
HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

OVERVIEW

We were established in early 2010. We were established by our Founder, Lei Jun and our Co-founders, who shared the belief that innovative, high quality, well designed technology products and services should be accessible to the world's population. Lei Jun has nearly thirty years of experience as a computer engineer and renowned angel investor in the technology industry, and our Co-founders are all engineers or designers with decades of hardware and software development experience. Our Founder and Co-founders self-funded the establishment of our Group.

BUSINESS MILESTONES

The following is a summary of our key business development milestones since our inception in 2010:

Year	Event
2012	Annual sales exceeded US\$1 billion (two years after inception)
2014	Number one smartphone company in mainland China by unit shipments, according to IDC (three years after launching our first smartphone)
2014	Annual sales exceeded US\$10 billion, four years after inception, which is the fastest in history, according to iResearch
2015	MIUI MAUs exceeded 100 million
2017	The world's largest consumer IoT platform in terms of the number of connected devices (excluding smartphones and laptops), according to iResearch
2017	Number one smartphone company in India by unit shipments in the fourth quarter of 2017, according to IDC (three and a half years after officially entering the India market)
2017	Fastest growing internet company and second fastest growing company globally, as measured by organic revenue growth compared to publicly-listed profitable companies with revenue of over RMB100 billion in 2017, according to iResearch

MAJOR SUBSIDIARIES AND CONSOLIDATED AFFILIATED ENTITIES

The principal business activities and date of establishment and commencement of business of each member of our Group that made a material contribution to our results of operations during the Track Record Period are shown below:

Name of entity	Principal business activities	Date of establishment and commencement of business
Xiaomi Inc.	E-commerce business	March 3, 2010
Xiaomi HK	Wholesale and retail of smartphones and ecosystem partners' products	April 7, 2010
Xiaomi Communications	Development and sales of smartphones, sales of ecosystem partners' products and provision of customer services	August 25, 2010
Xiaomi Mobile Software	Software and hardware development and provision of software related services	May 8, 2012

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Name of entity	Principal business activities	Date of establishment and commencement of business
Zhuhai Communications	Procurement and sales of smartphones, ecosystem partners' products and spare parts, procurement of raw materials	January 25, 2013
Xiaomi India Technology	Sales of smartphones and ecosystem partners' products	October 7, 2014
Chongqing Microcredit	Internet finance and consumer loan services	June 12, 2015

MAJOR SHAREHOLDING CHANGES OF OUR COMPANY

Our Company was incorporated as an exempted company with limited liability in the Cayman Islands on January 5, 2010 with an authorized share capital of US\$50,000 divided into 50,000 ordinary shares with par value of US\$1.00 each.

Following our establishment, we effected a capital reorganization between August 17, 2010 and December 21, 2010, following which the ordinary shares in our authorized share capital were re-classified and re-designated into 162,500,000 Class A ordinary shares and 600,000,000 Class B ordinary shares, each with par value of US\$0.0001.

On August 17, 2010 and December 20, 2010, we issued a total of 162,500,000 Class A ordinary shares and a total of 57,500,000 Class B ordinary shares, with par value of US\$0.0001 each, to our Founder and Co-founders.

Between September 28, 2010 and June 22, 2012, we conducted seven rounds of pre-IPO financing resulting in the aggregate issuance of 102,500,000 Series A Preferred Shares, 70,831,503 Series B Preferred Shares, 43,023,587 Series C Preferred Shares and 13,189,777 Series D Preferred Shares (and subsequently adjusted), further details of which are set out in the section headed “—Pre-IPO Investments” in this section.

On March 14, 2014, we conducted a share split pursuant to which each share in our then issued and unissued share capital was split into four shares of the corresponding class with par value of US\$0.000025 each, following which our share capital was divided into (i) 692,215,076 Class A ordinary shares with par value US\$0.000025 each and 2,828,385,900 Class B ordinary shares with par value US\$0.000025 each, (ii) 396,000,000 Series A preferred shares with par value US\$0.000025 each, (iii) 221,498,524 Series B-1 preferred shares with par value US\$0.000025 each, (iv) 33,249,592 Series B-2 preferred shares with par value US\$0.000025 each, (v) 172,094,348 Series C preferred shares with par value US\$0.000025 each, (vi) 102,127,680 Series D preferred shares with par value US\$0.000025 each, (vii) 21,277,676 Series E-1 preferred shares with par value US\$0.000025 each, and (viii) 72,351,828 Series E-2 preferred shares with par value US\$0.000025 each.

Between August 6, 2013 and August 24, 2017, we conducted two rounds of pre-IPO financing resulting in the aggregate issuance of 72,309,188 Series E preferred shares with par value US\$0.000025 each and 57,163,141 Series F preferred shares with par value US\$0.000025 each (and subsequently adjusted), further details of which are set out in the section headed “—Pre-IPO Investments.”

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

On April 2, 2018, we issued 63,959,619 Class B ordinary shares with par value US\$0.000025 each (or 639,596,190 Class B Shares following the Share Subdivision) at par value to Smart Mobile Holdings Limited, an entity controlled by Lei Jun, to reward Lei Jun for his contributions to our Company.

For further information on the rights attached to our Class A Shares and Class B Shares, please see the section headed “Share Capital.”

Subsequent to each of the Pre-IPO financing rounds, we effected further changes to our issued share capital which are not material to the Group. For further information about the shareholding structure of the Company immediately prior to the Global Offering, please refer to the section headed “—Capitalization of the Company”.

SHARE SUBDIVISION

On June 17, 2018, we conducted a share split pursuant to which each share in our then issued and unissued share capital was split into ten shares of the corresponding class with par value of US\$0.000025 each, following which our share capital was divided into (i) 6,883,856,790 Class A Shares with par value of US\$0.000025 each and 28,012,081,370 Class B Shares with par value of US\$0.000025 each, (ii) 3,930,080,080 Series A Preferred Shares with par value of US\$0.000025 each, (iii) 2,214,985,240 Series B-1 Preferred Shares with par value of US\$0.000025 each, (iv) 330,495,920 Series B-2 Preferred Shares with par value of US\$0.000025 each, (v) 1,720,943,480 Series C Preferred Shares with par value of US\$0.000025 each, (vi) 1,021,276,800 Series D Preferred Shares with par value of US\$0.000025 each, (vii) 212,776,760 Series E-1 Preferred Shares with par value of US\$0.000025 each, (viii) 510,315,120 Series E-2 Preferred Shares with par value of US\$0.000025 each, (ix) 487,871,040 Series F-1 Preferred Shares with par value of US\$0.000025 each, (x) 83,760,370 Series F-2 Preferred Shares with par value of US\$0.000025 each.

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

We have not conducted any acquisitions, disposals or mergers since our inception that we consider to be material to us. For certain minority investments that we have made, none of which we consider to be material, please see “Financial Information—Discussion of Certain Key Consolidated Balance Sheet Items.”

RESTRUCTURING OF OUR FINANCE RELATED BUSINESS

Background to the finance related business and the XMF Restructuring

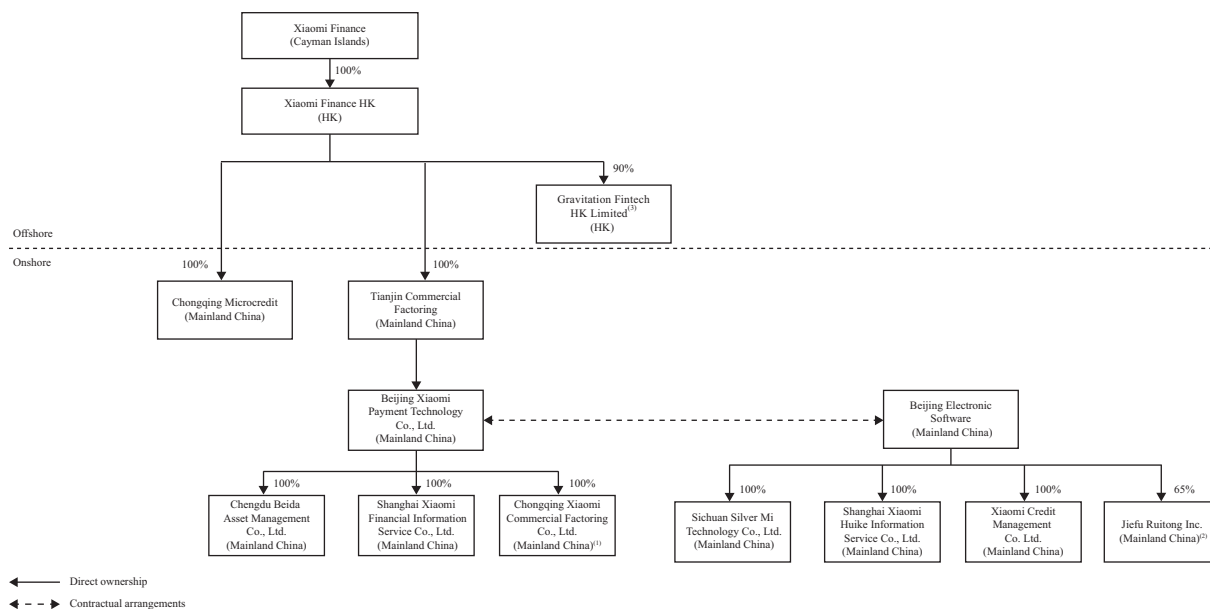
Xiaomi Finance is the financial services arm of our Group and is in an early stage of development. Xiaomi Finance operates start-up businesses in the financial technology industry, including in particular, artificial intelligence-enabled online financial services, mobile applications offering technology-enabled banking, wealth management, loan and insurance products and consumer payment solutions, as well as establishing a proprietary credit information database through continuously analyzing consumer big data. Xiaomi Finance’s business is not one of our core businesses, and involves different business models, value chains, ecosystems, risk profiles and growth strategies from our core business.

Xiaomi Finance’s business is primarily conducted in mainland China through, among others, Chongqing Microcredit and our Consolidated Affiliated Entity, Beijing Electronic Software. For the

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

first quarter of 2018, the revenue and gross profit of Xiaomi Finance Group accounted for approximately 0.9% and 3.3% of those of our Group, respectively. As of March 31, 2018, the total assets of Xiaomi Finance Group accounted for approximately 13.5% of those of our Group.

With a view to streamlining the various entities operating the finance related business and ultimately separating the Xiaomi Finance Group from our Group such that Xiaomi Finance would in the future no longer be a consolidated subsidiary of our Group, we have undertaken the XMF Restructuring, as described below. Upon completion of the XMF Restructuring, our finance related business will be held under a single wholly-owned subsidiary of our Company, Xiaomi Finance. The following diagram illustrates the corporate structure of the Xiaomi Finance Group after completion of the XMF Restructuring:



Notes:

- (1) As of the Latest Practicable Date, Chongqing Xiaomi Commercial Factoring Co., Ltd. (重慶小米商業保理有限公司) (“**Chongqing Factoring**”) was entirely held by Xiaomi Inc. (a company outside of the Xiaomi Finance Group). As part of the XMF Restructuring, the equity interest in Chongqing Factoring held by Xiaomi Inc. is in the process of being transferred to Beijing Xiaomi Payment Technology Co., Ltd. (北京小米支付技術有限公司), subject to the approvals from the relevant regulatory authorities in mainland China.
- (2) As of the Latest Practicable Date, Jiefu Ruitong Inc. (捷付睿通股份有限公司) (“**Jiefu Ruitong**”) was held by Xiaomi Inc. (a company outside of the Xiaomi Finance Group) as to 65% and Shengyin Herui Technology Co., Ltd. (盛銀和睿科技有限公司) and Wu Jun, both of whom are Independent Third Parties, as to 32% and 3%, respectively. As part of the XMF Restructuring, the equity interest in Jiefu Ruitong held by Xiaomi Inc. is in the process of being transferred to Beijing Electronic Software, subject to the approvals from the relevant regulatory authorities in mainland China.
- (3) The remaining 10% interest in Gravitation Fintech HK Limited is held by AMTD Group Company Limited, an Independent Third Party.

In connection with the XMF Restructuring, the XM Group advanced the XMF Restructuring Loans amounting to approximately US\$830 million and RMB299 million, as of the Latest Practicable Date to the Xiaomi Finance Group. Such loans are interest-free and one-off and were made on the basis that Xiaomi Finance was at the time, and as of the Latest Practicable Date remained, a wholly-owned subsidiary of our Company.

The XMF Share Option Schemes

In light of the novelty and competitiveness of the industry in which Xiaomi Finance operates, we believe that the “employee-owned and managed” development model would be conducive to the

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

recruitment and retention of highly sought-after talent in the financial technology industry, and in turn the long-term growth of Xiaomi Finance. It is therefore our intention for the management and employees of Xiaomi Finance to hold a significant stake in Xiaomi Finance going forward. To this end, we adopted the XMF Share Option Schemes and intend to grant options to suitable management and employees after the Listing. For further information about the XMF Share Option Schemes, please see sections headed “Statutory and General Information—Share Option Schemes—XMF Share Option Scheme I” and “Statutory and General Information—Share Option Schemes—XMF Share Option Scheme II” in Appendix IV.

The XMF Share Option Scheme II is not in full compliance with the requirements under Chapter 17 of the Listing Rules. For the purpose of granting options under the XMF Share Option Scheme II after the Listing, we have applied for, and the Stock Exchange has granted, certain waivers described in the section headed “Waivers from Compliance with the Listing Rules and Exemptions from the Companies (Winding Up and Miscellaneous Provisions) Ordinance—Waivers in Relation to the XMF Share Option Scheme II.”

The maximum number of shares of Xiaomi Finance represented by the options to be issued under the XMF Share Option Schemes shall comprise 60% of the total issued share capital of Xiaomi Finance. The grant of options under the XMF Share Option Schemes will result in share-based compensation to be recorded in our Group’s consolidated income statement, the impact of which will depend on the valuation of such options taking into account, among other things, the exercise price, the vesting period, volatility of the underlying shares, the company value of Xiaomi Finance and the valuation model adopted by the valuer. The exercise of options under the XMF Share Option Schemes is at the discretion of the grantees subject to the terms and conditions of the grant. The exercise of the options under the XMF Share Option Schemes over time will effectively dilute our Company’s interest in Xiaomi Finance. We expect that, as a result of such dilution, Xiaomi Finance will cease to be a subsidiary of our Company and Xiaomi Finance’s results of operations will no longer be consolidated into those of our Group. Prior to such deconsolidation, we intend to position the Xiaomi Finance Group to operate independently and gradually reduce its reliance on the XM Group for financial assistance and other resources and, through managing the risk exposure of various finance-related businesses operated by the Xiaomi Finance Group, maximize the protection of the interest of our Company and our Shareholders as a whole. We expect that as the business operations of the Xiaomi Finance Group mature, it will gradually be able to operate independently from the XM Group through capital accumulation from its business operations and working capital from external borrowings. We expect that the Xiaomi Finance Group’s reliance on the XM Group for financial assistance will gradually reduce as the Xiaomi Finance Group repays borrowings from the XM Group and releases guarantees provided by the XM Group. Following such de-consolidation, we will only account for our interests in Xiaomi Finance under the equity method of accounting, under which neither Xiaomi Finance’s revenue nor any other individual line item of Xiaomi Finance’s consolidated financial statements will be recorded in the corresponding line items of our Group’s consolidated financial statements. For further information relating to such dilution, please see section headed “Risk Factors—Exercise of options granted or to be granted under the XMF Share Option Schemes may significantly dilute our interest in Xiaomi Finance over time to the extent that the results of operations of Xiaomi Finance will no longer be consolidated into those of our Group.”

One of the conditions to the waiver granted by the Stock Exchange in relation to the XMF Share Option Scheme II is that we will treat Xiaomi Finance as a “connected subsidiary” (as defined in

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Rule 14A.16 of the Listing Rules) after the Listing and will comply with the relevant connected transactions requirements under Chapter 14A of the Listing Rules for as long as we account for Xiaomi Finance as a subsidiary, save for the XMF Restructuring Loans described above. For our continuing connected transactions with the Xiaomi Finance Group that we expect to subsist after the Listing, see “Connected Transactions.”

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

CAPITALIZATION OF THE COMPANY

The following table sets out our shareholding structure on the date of this prospectus and upon the completion of the Global Offering, assuming the Over-allotment Option is not exercised and no share options granted pursuant to the Pre-IPO ESOP are exercised.

Shareholders	Class A Shares	Class B Shares	Series A		Series B-1		Series B-2		Series C		Series D		Series E-1		Series E-2		Series F-1 Preferred Shares	Series F-2 Preferred Shares	Aggregate total number of shares of par value of US\$0.000025 each as at the date of this prospectus ⁽¹⁾	Aggregate ownership percentage upon completion of the Global Offering ⁽²⁾	
			Preferred Shares	Shares	Preferred Shares	Shares	Preferred Shares	Shares	Preferred Shares	Shares	Preferred Shares	Shares	Preferred Shares	Shares	Preferred Shares	Shares					Preferred Shares
Lin Bin ⁽³⁾	2,400,000,000	91,233,610	300,000,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2,791,233,610	13.3286%	12.4742%
Smart Mobile Holdings Limited ⁽⁴⁾	4,295,187,720	726,559,230	1,252,000,000	245,325,520	—	—	—	—	—	—	—	—	—	—	—	—	—	—	6,519,072,470	31.1296%	29.1340%
Smart Player Limited ⁽⁴⁾	—	59,221,630	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	59,221,630	0.2828%	0.2647%
Hans Tung	—	488,520	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	488,520	0.0023%	0.0022%
Long Great Holdings Limited	—	21,320,320	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	21,320,320	0.1018%	0.0953%
Duke King Holdings Limited	—	25,295,590	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	25,295,590	0.1208%	0.1130%
Wisdom Bloom International Limited ⁽⁵⁾	—	138,708,900	94,770,450	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	233,479,350	1.1149%	1.0434%
JONGMI Limited	—	8,000,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	8,000,000	0.0382%	0.0358%
Mirodesign Limited	—	16,000,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	16,000,000	0.0764%	0.0715%
Wali International Holdings Ltd	—	15,713,880	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	15,713,880	0.0750%	0.0702%
Matrix Partners China I L.P.	—	13,261,800	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	13,261,800	0.0633%	0.0593%
Matrix Partners China I—A, L.P.	—	1,343,720	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1,343,720	0.0064%	0.0060%
Lofly Power International Limited ⁽⁶⁾	—	227,965,820	96,509,600	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	324,475,420	1.5494%	1.3567%
Zhou Guangping ⁽⁷⁾	—	284,041,680	—	583,860	15,189,120	—	—	—	—	—	—	—	—	—	—	—	—	—	299,814,660	1.4317%	1.3399%
Colorful MI Limited	—	122,537,260	85,104,170	137,640,000	35,524,160	—	—	—	—	—	17,097,880	—	—	—	—	—	—	—	397,903,470	1.9001%	1.7782%
Mini Stone Limited ⁽⁸⁾	—	577,965,820	96,509,600	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	674,475,420	3.2207%	2.9582%
Wong Kong Kat	—	677,477,300	509,600	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	677,986,900	3.2375%	2.7461%
Natural Hero Limited ⁽⁹⁾	—	677,477,300	509,600	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	677,986,900	3.2375%	2.9365%
Gifted Jade Limited ⁽¹⁰⁾	—	3,377,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	3,377,000	0.0161%	0.0151%
Powerful Era Limited	—	10,000,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	10,000,000	0.0478%	0.0447%
Bright Inspiration Holdings Limited ⁽¹⁰⁾	—	5,000,000	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	5,000,000	0.0239%	0.0223%
Qiming Managing Directors Fund II, L.P. ⁽¹¹⁾	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	10,993,360	0.0525%	0.0491%
Qiming Ventures Partners II—C, L.P. ⁽¹¹⁾	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	66,148,810	0.3159%	0.2956%
Qiming Venture Partners II, L.P. ⁽¹¹⁾	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	755,432,330	3.6073%	3.3761%
2020 Investment Partners Limited	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	5,164,870	0.0247%	0.0231%
Mifans Investment LLC	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	5,268,190	0.0252%	0.0235%
Binghe Age Group Corporation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	7,747,320	0.0370%	0.0346%
Mousuedragon, L.P.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	7,747,320	0.0370%	0.0346%
Celia Safe Inc.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	12,912,200	0.0617%	0.0577%
Evertide Limited	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	25,824,410	0.1233%	0.1154%
Circle Creek Investments Limited	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	25,824,410	0.1233%	0.1154%
HOPU Group Company Limited	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	25,824,440	0.1233%	0.1154%
Shiny Stone Limited	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	51,648,820	0.2466%	0.2308%
Smart System Investment Fund, L.P.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	77,473,260	0.3699%	0.3462%
Teeline Investment Pte Ltd	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	77,473,260	0.3699%	0.3462%
Kawa Investments LLC	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2,000,000	0.0096%	0.0089%
Robin Hon Bun Chan	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1,910,040	0.0091%	0.0085%
All—Stars XML Limited	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	258,760,690	1.2356%	1.1564%
China TMT Holding I Limited ⁽¹²⁾	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	194,764,080	0.9300%	0.9000%
China TMT Holding II Limited ⁽¹²⁾	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	32,707,070	0.1562%	0.0000%
Morningside China TMT Fund I, L.P. ⁽¹²⁾	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2,888,064,700	13.7910%	2.3159%
Morningside China TMT Fund II, L.P. ⁽¹²⁾	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	484,997,700	2.3159%	1.1377%
CCDD International Holdings Limited	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	97,241,360	0.4643%	0.4346%

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

Shareholders	Class A Shares	Class B Shares	Series A Preferred Shares		Series B-1 Preferred Shares		Series B-2 Preferred Shares		Series C Preferred Shares		Series D Preferred Shares		Series E-1 Preferred Shares		Series E-2 Preferred Shares		Series F-1 Preferred Shares		Series F-2 Preferred Shares		Aggregate total number of shares of par value of US\$0.000025 each as of the date of this prospectus ⁽¹⁾	Aggregate ownership percentage as of the date of this prospectus ⁽²⁾	Aggregate ownership percentage upon completion of the Global Offering ⁽²⁾
			Preferred Shares	Shares	Preferred Shares	Shares	Preferred Shares	Shares	Preferred Shares	Shares	Preferred Shares	Shares	Preferred Shares	Shares	Preferred Shares	Shares	Preferred Shares	Shares	Preferred Shares	Shares			
IDG—Accel China Investors II L.P. ⁽¹³⁾	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	26,813,600	0.1280%	0.1198%
IDG—Accel China Growth Fund II L.P. ⁽¹³⁾	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	327,863,530	1.5656%	1.4652%
Wealth Plus Investments Limited	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	107,891,320	0.5152%	0.4822%
Smart Promise Limited	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	5,566,660	0.0266%	0.0249%
Qualcomm Incorporated	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	18,667,750	0.0891%	0.0834%
Fast Sino Holdings Limited	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	38,200,720	0.1824%	0.1707%
Sennett Investments (Mauritius) Pre Ltd	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	95,501,840	0.4560%	0.4268%
Shunwei Ventures Limited ⁽¹⁴⁾	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	610,471,890	2.9151%	2.7282%
Gummat Pre. Ltd. ⁽¹⁵⁾	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	234,992,650	1.1221%	1.0502%
Apolletto Limited	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	19,100,280	0.0912%	0.0854%
Apolletto China I, L.P. ⁽¹⁶⁾	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	366,382,680	1.7495%	1.6374%
Apolletto China II, L.P. ⁽¹⁶⁾	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	378,595,440	1.8079%	1.6920%
Apolletto Investments II, L.P. ⁽¹⁶⁾	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	24,208,150	0.1156%	0.1082%
Apolletto China III, L.P. ⁽¹⁶⁾	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	255,417,400	1.2197%	1.1415%
Apolletto China IV, L.P. ⁽¹⁶⁾	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	425,033,880	2.0296%	1.8955%
Nokia Growth Partners II, L.P.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	4,958,300	0.0237%	0.0222%
Patrick Raymon MC Goldrick	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	74,370	0.0004%	0.0003%
MBD 2015, L.P.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	358,290	0.0017%	0.0016%
Stone Street 2015, L.P.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	405,880	0.0019%	0.0018%
RNT Associates International Pre. Ltd.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	495,830	0.0024%	0.0022%
2015 Employee Offshore Aggregator, L.P.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	819,740	0.0039%	0.0037%
Dragonair Global Fund II, L.P.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	991,660	0.0047%	0.0044%
Bridge Street 2015, L.P.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1,391,060	0.0066%	0.0062%
Sinarmas Digital Ventures (HK) Limited	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2,479,140	0.0118%	0.0111%
Broad Street Principal Investments, L.L.C.	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	4,462,460	0.0213%	0.0199%
Mecca International (BVI) Limited	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	99,166,010	0.4735%	0.4432%
Public shareholders	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	9.7407%
TOTAL	6,695,187,720	3,741,581,500	3,925,913,020	2,211,569,100	330,495,920	1,720,943,480	1,021,276,800	212,776,760	510,315,120	487,871,040	83,760,370	20,941,690,830	100%	100%									

Notes:

- (1) Our Company will adopt a WVR structure upon completion of the Global Offering, through two classes of Shares, Class A Shares and Class B Shares, Class A Shares entitle the Shareholder to 10 votes per share and Class B Shares entitle the Shareholder to one vote per share. In all other respects Class A Shares and Class B Shares rank *pari passu*. Each Preferred Share will automatically convert into one Class B Share upon completion of the Global Offering.
- (2) Assuming the Over-allotment Option is not exercised and the options granted under the Pre-IPO ESOP are not exercised.
- (3) 2,400,000,000 Class A Shares and 300,000,000 Series A Preferred Shares are held by Lin Bin as trustee on trust for the benefit of Lin Bin and his family members. The remaining shares are held directly by Lin Bin.
- (4) The entire interest of Smart Mobile Holdings Limited and Smart Player Limited is held on trust established for the benefit of Lei Jun and his family members, including 639,596,190 Class B Shares issued to Smart Mobile Holdings Limited at par value to reward Lei Jun for his contributions to our Company.
- (5) The entire interest of Wisdom Bloom International Limited is held on trust for the benefit of, among others, Wang Chuan and his family members.
- (6) The entire interest of Lofly Power International Limited is held on trust for the benefit of, among others, Liu De and his family members.
- (7) 273,041,680 Class B Shares and 15,189,120 Series B-2 Preferred Shares are held by Zhou Guangping as trustee on trust for the benefit of, among others, Zhou Guangping and his family members. The remaining shares are held directly by Zhou Guangping.
- (8) The entire interest of Mini Stone Limited is held on trust for the benefit of, among others, Hong Feng and his family members.
- (9) The entire interest of Natural Hero Limited is held on trust for the benefit of, among others, Li Wanqiang and his family members.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

- (10) The entire interest of Gifted Jade Limited is wholly-owned by Koh Tuck Lye. Bright Inspiration Holdings Limited is a wholly-owned subsidiary of Shunwei China Internet Fund III L.P. Shunwei Capital Partners III GP, L.P. is the general partner of Shunwei China Internet Fund III L.P. Shunwei Capital Partners III GP Limited is the general partner of Shunwei Capital Partners III GP, L.P., which is controlled by Koh Tuck Lye.
- (11) Qiming Venture Partners II L.P. and Qiming Venture Partners II-C, L.P. are funds managed by Qiming GP II, L.P., whose general partner is Qiming Corporate GP II, Ltd., which is also the general partner of Qiming Managing Directors Fund II, L.P.
- (12) The Morningside Group consists of China TMT Holding I Limited, Morningside China TMT Fund I, L.P., China TMT Holding II Limited and Morningside China TMT Fund II, L.P.
- (13) IDG-Accel China Growth Fund II L.P. and IDG-Accel China II Investors L.P. are funds controlled by IDG-Accel China Growth Fund GP II Associates Ltd.
- (14) Shunwei Ventures Limited is a wholly-owned subsidiary of Shunwei China Internet Fund, L.P. Shunwei Capital Partners GP, L.P. is the general partner of Shunwei China Internet Fund, L.P. Shunwei Capital Partners GP Limited is the general partner of Shunwei Capital Partners GP, L.P. which is controlled by Koh Tuck Lye, our non-executive Director.
- (15) Gannat Pte. Ltd. is wholly-owned by Equinvest Pte. Ltd and is affiliated with GIC Pte Ltd.
- (16) Apoletto China I, L.P., Apoletto China II, L.P., Apoletto China III, L.P., Apoletto China IV, L.P. and Apoletto Investments II, L.P. are funds managed by Apoletto Managers Limited which is wholly-owned by Galileo (PTC) Limited.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

PRE-IPO INVESTMENTS

1. Overview

We have received nine rounds of investment since our establishment, which are summarized below. All of our Pre-IPO Investors were issued Preferred Shares in our Company pursuant to the below Pre-IPO Investments.

	Round	Date of initial share purchase agreement	Date of last payment of consideration	Total number of shares under the share purchase agreement(s)	Cost per share paid⁽¹⁾	Total funds raised by the Company	Discount to the Offer Price⁽²⁾
1.	Series A	September 28, 2010	May 17, 2011	102,500,000 Series A Preferred Shares	US\$0.10 per Series A Preferred Share	US\$10,250,000	99.90%
2.	Series B	December 21, 2010	December 24, 2010	60,775,862 Series B-1 Preferred Shares 4,297,283 Series B-2 Preferred Shares	US\$0.411348 per Series B-1 Preferred Share US\$0.581763 per Series B-2 Preferred Share	US\$27,500,030.15	99.57%
3.	Series B+	April 11, 2011	April 21, 2011	4,727,011 Series B-2 Preferred Shares	US\$0.581763 per Series B-2 Preferred Share	US\$2,750,000	99.41%
4.	Series B++	August 24, 2011	September 16, 2011	1,031,347 Series B-2 Preferred Shares	US\$0.581763 per Series B-2 Preferred Share	US\$600,000	99.41%
5.	Series C	September 30, 2011	April 16, 2012	42,020,822 Series C Preferred Shares	US\$2.0942 per Series C Preferred Share	US\$88,000,000	97.89%
6.	Series C+	November 10, 2011	November 29, 2011	1,002,765 Series C Preferred Shares	US\$2.0942 per Series C Preferred Share	US\$2,100,000	97.89%
7.	Series D	June 22, 2012	December 21, 2012	26,379,554 Series D Preferred Shares	US\$8.1882 per Series D Preferred Share	US\$216,000,000	91.76%
8.	Series E	August 5, 2013	August 6, 2013	5,319,419 Series E-1 Preferred Shares 1,066,016 Series E-2 Preferred Shares	US\$15.04 per Series E-1 Preferred Share US\$18.76 per Series E-2 Preferred Share	US\$100,000,000	84.24%
9.	Series F	December 23, 2014	August 24, 2017	48,787,104 Series F-1 Preferred Shares 8,376,037 Series F-2 Preferred Shares	US\$20.1682 per Series F-1 Preferred Share US\$17.9273 per Series F-2 Preferred Share	US\$983,948,070.89 US\$150,159,728	18.82% 27.84%

Notes:

(1) As adjusted to reflect subsequent share splits and other capital reorganizations, as applicable.

(2) The discount to the Offer Price is calculated based on the assumption that the Offer Price is HK\$19.50 per Share, being the mid-point of the indicative Offer Price range of HK\$17.00 to HK\$22.00.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

2. *Principal terms of the Pre-IPO Investments*

Lock-up period	<p>Upon request by the Company or the Underwriters, the Pre-IPO Investors will not sell or otherwise transfer or dispose of any securities of the Company (other than transfers to affiliates permitted by applicable laws) without the prior written consent of the Company or the Underwriters, as the case may be, for a period of up to one hundred and eighty (180) days from the Price Determination Date.</p> <p>All the principal Pre-IPO Investors will retain at least an aggregate of 50% of their investment at the time of Listing for a period of at least six months following the Listing, in accordance with Guidance Letter HKEX-GL93-18.</p>
Use of proceeds from the Pre-IPO Investments	<p>We utilized all of the proceeds from the Pre-IPO Investments for the development and operation of our business, including but not limited to personnel recruitment, new business and product development, technology infrastructure, office utilities and marketing.</p>
Strategic benefits the Pre-IPO Investors brought to our Company	<p>At the time of the Pre-IPO Investments, our Directors were of the view that our Company would benefit from the additional capital provided by the Pre-IPO Investors' investments in our Company and their knowledge and experience.</p>
Basis of determining the consideration paid	<p>The consideration for the Pre-IPO Investments were determined based on arm's length negotiations between our Company and the Pre-IPO Investors after taking into consideration the timing of the investments and the status of our business and operating entities.</p>

3. *Special rights of the Pre-IPO Investors*

All of our Pre-IPO Investors are currently bound by the terms of the Existing Articles, which will be replaced by our Articles effective upon completion of the Global Offering. Pursuant to the Pre-IPO Shareholders' Agreement, the Pre-IPO Investors were granted certain special rights in relation to our Company, including, among others, customary rights of first refusal to participate in future funding rounds, information rights, and anti-dilution and veto rights. The Pre-IPO Shareholders' Agreement and such special rights will terminate effective upon completion of the Global Offering in accordance with the terms of the Pre-IPO Shareholders' Agreement.

All of the Preferred Shares will convert to Class B Shares upon completion of the Global Offering at which time our share capital will comprise two classes of Shares, Class A Shares and Class B Shares. For further information on the rights attached to our Class A Shares and Class B Shares, please see the section headed "Share Capital."

4. *Public Float*

Upon completion of the Global Offering (assuming the Over-allotment Option is not exercised and the share options granted under the Pre-IPO ESOP are not exercised), Smart Mobile Holdings Limited and Smart Player Limited will in aggregate hold approximately 29.40% of the issued share

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

capital of the Company (on a one share, one vote basis). Smart Mobile Holdings Limited and Smart Player Limited are controlled by Lei Jun, our executive Director and a core connected person of the Company as defined in the Listing Rules. The Shares held directly or indirectly by Smart Mobile Holdings Limited and Smart Player Limited will therefore not be counted towards the public float.

Upon completion of the Global Offering (assuming the Over-allotment Option is not exercised and the share options granted under the Pre-IPO ESOP are not exercised), Lin Bin will be interested in approximately 12.47% of the issued share capital of the Company (on a one share, one vote basis). Lin Bin is an executive Director and core connected person of the Company as defined in the Listing Rules. The Shares held directly or indirectly by Lin Bin will therefore not be counted towards the public float.

Upon the completion of the Global Offering (assuming the Over-allotment Option is not exercised and the share options granted under the Pre-IPO ESOP are not exercised), Shunwei Ventures Limited will hold approximately 2.73% of the issued share capital of the Company (on a one share, one vote basis). Upon the completion of the Global Offering (assuming the Over-allotment Option is not exercised and the share options granted under the Pre-IPO ESOP are not exercised), Bright Inspiration Holdings Limited will hold approximately 0.02% of the issued share capital of the Company (on a one share, one vote basis). Shunwei Ventures Limited and Bright Inspiration Holdings Limited are indirectly controlled by Koh Tuck Lye. Upon the completion of the Global Offering (assuming the Over-allotment Option is not exercised and the share options granted under the Pre-IPO ESOP are not exercised), Gifted Jade Limited will hold approximately 0.02% of the issued share capital of the Company (on a one share, one vote basis). Gifted Jade Limited is wholly-owned by Koh Tuck Lye. Koh Tuck Lye is a non-executive Director and a core connected person of the Company, as defined under the Listing Rules. The Shares held by Shunwei Ventures Limited, Bright Inspiration Holdings Limited and Gifted Jade Limited will therefore not be counted towards the public float.

Upon completion of the Global Offering (assuming the Over-allotment Option is not exercised and assuming the share options granted under the Pre-IPO ESOP are not exercised), Morningside China TMT Fund I, L.P. and Morningside China TMT Fund II, L.P. will collectively hold 13.29% of the total issued share capital of the Company (on a one share, one vote basis) and will be a core connected person of the company as defined under the Listing Rules. In addition, Morningside China TMT Fund I, L.P. and Morningside China TMT Fund II, L.P. are indirectly controlled by TMT General Partner Ltd., which is a close associate as defined under the Listing Rules of Liu Qin. Liu Qin is a non-executive Director and a core connected person of the Company, as defined under the Listing Rules. The Shares held directly and indirectly by Morningside China TMT Fund I, L.P. and Morningside China TMT Fund II, L.P. will therefore not be counted towards the public float.

Save as provided above, upon completion of the Global Offering (assuming the Over-allotment Option is not exercised and the share options granted under the Pre-IPO ESOP are not exercised), the other Pre-IPO Investors (excluding our Founder, our Co-founders and the entities controlled by them) will collectively hold 4,464,562,030 Class B Shares or approximately 19.95% of the issued share capital of the Company (on a one share, one vote basis). Save as disclosed above, no other Pre-IPO Investor is a core connected person of the Company, as defined in the Listing Rules. Therefore, the Shares held by the other Pre-IPO Investors will count towards the public float.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

5. *Information about the principal Pre-IPO Investors*

Set out below is a description of the Pre-IPO Investors that are sophisticated investors, being private equity funds and investment companies, and that have made meaningful investments in our Company (each holding between 1.0349% to 15.86% of the total issued and outstanding Shares immediately prior to the Global Offering (assuming all the Preferred Shares are converted into Class B Shares)).

Morningside China TMT Fund I, L.P. and Morningside China TMT Fund II, L.P. are private equity funds registered in the Cayman Islands. Morningside China TMT Fund I, L.P. is controlled by Morningside China TMT GP, L.P., its general partner. Morningside China TMT Fund II, L.P. is controlled by Morningside China TMT GP II, L.P., its general partner. Morningside China TMT GP, L.P. and Morningside China TMT GP II, L.P. are both controlled by TMT General Partner Ltd., their general partner. China TMT Holding I Limited and China TMT Holding II Limited are investment holding vehicles incorporated in the BVI, and wholly-owned by Morningside China TMT Fund I, L.P. and Morningside China TMT Fund II, L.P., respectively. As of the date of this prospectus, Morningside China TMT Fund I, L.P., Morningside China TMT Fund II, L.P., China TMT Holding I Limited and China TMT Holding II Limited collectively hold approximately 17.19% of the total issued and outstanding Shares (assuming all Preferred Shares are converted into Class B Shares).

Qiming Venture Partners II, L.P., Qiming Venture Partners II-C, L.P. and Qiming Managing Directors Fund II, L.P. are collectively referred to as Qiming Group. The general partner of Qiming Venture Partners II, L.P. and Qiming Venture Partners II-C, L.P. is Qiming GP II, L.P., a Cayman Islands exempted limited partnership, whose general partner is Qiming Corporate GP II, Ltd., a Cayman Islands limited company which is also the general partner of Qiming Managing Directors Fund II, L.P. As of the date of this prospectus, Qiming Group collectively holds approximately 3.98% of the total issued and outstanding Shares (assuming all Preferred Shares are converted into Class B Shares).

Both IDG-Accel China Growth Fund II L.P. (“**IDG-Accel Growth II**”) and IDG-Accel China Investors II L.P. (“**IDG-Accel Investors II**,” together with IDG-Accel Growth II, “**IDG-Accel Fund II**”) are Cayman exempted limited partnerships. IDG-Accel Fund II is engaged in making venture capital investment primarily in growth stage companies in mainland China. IDG-Accel Fund II is managed and controlled by its sole general partner, IDG-Accel China Growth Fund II Associates L.P., which is also a Cayman exempted limited partnership and is in turn, controlled by its general partner, IDG-Accel China Growth Fund GP II Associates Ltd., (“**IDG-Accel GP Ltd.**”), a Cayman limited company. IDG-Accel GP Ltd. is also acting as the sole general partner of IDG-Accel Investors II. As of the date of this prospectus, IDG-Accel Fund II holds approximately 1.69% of the total issued and outstanding Shares (assuming all Preferred Shares are converted into Class B Shares).

Apoletto China I, L.P., Apoletto China II, L.P., Apoletto China III, L.P., Apoletto China IV, L.P. and Apoletto Investments II, L.P. are funds managed by Apoletto Managers Limited (collectively, “**Apoletto**”), which is wholly-owned by Galileo (PTC) Limited. As of the date of this prospectus, Apoletto China I, L.P., Apoletto Limited, Apoletto China II, L.P., Apoletto China III, L.P., Apoletto China IV, L.P. and Apoletto Investments II, L.P. collectively hold approximately 6.92% of the total issued and outstanding Shares (assuming all Preferred Shares are converted into Class B Shares).

Gamnat Pte. Ltd is wholly-owned by Equivest Pte. Ltd and is affiliated with GIC Pte Ltd. (“**GIC**”). GIC is a leading global investment firm established in 1981 to manage Singapore’s foreign

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

reserves. As a disciplined long-term investor, GIC is uniquely positioned for investments across a wide range of asset classes, including equities, fixed income, private equity, real estate and infrastructure. GIC has investments in over 40 countries and has been investing in emerging markets for more than two decades. As of the date of this prospectus, GIC holds approximately 1.12% of the total issued and outstanding Shares (assuming all Preferred Shares are converted into Class B Shares).

Shunwei Ventures Limited is an investment holding company incorporated under the laws of the BVI, and is wholly-owned by Shunwei China Internet Fund, L.P., a fund focused on venture capital investments in technology, media, and telecommunications industry. The general partner of Shunwei China Internet Fund, L.P. is Shunwei Capital Partners GP, L.P., whose general partner in turn, is Shunwei Capital Partners GP Limited. As of the date of this prospectus, Shunwei Ventures Limited holds approximately 2.92% of the total issued and outstanding Shares (assuming all Preferred Shares are converted into Class B Shares).

All-Stars XMI Limited is a company limited by shares incorporated under the laws of the British Virgin Islands. All-Stars XMI Limited is an investment holding company controlled by All-Stars Investment Limited, which focuses on investing in technology leaders and acquired the preferred shares of the Company. As of the date of this prospectus, All-Stars XMI Limited holds approximately 1.24% of the total issued and outstanding Shares (assuming all Preferred Shares are converted into Class B Shares).

COMPLIANCE WITH INTERIM GUIDANCE AND GUIDANCE LETTERS

Based on the documents provided by the Company relating to the Pre-IPO Investments, the Joint Sponsors confirm that the Pre-IPO Investments are in compliance with Guidance Letter HKEX-GL29-12 issued by the Stock Exchange in January 2012 and updated in March 2017, Guidance Letter HKEX-GL43-12 issued by the Stock Exchange in October 2012 and updated in July 2013 and March 2017 and Guidance Letter HKEX-GL44-12 issued by the Stock Exchange in October 2012 and updated in March 2017.

REGULATORY REQUIREMENTS OF MAINLAND CHINA

According to the Regulations for Merger with and Acquisition of Domestic Enterprises by Foreign Investors (《關於外國投資者併購境內企業的規定》) (the “M&A Rules”) jointly issued by MOFCOM, the State-owned Assets Supervision and Administration Commission of the State Council, the SAT, the CSRC, the SAIC and the SAFE on August 8, 2006, effective as of September 8, 2006 and amended on June 22, 2009, if a mainland China company or individual intends to acquire its/his/her related domestic company through an offshore company which it/he/she lawfully established or controls, such acquisition shall be subject to the examination and approval of MOFCOM. The M&A Rules, among other things, further purport to require that an offshore special vehicle, or a special purpose vehicle, formed for listing purposes and controlled directly or indirectly by mainland China companies or individuals, shall obtain the approval of the CSRC prior to the listing and trading of such special purpose vehicle’s securities on an overseas stock exchange, especially in the event that the special purpose vehicle acquires shares of or equity interests in the mainland China companies in exchange for the shares of offshore companies.

JunHe LLP, our legal advisor as to the laws of mainland China, is of the opinion that, unless new laws and regulations are enacted or MOFCOM and CSRC publish new provisions or

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

interpretations on the M&A Rules in the future, prior CSRC or MOFCOM approval for the Global Offering is not required because (i) the CSRC currently has not issued any definitive rule or interpretation concerning whether offerings akin to this Global Offering are subject to the M&A Rules; (ii) our mainland China subsidiaries were established by foreign direct investment, rather than through a merger or acquisition of a domestic company as defined under the M&A Rules; and (iii) that no provision in the M&A Rules clearly classified contractual arrangements as a type of transaction subject to the M&A Rules. However, there is uncertainty as to how the M&A Rules will be interpreted or implemented.

SAFE REGISTRATION IN MAINLAND CHINA

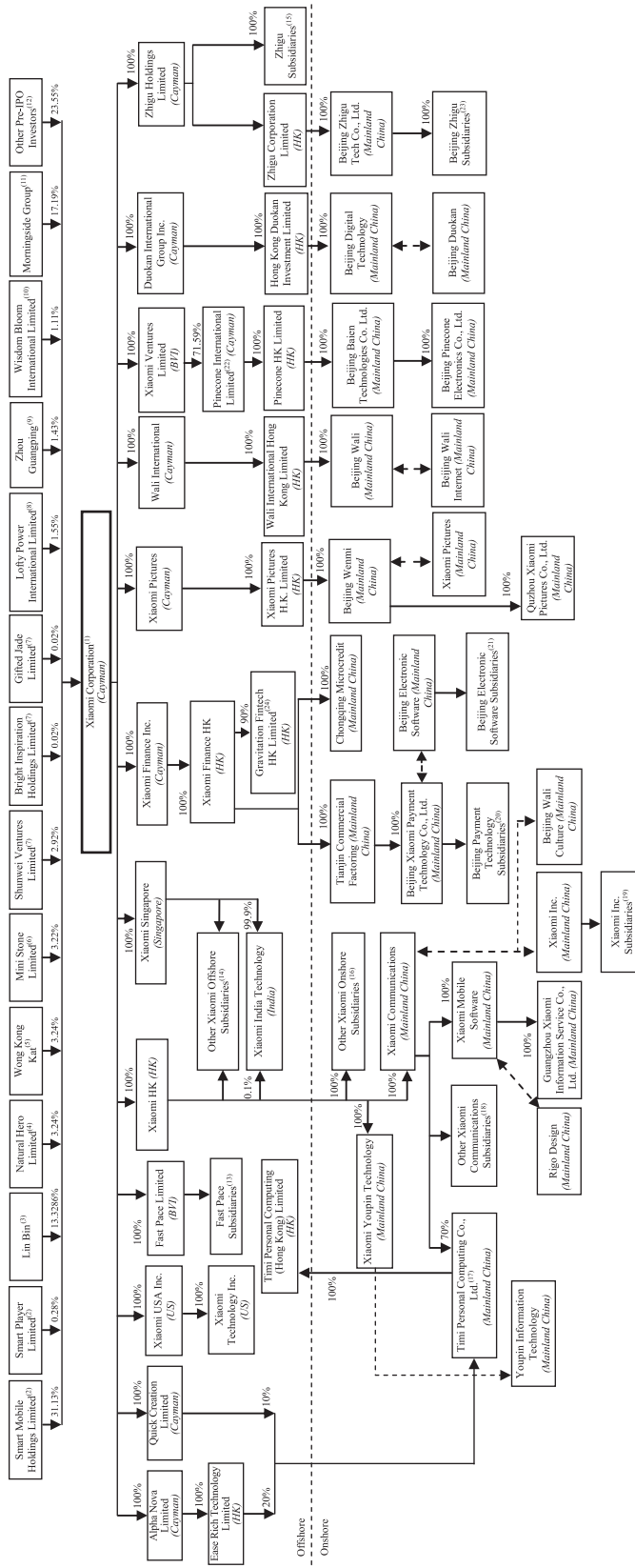
Pursuant to the SAFE Circular on Foreign Exchange Administration of Overseas Investment, Financing and Round-trip Investments Conducted by Domestic Residents through Special Purpose Vehicles (《關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知》) (the “**SAFE Circular 37**”), promulgated by SAFE and which replaced the Circular on Relevant Issues Concerning Foreign Exchange Control on Domestic Residents’ Corporate Financing and Roundtrip Investment Through Offshore Special Purpose Vehicles (《關於境內居民通過境外特殊目的公司融資及返程投資外匯管理有關問題的通知》) (the “**SAFE Circular 75**”) which became effective on July 14, 2014, (a) a mainland China 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 mainland China resident for the purpose of conducting investment or financing, and (b) following the initial registration, the mainland China 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 mainland China resident shareholder(s), the name of the Overseas SPV, terms of operation, or any increase or reduction of the Overseas SPV’s capital, share transfer or swap, and merger or division. Pursuant to SAFE Circular 37, failure to comply with these registration procedures may result in penalties.

Pursuant to the SAFE Circular on Further Simplification and Improvement in Foreign Exchange Administration on Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》) (the “**SAFE Circular 13**”), 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 are located.

As advised by JunHe LLP, our legal advisor as to the laws of mainland China, our Founder, Lei Jun and all of the Chinese resident Co-founders, namely, Hong Feng, Li Wanqiang, Liu De and Wang Chuan, have conducted the registration under the SAFE Circular 37.

CORPORATE STRUCTURE IMMEDIATELY PRIOR TO THE GLOBAL OFFERING

The following diagram illustrates the corporate and shareholding structure of our Group immediately prior to the completion of the Global Offering.



← Equity interest.
 ↔ Contractual Arrangements, see the section headed "Contractual Arrangements" for details.

Notes:

- (1) The Company will have a weighted voting rights structure, effective immediately upon the completion of the Global Offering. For further details, refer to the details contained in the corporate structure immediately following the Global Offering and the section headed "Share Capital—Weighted Voting Rights Structure."
- (2) The entire interests of Smart Mobile Holdings Limited and Smart Player Limited are held on trust established for the benefit of Lei Jun and his family members. Lei Jun is our Founder. Additionally, pursuant to the Voting Proxy Agreements, certain minority shareholders have granted Lei Jun a voting proxy over Class B Shares representing 1.69% of the issued share capital or 0.46% of the voting rights of the Company with respect to the Reserved Matters, immediately upon completion of the Global Offering (assuming the Over-allotment Option is not exercised and the share options granted under the Pre-IPO ESOP are not exercised).
- (3) 2,400,000,000 Class A Shares and 300,000,000 Series A Preferred Shares are held by Lin Bin as trustee on trust for the benefit of Lin Bin and his family members. Lin Bin is our Co-founder. The remaining shares are directly held by Lin Bin.
- (4) The entire interest of Natural Hero Limited is held on trust established for the benefit of, among others, Li Wanqiang and his family members. Li Wanqiang is our Co-founder.
- (5) Wong Kong Kat is our Co-founder.
- (6) The entire interest of Mini Stone Limited is held on trust established for the benefit of, among others, Hong Feng and his family members. Hong Feng is our Co-founder.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

- (7) Shunwei Ventures Limited is a wholly-owned subsidiary of Shunwei China Internet Fund, L.P. Shunwei Capital Partners GP, L.P. is the general partner of Shunwei China Internet Fund, L.P. Shunwei Capital Partners III GP, L.P. is the general partner of Shunwei Capital Partners III GP, L.P., which is controlled by Koh Tuck Lye, our non-executive Director. Bright Inspiration Holdings Limited is a wholly-owned subsidiary of Shunwei China Internet Fund III L.P. Shunwei Capital Partners III GP, L.P. is the general partner of Shunwei China Internet Fund III L.P. Shunwei Capital Partners III GP Limited is the general partner of Shunwei Capital Partners III GP, L.P., which is controlled by Koh Tuck Lye. The entire interest of Gifted Jade Limited is wholly-owned by Koh Tuck Lye.
- (8) The entire interest of Lofty Power International Limited is held on trust established for the benefit of, among others, Liu De and his family members. Liu De is our Co-founder.
- (9) 273,041,680 Class B Shares and 15,189,120 Series B-2 Preferred Shares are held by Zhou Guangping as trustee on trust for the benefit of, among others, Zhou Guangping and his family members. The remaining shares are directly held by Zhou Guangping. Zhou Guangping is our Co-founder.
- (10) The entire interest of Wisdom Bloom International Limited is held on trust established for the benefit of, among others, Wang Chuan and his family members. Wang Chuan is our Co-founder.
- (11) The Morningside Group consists of Morningside China TMT Fund I, L.P., Morningside China TMT Fund II, L.P., China TMT Holding I Limited and China TMT Holding II Limited. The Morningside Group is indirectly controlled by TMT General Partner Ltd. As of the Latest Practicable Date, Liu Qin, our non-executive Director held a controlling interest in TMT General Partner Ltd. For further information, refer to section headed “—Pre-IPO Investments—Information about our Principal Pre-IPO Investors.”
- (12) The remaining interest is held by the other Pre-IPO Investors. For details please see “—Pre-IPO Investments—Overview” above.
- (13) Fast Pace Subsidiaries include the following direct wholly-owned subsidiaries of Fast Pace Limited, all incorporated in the BVI:
- Blue Better Limited;
 - People Better Limited;
 - Red Better Limited; and
 - Green Better Limited.
- (14) Other Xiaomi Offshore Subsidiaries include the following indirect subsidiaries of the Company:
- PT. Xiaomi Communications Indonesia, incorporated in Indonesia and owned by Xiaomi HK as to approximately 80.37% and Xiaomi Singapore as to approximately 19.63%;
 - PT. Xiaomi Technology Indonesia, incorporated in Indonesia and owned by Xiaomi HK as to approximately 99.92% and Xiaomi Singapore as to approximately 0.08%;
 - Taiwan Xiaomi Communications Co., Ltd. (台灣小米通訊有限公司), established in Taiwan and wholly-owned by Xiaomi HK;
 - Xiaomi Communications and Logistics India Private Limited, incorporated in India and owned by Xiaomi Singapore as to 99.9967% and Jain Manu Kumar, who is a director of Xiaomi India Technology, as to 0.0033%;
 - Xiaomi Malaysia SDN. BHD., incorporated in Malaysia and wholly-owned by Xiaomi Singapore;
 - Xiaomi Philippines Corporation, incorporated in Philippines and owned by Xiaomi Singapore as to 99.9944% and Jose Cochinyan, Sheryl Bartolome, Aimee Abigail Salamat, Liu Yi and Eneie Medrano, all of whom are directors of Xiaomi Philippines Corporation, as to 0.0056% in aggregate;
 - Xiaomi Technology Spain, S.L., incorporated in Spain and wholly-owned by Xiaomi HK;
 - Xiaomi Singapore Fintech Private Limited incorporated in Singapore and wholly-owned by Xiaomi Finance H.K. Limited;
 - Xiaomi Technology (Thailand) Limited incorporated in Thailand and owned by Xiaomi HK as to 99.999975%, Xiaomi Singapore as to 0.000005%, Fast Pace Limited as to 0.000005%, Ms. Jantapa Ejongmanee as to 0.000005% and Mr. Kantaphas Akarabornworn as to 0.000005%. Ms. Jantapa Ejongmanee, Mr. Teerak Tongrak and Mr. Kantaphas Akarabornworn are Independent Third Parties; and
 - We are in the process of establishing Xiaomi Technology France SAS in France and Xiaomi Technology (Polska) spółka z ograniczoną odpowiedzialnością (“Xiaomi Technology Poland”) in Poland, which we expect will be completed after the date of this prospectus. Both Xiaomi Technology France SAS and Xiaomi Technology Poland will be wholly-owned subsidiaries of the Company.
- (15) Zhigu Subsidiaries include:
- Maine Hub Company LLC, incorporated in the US and directly-wholly owned by Zhigu Holdings Limited; and
 - Artois LLC, incorporated in the US and wholly-owned by Maine Hub Company LLC.
- To the best knowledge of the Directors, each of Maine Hub Company LLC and Artois LLC was in the process of deregistration as of the Latest Practicable Date.
- (16) Other Xiaomi Onshore Subsidiaries include the following indirect wholly-owned subsidiaries of the Company established in mainland China:
- Beijing Xiaomi Electronics Co., Ltd. (北京小米電子產品有限公司), which is wholly-owned by Xiaomi HK; and
 - Beijing Xiaomi Software Co., Ltd. (北京小米軟件技術有限公司), which is wholly-owned by Xiaomi HK.
- (17) The remaining 30% interest in Timi Personal Computing Co., Ltd. (北京田米科技有限公司) is held by two indirect wholly-owned subsidiaries of the Company, as to 20% and 10% and the company transfer registration is being obtained.
- (18) Other Xiaomi Communications Subsidiaries include the following direct wholly-owned subsidiaries of Xiaomi Communications:
- Xiaomi Technology (Wuhan) Co., Ltd. (小米科技(武漢)有限公司);
 - Xiaomi Home Commercial Co., Ltd. (小米之家商業有限公司);
 - Xiaomi Home Technology Co., Ltd. (小米之家科技有限公司);
 - Guangdong Xiaomi Inc. (廣東小米科技有限责任公司);

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

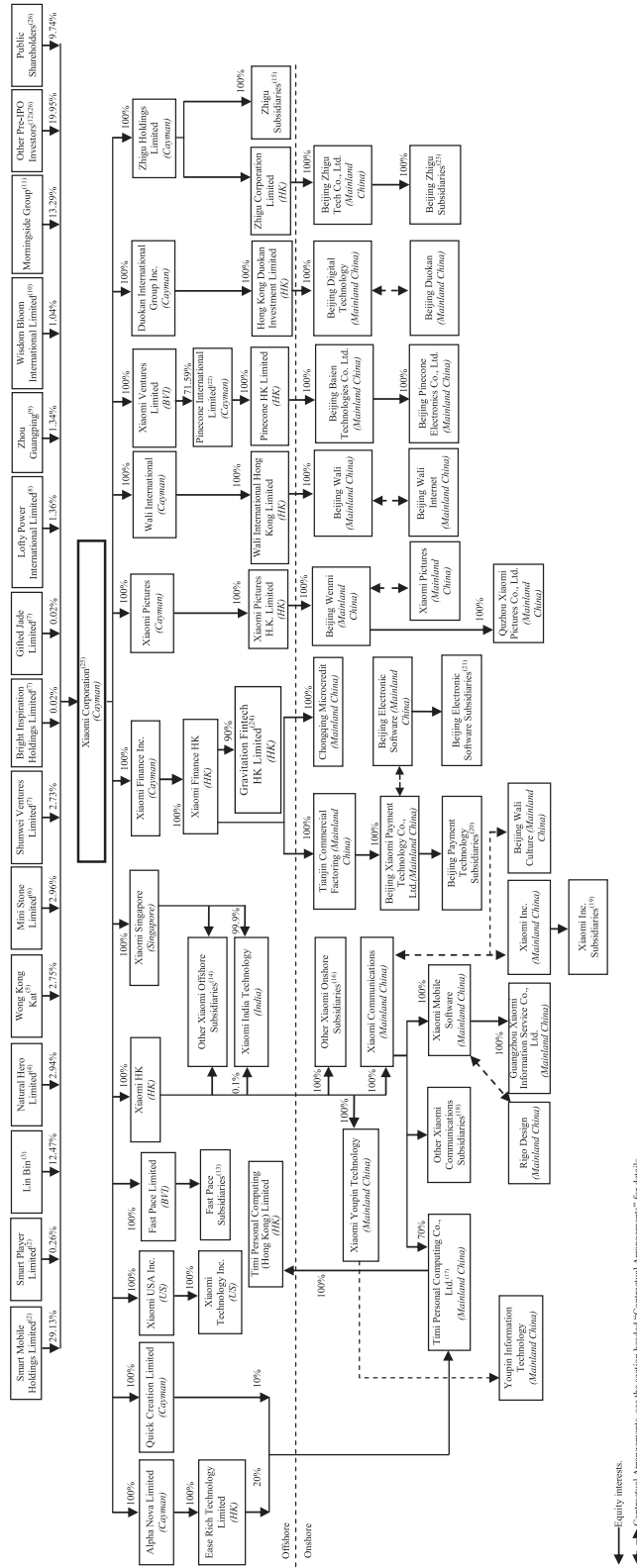
- (19) (e) Zhuhai Xiaomi Communications Co., Ltd. (珠海小米通訊技術有限公司);
- (f) Tibet Zimi Communications Co., Ltd. (西藏紫米通訊技術有限公司); and
- (g) Guangzhou Xiaomi Communications Co., Ltd. (廣州小米通訊技術有限公司).
- (20) (a) Xiaomi Inc. Subsidiaries include:
- (a) Tianjin Jinxing Investment Co., Ltd. (天津金星投資有限公司), which is wholly-owned by Xiaomi Inc.;
 - (b) Xiaomi Industrial Investment Management Co., Ltd. (小米產業投資管理有限公司), which is wholly-owned by Tianjin Jinxing Investment Co., Ltd. (天津金星投資有限公司);
 - (c) Jiefu Ruitong Inc. (捷付睿通股份有限公司), which is owned by Xiaomi Inc. as to 65% and Shengyin Herui Technology Co., Ltd. (盛銀和睿科技有限公司) and Wu Jun, both of whom are Independent Third Parties, as to 32% and 3%, respectively. As part of the XMF Restructuring, the equity interest in Jiefu Ruitong held by Xiaomi Inc. is in the process of being transferred to Beijing Electronic Software, subject to the approvals from the relevant regulatory authorities in mainland China;
 - (d) Hubei Xiaomi Yangtze River Industry Investment Fund Partners (Limited Partnership) (湖北小米長江產業投資基金合夥企業(有限合夥)), which is a limited partnership controlled by its general partner Hubei Xiaomi Yangtze River Industry Investment Fund Management Limited (湖北小米長江產業投資基金管理有限公司) as to 99.50% and Hubei Xiaomi Yangtze River Industry Investment Fund Management Limited (湖北小米長江產業投資基金管理有限公司) as to 0.50%;
 - (e) Hubei Jiayue Equity Investment Partners (Limited Partnership) (湖北嘉月股權投資合夥企業(有限合夥)), which is a limited partnership controlled by its general partner Hubei Xiaomi Yangtze River Industry Investment Fund Management Limited (湖北小米長江產業投資基金管理有限公司) and its interest is owned by Hubei Xiaomi Yangtze River Industry Investment Fund Partners (Limited Partnership) (湖北小米長江產業投資基金管理有限公司) as to 99.01% and Hubei Xiaomi Yangtze River Industry Investment Fund Management Limited (湖北小米長江產業投資基金管理有限公司) as to 0.99%;
 - (f) Tianjin Zhongmi Enterprise Management Partners (Limited Partnership) (天津紫米企業管理合夥企業(有限合夥)), is a limited partnership controlled by its general partner Tianjin Jinxing Investment Co., Ltd. (天津金星投資有限公司) and its interest is owned by Tianjin Jinxing Investment Co., Ltd. (天津金星投資有限公司) as to 0.003% and 15 limited partners, all of which are controlled by their general partner Tianjin Jinxing Investment Co., Ltd. (天津金星投資有限公司), as to the remaining 99.997% in aggregate;
 - (g) Tianjin Gold Mi Investment Partners (Limited Partnership) (天津金米投資合夥企業(有限合夥)), is a limited partnership controlled by its general partner Tianjin Jinxing Investment Co., Ltd. (天津金星投資有限公司) and its interest is owned by Tianjin Jinxing Investment Co., Ltd. (天津金星投資有限公司) as to 70.65% and Tianjin Zhongmi Enterprise Management Partners (Limited Partnership) (天津紫米企業管理合夥企業(有限合夥)) as to 29.35%; and
 - (h) Hubei Xiaomi Yangtze River Industry Investment Fund Management Limited (湖北小米長江產業投資基金管理有限公司) is owned by Xiaomi Industrial Investment Management Co., Ltd. (小米產業投資管理有限公司) as to 80% and Hubei Yangtze River Economic Belt Industry Fund Management Co., Ltd. (湖北省長江經濟帶產業基金管理有限公司) as to 15% and Wuhan Guanggu Industry Investment Fund Management Co., Ltd. (武漢光穀產業投資基金管理有限公司) as to 5%.
- (21) Beijing Payment Technology Subsidiaries include:
- (a) the following direct wholly-owned subsidiaries of Beijing Payment Technology:
 - i. Chengdu Beida Asset Management Co., Ltd. (成都倍達資產管理有限公司); and
 - ii. Shanghai Xiaomi Financial Information Service Co., Ltd. (上海小米金融信息服務有限公司); and
 - (b) Chongqing Xiaomi Commercial Factoring Co., Ltd. (重慶小米商業保理有限公司) (“**Chongqing Factoring**”). As of the Latest Practicable Date, Chongqing Factoring was entirely held by Xiaomi Inc. As part of the XMF Restructuring, the equity interest in Chongqing Factoring held by Xiaomi Inc. is in the process of being transferred to Beijing Xiaomi Payment Technology Co., Ltd. (北京小米支付技術有限公司), subject to the approvals from the relevant regulatory authorities in mainland China.
- (22) Beijing Electronic Software Subsidiaries include:
- (a) the following direct wholly-owned subsidiaries of Beijing Electronic Software:
 - i. Xiaomi Credit Management Co. Ltd. (小米信用管理有限公司);
 - ii. Shanghai Xiaomi Huike Information Service Co., Ltd. (上海小米慧科信息服務有限公司);
 - iii. Sichuan Silver Mi Technology Co., Ltd. (四川銀米科技有限责任公司); and
 - (b) Jiefu Ruitong Inc. (捷付睿通股份有限公司) (“**Jiefu Ruitong**”). As of the Latest Practicable Date, the equity interest in Jiefu Ruitong was held by Xiaomi Inc. as to 65% and Shengyin Herui Technology Co., Ltd. (盛銀和睿科技有限公司) and Wu Jun, both of whom are Independent Third Parties, as to 32% and 3%, respectively. As part of the XMF Restructuring, the equity interest in Jiefu Ruitong held by Xiaomi Inc. is in the process of being transferred to Beijing Electronic Software, subject to the approvals from the relevant regulatory authorities in mainland China.
- (23) The remaining 28.41% interest in Pinecone International is held by X-Lab Limited as to 23.30% and Zhou Guangping as to 5.11%. X-Lab Limited is wholly-owned by the founder of Pinecone International.
- (24) Beijing Zhigu Subsidiaries include:
- (a) Beijing Zhigu Ruituo Tech Co., Ltd. (北京智毅睿拓技術服務有限公司), which is wholly-owned by Beijing Zhigu Tech Co., Ltd. (北京智毅技術諮詢服務有限公司);
 - (b) Beijing Zhigu Technology Consulting Service Co., Ltd. (北京智毅睿拓技術諮詢服務有限公司), which is wholly-owned by Beijing Zhigu Ruituo Tech Co., Ltd. (北京智毅睿拓技術服務有限公司); and

- (c) Beijing Ruichuang Investment Management Center (Limited Partnership) (北京睿創投資管理中心(有限合伙)), which is a limited partnership controlled by its general partner Beijing Zhigu Technology Consulting Service Co., Ltd. (北京智毅技術諮詢服務有限公司). The interest in Beijing Ruichuang Investment Management Center (Limited Partnership) (北京睿創投資管理中心(有限合伙)) is owned by Beijing Zhigu Technology Consulting Service Co., Ltd. (北京智毅技術諮詢服務有限公司) as to 10%, Tianjin Gold Mi Investment Partners (Limited Partnership) (天津金米投資合夥企業(有限合伙)) as to 30%, Zhongguancun Science Park Haidianyuan Entrepreneurial Service Center (中關村科技園海澱園創業服務中心) as to 20%, Beijing Zhongguancun Entrepreneurial Investment Development Co., Ltd. (北京中關村創業投資發展有限公司) as to 10%, and Huizhou TCL Mobile Communication Co., Ltd. (惠州TCL移動通信有限公司) as to 10%. Beijing Zhigu Technology Consulting Service Co., Ltd. (北京智毅技術諮詢服務有限公司) and Tianjin Gold Mi Investment Partners (Limited Partnership) (天津金米投資合夥企業(有限合伙)) are wholly-owned subsidiaries of the Group. Zhongguancun Science Park Haidianyuan Entrepreneurial Service Center (中關村科技園海澱園創業服務中心), Beijing Zhongguancun Entrepreneurial Investment Development Co., Ltd. (北京中關村創業投資發展有限公司), Chengdu Jinshan Hudong Entertainment Technology Co., Ltd. (成都金山互動娛樂科技發展有限公司) and Huizhou TCL Mobile Communication Co., Ltd. (惠州TCL移動通信有限公司) are Independent Third Parties.
- (24) The remaining 10% interest in Gravitation Fintech HK Limited is held by AMTD Group Company Limited, an Independent Third Party.

HISTORY, REORGANIZATION AND CORPORATE STRUCTURE

CORPORATE STRUCTURE IMMEDIATELY FOLLOWING THE GLOBAL OFFERING

The following diagram illustrates the corporate and shareholding structure of our Group immediately following the completion of the Global Offering (assuming the Over-allotment Option is not exercised and the share options granted under the Pre-IPO ESOP are not exercised).



Notes (2) to (24): Please refer to the details contained in the preceding pages subject to adjustments for the Share Subdivision and the conversion of the Preferred Shares to Class B Shares.

(25) The Company is controlled through weighted voting rights. Under this structure, the Company's share capital will comprise Class A Shares and Class B Shares. Each Class A Share will entitle the holder thereof to exercise 10 votes, and each Class B Share will entitle the holder thereof to exercise one vote, on any resolution tabled at the Company's general meetings, except for resolutions with respect to a limited number of Reserved Matters, in relation to which each Share is entitled to one vote. For resolutions with respect to matters other than the Reserved Matters, immediately following the Global Offering, the percentage of voting rights that the WVR Beneficiaries, Lei Jun and Lin Bin are capable of exercising through shares beneficially owned by them is 55.20% and 29.52%, respectively. For further details, refer to the section headed "Share Capital—Weighted Voting Rights Structure."

(26) The expected public float immediately following completion of the Global Offering is 42.07% on a one share, one vote basis (assuming the Over-allotment Option is not exercised and assuming the share options granted under the Pre-IPO ESOP are not exercised), which comprises the Class B Shares to be held by the other public shareholders and the other Pre-IPO Investors who are not core connected persons of the Company.