relation to the unwinding of the share incentive arrangement in favour of Mr. Zeng Ke in September 2020, including the transfer of 48.60% partnership interest in Wangnuo Kanpu by Mr. Zeng Ke to Mr. Jia on September 4, 2020.

- Each of Chuangxingu and Longyuan Tianqi is an Original Shareholder.
- These equity interests in Wangchen Technology were held as to (i) 10.1317% by the Yashang Investor Group; (ii) 8.9623% by the Mr. Liu Investor Group; (iii) 7.0755% by Yingfeng Zhihui; (iv) 4.2449% by Tap4fun; (v) 3.3302% by the Mr. Ma Investor Group; (vi) 2.5472% by Suzhou Youshun; (vii) 2.3585% by Mr. Zhang Litao; and (viii) 1.8868% by Jiadao Gongcheng.
- The remaining 99.0% partnership interest in Yingnuo Ruier was held by Wu Qing (吳慶) (an Independent Third Party other than his interest in Yingnuo Ruier and being a 3% shareholder of Chuangzhen Shijie) as limited partner.
- The remaining 19% equity interests in Chuangzhen Shijie were held as to (i) 10% by Xu Weiwei (許威威) (an Independent Third Party); (ii) 3.5% by Wang Fang (王芳) (an Independent Third Party); (iii) 3% by Wu Qing (吳慶) (an Independent Third Party other than his interest in Yingnuo Ruier and Chuangzhen Shijie); (iv) 2% by Shenzhen Yunda (one of our existing Pre-[REDACTED] Investors); and (v) 0.5% by Deng Yun (鄧贇) (an Independent Third Party).

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

In preparation for the [REDACTED], the following steps were implemented to establish our Group:

1. Incorporation of our Company

On June 12, 2018, our Company was incorporated in the Cayman Islands under the Cayman Companies Act as an exempted company with limited liability. As of the date of incorporation, the authorized share capital of our Company was HK\$380,000 divided into 38,000,000 ordinary shares of HK\$0.01 each, of which one Share was issued and allotted to an Independent Third Party at par. On the same day, the said one Share was transferred by the Independent Third Party to Great Shine at par.

On June 20, 2018, our Company issued and allotted in aggregate 49,999 Shares at par, as to (i) 9,999 Shares to Great Shine; (ii) 10,000 Shares to High Triumph; (iii) 10,000 Shares to Neo Honour; (iv) 10,000 Shares to Joyful Treasure; and (v) 10,000 Shares to Mighty Yellow. Upon completion of the issue and allotment of Shares, our Company was owned as to 20% each by Great Shine, High Triumph, Neo Honour, Joyful Treasure and Mighty Yellow.

On November 26, 2020, in connection with the unwinding of the share incentive arrangement that was made in favour of Mr. Zeng Ke (one of our senior management), our Company and Joyful Treasure (which is wholly owned by Mr. Zeng Ke) entered into a share repurchase agreement, pursuant to which our Company repurchased and cancelled 10,000 Shares held by Joyful Treasure at a consideration of HK\$100, which was determined with reference to the par value of HK\$0.01 per Share.

2. Incorporation of other offshore holding companies

Gala Technology (BVI) was incorporated in the BVI with limited liability on July 4, 2018 as the intermediate holding company of our Group in the BVI. On July 10, 2018, one share of Gala Technology (BVI) was issued and allotted to our Company fully paid at par.

Gala Technology (HK) was incorporated in Hong Kong with limited liability on August 6, 2018, as the intermediate holding company of our Group in Hong Kong. Upon its incorporation, Gala Technology (HK) had a share capital of HK\$1 and one share of Gala Technology (HK) was issued and allotted to Gala Technology (BVI) fully paid.

3. Establishment of the WFOE

The WFOE was established in the PRC with limited liability on July 30, 2019 with an initial registered capital of RMB10.0 million. On December 15, 2021, the registered capital of the WFOE increased from RMB10.0 million to RMB42.0 million. Since its establishment, the WFOE has been wholly owned by Gala Technology (HK).

4. Transfer of equity interest in Wangchen Technology by Yashang Yueke and Suzhou Youshun

For the purpose of ensuring that the registered shareholders of Wangchen Technology will comprise PRC domestic shareholders only to facilitate future renewal of its ICP License, Yashang Yueke and Suzhou Youshun transferred their entire equity interests in Wangchen Technology in the manner set out below as part of the Reorganization.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

On March 16, 2021, Yashang Yueke and Suzhou Youshun transferred 1.8868% and 2.5472% equity interests in Wangchen Technology to Mr. Jia at a consideration of RMB3,773,600 and RMB5,094,400, respectively. To enable Yashang Yueke and Suzhou Youshun to reflect their corresponding shareholding interest at our Company’s level notwithstanding that they ceased to be registered shareholders of Wangchen Technology pursuant to the Reorganization, on the same day, our Company issued a warrant to subscribe for 18,868 Shares at par and a warrant to subscribe for 25,472 Shares at par in favour of Mr. Jia, which were transferred by Mr. Jia to Yashang Yueke and Suzhou Youshun on the same day at a consideration of RMB3,773,600 and RMB5,094,400, respectively. The consideration payable by each of Mr. Jia, Yashang Yueke and Suzhou Youshun arising from the above transfers was fully set-off against the consideration receivable by each of them arising from the above transfers and no cash settlement was involved. On the same day, following the transfers between Mr. Jia, Yashang Yueke and Suzhou Youshun as described above, our Company issued a warrant to subscribe for 18,868 Shares at par (the “**Yashang Yueke Warrant**”) and a warrant to subscribe for 25,472 Shares at par (the “**Suzhou Youshun Warrant**”) in favour of Yashang Yueke and Suzhou Youshun, respectively, to replace the warrants issued in favour of Mr. Jia.

5. Entering into of the Contractual Arrangements

In order to comply with relevant PRC laws and regulations and maintain effective control over all of our operations, on May 13, 2021 and November 15, 2022, the WFOE entered into various agreements which constitute the Contractual Arrangements with our PRC Operating Entities and the Registered Shareholders, pursuant to which our Group is able to gain effective control over, and receive all economic benefits arising from the business of our PRC Operating Entities.

Please refer to the section headed “Contractual Arrangements” in this document for further details of the Contractual Arrangements.

6. Transfer of equity interest in Chuangzhen Shijie, Yingnuo Ruier and Gala Sports HK

To ensure that the Contractual Arrangements are narrowly tailored, the following intra-group transfers were effected by us:

- (a) On April 26, 2019, Wangchen Technology transferred 5% equity interest in Chuangzhen Shijie to a then senior management of our Group at a consideration of RMB1, following which Chuangzhen Shijie was converted into a sino-foreign joint enterprise. On December 3, 2019, the said ex-senior management transferred 5% equity interest in Chuangzhen Shijie to the WFOE at a consideration of RMB1. On December 10, 2019, Wangchen Technology transferred 55% equity interest in Chuangzhen Shijie to the WFOE at a consideration of RMB1. Immediately following the above transfers, Chuangzhen Shijie was owned as to 60% by the WFOE and 21% by Yingnuo Ruier.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

- (b) On May 15, 2019, Moji Technology transferred 0.5% partnership interest in Yingnuo Ruier (a limited partnership established in the PRC) to a then senior management of our Group at a consideration of RMB1. On December 2, 2019, the said ex-senior management transferred 0.5% partnership interest in Yingnuo Ruier to the WFOE at a consideration of RMB1. On December 12, 2019, Moji Technology transferred 0.5% partnership interest in Yingnuo Ruier to the WFOE at a consideration of RMB1. Immediately following such transfers, Yingnuo Ruier was owned as to 1% by the WFOE as general partner and 99% by Mr. Wu Qing (an Independent Third Party other than his interest in Yingnuo Ruier and being a 3% shareholder of Chuangzhen Shijie) as limited partner.
- (c) On May 6, 2021, Wangchen Technology transferred 10,000 shares (representing the entire issued and paid up share capital) of Gala Sports HK to Gala Technology (BVI) at a consideration of RMB3,155,880. Following such transfer, Gala Sports HK has become a direct wholly-owned subsidiary of Gala Technology (BVI).

7. Issue of Shares to certain offshore investment vehicles to substantially reflect the original beneficial shareholding in Wangchen Technology

On May 14, 2021, our Company issued and allotted a total of 960,000 Shares to the offshore investment vehicles of the beneficial owners of Wangchen Technology (including Yashang Yueke and Suzhou Youshun upon their exercise of the Yashang Yueke Warrant and the Suzhou Youshun Warrant, respectively) to substantially reflect their original beneficial shareholding in Wangchen Technology at our Company’s level.

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HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

The table below sets out the details of the issuance and allotment of Shares:

Name of offshore investment vehicle	Corresponding beneficial shareholder of Wangchen Technology (Note 1)	Number of Shares subscribed	Consideration	Number of Shares held after the issuance and allotment of Shares	Percentage shareholding in our Company immediately after the issuance and allotment of Shares
Our Founders					
(1)	Great Shine	260,644	At par	270,644	27.0644%
(2)	High Triumph	182,264	At par	192,264	19.2264%
Yashang Investor Group					
(3)	Pacific Mars Holding Limited	42,449	At par	42,449	4.2449%
(4)	Genesis Fountain Holding Limited	40,000	At par	40,000	4.0000%
(5)	Splendid Fame Holding Limited	18,868	At par	18,868	1.8868%
	<i>Sub-total of (3), (4) and (5):</i>	<u>101,317</u>		<u>101,317</u>	<u>10.1317%</u>
Suzhou Fudebo and Mr. Zhang Litao					
(6)	Crystal Pleasant Holding Limited	70,755	At par	70,755	7.0755%
(7)	Mighty Yellow	13,585	At par	23,585	2.3585%
	<i>Sub-total of (6) and (7):</i>	<u>84,340</u>		<u>94,340</u>	<u>9.4340%</u>
Mr. Liu Investor Group					
(8)	Easy Flourish Holding Limited	70,755	At par	70,755	7.0755%
(9)	Perfect Ranger Holding Limited	18,868	At par	18,868	1.8868%
	<i>Sub-total of (8) and (9):</i>	<u>89,623</u>		<u>89,623</u>	<u>8.9623%</u>
Mr. Ma Investor Group					
(10)	Absolute Bright Holding Limited	28,302	At par	28,302	2.8302%
(11)	King Venture Holding Limited	5,000	At par	5,000	0.5000%
	<i>Sub-total of (10) and (11):</i>	<u>33,302</u>		<u>33,302</u>	<u>3.3302%</u>
Other investors					
(12)	TAP4FUN (Hong Kong) Limited	42,449	At par	42,449	4.2449%
(13)	Innovalley Investment Limited	27,595	At par	27,595	2.7595%
(14)	Glorious Honour Holding Limited	27,595	At par	27,595	2.7595%
(15)	Treasure Venture Holding Limited	25,472	At par	25,472	2.5472%
(16)	Fine Charm Ventures Limited	18,868	At par	18,868	1.8868%
Senior management and employees					
(17)	Neo Honour Holding Limited	22,174	At par	32,174	3.2174%
(18)	Oasis Element Holding Limited	11,741	At par	11,741	1.1741%
(19)	Wishful Profit Holding Limited	11,741	At par	11,741	1.1741%
(20)	Angel Return Holding Limited	9,434	At par	9,434	0.9434%
(21)	Dawn Treasure Holding Limited	5,003	At par	5,003	0.5003%
(22)	Legend Crystal Holding Limited	3,219	At par	3,219	0.3219%
(23)	Perfect Fountain Holding Limited	3,219	At par	3,219	0.3219%
Total		<u><u>960,000</u></u>		<u><u>1,000,000</u></u>	<u><u>100%</u></u>

Notes:

- Including Suzhou Youshun and Yashang Yueke who ceased to be shareholders of Wangchen Technology and became holder of the Suzhou Youshun Warrant and the Yashang Yueke Warrant respectively. The Suzhou Youshun Warrant and the Yashang Yueke Warrant were exercised in full by Suzhou Youshun and Yashang Yueke on May 14, 2021.
- Each of Chuangxingu and Longyuan Tianqi is an Original Shareholder.
- Fine Charm Ventures Limited and Jiadao Gongcheng are ultimately beneficially owned by Mr. Gong Hongjia (龔虹嘉) and Ms. Chen Chunmei (陳春梅), respectively. Mr. Gong and Ms. Chen are the spouse of each other.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

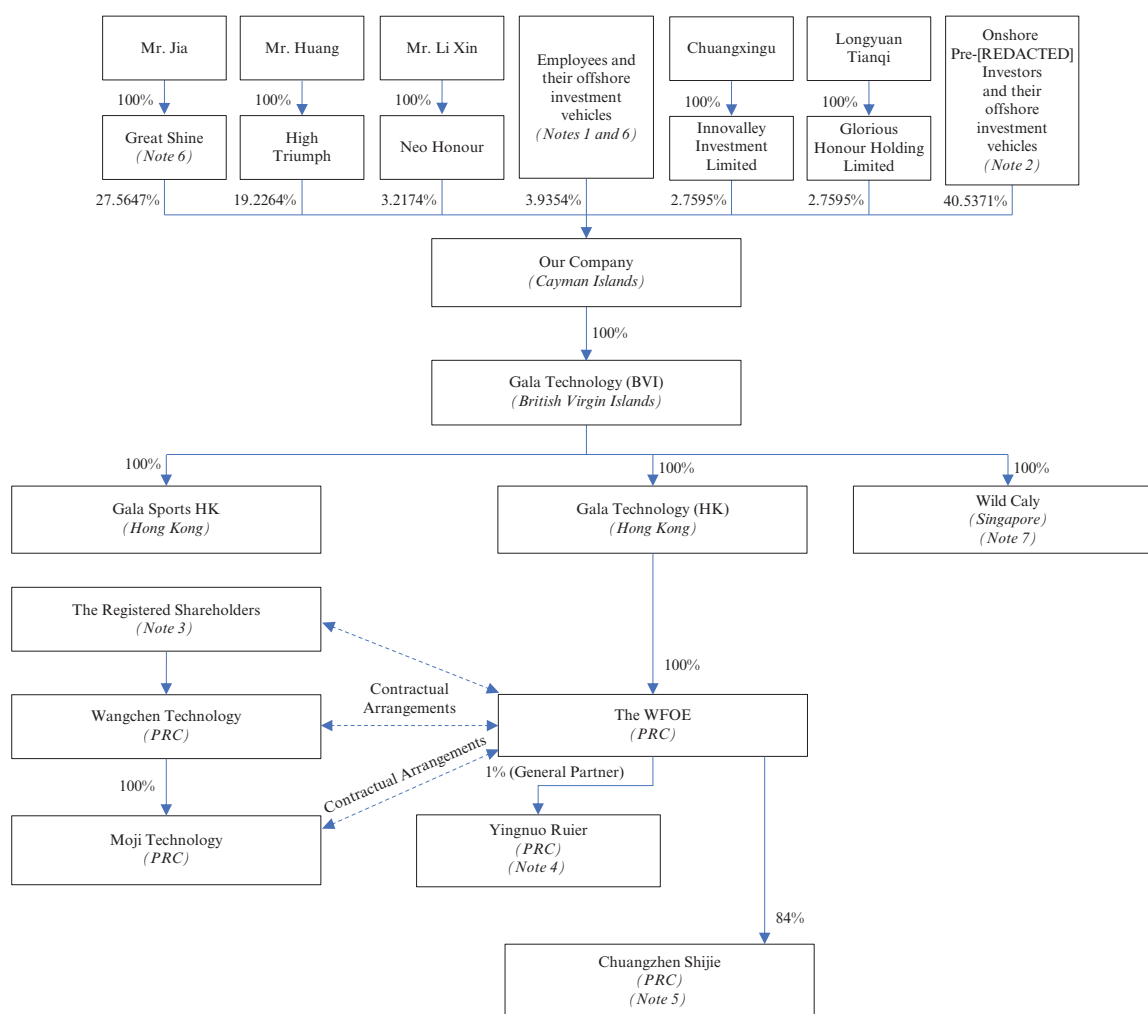
4. Mr. Li Xin is our executive Director.
5. Each of these individuals is a member of senior management, an employee or a former employee of our Group who held all or part of his/her indirect beneficial interest in Wangchen Technology through Wangnuo Kanpu, Chengwang Investment, Wangsheng Xiluo and/or Wangbo Nawu (as the case may be) prior to the Reorganization.

On the same day, our Company, each of our then Shareholders, Mr. Jia and Mr. Huang entered into a shareholders agreement (the “**Cayman Shareholders Agreement**”) to regulate their respective rights and obligations with respect to our Group prior to the [REDACTED]. No special right is granted under the Cayman Shareholders Agreement. The Cayman Shareholders Agreement will automatically terminate upon the [REDACTED].

CORPORATE AND SHAREHOLDING STRUCTURE

Our Group’s Shareholding Structure after the Reorganization

The following diagram illustrates our shareholding structure after the Reorganization but before the completion of the [REDACTED] and the [REDACTED]:



HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Notes:

1. A total of 39,354 Shares were held by our employees (other than our Directors) in our Company through their offshore investment vehicles as follows:

	Name of employee	Name of offshore investment vehicle	Number of Shares held	Percentage shareholding in our Company
a)	Mr. Li Zhenyang (李臻洋)	Oasis Element Holding Limited	11,741	1.1741%
b)	Mr. Yin Tao (殷濤)	Wishful Profit Holding Limited	11,741	1.1741%
c)	Mr. Zhao Xin (趙鑫)	Angel Return Holding Limited	9,434	0.9434%
d)	Mr. Yao Jialuo (姚嘉洛)	Legend Crystal Holding Limited	3,219	0.3219%
e)	Mr. Tang Yiwen (湯逸文)	Perfect Fountain Holding Limited	3,219	0.3219%
		Total	39,354	3.9354%

2. A total of 405,371 Shares were held by the existing Onshore Pre-[REDACTED] Investors through their offshore investment vehicles as follows:

	Name of Onshore Pre-[REDACTED] Investor	Name of offshore investment vehicle	Total number of Shares held	Total percentage shareholding in our Company
<i>Yashang Investor Group</i>				
a)	Yashang Mobeier	Pacific Mars Holding Limited	42,449	4.2449%
b)	Yashang Nuohui	Genesis Fountain Holding Limited	40,000	4.0000%
c)	Yashang Yueke	Splendid Fame Holding Limited	18,868	1.8868%
		<i>Sub-total:</i>	101,317	10.1317%
<i>Suzhou Fudebo and Mr. Zhang Litao</i>				
d)	Suzhou Fudebo	Crystal Pleasant Holding Limited	70,755	7.0755%
e)	Mr. Zhang Litao (張栗滔)	Mighty Yellow Holding Limited	23,585	2.3585%
		<i>Sub-total:</i>	94,340	9.4340%
<i>Mr. Liu Investor Group</i>				
f)	Zhuiyuan Caifu	Easy Flourish Holding Limited	70,755	7.0755%
g)	Longyuan Yunteng	Perfect Ranger Holding Limited	18,868	1.8868%
		<i>Sub-total:</i>	89,623	8.9623%
<i>Mr. Ma Investor Group</i>				
h)	Shenzhen Yunda	Absolute Bright Holding Limited	28,302	2.8302%
i)	Mr. Ma Guolin (馬國琳)	King Venture Holding Limited	5,000	0.5000%
		<i>Sub-total:</i>	33,302	3.3302%

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

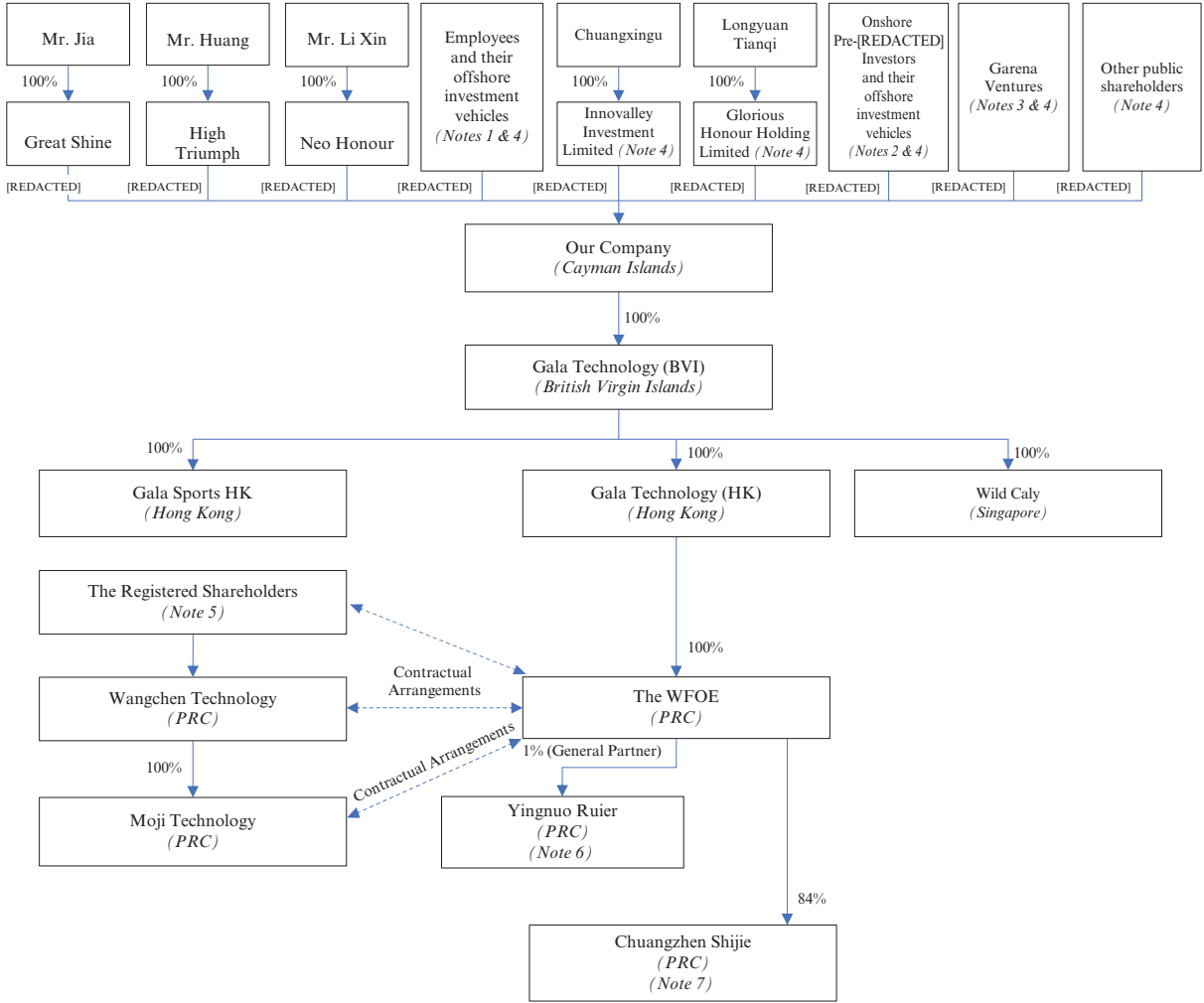
Name of Onshore Pre-[REDACTED] Investor	Name of offshore investment vehicle	Total number of Shares held	Total percentage shareholding in our Company
<i>Others</i>			
j) Tap4fun	TAP4FUN (Hong Kong) Limited	42,449	4.2449%
k) Suzhou Youshun	Treasure Venture Holding Limited	25,472	2.5472%
l) Jiadao Gongcheng	Fine Charm Ventures Limited	18,868	1.8868%
3.	The equity interests in Wangchen Technology was held as to (i) 23.5303% by Mr. Jia; (ii) 17.3960% by Mr. Huang; (iii) 9.4340% by Suzhou Fudebo and Mr. Zhang Litao; (iv) 8.9623% by the Mr. Liu Investor Group; (v) 8.2449% by the Yashang Investor Group; (vi) 6.3123% by Wangnuo Kanpu; (vii) 4.9170% by Wangbo Nawu; (viii) 4.2449% by Tap4fun; (ix) 3.3302% by the Mr. Ma Investor Group; (x) 2.8874% by Chengwang Investment; (xi) 2.7595% by Longyuan Tianqi; (xii) 2.7595% by Chuangxingu; (xiii) 2.3302% by Mr. Li Xin; (xiv) 1.8868% by Jiadao Gongcheng; and (xv) 1.0047% by Wangsheng Xiluo.		
4.	Yingnuo Ruier is a limited partnership established in the PRC on December 5, 2016 with an initial registered capital of RMB1,000. Upon its establishment, Yingnuo Ruier was owned as to 1% by Moji Technology as general partner and 99% by Wu Qing (吳慶) (“Mr. Wu”) (an Independent Third Party other than his interest in Yingnuo Ruier) as limited partner. After the Reorganization, Yingnuo Ruier became owned as to 1% partnership interest by the WFOE as general partner and 99% partnership interest remained to be held by Mr. Wu as limited partner. The registered business scope of Yingnuo Ruier is (a) the provision of computer technical services, (b) research and development and sales of computer software and electronic products, and (c) import and export business. Yingnuo Ruier has no business activity since its establishment. Yingnuo Ruier was established for the intended purpose as an employee incentive platform to provide employees of Chuangzhen Shijie an opportunity to hold indirect beneficial ownership in Chuangzhen Shijie as share incentives. Since the operations and employees of Chuangzhen Shijie had been transferred to the WFOE after the Reorganization, Yingnuo Ruier transferred 21% equity interest in Chuangzhen Shijie to the WFOE at a nominal consideration of RMB1 on January 6, 2022 and has ceased to be a shareholder of Chuangzhen Shijie since then.		
5.	On June 9, 2021, Mr. Wu transferred 3% equity interest in Chuangzhen Shijie to the WFOE at a consideration of RMB1. On January 6, 2022, Yingnuo Ruier transferred 21% equity interest in Chuangzhen Shijie to the WFOE at a consideration of RMB1. Immediately following such transfers, the percentage equity interest in Chuangzhen Shijie held by the WFOE increased from 60% to 84%, and Yingnuo Ruier no longer held any equity interest in Chuangzhen Shijie. The remaining 16% equity interests in Chuangzhen Shijie were held as to (i) 10% by Xu Weiwei (許威威) (an Independent Third Party); (ii) 3.5% by Wang Fang (王芳) (an Independent Third Party); (iii) 2% by Shenzhen Yunda (one of our existing Pre-[REDACTED] Investors); and (iv) 0.5% by Deng Yun (鄧贇) (an Independent Third Party).		
6.	Pursuant to the share incentive arrangement between the Founders and Ms. Wang Qinwen, following her resignation as employee of our Group on June 30, 2022, Ms. Wang Qinwen (i) procured her offshore investment vehicle, Dawn Treasure Holding Limited, to transfer 5,003 Shares (representing approximately 0.5003% of the issued share capital of our Company) to Mr. Jia’s offshore investment vehicle, Great Shine, at a consideration of HK\$1 (based on nominal consideration), and (ii) transferred her 49.8% partnership interest in Wangsheng Xiluo to Mr. Jia at a consideration of RMB1 (based on nominal consideration). The above transfers were completed on July 25, 2022 and July 29, 2022, respectively.		
7.	Wild Caly was incorporated in Singapore with limited liability on August 31, 2022 with a share capital of US\$10,000 comprising 10,000 ordinary shares. Since its incorporation, Wild Caly has been wholly owned by Gala Technology (BVI), and as of the Latest Practicable Date, it had not yet commenced business operation.		

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HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Our Group’s Shareholding Structure after the [REDACTED]

The following chart sets forth a simplified corporate structure of our Group upon completion of the [REDACTED] and the [REDACTED] and full conversion of the Pre-[REDACTED] Convertible Bonds (without taking into account any Shares which may be issued pursuant to the exercise of any options that may be granted under the Share Option Scheme):



HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Notes:

1. A total of [REDACTED] Shares will be held by our employees (other than our Directors) in our Company through their offshore investment vehicles as follows:

Name of employee	Name of offshore investment vehicle	Number of Shares held	Percentage shareholding in our Company	Counted towards public float (Y/N)
a) Mr. Li Zhenyang (李臻洋)	Oasis Element Holding Limited	[REDACTED]	[REDACTED]	Y
b) Mr. Yin Tao (殷濤)	Wishful Profit Holding Limited	[REDACTED]	[REDACTED]	Y
c) Mr. Zhao Xin (趙鑫)	Angel Return Holding Limited	[REDACTED]	[REDACTED]	Y
d) Mr. Yao Jialuo (姚嘉洛)	Legend Crystal Holding Limited	[REDACTED]	[REDACTED]	Y
e) Mr. Tang Yiwen (湯逸文)	Perfect Fountain Holding Limited	[REDACTED]	[REDACTED]	Y
Total		<u>[REDACTED]</u>	<u>[REDACTED]</u>	

2. A total of [REDACTED] Shares will be held by the existing Onshore Pre-[REDACTED] Investors through their offshore investment vehicles as follows:

Name of Onshore Pre-[REDACTED] Investor	Name of offshore investment vehicle	Total number of Shares held	Total percentage shareholding in our Company	Counted towards public float (Y/N)
<i>Yashang Investor Group</i>				
a) Yashang Mobeier	Pacific Mars Holding Limited	[REDACTED]	[REDACTED]	Y
b) Yashang Nuohui	Genesis Fountain Holding Limited	[REDACTED]	[REDACTED]	Y
c) Yashang Yueke	Splendid Fame Holding Limited	[REDACTED]	[REDACTED]	Y
<i>Sub-total:</i>		<u>[REDACTED]</u>	<u>[REDACTED]</u>	
<i>Suzhou Fudebo and Mr. Zhang Litao</i>				
d) Suzhou Fudebo	Crystal Pleasant Holding Limited	[REDACTED]	[REDACTED]	Y
e) Mr. Zhang Litao (張栗滔)	Mighty Yellow Holding Limited	[REDACTED]	[REDACTED]	N
<i>Sub-total:</i>		<u>[REDACTED]</u>	<u>[REDACTED]</u>	
<i>Mr. Liu Investor Group</i>				
f) Zhuiyuan Caifu	Easy Flourish Holding Limited	[REDACTED]	[REDACTED]	Y
g) Longyuan Yunteng	Perfect Ranger Holding Limited	[REDACTED]	[REDACTED]	Y
<i>Sub-total:</i>		<u>[REDACTED]</u>	<u>[REDACTED]</u>	
<i>Mr. Ma Investor Group</i>				
h) Shenzhen Yunda	Absolute Bright Holding Limited	[REDACTED]	[REDACTED]	Y
i) Mr. Ma Guolin (馬國琳)	King Venture Holding Limited	[REDACTED]	[REDACTED]	Y
<i>Sub-total:</i>		<u>[REDACTED]</u>	<u>[REDACTED]</u>	

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Name of Onshore Pre-[REDACTED] Investor	Name of offshore investment vehicle	Total number of Shares held	Total percentage shareholding in our Company	Counted towards public float (Y/N)
<i>Others</i>				
j) Tap4fun	TAP4FUN (Hong Kong) Limited	[REDACTED]	[REDACTED]	Y
k) Suzhou Youshun	Treasure Venture Holding Limited	[REDACTED]	[REDACTED]	Y
l) Jiadao Gongcheng	Fine Charm Ventures Limited	[REDACTED]	[REDACTED]	Y
	<i>Sub-total:</i>	<u>[REDACTED]</u>	<u>[REDACTED]</u>	
	Total	<u>[REDACTED]</u>	<u>[REDACTED]</u>	

3. Based on full conversion of the Pre-[REDACTED] Convertible Bonds in the principal amount of HK\$[REDACTED] at the conversion price of HK\$[REDACTED] per Share into [REDACTED] Shares.
4. The Shares held by the offshore investment vehicles of our employees (other than Mr. Jia Xiaodong, Mr. Huang Xiang and Mr. Li Xin who are our Directors and are core connected persons of our Company), the offshore investment vehicles of Chuangxingu, Longyuan Tianqi and the Onshore Pre-[REDACTED] Investors (other than Mr. Zhang Litao who is a director of Wangchen Technology and is a core connected person of our Company), Garena Ventures and the subscribers of the [REDACTED] under the [REDACTED], representing in aggregate approximately [REDACTED] of the issued Shares, will be counted as part of the public float for the purpose of Rule 8.08 of the Listing Rules.
5. Please refer to Note 3 to the table under “Corporate and Shareholding Structure — Our Group’s Shareholding Structure after the Reorganization” above.
6. Please refer to Note 4 to the table under “Corporate and Shareholding Structure — Our Group’s Shareholding Structure after the Reorganization” above.
7. Please refer to Note 5 to the table under “Corporate and Shareholding Structure — Our Group’s Shareholding Structure after the Reorganization” above.

Lock-up undertakings

Each of our existing Shareholders has voluntarily undertaken that it shall not, without prior written consent of our Company and the [REDACTED], at any time during the applicable lock-up period after the [REDACTED], dispose of, nor enter into any agreement to lend, dispose of or otherwise create any options, warrants, rights, interests or encumbrances in respect of any of the Shares held by it immediately upon the [REDACTED]. The respective lock-up periods voluntarily agreed by them are as follows:

- (i) for the Largest Shareholder, namely Great Shine, a period of 12 months immediately after the [REDACTED], subject to the terms as further described in the section headed “[REDACTED] — [REDACTED] — Undertakings by our Largest Shareholder” in this document;

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

- (ii) for each of the offshore investment vehicles of our relevant Directors and employees, namely (1) High Triumph, (2) Neo Honour, (3) Perfect Fountain Holding Limited, (4) Oasis Element Holding Limited, (5) Wishful Profit Holding Limited, (6) Legend Crystal Holding Limited and (7) Angel Return Holding Limited, a period of 12 months immediately after the [REDACTED]; and
- (iii) for other existing Shareholders, namely (1) Crystal Pleasant Holding Limited, (2) Easy Flourish Holding Limited, (3) Pacific Mars Holding Limited, (4) TAP4FUN (Hong Kong) Limited, (5) Mighty Yellow, (6) Genesis Fountain Holding Limited, (7) Absolute Bright Holding Limited, (8) Innovalley Investment Limited, (9) Glorious Honour Holding Limited, (10) Treasure Venture Holding Limited, (11) Perfect Ranger Holding Limited, (12) Splendid Fame Holding Limited, (13) Fine Charm Ventures Limited and (14) King Venture Holding Limited, a period of six months immediately after the [REDACTED].

The lock-up restrictions above shall not apply to, among others, (a) any transaction entered into or consummated pursuant to a requirement of a governmental authority, regulatory body to which such Shareholder is subject to a court of law, an arbitral tribunal or a requirement of any applicable law, rules and regulations; and (b) any transfer of Shares to any individual or entity which directly or indirectly, controls or is controlled by, or is under common control with such Shareholder, provided that the transferee shall be subject to the same lock-up restrictions above.

PRC REGULATORY REQUIREMENTS

Our PRC Legal Advisers have confirmed that all necessary government approvals and permits from the relevant PRC authorities in respect of the equity transfers and changes in registered capital of the PRC Operating Entities, Chuangzhen Shijie, Yingnuo Ruier and the WFOE have been obtained, and all the relevant legal procedures were completed in compliance with the relevant PRC laws and regulations. Our PRC Legal Advisers have further advised that, we have obtained all necessary approvals from the relevant PRC authorities required for the implementation of the Reorganization.

The Rules on the Mergers and Acquisitions of Domestic Enterprises by Foreign Investors in the PRC

Pursuant to the M&A Rules, a foreign investor is required to obtain necessary approvals when (i) a foreign investor acquires equity in a domestic non-foreign invested enterprise thereby converting it into a foreign-invested enterprise, or subscribes for new equity in a domestic enterprise through an increase of registered capital thereby converting it into a foreign-invested enterprise; or (ii) a foreign investor establishes a foreign-invested enterprise which purchases and operates the assets of a domestic enterprise, or which purchases the assets of a domestic enterprise and injects those assets to establish a foreign-invested enterprise (the “**Regulated Activities**”).

Given that (i) the WFOE was established as a wholly foreign-owned enterprise by means of direct investment rather than by merger or acquisition by our Company under the M&A Rules; and (ii) no Regulated Activities were involved in the Reorganization under the M&A Rules, as advised by our PRC Legal Advisers, the establishment of WFOE and the Reorganization are not subject to the M&A Rules, and the [REDACTED] does not require approvals from the CSRC and the MOFCOM under the M&A Rules.

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HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

SAFE Registration in the PRC

Pursuant to Circular 37 promulgated by SAFE which became effective on July 4, 2014, where the PRC individual residents conduct investment in offshore special purpose vehicles with their legitimate onshore and offshore assets or equities, they must register with local SAFE branches with respect to their investments. Circular 37 also requires the PRC residents to file changes to their registration where their offshore special purpose vehicles undergo material events such as the change of basic information including PRC residence, name and operation period, as well as capital increase or decrease, share transfer or exchange, merger or division.

Pursuant to Circular 13 promulgated by SAFE which became effective on June 1, 2015, the power to accept SAFE registration was delegated from local SAFE to local banks where the assets or interest in the domestic entity was located.

As advised by our PRC Legal Advisers, all indirect individual shareholders of our Company who are PRC residents have completed their initial registration according to Circular 37 and Circular 13.