
HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

INTRODUCTION

Overview

Our Company was incorporated as an exempted company with limited liability in the Cayman Islands on August 31, 2012, and is the holding company of our Group. We offer a broad array of AI Software Solutions and Smart Devices and Other Accessories.

Business Milestones

The following table illustrates the key milestones of our business and corporate developments:

<u>Year</u>	<u>Milestone</u>
2012	Our Company was incorporated in the Cayman Islands and we established our first operating entity in China.
2013	We started to develop an end-to-end voice AI system based on our deep learning framework, which comprised signal processing, speech recognition, natural language processing and search recommendation, and launched our voice assistant “Xiaowen” on various terminals, which was the early prototype of AI CoPilot.
2015	We released TicWatch, an smart device with voice assistant and software-hardware integration capability.
2016	We released the overseas version of TicWatch, which paved our way to globalize our sales.
2017	We were one of the first in the PRC to introduce a personal virtual assistant covering multiple scenarios. It was installed in smart watches, smart speakers, smart headphones and smart vehicles with the ability to achieve a closed-loop interactive experience by connecting people, vehicles and homes.
2020	We developed “UCLAI,” universal Chinese Language AI, a large language model. We introduced “Moyin Workshop”, an AI voiceover assistant within our AIGC solution matrix.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Year	Milestone
2022	<p>We introduced “Mozhuan Writing”, an AI writing assistant within our AIGC solution matrix.</p> <p>We released “Weta365”, an AI avatar within our AIGC solution matrix.</p> <p>We released “DupDub”.</p>
2023	<p>We upgraded our large language model, “UCLAI”, to “Sequence Monkey.”</p> <p>Our sales of TicWatch and other Smart Devices and Other Accessories covered over 100 countries and regions across the world.</p> <p>We had pre-installed our automotive voice interaction solutions to over two million vehicles.</p> <p>We introduced “Qi Miao Wen”, an AI writing assistant within our AIGC solution matrix.</p> <p>We introduced “AI Ask365”, a solution for creating AI-empowered digital personnel.</p> <p>We owned in aggregate 749 domestic and overseas patents and patent applications.</p>

For details, please refer to the paragraph headed “Business — Awards and recognition” in this document and paragraph headed “Statutory and General Information - B. Further Information about our Business — 2. Intellectual property rights — (b) Patents” in Appendix IV to this document.

OUR PRINCIPAL SUBSIDIARIES

As of the Latest Practicable Date, we had 7 principal operating subsidiaries which had made material contributions to our financial results during the Track Record Period and/or are material to our operation. The corporate details of these principal operating entities are set forth below:

No.	Name	Place of incorporation	Date of incorporation	Equity interests attributable to the Group	Principal business activities
1.	Shanghai Mobvoi . . .	China	March 19, 2013	100%	Provision of AI Software Solutions, software development and procurement of raw materials

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

No.	Name	Place of incorporation	Date of incorporation	Equity interests attributable to the Group	Principal business activities
2.	Beijing Yushanzhi . . .	China	March 26, 2014	100%	Provision of Smart Devices and Other Accessories
3.	Mobvoi IT	China	March 13, 2017	100%	Provision of AI Software Solutions and software development
4.	WWZN IT	China	January 4, 2018	100%	Provision of Smart Devices and Other Accessories
5.	Shenzhen WWZN . . .	China	June 5, 2018	100%	Provision of Smart Devices and Other Accessories
6.	Wuhan WWZN	China	August 6, 2018	100%	Provision of Smart Devices and Other Accessories
7.	Mobvoi Innovation . . .	China	November 17, 2020	100%	Provision of AI Software Solutions and Smart Devices and Other Accessories

MAJOR SHAREHOLDING CHANGES OF OUR COMPANY

1. Incorporation of our Company

Our Company was incorporated on August 31, 2012 in the Cayman Islands as an exempted company with limited liability with an authorized share capital of US\$50,000 divided into 50,000,000 share with a par value of US\$0.001. On the same day, our Company allotted and issued 1 ordinary Share to N. D. Nominees Ltd, and this 1 ordinary Share was subsequently transferred to Mobvoi Limited.

2. Share allotment in 2013

On February 8, 2013, our Company allotted and issued 19,999,999 ordinary shares with par value of US\$0.001 each to Mobvoi Limited.

3. Share split of our Company in 2013

On December 6, 2013, our Company conducted a share split, pursuant to which every share of par value US\$0.001 each in our then issued and unissued share capital was split into 1.0419074 shares of par value US\$0.000959778 each.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

4. Share split of our Company in 2015

On January 30, 2015, our Company conducted a share split, pursuant to which every share of par value US\$0.000959778 each in our then issued and unissued share capital was split into 20 Shares of par value US\$0.0000479889 each.

5. Share allotment and repurchase of Shares in 2015

On July 27, 2015, our Company allotted and issued 45,484,664 ordinary Shares and 45,484,664 ordinary Shares to CMWW Limited and Amberlei Limited, respectively. On the same day, our Company repurchased 21,157,954 ordinary Shares then held by Mobvoi Limited at a consideration of US\$1.00. The consideration was determined based on negotiations between the parties. The aforesaid repurchase was fully settled on the same date.

6. Repurchase of Shares in 2017

On June 7, 2017, our Company repurchased 2,979,469 ordinary Shares, 2,979,469 ordinary Shares and 3,208,659 ordinary Shares from Mobvoi Limited, CMWW Limited and Amberlei Limited at a consideration of US\$1.3 million, US\$1.3 million and US\$1.4 million, respectively. The considerations were determined based on arm’s length negotiations between the parties. The aforesaid repurchases were fully settled on June 20, 2017.

7. Share allotment in 2020

On September 30, 2020, pursuant to the transaction arrangements set out under the share purchase agreement entered into by and among the Group and the shareholders of Geekstar (the “**Geekstar SPA**”), our Company allotted and issued 40,479,724 ordinary Shares to Geekstar Technology Development (BVI) Co., Ltd., 39,026,535 ordinary Shares to SIG I, 19,580,518 ordinary Shares to Perfect Nova Development Limited, 34,697,725 ordinary Shares to Elite Concept Holdings Limited, 2,369,964 ordinary Shares to Stanislas Ltd and 9,487,093 ordinary Shares to Huacheng International Holdings Limited. For details of the Geekstar SPA, please see the paragraph headed “— Major Acquisitions, Disposals and Mergers — 1. Acquisition of Geekstar and subsequent disposal of shares in Geekstar” in this section.

On September 30, 2020, pursuant to the transaction arrangements set out under the share purchase agreement entered into by and among the Group and the shareholders of Zhixue (the “**Zhixue SPA**”), our Company allotted and issued 57,902,978 ordinary Shares to ZXV Educational Co., Ltd., 56,871,833 ordinary Shares to SIG I and 15,637,946 ordinary Shares to Mighty Dream

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Limited. For details of the Zhixue SPA, please see the paragraph headed “— Major Acquisitions, Disposals and Mergers — 2. Acquisition of Zhixue and subsequent disposal of shares in Zhixue” in this section.

8. Surrender and repurchase of Shares in 2022

On February 24, 2022, Geekstar Technology Development (BVI) Co., Ltd., Huacheng International Holdings Limited and Stanislas Ltd surrendered 40,479,724 ordinary Shares, 9,487,093 ordinary Shares and 2,369,964 ordinary Shares, respectively, to our Company. For details, please refer to the paragraph headed “— Major Acquisitions, Disposals and Mergers — 1. Acquisition of Geekstar and subsequent disposal of shares in Geekstar” in this section.

On March 25, 2022, our Company repurchased 57,902,978 ordinary Shares from ZXV Educational Co., Ltd. For details, please see the paragraph headed “— Major Acquisitions, Disposals and Mergers — 2. Acquisition of Zhixue and subsequent disposal of shares in Zhixue” in this section.

9. [REDACTED] investments

From February 2013 to September 2019, we conducted seven rounds of [REDACTED] investments. During the relevant period, our Company allotted and issued in aggregate 194,010,340 Series A Preferred Shares with par value of US\$0.0000479889 each, 208,383,500 Series A-1 Preferred Shares with par value of US\$0.0000479889 each, 50,426,440 Series A-2 Preferred Shares with par value of US\$0.0000479889 each, 141,053,024 Series B Preferred Shares with par value of US\$0.0000479889 each, 182,740,760 Series C Preferred Shares with par value of US\$0.0000479889 each, 288,779,294 Series D-1 Preferred Shares and 34,793,742 Series D-2 Preferred Shares with par value of US\$0.0000479889 each as a result of [REDACTED] financing, further details of which are set out in the paragraph headed “— [REDACTED] Investments” in this section.

10. Repurchase of Shares in 2022

Since our inception, our Group has been dedicated to developing AI technologies with a particular focus on voice interaction algorithms, including NLP, voice recognition and search recommendation systems. On the other hand, the Automotive Corporation Group, as a leading player of the automotive industry, had been laying out comprehensive plans for vehicle connectivity for years, with intelligence and voice interaction being key components of its strategy. In recognition of the alignment of strategic interests, on March 30, 2017, Volkswagen Finance Luxemburg S.A. purchased 288,779,294 Series D-1 Preferred Shares at a consideration of US\$140 million. On September 22, 2019, Volkswagen Finance Luxemburg S.A. purchased 30,940,658

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Series D-2 Preferred Shares at a consideration of US\$15.0 million. On September 30, 2020, Mobvoi Limited voluntarily transferred 69,677,483 ordinary Shares to Volkswagen Finance Luxemburg S.A. at nil consideration to prevent the shareholding of Volkswagen Finance Luxemburg S.A. from being diluted as a result of the allotment and issuance of ordinary Shares to the sellers in the acquisition of Geekstar and Zhixue which took place in September 2020. For details of the said acquisitions, please see the paragraphs headed “— Major Acquisitions, Disposals and Mergers — 1. Acquisition of Geekstar and subsequent disposal of shares in Geekstar” and “— 2. Acquisition of Zhixue and subsequent disposal of shares in Zhixue” in this section.

Pursuant to a framework agreement dated October 29, 2021, our Company entered into a share repurchase agreement with Volkswagen Finance Luxemburg S.A. on December 20, 2021, pursuant to which our Company repurchased 69,677,483 ordinary Shares, 288,779,294 Series D-1 Preferred Shares and 30,940,658 Series D-2 Preferred Shares from Volkswagen Finance Luxemburg S.A. at a consideration of US\$17.0 million. Despite there being no independent valuation on the Shares repurchased, the said consideration was determined based on arm’s length negotiations between the parties taking into account the strategic value of Mobvoi JV which was disposed by our Group earlier in the same year. For details, please see the paragraph headed “— Major Acquisitions, Disposals and Mergers — 3. Disposal of equity interests in Mobvoi JV” in this section. The said repurchase was completed on September 28, 2022.

11. Share allotment in 2022

On September 28, 2022, our Company allotted and issued 69,677,483 ordinary Shares to Mobvoi Limited.

12. Cancellation of Treasury Shares in 2023

Prior to the respective cancellation, our Company held 110,239,759 ordinary Shares as treasury shares (the “**Treasury Shares**”). On May 17, 2023, our Company cancelled the Treasury Shares and the amount of our Company’s issued share capital was diminished by the par value of the Treasury Shares accordingly from US\$72,807.09 to US\$67,516.81.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

As of the Latest Practicable Date, the shareholding structure of the Company was as follows:

Shareholder	Number of Shares	Shareholding Percentage
Mobvoi AGI Limited	375,862,577	26.72%
CMWW AGI Limited	42,505,195	3.02%
Amberlei Limited	42,276,005	3.00%
SIG Entities	239,613,768	17.03%
Google Ireland Holdings Unlimited Company	186,593,844	13.26%
HSG CV IV Holdco, Ltd.	153,683,583	10.92%
Goertek (HongKong) Co., Limited	141,053,024	10.03%
Zhen Partners Fund I, L.P.	43,113,580	3.07%
GWC Robotics Investment Limited	41,254,185	2.93%
Elite Concept Holdings Limited	34,697,725	2.47%
Skyteam Resources Limited	25,213,220	1.79%
Everon Resources Limited	25,213,220	1.79%
SO Artemis Limited	20,627,092	1.47%
Perfect Nova Development Limited	19,580,518	1.39%
Mighty Dream Limited	15,637,946	1.11%
Total	1,406,925,482	100%

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

1. Acquisition of Geekstar and subsequent disposal of shares in Geekstar

Geekstar is a limited liability company established in the Cayman Islands and is principally engaged in the provision of coding training services for children. On September 30, 2020, with a view to empower the training industry with AI technologies, we entered into a share purchase agreement with the shareholders of Geekstar (the “**Geekstar Sellers**”) to acquire 100% equity interest in Geekstar. To the best knowledge of the Directors, save for SIG I (one of the SIG Entities, our substantial Shareholders), the Geekstar Sellers were Independent Third Parties as of the Latest Practicable Date. In consideration of the acquisition, our Company issued in aggregate 145,641,559 ordinary Shares to the Geekstar Sellers, representing a shareholding of approximately 7.93% in our Company. The consideration of the acquisition was determined after arms’ length negotiations between the parties. The completion of the acquisition took place on September 30, 2020 upon which Geekstar became our wholly-owned subsidiary. Geekstar was principally engaged in the provision of coding training services for children. The goodwill of RMB100.8 million arising from the acquisition was attributable mainly to the potential synergy from empowering training services with AI technologies. Such acquisition was considered as an acquisition of business in accordance with IFRS 3.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Subsequently in 2022, considering the potential impact on our development plan in the training industry resulting from the changing environment in this industry, we decided to dispose of certain shares we held in Geekstar. Pursuant to the share transfer agreement dated February 24, 2022, and to reflect the agreed arrangements on transfer and repurchase of our Shares, (1) our Company transferred (i) 19,997,005 ordinary shares of Geekstar and (ii) in aggregate 5,830,249 preferred shares of Geekstar to designated Geekstar Sellers and Geekstar; (2) Geekstar repurchased 2,162,066 preferred shares of Geekstar from our Company; and (3) the designated Geekstar Sellers surrendered in aggregate 52,336,781 ordinary Shares to our Company, representing a shareholding of approximately 2.93% in our Company. Subsequent to the aforesaid disposal and as of the Latest Practicable Date, our Company held 21,611,012 shares in Geekstar, representing approximately 40.0% of its total shares, and as a result, Geekstar was deconsolidated from our Group. Our Directors considered that the aforesaid disposal was in the best interests of our Company and the Shareholders as a whole.

The following table sets forth the financial information of Geekstar for the periods indicated:

	For the year ended December 31, 2021	From January 1, 2022 to February 24, 2022
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	28,474	449
Net loss	(43,546)	16,336

To the best of the knowledge of our Directors, our Directors confirm that Geekstar and its principal operating subsidiaries in the PRC did not have any material non-compliance during the Track Record Period prior to the aforesaid disposal.

2. Acquisition of Zhixue and subsequent disposal of shares in Zhixue

Zhixue is a limited liability company established in the Cayman Islands and is principally engaged in the provision of technology-enabled English language training. On September 30, 2020, with a view to empower the training industry with AI technologies, we entered into a share purchase agreement with the shareholders of Zhixue (the “**Zhixue Sellers**”) for the acquisition of 100% equity interest in Zhixue. To the best knowledge of the Directors, save for SIG I (one of the SIG Entities, our substantial Shareholders), the Zhixue Sellers were Independent Third Parties as of the Latest Practicable Date. In consideration of the acquisition, our Company issued in aggregate 130,412,757 ordinary Shares to the Zhixue Sellers or entities designated by Zhixue Sellers, representing a shareholding of approximately 7.10% in our Company. The consideration of the acquisition was determined after arms’ length negotiations between the parties. The completion

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

of the acquisition took place on September 30, 2020 upon which Zhixue has become our wholly owned subsidiary. Zhixue was principally engaged in the provision of technology-enabled English language training. The goodwill of RMB63.7 million arising from the acquisition was attributable mainly to the potential synergy from empowering training services with AI technologies. Such acquisition was considered as an acquisition of business in accordance with IFRS 3.

Subsequently in 2022, considering the potential impact on our development plan in the training industry resulting from the changing environment in this industry, we decided to dispose of all of the shares we held in Zhixue. Pursuant to the share repurchase agreement dated March 25, 2022, and to reflect the agreed arrangements on the share transfer and repurchase of our Shares, (1) our Company transferred (i) 6,705,883 ordinary shares and (ii) in aggregate 2,720,375 preferred shares of Zhixue to the designated Zhixue Sellers; (2) our Company repurchased 57,902,978 ordinary Shares from the Zhixue Sellers, representing a shareholding of approximately 3.35% in our Company; and (3) our Company made a capital contribution of RMB1,500,000 to Zhixue for Zhixue to repay its debt. The consideration of the aforesaid disposal was determined after arms’ length negotiations between the parties. Subsequent to the aforesaid disposal and as of the Latest Practicable Date, our Company did not hold any shares in Zhixue. Our Directors considered that the aforesaid disposal was in the best interests of our Company and the Shareholders as a whole.

The following table sets forth the financial information of Zhixue for the periods indicated:

	For the year ended December 31, 2021	From January 1, 2022 to March 25, 2022
	<i>RMB’000</i>	<i>RMB’000</i>
Revenue	32,983	82
Net loss.	(50,770)	(1,162)

To the best of the knowledge of our Directors, our Directors confirm that Zhixue and its principal operating subsidiaries in the PRC did not have any material non-compliance during the Track Record Period prior to the aforesaid disposal.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

3. Disposal of equity interests in Mobvoi JV

On March 30, 2017, Mobvoi HK and Volkswagen (China) Investment Company Limited (大眾汽車(中國)投資有限公司) (“**Volkswagen China**”) entered into a joint venture contract for the establishment of Mobvoi JV, a joint venture which primarily engages in the provision of in-vehicle AI technologies.

Pursuant to a framework agreement dated October 29, 2021, Mobvoi HK entered into an equity transfer agreement with Volkswagen China on December 20, 2021, pursuant to which Mobvoi HK disposed of all of the equity interests it then held in Mobvoi JV to Volkswagen China at a consideration of US\$15.0 million. Despite there being no independent valuation on the equity interest in Mobvoi JV disposed, the consideration of the aforesaid disposal was determined after arms’ length negotiations between the parties with reference to (i) the research and development expenses incurred by Mobvoi JV since its establishment; (ii) the historical financial performance and business prospect of Mobvoi JV; (iii) the number and nature of the IP rights and technologies developed or owned by Mobvoi JV immediately prior to the disposal; and (iv) the strategic value of Mobvoi JV to Volkswagen China.

The following table sets forth the research and development expenses incurred by Mobvoi JV since its establishment up to the year prior to the aforesaid disposal:

	From	For the year ended December 31,			
	establishment to				
	December 31,	2018	2019	2020	2021
	2017				
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Research and development expenses	18,163	70,806	53,094	53,344	58,070

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

The following table sets forth the financial information of Mobvoi JV for the periods indicated:

	For the year ended December 31,	From January 1, 2022 to March 31,
	2021	2022
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	63,198	4,133
Net loss	(37,134)	(18,724)

Immediately prior to the aforesaid disposal, Mobvoi JV was in possession of or in the course of application for a total of over 250 patents which were mainly components of the automotive voice interaction solutions to be utilized in the relevant vehicles of Automotive Corporation Group. In addition, according to CIC, the overall vehicle sales of Automotive Corporation Group is expected to reach 10 million units in the coming five years, and the software solutions developed by Mobvoi JV by applying our Group’s AI technologies can potentially be installed in all these vehicles. Therefore, Mobvoi JV had a significant strategic value to the Automotive Corporation Group. The disposal of Mobvoi JV does not affect our Group’s ability to sell automotive voice interaction solutions to other customers.

To the best of the knowledge of our Directors, our Directors confirm that Mobvoi JV did not have any material non-compliance during the Track Record Period prior to the aforesaid disposal.

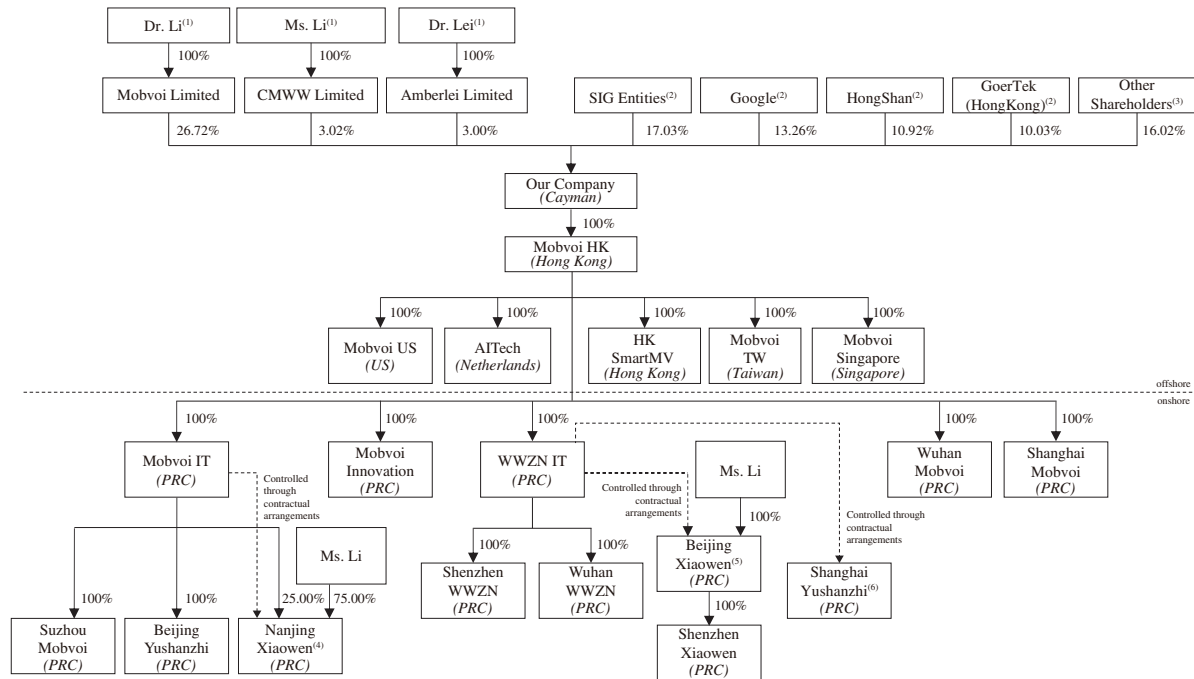
Our Directors considered that the aforesaid disposal was in the best interests of our Company and the Shareholders as a whole. Subsequent to the disposal and as of the Latest Practicable Date, Mobvoi HK did not hold any equity interest in Mobvoi JV.

Save as disclosed above, we had no other major acquisitions, disposals or mergers during the Track Record Period and up to the Latest Practicable Date.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

CORPORATE REORGANIZATION

In preparation for the [REDACTED], we underwent the Reorganization and the following chart sets out the shareholding structure of our Group immediately before the Reorganization:



Notes:

- (1) Dr. Li, Ms. Li and Dr. Lei have been acting in concert with each other since December 1, 2019.
- (2) For further information, please refer to the paragraph headed “— [REDACTED] Investments — Background information of the [REDACTED] investors” in this section. Regarding the SIG Entities, each of SIG I and SIG III is a Delaware limited liability limited partnership. SIG I was established on January 10, 2018. SIG III was incorporated on January 10, 2012. As of the Latest Practicable Date, SIG Pacific Holdings, LLLP was the limited partner holding 80% of the partnership interest in each of SIG I and SIG III. SIG China Investments GP, LLC was the general partner holding 20% of the partnership interest in each of SIG I and SIG III. SIG Asia Investment, LLLP, a Delaware limited liability limited partnership, is the investment manager of both SIG I and SIG III. Heights Capital Management, Inc., a Delaware Corporation, is the investment manager of SIG Asia Investment, LLLP. Each of SIG I, SIG III, SIG Pacific Holdings, LLLP and SIG China Investments GP, LLC is ultimately beneficially owned by Mr. Jeffrey Yass, an Independent Third Party who is a US citizen.
- (3) Other Shareholders comprise the following:
 - a. 3.07% by Zhen Partners, which is a limited partnership established in the Cayman Islands on December 14, 2011. For further information, please refer to the paragraph headed “— [REDACTED] Investments — Background information of the [REDACTED] investors” in this section;

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

- b. 2.93% by GWC Robotic Investment Limited, which is a limited liability company incorporated in the BVI on December 22, 2017. For further information, please refer to the paragraph headed “— [REDACTED] Investments — Background information of the [REDACTED] investors” in this section;
 - c. 2.47% by Elite Concept Holdings Limited, a British Virgin Islands company, which is wholly owned by New Oriental Education & Technology Group Inc., a NYSE-listed company. Elite Concept Holdings Limited became a Shareholder in September 2020. To the best knowledge of our Directors, as of the Latest Practicable Date, Elite Concept Holdings Limited was an Independent Third Party and its ultimate beneficial owner was Mr. Yu Minhong;
 - d. 1.79% by Skyteam Resources Limited, which is a limited liability company incorporated in the BVI on January 2, 2015. For further information, please refer to the paragraph headed “— [REDACTED] Investments — Background information of the [REDACTED] investors” in this section;
 - e. 1.79% by Everon Resources Limited, which is a limited liability company incorporated in the BVI on January 2, 2015. For further information, please refer to the paragraph headed “— [REDACTED] Investments — Background information of the [REDACTED] investors” in this section;
 - f. 1.47% by SO Artemis Limited, which is a limited liability company incorporated in the BVI on April 25, 2018. For further information, please refer to the paragraph headed “— [REDACTED] Investments — Background information of the [REDACTED] investors” in this section;
 - g. 1.39% by Perfect Nova Development Limited, a company limited by shares incorporated in the BVI on April 6, 2018 and an investment holding company solely for the purpose of holding our Shares. Perfect Nova Development Limited became a Shareholder in September 2020. To the best knowledge of our Directors, as of the Latest Practicable Date, Perfect Nova Development Limited was an Independent Third Party and its ultimate beneficial owner was Ms. Hui Yin Ching; and
 - h. 1.11% by Mighty Dream Limited, a company limited by shares incorporated in the BVI on September 8, 2020 and an investment holding company solely for the purpose of holding our Shares. Mighty Dream Limited became a Shareholder in September 2020. To the best knowledge of our Directors, as of the Latest Practicable Date, Mighty Dream Limited was an Independent Third Party and its sole shareholder was Mr. Xu Xiao Ping.
- (4) Through entering into a series of contractual arrangements, our Group had effective control over the financial and operational matters of Nanjing Xiaowen and are entitled to all the economic benefits derived from Nanjing Xiaowen.
 - (5) Through entering into a series of contractual arrangements, our Group had effective control over the financial and operational matters of Beijing Xiaowen and are entitled to all the economic benefits derived from Beijing Xiaowen.
 - (6) Through entering into a series of contractual arrangements, our Group had effective control over the financial and operational matters of Shanghai Yushanzhi and are entitled to all the economic benefits derived from Shanghai Yushanzhi. Shanghai Yushanzhi was owned as to 85.71%, 4.76%, 4.76% and 4.76% by Dr. Li, Ms. Li, Dr. Lei and Mr. Cong Zhiwei (叢志偉), respectively.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

1. Termination of historical contractual arrangements with Beijing Xiaowen

Our Group initially intended to produce some online tutorial videos for promoting our AIGC solutions. This may fall within the scope of the production and operation of radio and television programs, and may require the Radio and Television Program Production License (廣播電視節目製作許可證) and foreign investment on this is prohibited according to the Negative List. The Group also initially intended to hold some online services to assist users in generating AI content, in which the Value-added Telecommunication License for Internet Information Service (增值電信業務經營許可證) (“**ICP License**”) may be required. According to the Negative List and the Telecommunications Regulations of the PRC (《中華人民共和國電信條例》), the provision of value-added telecommunications services falls within the restricted industries and the percentage of foreign ownership cannot exceed 50% (except for e-commerce, domestic multi-party communications, store-and-forward and call centers). In order to comply with the PRC laws and regulations and maintain an effective control over the operation of such business, our Group entered into a series of contractual arrangements with Beijing Xiaowen in 2021. Pursuant to the contractual arrangements, our Group had effective control over the financial and operational matters of Beijing Xiaowen and was entitled to all the economic benefits derived from Beijing Xiaowen, and accordingly, Beijing Xiaowen, together with its subsidiaries, were consolidated into our Group as variable interest entities. Beijing Xiaowen was principally engaged in (i) the provision of operation and promotion agency services on applications and online platforms (“**Operation and Promotion Business**”) and (ii) AIGC-related business, which was in relation to Moyin Workshop, such as the sales of Moyin Workshop’s products. To streamline our Group’s business coverage into the provision of AI Software Solutions and Smart Devices and Other Accessories, our Group terminated the aforesaid contractual arrangements with Beijing Xiaowen in May 2023. As a result of the foregoing, (i) Beijing Xiaowen and its subsidiaries were deconsolidated from our Group and (ii) the Operation and Promotion Business was detached from our Group, whereas the AIGC-related business segment of Beijing Xiaowen was retained in our Group after the termination. Beijing Xiaowen had transferred the IP rights to our Group, of which the consideration was nil, as those were originally belonged to our Group. Beijing Xiaowen had also transferred certain assets and equipment and personnel to our Group, while some of which were retained by Beijing Xiaowen so as to fulfil its daily business operations and functions. Nevertheless, Beijing Xiaowen shall provide the relevant services operated by the aforementioned detached business to our Group by way of a continuing connected transaction entered into between our Group and Beijing Xiaowen. For details, please refer to the section headed “Connected Transaction” in this document. The financial compensation received by our Group for derecognising all the economic benefits derived from Beijing Xiaowen after the termination of the aforesaid contractual arrangements was RMB100,000, which was determined after arm’s length negotiations between the parties on normal commercial terms and after taking into account a

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

number of factors, including the financial performance and business outlook of Beijing Xiaowen. Subsequently in May 2023, our Group entered into a service agreement with Beijing Xiaowen, the details of which are set out in the section headed “Connected Transaction” in this document.

The Operation and Promotion Business which had been detached from our Group supported our Group’s sales of AIGC solutions and was not a separate major line of business or geographical area of operations. The deconsolidation of Beijing Xiaowen in May 2023 was not be presented as a discontinued operation in our Group’s consolidated financial statements for the year ended December 31, 2023.

The table below sets forth the financial information recorded by Beijing Xiaowen (including both the Operation and Promotion Business and the AIGC-related business) for the periods indicated:

	For the year ended December 31,		For the period from January 1, 2023 to May 17, 2023 (the “Disposal Date”)
	2021	2022	
	<i>RMB’000</i>	<i>RMB’000</i>	<i>RMB’000</i>
Revenue	6	25,534	26,453
Gross (loss)/profit	6	10,449	26,210
Net (loss)/profit	(12,469)	(5,404)	43,249

During the Track Record Period and immediately prior to the deconsolidation, Beijing Xiaowen did not conduct any business with external customers under the Operation and Promotion Business. Beijing Xiaowen had commenced the AIGC-related business and recorded substantial revenue since 2022, with the AIGC-related business having generated revenue of RMB25.5 million in 2022 and RMB26.5 million in 2023 up to the Disposal Date, respectively. Beijing Xiaowen recorded a net loss in each of 2021 and 2022 primarily due to the overhead and staff costs of the Group recorded under Beijing Xiaowen. Beijing Xiaowen had a net profit of RMB43.2 million in 2023, partially due to recharges made by our Group prior to the Disposal Date to compensate Beijing Xiaowen for certain historical costs and liabilities borne by Beijing Xiaowen. As these recharges were completed prior to the deconsolidation, the transactions among the companies within the Group were fully eliminated.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

To the best of the knowledge of our Directors, our Directors confirm that (i) the deconsolidation of Beijing Xiaowen from our Group did not have any material impact on the business and financial position of our Group; and (ii) Beijing Xiaowen did not have any material non-compliance during the Track Record Period prior to the termination of contractual arrangements.

2. Termination of historical contractual arrangements with Nanjing Xiaowen, capital increase and transfer of equity interest in Nanjing Xiaowen

Prior to the establishment of contractual arrangements with Nanjing Xiaowen, as our Group intended to do live-streaming related business to advertise our AIGC solutions which we thought it may fall within the scope of “Internet cultural activities” under the Provisional Regulations on the Administration of Internet Culture (《互聯網文化管理暫行規定》) and other relevant regulations, our Group entered into a series of contractual arrangements with Nanjing Xiaowen. Pursuant to the contractual arrangements, our Group had effective control over the financial and operational matters of Nanjing Xiaowen and was entitled to all the economic benefits derived from Nanjing Xiaowen. Accordingly, Nanjing Xiaowen was consolidated into our Group as a variable interest entity. However, our Group subsequently changed its business plan and engaged with some anchors to advertise our AIGC solutions which did not involve the engagement of commercial Internet cultural activities or products, nor will commercial Internet cultural activities be engaged in the future which would fall under the “restricted” or “prohibited” scope in the Negative List. Since the entry into the contractual arrangements with Nanjing Xiaowen by our Group, there had been no operating activities that were foreign “restricted” or “prohibited” under the Negative List and the said contractual arrangements were therefore unnecessary.

Nanjing Xiaowen was established and owned as to 75% by Ms. Li and 25% by Mobvoi IT. In May 2023, Ms. Li Qinying (李欽盈), a Hong Kong permanent resident, subscribed for a registered capital of RMB110,000 in Nanjing Xiaowen, representing approximately 5.21% of the enlarged registered capital of Nanjing Xiaowen. As a result of the aforesaid capital increase, Nanjing Xiaowen has become a sino-foreign joint venture limited company. The aforesaid increase in capital was duly completed on May 15, 2023.

In May 2023, Mobvoi IT entered into an equity transfer agreement with Ms. Li and Ms. Li Qinying, pursuant to which (i) Mobvoi IT acquired 71.09% of the equity interest in Nanjing Xiaowen from Ms. Li at a consideration of RMB1.5 million; and (2) Mobvoi IT acquired 5.21% of the equity interest in Nanjing Xiaowen from Ms. Li Qinying at nil consideration. The consideration was determined based on the amount of paid-up capital contributed by the respective former shareholders of Nanjing Xiaowen and the transfer was duly completed on May 16, 2023.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

In May 2023, Mobvoi Innovation entered into an equity transfer agreement with Mobvoi IT, pursuant to which Mobvoi Innovation acquired the entire equity interest in Nanjing Xiaowen from Mobvoi IT at a consideration of RMB1.5 million. The transfer was duly completed on May 17, 2023 and the consideration was fully settled on May 18, 2023.

As a result of the above transfers, the aforesaid contractual arrangements were terminated and Nanjing Xiaowen has become an indirectly wholly-owned subsidiary of our Company.

The following table sets forth the financial information of Nanjing Xiaowen for the years indicated:

	For the year ended December 31,		
	2021	2022	2023
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	—	32	973
Gross (loss)/profit	(1)	(100)	663
Net loss.	(341)	(1,320)	(159)

3. Transfer of equity interest in Shanghai Yushanzhi and termination of historical contractual arrangements with Shanghai Yushanzhi

Our Group initially intended to use Shanghai Yushanzhi for operating our Group’s websites and holding some online services to assist users in generating AI content which may require an ICP License. As this activity will fall under the value-added telecommunication services that are “restricted” under the Negative List, our Group entered into a series of contractual arrangements with Shanghai Yushanzhi, pursuant to which our Group had effective control over the financial and operational matters of Shanghai Yushanzhi and was entitled to all the economic benefits derived from Shanghai Yushanzhi. Accordingly, Shanghai Yushanzhi was consolidated into our Group as a variable interest entity. However, as our Group changed its business plan afterwards, there had been no operating activities at all since the entry of the contractual arrangements with Shanghai Yushanzhi and the said contractual arrangements were unnecessary.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Prior to the Reorganization, Shanghai Yushanzhi was owned as to 85.71%, 4.76%, 4.76% and 4.76% by Dr. Li, Ms. Li, Dr. Lei and Mr. Cong Zhiwei (叢志偉), respectively. Pursuant to an equity transfer agreement dated November 30, 2022 entered into by and among Shanghai Mobvoi, Dr. Li, Ms. Li, Dr. Lei and Mr. Cong Zhiwei, Shanghai Mobvoi acquired the entire equity interest in Shanghai Yushanzhi at nil consideration. The consideration was determined after arms’ length negotiations between the parties. The transfer was duly completed on March 27, 2023.

As a result of the above transfer, the aforesaid contractual arrangements were terminated and Shanghai Yushanzhi has become an indirectly wholly-owned subsidiary of our Company.

The following table sets forth the financial information of Shanghai Yushanzhi for the years indicated:

	For the year ended December 31,		
	2021	2022	2023
	RMB’000	RMB’000	RMB’000
Revenue	—	1,097	—
Gross profit.	—	1,097	—
Net (loss)/profit.	2	711	—

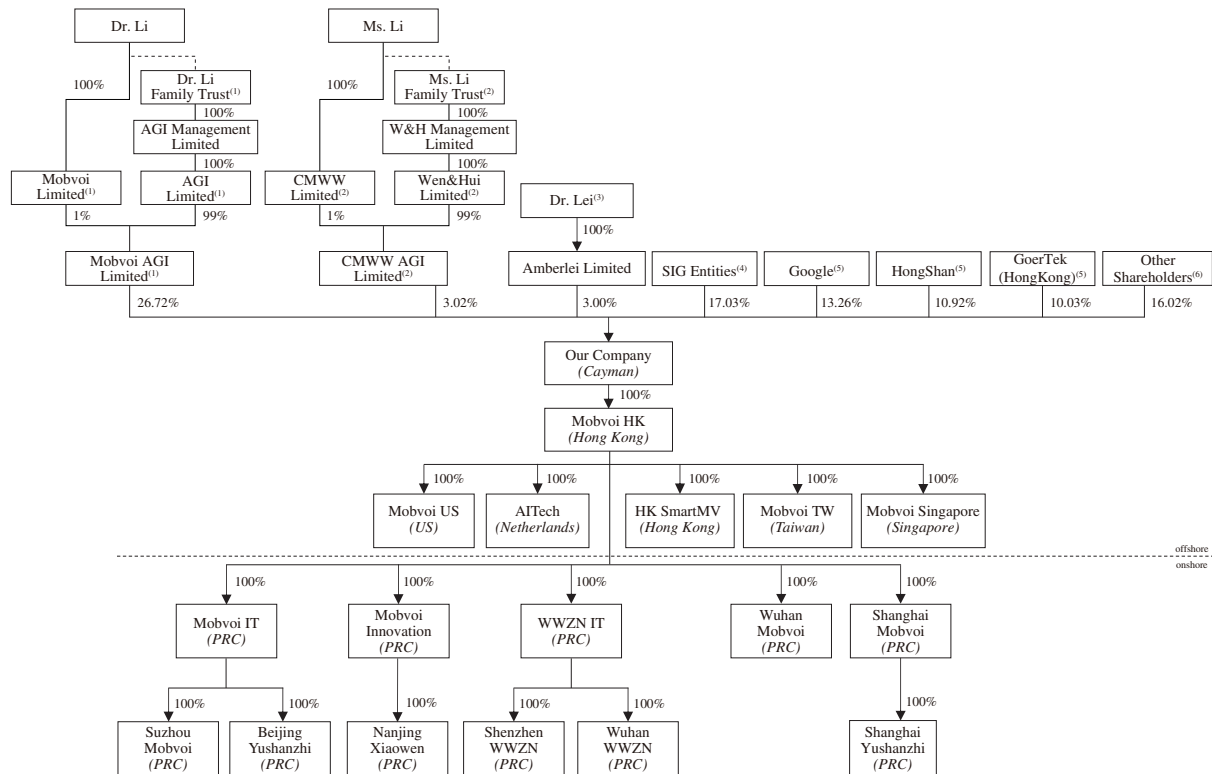
4. Establishment of Dr. Li Family Trust and Ms. Li Family Trust

On October 19, 2023, each of Dr. Li Family Trust and Ms. Li Family Trust was established as a discretionary trust, with Dr. Li as the settlor and protector of Dr. Li Family Trust and Ms. Li as the settlor and protector of Ms. Li Family Trust. The beneficiary of Dr. Li Family Trust is Mobvoi Limited. The beneficiary of Ms. Li Family Trust is CMWW Limited. The establishment of the family trusts is for each of Dr. Li’s and Ms. Li’s estate planning purposes. Suntera Corporate Trustees (Hong Kong) Limited is the trustee of each of Dr. Li Family Trust and Ms. Li Family Trust.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

CORPORATE STRUCTURE OF OUR GROUP IMMEDIATELY UPON COMPLETION OF THE REORGANIZATION

The following diagram illustrates the shareholding structure of our Company immediately after the Reorganization but prior to the completion of the [REDACTED]:



Notes:

- (1) Dr. Li Family Trust is a discretionary trust established by Dr. Li as the settlor and protector, with Mobvoi Limited as the beneficiary. AGI Limited is wholly owned by AGI Management Limited, which is entirely held by Suntera Corporate Trustees (Hong Kong) Limited, the trustee of Dr. Li Family Trust.
- (2) Ms. Li Family Trust is a discretionary trust established by Ms. Li as the settlor and protector, with CMWW Limited as the beneficiary. Wen&Hui Limited is wholly owned by W&H Management Limited, which is entirely held by Suntera Corporate Trustees (Hong Kong) Limited, the trustee of Ms. Li Family Trust.
- (3) Dr. Li, Ms. Li and Dr. Lei have been acting in concert with each other since December 1, 2019.
- (4) Each of SIG I and SIG III is a Delaware limited liability limited partnership. SIG I was established on January 10, 2018. SIG III was incorporated on January 10, 2012. As of the Latest Practicable Date, SIG Pacific Holdings, LLLP was the limited partner holding 80% of the partnership interest in each of SIG I and SIG III. SIG China Investments GP, LLC was the general partner holding 20% of the partnership interest in each of SIG I and SIG III. SIG Asia Investment, LLLP, a Delaware limited liability limited partnership, is the investment manager of both SIG

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

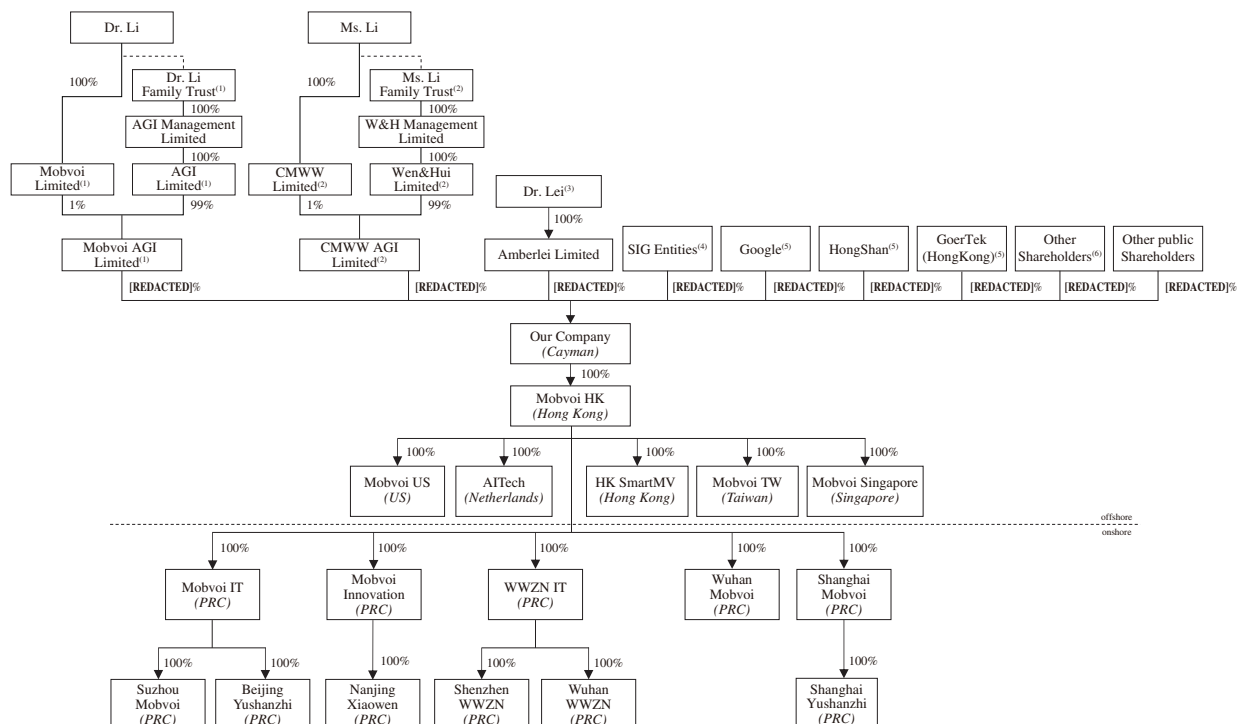
I and SIG III. Heights Capital Management, Inc., a Delaware Corporation, is the investment manager of SIG Asia Investment, LLLP. Each of SIG I, SIG III, SIG Pacific Holdings, LLLP and SIG China Investments GP, LLC is ultimately beneficially owned by Mr. Jeffrey Yass, an Independent Third Party who is a US citizen.

- (5) For further information, please refer to the paragraph headed “— [REDACTED] Investments — Background information of the [REDACTED] investors” in this section.
- (6) Other Shareholders comprise the following:
- a. 3.07% by Zhen Partners, which is a limited partnership established in the Cayman Islands on December 14, 2011. For further information, please refer to the paragraph headed “— [REDACTED] Investments — Background information of the [REDACTED] investors” in this section;
 - b. 2.93% by GWC Robotic Investment Limited, which is a limited liability company incorporated in the BVI on December 22, 2017. For further information, please refer to the paragraph headed “— [REDACTED] Investments — Background information of the [REDACTED] investors” in this section;
 - c. 2.47% by Elite Concept Holdings Limited, a British Virgin Islands company, which is wholly owned by New Oriental Education & Technology Group Inc., a NYSE-listed company. Elite Concept Holdings Limited became a Shareholder in September 2020. To the best knowledge of our Directors, as of the Latest Practicable Date, Elite Concept Holdings Limited was an Independent Third Party and its ultimate beneficial owner was Mr. Yu Minhong;
 - d. 1.79% by Skyteam Resources Limited, which is a limited liability company incorporated in the BVI on January 2, 2015. For further information, please refer to the paragraph headed “— [REDACTED] Investments — Background information of the [REDACTED] investors” in this section;
 - e. 1.79% by Everon Resources Limited, which is a limited liability company incorporated in the BVI on January 2, 2015. For further information, please refer to the paragraph headed “— [REDACTED] Investments — Background information of the [REDACTED] investors” in this section;
 - f. 1.47% by SO Artemis Limited, which is a limited liability company incorporated in the BVI on April 25, 2018. For further information, please refer to the paragraph headed “— [REDACTED] Investments — Background information of the [REDACTED] investors” in this section;
 - g. 1.39% by Perfect Nova Development Limited, a company limited by shares incorporated in the BVI on April 6, 2018 and an investment holding company solely for the purpose of holding our Shares. Perfect Nova Development Limited became a Shareholder in September 2020. To the best knowledge of our Directors, as of the Latest Practicable Date, Perfect Nova Development Limited was an Independent Third Party and its ultimate beneficial owner was Ms. Hui Yin Ching; and
 - h. 1.11% by Mighty Dream Limited, a company limited by shares incorporated in the BVI on September 8, 2020 and an investment holding company solely for the purpose of holding our Shares. Mighty Dream Limited became a Shareholder in September 2020. To the best knowledge of our Directors, as of the Latest Practicable Date, Mighty Dream Limited was an Independent Third Party and its sole shareholder was Mr. Xu Xiao Ping.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

CORPORATE STRUCTURE OF OUR GROUP IMMEDIATELY UPON COMPLETION OF THE [REDACTED] (ASSUMING (I) THE [REDACTED] IS NOT EXERCISED; AND (II) EACH PREFERRED SHARE IS CONVERTED INTO ONE SHARE, WITHOUT TAKING INTO ACCOUNT ANY SHARES THAT MAY BE ISSUED UNDER THE [REDACTED] SHARE OPTION SCHEME)

The following diagram illustrates the shareholding structure of our Company immediately after the [REDACTED], assuming (i) the [REDACTED] is not exercised; and (ii) each Preferred Share is converted into one Share, without taking into account any Shares that may be issued under the [REDACTED] Share Option Scheme:



Notes:

- (1) Dr. Li Family Trust is a discretionary trust established by Dr. Li as the settlor and protector, with Mobvoi Limited as the beneficiary. AGI Limited is wholly owned by AGI Management Limited, which is entirely held by Suntera Corporate Trustees (Hong Kong) Limited, the trustee of Dr. Li Family Trust.
- (2) Ms. Li Family Trust is a discretionary trust established by Ms. Li as the settlor and protector, with CMWW Limited as the beneficiary. Wen&Hui Limited is wholly owned by W&H Management Limited, which is entirely held by Suntera Corporate Trustees (Hong Kong) Limited, the trustee of Ms. Li Family Trust.
- (3) Dr. Li, Ms. Li and Dr. Lei have been acting in concert with each other since December 1, 2019.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

- (4) Each of SIG I and SIG III is a Delaware limited liability limited partnership. SIG I was established on January 10, 2018. SIG III was incorporated on January 10, 2012. As of the Latest Practicable Date, SIG Pacific Holdings, LLLP was the limited partner holding 80% of the partnership interest in each of SIG I and SIG III. SIG China Investments GP, LLC was the general partner holding 20% of the partnership interest in each of SIG I and SIG III. SIG Asia Investment, LLLP, a Delaware limited liability limited partnership, is the investment manager of both SIG I and SIG III. Heights Capital Management, Inc., a Delaware Corporation, is the investment manager of SIG Asia Investment, LLLP. Each of SIG I, SIG III, SIG Pacific Holdings, LLLP and SIG China Investments GP, LLC is ultimately beneficially owned by Mr. Jeffrey Yass, an Independent Third Party who is a US citizen.
- (5) For further information, please refer to the paragraph headed “— [REDACTED] Investments — Background information of the [REDACTED] investors” in this section.
- (6) Other Shareholders comprise the following:
- a. [REDACTED] by Zhen Partners, which is a limited partnership established in the Cayman Islands on December 14, 2011. For further information, please refer to the paragraph headed “— [REDACTED] Investments — Background information of the [REDACTED] investors” in this section;
 - b. [REDACTED] by GWC Robotic Investment Limited, which is a limited liability company incorporated in the BVI on December 22, 2017. For further information, please refer to the paragraph headed “— [REDACTED] Investments — Background information of the [REDACTED] investors” in this section;
 - c. [REDACTED] by Elite Concept Holdings Limited, a British Virgin Islands company, which is wholly owned by New Oriental Education & Technology Group Inc., a NYSE-listed company. Elite Concept Holdings Limited became a Shareholder in September 2020. To the best knowledge of our Directors, as of the Latest Practicable Date, Elite Concept Holdings Limited was an Independent Third Party and its ultimate beneficial owner was Mr. Yu Minhong;
 - d. [REDACTED] by Skyteam Resources Limited, which is a limited liability company incorporated in the BVI on January 2, 2015. For further information, please refer to the paragraph headed “— [REDACTED] Investments — Background information of the [REDACTED] investors” in this section;
 - e. [REDACTED] by Everon Resources Limited, which is a limited liability company incorporated in the BVI on January 2, 2015. For further information, please refer to the paragraph headed “— [REDACTED] Investments — Background information of the [REDACTED] investors” in this section;
 - f. [REDACTED] by SO Artemis Limited, which is a limited liability company incorporated in the BVI on April 25, 2018. For further information, please refer to the paragraph headed “— [REDACTED] Investments — Background information of the [REDACTED] investors” in this section;
 - g. [REDACTED] by Perfect Nova Development Limited, a company limited by shares incorporated in the BVI on April 6, 2018 and an investment holding company solely for the purpose of holding our Shares. Perfect Nova Development Limited became a Shareholder in September 2020. To the best knowledge of our Directors, as of the Latest Practicable Date, Perfect Nova Development Limited was an Independent Third Party and its ultimate beneficial owner was Ms. Hui Yin Ching; and
 - h. [REDACTED] by Mighty Dream Limited, a company limited by shares incorporated in the BVI on September 8, 2020 and an investment holding company solely for the purpose of holding our Shares. Mighty Dream Limited became a Shareholder in September 2020. To the best knowledge of our Directors, as of the Latest Practicable Date, Mighty Dream Limited was an Independent Third Party and its sole shareholder was Mr. Xu Xiao Ping.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

CAPITALIZATION

The below table summarizes the capitalization of our Company as of the Latest Practicable Date and immediately after the [REDACTED] (assuming (i) the [REDACTED] is not exercised; and (ii) each Preferred Share is converted into one Share, without taking into account any Shares that may be issued under the [REDACTED] Share Option Scheme):

Shareholders	As of the Latest Practicable Date ^(Note 1)										Immediately upon completion of the [REDACTED]								
	Ordinary Shares	Series A		Series A-1		Series A-2		Series B		Series C		Series D-1		Series D-2		Aggregate number of Shares	Aggregate ownership percentage	Aggregate number of Shares	Aggregate ownership percentage
		Preferred Shares	Preferred Shares	Preferred Shares	Preferred Shares	Preferred Shares	Preferred Shares	Preferred Shares	Preferred Shares	Preferred Shares	Preferred Shares	Preferred Shares	Preferred Shares	Preferred Shares	Preferred Shares				
Mobvoi AGI Limited	375,862,577	—	—	—	—	—	—	—	—	—	—	—	—	—	—	375,862,577	26.72	[REDACTED]	[REDACTED]
CMWW AGI Limited	42,505,195	—	—	—	—	—	—	—	—	—	—	—	—	—	—	42,505,195	3.02	[REDACTED]	[REDACTED]
Amberlei Limited	42,276,005	—	—	—	—	—	—	—	—	—	—	—	—	—	—	42,276,005	3.00	[REDACTED]	[REDACTED]
Perfect Nova Development Limited	19,580,518	—	—	—	—	—	—	—	—	—	—	—	—	—	—	19,580,518	1.39	[REDACTED]	[REDACTED]
Elite Concept Holdings Limited	34,697,725	—	—	—	—	—	—	—	—	—	—	—	—	—	—	34,697,725	2.47	[REDACTED]	[REDACTED]
SIG Entities	95,898,368	—	—	—	—	143,715,400	—	—	—	—	—	—	—	—	—	239,613,768	17.03	[REDACTED]	[REDACTED]
Mighty Dream Limited	15,637,946	—	—	—	—	—	—	—	—	—	—	—	—	—	—	15,637,946	1.11	[REDACTED]	[REDACTED]
HSG CV IV Holdco, Ltd.	—	—	—	—	—	53,889,580	—	—	—	—	—	—	—	—	—	53,889,580	10.92	[REDACTED]	[REDACTED]
Zhen Partners Fund I, L.P.	—	—	—	—	—	10,778,520	—	—	—	—	—	—	—	—	—	43,113,580	3.07	[REDACTED]	[REDACTED]
GWC Robotics Investment Limited	—	—	—	—	—	41,254,185	—	—	—	—	—	—	—	—	—	41,254,185	2.93	[REDACTED]	[REDACTED]
SO Artemis Limited	—	—	—	—	—	20,627,092	—	—	—	—	—	—	—	—	—	20,627,092	1.47	[REDACTED]	[REDACTED]
Skyteam Resources Limited	—	—	—	—	—	—	25,213,220	—	—	—	—	—	—	—	—	25,213,220	1.79	[REDACTED]	[REDACTED]
Everon Resources Limited	—	—	—	—	—	—	25,213,220	—	—	—	—	—	—	—	—	25,213,220	1.79	[REDACTED]	[REDACTED]
Goetrek (HongKong) Co., Limited	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	141,053,024	10.03	[REDACTED]	[REDACTED]
Google Ireland Holdings Unlimited Company	—	—	—	—	—	—	—	—	—	182,740,760	—	—	—	—	—	186,593,844	13.26	[REDACTED]	[REDACTED]
Other public Shareholders	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	[REDACTED]	[REDACTED]
Total	626,458,334	194,010,340	208,383,500	50,426,440	141,053,024	182,740,760	3,853,084	—	—	—	—	—	—	—	—	1,406,925,482	100.00	[REDACTED]	[REDACTED]

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Notes:

1. Each Series A Preferred Share, Series A-1 Preferred Share, Series A-2 Preferred Share, Series B Preferred Share, Series C Preferred Share, Series D-1 Preferred Share and Series D-2 Preferred Share shall be converted into one ordinary Share with effect from the [REDACTED].
2. 288,779,294 Series D-1 Preferred Shares were repurchased by our Company on September 28, 2022.
3. Based on the assumption that all of the Preferred Shares are converted into ordinary Shares on the basis set out in note (1) above.
4. Assuming (i) the [REDACTED] is not exercised; and (ii) each Preferred Share is converted into one Share, without taking into account any Shares that may be issued under the [REDACTED] Share Option Scheme.

[REDACTED] INVESTMENTS

Principal terms

The table below summarizes the principal terms of the [REDACTED] investments:

	Series A	Series A-1 <i>(Notes 1 and 2)</i>	Series A-2	Series B	Series C	Series D-1 <i>(Note 3)</i>	Series D-2
Date of investment agreement(s) . . .	February 8, 2013	December 6, 2013	January 29, 2015	July 24, 2015	October 19, 2015	March 30, 2017	September 22, 2019
Amount of consideration paid (US\$) . . .	1,620,000	8,156,100	6,000,000	20,000,000	40,000,000	140,000,000	16,867,971.27
Basis of consideration . . .	The consideration for the [REDACTED] investments received by us were determined based on arm’s length negotiations between the Company and the relevant [REDACTED] investors after taking into consideration the timing of the investments and the status of our business and operating entities.						
Date on which investment was settled	March 15, 2013	December 13, 2013	February 2, 2015	July 29, 2015	October 20, 2015	June 7, 2017	September 27, 2019
Approximate investment cost per Share (US\$)	0.0084	0.0391	0.1190	0.1418	0.2189	0.4848	0.4848
Discount to the [REDACTED] price^(Note 4) . . .	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

	Series A	Series A-1 <i>(Notes 1 and 2)</i>	Series A-2	Series B	Series C	Series D-1 <i>(Note 3)</i>	Series D-2
Post-money valuation of our Company (US\$) <i>(Note 5)</i>	5,099,999.94	34,152,940.34	101,472,990.76	150,820,542.21	272,829,211.83	744,266,181.63	756,689,245.74

Approximate shareholding in our Company immediately following the completion of the [REDACTED]
(Note 6)

	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
--	------------	------------	------------	------------	------------	------------	------------

Lock-up [Each of our [REDACTED] investors has entered into a deed of lock-up undertaking in favor of the [REDACTED] and the [REDACTED] (for themselves and on behalf of the [REDACTED]) respectively, pursuant to which each of the [REDACTED] investors agrees whether directly or indirectly, at any time during the period of six months from the [REDACTED], not to dispose of any of the Shares it held. For further information about the aforementioned lock-up arrangements, see “[REDACTED] — [REDACTED] Arrangements and Expenses — [REDACTED] — [•]”.]

Special rights All of our [REDACTED] investors were as of the Latest Practicable Date bound by the terms of the existing articles of association of our Company, which will be replaced by our Articles effective upon completion of the [REDACTED]. Pursuant to our existing Articles and the amended and restated members’ agreement entered into, among others, by the [REDACTED] investors and the Company as amended from time to time, certain special rights were granted to holders of the Preferred Shares, including, among others, redemption rights (the “**Redemption Rights**”), preemptive rights, conversion rights, information and inspection rights and rights to appoint directors to the Board, which were effective as of the Latest Practicable Date. In May 2023, all of our [REDACTED] investors executed a waiver and confirmation (the “**Waiver and Confirmation**”), pursuant to which, among others, each of the [REDACTED] investors irrevocably and unconditionally agrees that the Redemption Rights and any other divestment rights granted to the [REDACTED] investors shall be suspended when the Company files its [REDACTED] (subject to certain circumstances). Immediately before the completion of the [REDACTED], the aforesaid members’ agreement will be terminated and all the Preferred Shares held by our [REDACTED] investors will be converted into our Shares, such that all special rights will be terminated in compliance with Chapter 4.2 of the Guide for New [REDACTED] Applicants issued by the Stock Exchange in December 2023.

[REDACTED] We utilized the [REDACTED] for the principal business of our Group as approved by the Board, including, but not limited to, research and development activities, the growth and expansion of our Company’s business and general working capital purposes in accordance with the budget approved by the Board. As of the Latest Practicable Date, all of the [REDACTED] from the [REDACTED] investments had been utilized for the aforementioned purposes.

Strategic benefits to our Company We are of the view that our Company can benefit from the investments by the [REDACTED] investors as their investments demonstrated their confidence in our Group’s operations and served as an endorsement of our Company’s performance and strengths. Our Company is also of the view that the [REDACTED] investors have good presence in our industry which can provide us with professional insights and advice on our Group’s development and can help us achieve business synergies through enhanced business cooperation.

Notes:

1. The Series A-1 [REDACTED] investments were comprised of subscription of new Shares and transfer of Shares from the Company’s Shareholders.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

2. Pursuant to a share purchase agreement dated September 3, 2018, HongShan transferred 41,254,185 Series A Preferred Shares and 20,627,092 Series A Preferred Shares to GWC Robotics Investment Limited and So Artemis Limited, respectively, at a consideration of US\$20,250,000 and US\$10,125,000, respectively. The aforesaid transfers were completed and the consideration was fully settled on September 14, 2018.
3. All the 288,779,294 Series D-1 Preferred Shares were repurchased by our Company on September 28, 2022.
4. Calculated on the basis of (1) the [REDACTED] of [REDACTED], the mid-point of the proposed range of the [REDACTED]; and (2) the exchange rate of USD1: HKD7.82.
5. The post-money valuation figures are equal to the total consideration paid by the [REDACTED] investors in each round divided by the shareholding percentage held by them immediately following their respective round of investment.
6. Please refer to the paragraph headed “— Capitalization” in this section for further details.

Background information of the [REDACTED] investors

Set out below are descriptions of certain of the [REDACTED] investors:

SIG III

SIG III is a Delaware limited liability limited partnership established on January 10, 2012. As of the Latest Practicable Date, SIG Pacific Holdings, LLLP was the limited partner holding 80% of the partnership interest in SIG III and SIG China Investments GP, LLC was the general partner holding 20% of the partnership interest in SIG III. SIG Asia Investment, LLLP, a Delaware limited liability limited partnership, was the investment manager of SIG III. The general partner is not involved in the daily operations of SIG III, while the investment manager is vested with the power to identify, select, negotiate, consummate, monitor and liquidate investment opportunities on behalf of SIG III. Heights Capital Management, Inc., a Delaware corporation, is the investment manager of SIG Asia Investment, LLLP. As of the Latest Practicable Date, each of SIG III, SIG Pacific Holdings, LLLP and SIG China Investments GP, LLC was ultimately beneficially owned by Mr. Jeffrey Yass, an Independent Third Party who is a US citizen.

Google

As of the Latest Practicable Date, Google was a wholly-owned indirect subsidiary of Alphabet Inc., a company listed on NASDAQ (stock code: GOOGL).

HongShan

HongShan is an exempted company with limited liability incorporated under the laws of the Cayman Islands on June 14, 2012. As of the Latest Practicable Date, HongShan was wholly owned by HSG CV IV Senior Holdco, Ltd., which was wholly owned by HongShan Capital Venture Fund

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

IV, L.P. None of the limited partners of HongShan Capital Venture Fund IV, L.P. has more than 30% of partnership interest in HongShan Capital Venture Fund IV, L.P. The general partner of HongShan Capital Venture Fund IV, L.P. is HSG Venture IV Management, L.P., the general partner of which is HSG Holding Limited. HSG Holding Limited is wholly owned by SNP China Enterprises Limited, which is in turn wholly owned by Mr. Neil Nanpeng Shen, an Independent Third Party.

GoerTek (HongKong)

GoerTek (HongKong) is a limited liability company incorporated in Hong Kong on April 24, 2013. As of the Latest Practicable Date, GoerTek (HongKong) was solely owned by Weifang Goertek Trading Co., Ltd., which was a wholly-owned subsidiary of Goertek Inc., a company listed on the Shenzhen Stock Exchange (stock code: 002241). To the best knowledge of our Directors, each of Weifang Goertek Trading Co., Ltd. and Goertek Inc. is an Independent Third Party.

GWC Robotic Investment Limited (“GWC”)

GWC is a limited liability company incorporated in the BVI on December 22, 2017. GWC is an investment holding company. As of the Latest Practicable Date, GWC was solely owned by Digital Growth Fund SPC. Digital Growth Fund SPC is a company incorporated under the Cayman Companies Act as an exempted segregated portfolio company. APLUS Investment Management Company Limited, an entity registered with Cayman Islands Monetary Authority, is the sole holder of management shares. The ultimate beneficial owner of APLUS Investment Management Company Limited is Ms. Tang Yuk Fan, an Independent Third Party.

SO Artemis Limited (“SO Artemis”)

SO Artemis is a limited liability company incorporated in the BVI on April 25, 2018. SO Artemis is an investment holding company. As of the Latest Practicable Date, SO Artemis was owned as to 13.86% by CIS Securities Asset Management Limited, 11.14% by Mr. Zhang Li Kun, 9.4% by WE Enterprise Pre-IPO Fund, 9.4% by WE Financial Holding Group Limited, 7.42% by Mr. Zhang Hong, 7.42% by Mr. Wu Xinwu, 2.83% by SO Orpheus Limited, 1.88% Element Global Investment Limited and 36.65% by 19 individuals. To the best knowledge of our Directors, each of CIS Securities Asset Management Limited, WE Enterprise Pre-IPO Fund, WE Financial Holding Group Limited, SO Orpheus Limited, Element Global Investment Limited and the individuals is an Independent Third Party.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Zhen Partners

Zhen Partners is a limited partnership established in the Cayman Islands on December 14, 2011, with a focus of investing in start-ups in various industries. As of the Latest Practicable Date, Zhen Partners had two limited partners, namely, Zhen International Ltd., which held 51% of the partnership interest, and HSG 2010 CV Holdco, Ltd., which held 49% of the partnership interest. Zhen International Ltd. is wholly owned by Best Love Charming Limited. Best Love Charming Limited is wholly owned by the trustee of Mr. Xu Xiao Ping’s family trust, of which he is the settlor. The general partner of Zhen Partners is Zhen Partners Management (MTGP) I, L.P., whose general partner is Zhen Partners Management (TTGP) I, Ltd. Zhen International Ltd. holds 51% equity interest in Zhen Partners Management (TTGP) I, Ltd. As of the Latest Practicable Date, HSG 2010 CV Holdco, Ltd. was wholly owned by HongShan Capital Venture 2010 Fund, L.P., whose general partner is HSG Venture 2010 Management, L.P. None of the limited partners of HongShan Capital Venture 2010 Fund, L.P. has more than 30% of partnership interest in HongShan Capital Venture 2010 Fund, L.P. The general partner of HSG Venture 2010 Management, L.P. is HSG Holding Limited, which is in turn indirectly wholly owned by Mr. Neil Nanpeng Shen, an Independent Third Party.

Skyteam Resources Limited (“Skyteam”)

Skyteam is a limited liability company incorporated in the BVI on January 2, 2015. As of the Latest Practicable Date, Skyteam was solely owned by Rightone Resources Limited which was a wholly-owned subsidiary of Perfect Optronics Limited, a company listed on the GEM of the Stock Exchange (stock code: 8311). To the best knowledge of our Directors, each of Rightone Resources Limited and Perfect Optronics Limited is an Independent Third Party.

Everon Resources Limited (“Everon”)

Everon is a limited liability company incorporated in the BVI on January 2, 2015. As of the Latest Practicable Date, Everon was solely owned by Mr. Cheng Wai Tak, an Independent Third Party.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Compliance with Interim Guidance and Guidance Letters

On the basis that (i) the consideration for the [REDACTED] investments was settled more than 28 clear days before the Company filed its [REDACTED]; (ii) the Redemption Rights were automatically terminated when the Company filed its [REDACTED]; and (iii) all other special rights granted to the [REDACTED] investors have been terminated or will cease to be effective prior to the [REDACTED], the [REDACTED] are of the view that the [REDACTED] investments are in compliance with the Chapter 4.2 of the Guide for New [REDACTED] Applicants issued by the Stock Exchange in December 2023.

[REDACTED] SHARE OPTION SCHEME

Our Company adopted the [REDACTED] Share Option Scheme on October 19, 2015. The purpose of the [REDACTED] Share Option Scheme is to provide incentives to Directors and employees of the Company or any other third party that the Board considers as contributed or will contribute to the Company. The principal terms of the [REDACTED] Share Option Scheme are set out in the paragraph headed “Appendix IV — Statutory and General Information — D. Share Incentive Schemes — 1. [REDACTED] Share Option Scheme” in this document.

[REDACTED] RSU SCHEME

Our Company has conditionally adopted a [REDACTED] RSU Scheme by Shareholders’ resolutions dated March 30, 2024. The purpose of the [REDACTED] RSU Scheme is to encourage and retain such eligible persons to make contributions to the long-term growth and profits of our Group. The principal terms of the [REDACTED] RSU Scheme are set out in the section headed “Statutory and General Information — D. Share Incentive Schemes — 2. [REDACTED] RSU Scheme” in this document. As of the Latest Practicable Date, no award Shares had been granted or agreed to be granted under the [REDACTED] RSU Scheme.

PUBLIC FLOAT

Save for the Shares ultimately beneficially held by our Controlling Shareholders, to the best of our Directors’ knowledge, information and belief, the Shares held by Google, the SIG Entities and HongShan who are our substantial Shareholders and core connected persons will not be counted towards the public float of our Company for the purpose of Rule 8.08 of the Listing Rules upon the [REDACTED]. Save as disclosed above, all other Shareholders are not core connected persons of the Company. As a result, a total of [REDACTED] Shares, representing [REDACTED] of our issued share capital upon completion of the [REDACTED] (assuming (i) the [REDACTED] is not exercised; and (ii) each Preferred Share is converted into one Share, without taking into account any Shares that may be issued under the [REDACTED] Share Option Scheme) held by our other

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

existing Shareholders will be counted towards the public float. Assuming the [REDACTED] are allotted and issued to public shareholders, over 25% of the Company’s total issued Shares will be held by the public upon completion of the [REDACTED].

PRC LEGAL COMPLIANCE

Our PRC Legal Advisor confirmed that (i) the establishment of our subsidiaries in China and their subsequent shareholding changes have complied with the relevant laws and regulations in all material respects; and (ii) the Reorganization has complied with relevant applicable PRC laws and regulations in all material respects.

SAFE REGISTRATION

Pursuant to the Circular of the SAFE on Foreign Exchange Administration of Overseas Investment, Financing and Round-trip Investments Conducted by Domestic Residents through Special Purpose Vehicles (關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知) (the “**Circular 37**”), promulgated by SAFE and which became effective on July 4, 2014: (a) a PRC resident must register with the local SAFE branch before he or she contributes assets or equity interests in an overseas special purpose vehicle (the “**Overseas SPV**”) that is directly established or indirectly controlled by the PRC resident for the purpose of conducting investment or financing; and (b) following the initial registration, the PRC resident is also required to register with the local SAFE branch for any major change, in respect of the Overseas SPV, including, among other things, a change of Overseas SPV’s PRC resident shareholder(s), the name of the Overseas SPV, terms of operation, or any increase or reduction of the Overseas SPV’s capital, share transfer or swap, and merger or division. Pursuant to Circular 37, failure to comply with these registration procedures (the “**Circular 37 Registration**”) may result in penalties.

Pursuant to the Circular of the SAFE on Further Simplification and Improvement in Foreign Exchange Administration on Direct Investment (關於進一步簡化和改進直接投資外匯管理政策的通知) (the “**SAFE Circular No. 13**”), promulgated by the SAFE and 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 Advisor, as of the Latest Practicable Date, Dr. Li, Ms. Li and Dr. Lei, as one of our Controlling Shareholders, had completed the Circular 37 Registration.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

M&A RULES

On August 8, 2006, six PRC regulatory agencies, including the MOFCOM, the State Assets Supervision and Administration Commission, the State Administration of Taxation, the SAIC, the CSRC and the SAFE, jointly issued the Provisions on the Merger and Acquisition of Domestic Enterprises by Foreign Investors (關於外國投資者併購境內企業的規定) (the “**M&A Rules**”), which became effective on September 8, 2006, and was amended on June 22, 2009. 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**”). Where a domestic company, enterprise or natural person intends to acquire its/his/her related domestic company in the name of an offshore company which it/he/she lawfully established or controls, the acquisition shall be subject to the examination and approval of the MOFCOM (the “**MOFCOM Approval**”).

As advised by our PRC Legal Advisor, the Reorganization does not require the MOFCOM Approval. However, there is uncertainty as to how the M&A Rules will be interpreted or implemented and we cannot assure you that relevant PRC governmental authorities, would reach the same conclusion as our PRC Legal Advisor.