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**WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS  
FROM STRICT COMPLIANCE WITH THE COMPANIES (WUMP) ORDINANCE**

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In preparation for the Listing, we have sought the following waivers and exemptions from strict compliance with the relevant provisions of the Hong Kong Listing Rules, the SFO and the Companies (WUMP) Ordinance and have applied for a ruling under the Takeovers Codes:

<b>Relevant rule(s) waived</b>	<b>Subject matter</b>
Section 4.1 of the Introduction to the Takeovers Codes	Determination of whether a company is a “public company in Hong Kong”
Part XV of the SFO	Disclosure of interests
Paragraphs 41(4) and 45 of Appendix 1A and Practice Note 5 to the Hong Kong Listing Rules	Disclosure of interests information
Rule 19C.07(3), Rule 19C.07(4) and Rule 19C.07(7) of the Hong Kong Listing Rules	Shareholder protection requirements in relation to approval, removal and remuneration of auditors; convening of annual general meeting and requisition of extraordinary general meeting by shareholders
Rule 4.04(3)(a), Rule 4.05 and Rule 4.13 of the Hong Kong Listing Rules and Paragraph 31(3)(b) of the Third Schedule to Companies (WUMP) Ordinance	Disclosure requirements under the Accountant’s Report
Paragraphs 33(2), 33(3), 46(2), 46(3) of Appendix 1A of the Hong Kong Listing Rules	Prospectus disclosure requirements under the Hong Kong Listing Rules and Companies (WUMP) Ordinance in respect of directors’ and five highest individuals’ emoluments
Paragraphs 13, 26, 27 and 29(1) of Appendix 1A of the Hong Kong Listing Rules and Paragraphs 10, 11, 14, 25 and 29 of the Third Schedule to Companies (WUMP) Ordinance	Other prospectus disclosure requirements under the Hong Kong Listing Rules and Companies (WUMP) Ordinance
Rule 12.04(3), Rule 12.07 and Rule 12.11 of the Hong Kong Listing Rules	Availability of copies of the prospectus in printed form

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**WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS  
FROM STRICT COMPLIANCE WITH THE COMPANIES (WUMP) ORDINANCE**

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<u>Relevant rule(s) waived</u>	<u>Subject matter</u>
Rule 2.07A of the Hong Kong Listing Rules	Corporate communications
Rule 13.25B of the Hong Kong Listing Rules	Monthly returns
Practice Note 15 of the Hong Kong Listing Rules	Rules related to spin-off listings
Hong Kong Stock Exchange Guidance Letter HKEX-GL37-12	Disclosure requirements in respect of indebtedness and liquidity
Paragraph 15(2)(c) of Appendix 1A to the Hong Kong Listing Rules	Disclosure of Offer Price
Rule 9.09(b) of the Hong Kong Listing Rules	Dealings in the Shares prior to Listing
Rule 13.48(1) and Practice Note 10 of the Hong Kong Listing Rules	Requirements to publish and send interim report
Rule 10.04 and Paragraph 5(2) of Appendix 6 to the Hong Kong Listing Rules	Subscription for Shares by Existing Shareholders

**NOT A PUBLIC COMPANY IN HONG KONG**

Section 4.1 of the Takeovers Codes provides that the Takeovers Codes applies to takeovers, mergers and share repurchases affecting public companies in Hong Kong and companies with a primary listing in Hong Kong. According to the Note to Section 4.2 of the Introduction to the Takeovers Codes, a Grandfathered Greater China Issuer within the meaning of Rule 19C.01 of the Hong Kong Listing Rules with a secondary listing on the Hong Kong Stock Exchange will not normally be regarded as a public company in Hong Kong under Section 4.2 of the Introduction to the Takeovers Codes.

We have applied for, and the SFC has granted, a ruling that we are not a “public company in Hong Kong” for the purposes of Section 4.2. Therefore, the Takeovers Codes does not apply to us. This ruling may be reconsidered by the SFC in the event that the bulk of trading in our Shares migrates to Hong Kong such that we would be treated as having a dual-primary listing pursuant to Rule 19C.13 of the Hong Kong Listing Rules or in the event of a material change in information provided to the SFC.

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## WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS FROM STRICT COMPLIANCE WITH THE COMPANIES (WUMP) ORDINANCE

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### DISCLOSURE OF INTERESTS UNDER PART XV OF SFO

Part XV of the SFO imposes duties of disclosure of interests in Shares. Under the U.S. Exchange Act, which we are subject to, any person (including directors and officers of the company concerned) who acquires beneficial ownership, as determined in accordance with the rules and regulations of the SEC and which includes the power to direct the voting or the disposition of the securities, of more than 5% of a class of equity securities registered under Section 12 of the U.S. Exchange Act must file beneficial owner reports with the SEC, and such person must promptly report any material change in the information provided (including any acquisition or disposition of 1% or more of the class of equity securities concerned), unless exceptions apply. Therefore, compliance with Part XV of the SFO would subject our corporate insiders to a second level of reporting, which would be unduly burdensome to them, would result in additional costs and would not be meaningful, since the statutory disclosure of interest obligations under the U.S. Exchange Act that apply to us and our corporate insiders would provide our investors with sufficient information relating to the shareholding interests of our significant shareholders.

We have applied for, and the SFC has granted, a partial exemption under section 309(2) of the SFO to us, our substantial shareholders, directors and chief executives from strict compliance with the provisions of Part XV of the SFO (other than Divisions 5, 11 and 12 of Part XV of the SFO), on the conditions that (i) the bulk of trading in the Shares is not considered to have migrated to Hong Kong on a permanent basis in accordance with Rule 19C.13 of the Hong Kong Listing Rules; (ii) all disclosures of interest filed with the SEC are also filed with the Hong Kong Stock Exchange as soon as practicable, which will then publish such disclosures in the same manner as disclosures made under Part XV of the SFO; and (iii) we will advise the SFC if there is any material change to any of the information which has been provided to the SFC, including any significant changes to the disclosure requirements in the U.S. and any significant changes in the volume of our worldwide share turnover that takes place on the Hong Kong Stock Exchange. This exemption may be reconsidered by the SFC in the event there is a material change in information provided to the SFC.

### DISCLOSURE OF INTERESTS INFORMATION

Part XV of the SFO imposes duties of disclosure of interests in Shares. Practice Note 5, paragraphs 41(4) and 45 of Part A of Appendix 1 to the Hong Kong Listing Rules require the disclosure of interests information in respect of shareholders' and directors' interests to be included in this prospectus.

The SFC has granted a partial exemption from strict compliance with Part XV of the SFO as set out above under sub-section headed "Disclosure of Interests under Part XV of SFO." The U.S. Exchange Act and the rules and regulations promulgated thereunder require disclosure of interests by shareholders that are broadly equivalent to Part XV of the SFO. Relevant disclosure in respect of the substantial shareholder's interests can be found in the section headed "Major Shareholders" in this prospectus.

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## WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS FROM STRICT COMPLIANCE WITH THE COMPANIES (WUMP) ORDINANCE

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We undertake to file with the Hong Kong Stock Exchange, as soon as practicable, any declaration of shareholding and securities transactions filed with the SEC. We further undertake to disclose in present and future prospectuses any shareholding interests as disclosed in an SEC filing and the relationship between our directors, officers, members of committees and their relationship to any controlling shareholder.

On the basis above, we have applied for, and the Hong Kong Stock Exchange has granted us, a waiver from the requirements under Practice Note 5, paragraphs 41(4) and 45 of Appendix 1A of the Hong Kong Listing Rules.

### SHAREHOLDER PROTECTION

For an overseas issuer seeking a secondary listing on the Hong Kong Stock Exchange, Rule 19.30(1)(b) of the Hong Kong Listing Rules requires the overseas issuer's primary listing is or is to be on an exchange where the standards of shareholder protection are at least equivalent to those provided in Hong Kong. Rule 19C.06 of the Hong Kong Listing Rules provides that Appendix 3 and Appendix 13 of the Hong Kong Listing Rules do not apply to an overseas issuer that is a Non-Greater China Issuer (as defined in the Hong Kong Listing Rules) or a Grandfathered Greater China Issuer seeking a secondary listing under Chapter 19C of the Hong Kong Listing Rules. Rule 19C.07 of the Hong Kong Listing Rules provides that the Hong Kong Stock Exchange will consider that a Non-Greater China Issuer or a Grandfathered Greater China Issuer seeking a secondary listing has met the requirements of Rule 19.30(1)(b) of the Hong Kong Listing Rules if it has met the shareholder protection standards by reference to eight criteria set out in Rule 19C.07 of the Hong Kong Listing Rules. We are a Grandfathered Greater China Issuer under Chapter 19C of the Hong Kong Listing Rules.

### Approval, removal and remuneration of auditors

Rule 19C.07(3) of the Hong Kong Listing Rules requires the appointment, removal and remuneration of auditors must be approved by a majority of the Qualifying Issuer's members or other body that is independent of the issuer's board of directors, or the Auditors Provision. However, our Articles of Association do not contain an equivalent Auditors Provision. We have applied for, and the Hong Kong Stock Exchange has granted us, a waiver from the strict compliance with Rule 19C.07(3) of the Hong Kong Listing Rules on the following conditions and basis:

- While our Articles of Association do not contain an equivalent Auditors Provision, Article 37.1 of the our Articles of Association provides that our Directors may appoint an auditor of our Company who shall hold office until removed from office by a resolution of the Directors and may fix his or their remuneration. Our Board has formally delegated this function to the Audit Committee.

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**WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS  
FROM STRICT COMPLIANCE WITH THE COMPANIES (WUMP) ORDINANCE**

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- The charter of our Audit Committee provides that it is “directly responsible for the appointment, compensation, retention and oversight of the work of the independent auditor,” which is in accordance with the requirements of the applicable U.S. securities laws and Nasdaq Listing Rules requirement. Rule 10A-3(b)(2) under the U.S. Securities Act and Rule 5605(c) of the Nasdaq Stock Market Rules require that the audit committee of each listed issuer must be directly responsible for the appointment, compensation, retention and oversight of any registered public accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the listed issuer.
  
- Our Audit Committee is an independent body (contemplated by the note to Rule 19C.07(3)), on the basis of the independence requirements set out in applicable U.S. federal securities laws and Nasdaq Listing Rules, which provide that an independent director should be a person other than an executive officer or employee of the Company or any other individual having a relationship which, in the opinion of the Company’s board of directors, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director:
  - (i) Our Audit Committee has three members, all of whom are independent directors as required by the Sarbanes-Oxley Act and applicable Nasdaq Listing Rules.
  
  - (ii) The relevant rules require one member of the Audit Committee to meet the Nasdaq standard for audit committee financial expert (Section 5605(c)(2) of the Nasdaq Listing Rules and Item 16A of Form 20-F). The chairman of our Audit Committee meets this standard.
  
- Our Company and our auditors are also subject to important safeguards with respect to auditor qualifications and independence:
  - (i) We adhere to the SEC’s Regulations S-X, which addresses qualifications of auditors, including independence requirements;
  
  - (ii) Deloitte Touche Tohmatsu, our current auditors, fully comply with the International Ethics Standards Board of Accountants Code of Ethics and the SEC’s independence rules. Partners providing audit services to us are subject to Partner Rotation Requirements; and
  
  - (iii) To ensure that auditors are independent of their audit clients, Rule 10A-3 promulgated under the U.S. Exchange Act mandates that the audit committee, whose voting members must consist entirely of independent directors, be directly responsible for the appointment, compensation, retention and oversight of the work of any registered public accounting firm engaged (including resolution of disagreements between management and the auditor

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**WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS  
FROM STRICT COMPLIANCE WITH THE COMPANIES (WUMP) ORDINANCE**

---

regarding financial reporting). We believe that this legislative mandate effectively prohibits our Board from revoking the power delegated to our audit committee relating to the operation of the Auditors Provision.

- The nomination and appointment of our Directors are governed by the rules of the Nasdaq and the laws of place of incorporation of our Company, which is the Cayman Islands. Pursuant to Nasdaq Stock Market Rule 5605(e) (“**Nasdaq Rule 5605(e)**”), director nominees, including independent director nominees, must be selected, or recommended for the board’s selection, either by: (i) a majority of the independent directors or (ii) a nominations committee comprised solely of independent directors. While Nasdaq Rule 5605(e) is not mandatory for a foreign private issuer incorporated in the Cayman Islands, such as our Company, we have voluntarily chosen to have a nominating and corporate governance committee consisting of three independent directors, and the committee is in charge of identifying and recommending nominees for election or re-election to our Board or for appointment to fill any vacancy.
- Although we have not included a resolution for shareholders to ratify the appointment, removal or determination of remuneration of the auditors in previous annual general meetings, we undertake that we will put forward a shareholders’ resolution to that effect at each annual general meeting in the future.
- We are seeking a listing on the Hong Kong Stock Exchange under Chapter 19C of the Hong Kong Listing Rules.
- The disclosure of the basis of the waiver is set out in this prospectus.

**Convening of annual general meeting**

Rule 19C.07(4) of the Hong Kong Listing Rules requires that the Qualifying Issuer must hold a general meeting each year as its annual general meeting, but holding a general meeting each year is not mandatory under our Articles of Association. We have applied for, and the Hong Kong Stock Exchange has granted us, a waiver from strict compliance with the requirements of LR19C.07(4), on the conditions that:

- we will put forth a resolution at or before the next annual general meeting after the Listing to revise our Articles of Association to comply with Rule 19C.07(4) of the Hong Kong Listing Rules. In the event that the proposed amendment is not approved by our Shareholders at the next annual general meeting, we will continue to put forth a resolution for the proposed amendment at the following annual general meeting each year;

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## WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS FROM STRICT COMPLIANCE WITH THE COMPANIES (WUMP) ORDINANCE

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- amendment to our Articles of Association requires a special resolution to be passed by a majority of not less than two-thirds of our shareholders entitled to vote in person or by proxy. We have obtained irrevocable undertakings from the Undertaking Shareholders prior to the Listing to vote in favor of the proposed resolution outlined above with a view to facilitating the passing of such resolution. Immediately upon the completion of the Global Offering (assuming all major shareholders' shareholding remain unchanged as of the Latest Practicable Date (without including shares that the person has the right to acquire within 60 days, including through the exercise of any option, warrant or other right or the conversion of any other security) and without taking into account the Shares to be issued pursuant to the Share Incentive Plan, including pursuant to the exercise of options or other awards that have been or may be granted from time to time and any issuance or repurchase of Shares and/or ADSs that we may make and assuming the Over-allotment Option is not exercised), the Undertaking Shareholders will in aggregate, own approximately 51.5% of the voting power of our Company; and
- we will convene an annual general meeting with effect from the Listing and continue to do so even in the event that the proposed amendment to our Articles of Association that the Company shall convene an annual general meeting is not approved by our Shareholders.
- we will provide at least 14 calendar days' notice for any general meeting with effect from the Listing and continue to do so even in the event that the proposed amendment to our Articles of Association to extend the notice for general meeting is not approved by our Shareholders.

### **Requisition of extraordinary general meeting by shareholders**

Rule 19C.07(7) of the Hong Kong Listing Rules requires members holding a minority stake in the Qualifying Issuer's total number of issued shares must be able to convene an extraordinary general meeting and add resolutions to a meeting agenda. The minimum stake required to do so must not be higher than 10% of the voting rights, on a one vote per share basis, in the share capital of the Qualifying Issuer, while the minimum stake as currently set out in our Articles of Association is not less than one-third of the votes attaching to all issued and outstanding Shares. Further, our Articles of Association requires that the quorum for businesses transacted at any general meeting, except for the appointment of a chairman for the meeting, shall be one or more members holding shares which represent, in aggregate, not less than one-third of the votes attaching to all issued and outstanding Shares, present and entitled to vote. We have applied for, and the Hong Kong Stock Exchange has granted us, a waiver from strict compliance with the requirements of LR19C.07(7), on the conditions that:

- we put forth a resolution at or before the next annual general meeting after the Listing to revise our Articles of Association, so that (i) the minimum stake required to convene an extraordinary general meeting and add resolutions to a meeting

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**WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS  
FROM STRICT COMPLIANCE WITH THE COMPANIES (WUMP) ORDINANCE**

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agenda will be 10% of the voting rights, on a one vote per share basis, in the share capital of our Company; and (ii) the quorum for a general meeting will be lowered from the current one-third of the votes attaching to all issued and outstanding Shares of our Company to 10% of the aggregate voting power of our Company. In the event that the proposed amendments are not approved by our Shareholders at the next annual general meeting, the Company will continue to put forth a resolution for the proposed amendments at the following annual general meeting each year;

- amendment to our Articles of Association requires a special resolution to be passed by a majority of not less than two-thirds of our shareholders entitled to vote in person or by proxy. We have obtained irrevocable undertakings from the Undertaking Shareholders prior to the Listing to vote in favor of the proposed resolution outlined above with a view to facilitating the passing of such resolutions. Immediately upon the completion of the Global Offering (assuming all major shareholders' shareholding remain unchanged as of the Latest Practicable Date (without including shares that the person has the right to acquire within 60 days, including through the exercise of any option, warrant or other right or the conversion of any other security) and without taking into account the Shares to be issued pursuant to the Share Incentive Plan, including pursuant to the exercise of options or other awards that have been or may be granted from time to time and any issuance or repurchase of Shares and/or ADSs that we may make and assuming the Over-allotment Option is not exercised), the Undertaking Shareholders will in aggregate, own approximately 51.5% of the voting power of our Company; and
  
- pending the above amendments to our Articles of Association, we have obtained irrevocable undertakings from the Undertaking Shareholders prior to the Listing to exercise their voting rights in a manner that would enable our Directors to convene a requisitioned meeting by 10% of the shareholders on a one vote per share basis with the requisite quorum (10% of voting rights) with effect from the Listing and continue to do so in the event that the proposed amendment to our Articles of Association to lower the thresholds for (i) shareholders to requisition a meeting; and (ii) the quorum for general meeting is not passed by our Shareholders.



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**WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS  
FROM STRICT COMPLIANCE WITH THE COMPANIES (WUMP) ORDINANCE**

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**ACCOUNTANT'S REPORT**

Rules 4.04(3)(a), 4.05 and 4.13 of the Hong Kong Listing Rules and paragraph 31(3)(b) of the Third Schedule to the Companies (WUMP) Ordinance set out certain content requirements in respect of an accountant's report included in a listing document.

Certain historical financial information required to be disclosed under the Hong Kong requirements are not required to be disclosed under the U.S. GAAP, in particular,

- (i) the following specific detail concerning financial information set out in Rules 4.04(3)(a), 4.05 and 4.13 of the Hong Kong Listing Rules:
  - balance sheets at a company level;
  - aging analysis of accounts receivables;
  - aging analysis of accounts payables; and
  - adjustments made to show profits of all periods in accordance with the relevant accounting standards in relation to the last fiscal year reported on; and
- (ii) balance sheets at a company level required under paragraph 31(3)(b) of the Third Schedule to the Companies (WUMP) Ordinance.

In accordance with U.S. GAAP, we have applied the modified retrospective method or prospective method to account for the impact of the adoption of certain new accounting standards in the Track Record Period. Under the modified retrospective method and prospective method adopted by us, comparative periods in the latest consolidated financial statements are not retrospectively adjusted.

During the Track Record Period, we adopted, among other new accounting standards that did not have a material impact on our consolidated financial statements, Accounting Standards Update 2016-01 "Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities", including related technical corrections and improvements, or ASU 2016-01, Accounting Standards Update 2016-02 "Leases" (Topic 842)", including certain transitional guidance and subsequent amendments, or ASC 842 and Accounting Standards Update No. 2016-13, Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments ("ASU2016-13"). The relevant accounting policies upon the adoption of these new accounting standards are disclosed in the Accountant's Report in Appendix I to this prospectus.

ASU 2016-01 was adopted on January 1, 2018. Upon the adoption of ASU 2016-01, we prospectively measured equity investments that were accounted for under the cost method prior to the adoption and do not have readily determinable fair values at cost minus impairment, if

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**WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS  
FROM STRICT COMPLIANCE WITH THE COMPANIES (WUMP) ORDINANCE**

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any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer. Full retrospective adoption is not permitted. Certain equity investments without readily determinable fair values were measured at fair value due to the recognition of impairment losses during the years ended December 31, 2017, 2018 and 2019.

ASC 842 was adopted on January 1, 2019 using the modified retrospective method by applying the new lease standard to all leases existing as of January 1, 2019, the date of initial application, and no adjustments were made to the comparative periods. Adoption of the new lease standard resulted in the recognition of right-of-use assets and lease liabilities on the consolidated balance sheet as of January 1, 2019. The impact on the consolidated financial statements is disclosed in the Accountant's Report in Appendix 1 to this prospectus, in which, we recognized right-of-use assets of RMB462 million and lease liabilities, including current and non-current, of RMB460 million for operating leases as of January 1, 2019.

ASU 2016-13 was adopted on January 1, 2020 using the modified retrospective transition method. ASU 2016-13 replaces the existing incurred loss impairment model with a forward-looking current expected credit loss ("CECL") methodology, which results in more timely recognition of credit losses. The Group has developed a CECL model based on historical experience, the age of the accounts receivable balances, credit quality of its customers, current economic conditions, reasonable and supportable forecasts of future economic conditions, and other factors that may affect its ability to collect from customers. The cumulative effect from the adoption as of January 1, 2020 was immaterial to the consolidated financial statements.

The following alternative disclosures with respect to certain items identified above which are relevant to us have been included in this prospectus:

- for certain new accounting standards that came into effect during the Track Record Period, the accounting policies as well as the impact of adoption, if any, to the beginning retained earnings of initial application (i.e. January 1, 2018, January 1, 2019 and January 1, 2020) has been disclosed in the Accountant's Report in Appendix I to this prospectus in accordance with the relevant requirements under U.S. GAAP; and
- disclosure of the relevant accounting policies for the adoption of ASU 2016-01, ASC 842 and ASU 2016-13 during the Track Record Period in the Accountant's Report in Appendix I to this prospectus.

As this prospectus has included the above alternative disclosures and the disclosure in this prospectus contains all information which is necessary for the investing public to make an informed assessment of the business, asset and liability, financial position, trading position, management and prospect of the Group, we believe that it would be of no material value to Hong Kong investing public for the Accountant's Report in Appendix I to this prospectus to

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## **WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS FROM STRICT COMPLIANCE WITH THE COMPANIES (WUMP) ORDINANCE**

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include certain required information pursuant to Rules 4.04(3), 4.05(2) and 4.13 of the Hong Kong Listing Rules and paragraph 31(3)(b) of the Third Schedule to the Companies (WUMP) Ordinance and the non-disclosure of such information is not material and will not prejudice the interests of the investing public.

On the basis of the matters set out above and on the ground that it would be unduly burdensome to us to include certain disclosures as required under Rules 4.04(3), 4.05(2) and 4.13 of the Hong Kong Listing Rules and Paragraph 31(3)(b) of the Third Schedule to the Companies (WUMP) Ordinance, we have applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rules 4.04(3)(a), 4.05 and 4.13 of the Hong Kong Listing Rules, and we have applied for an exemption from strict compliance with Paragraph 31(3)(b) of the Third Schedule to the Companies (WUMP) Ordinance. The SFC has granted an exemption referred to above on the conditions that: (i) the particulars of such exemption are set out in this prospectus; and (ii) this prospectus will be issued on or before September 18, 2020.

### **PROSPECTUS DISCLOSURE REQUIREMENTS UNDER THE HONG KONG LISTING RULES IN RESPECT OF DIRECTORS' AND FIVE HIGHEST INDIVIDUALS' EMOLUMENTS**

Paragraph 33(2) of Part A of Appendix 1 to the Hong Kong Listing Rules requires the listing document to include information in respect of directors' emoluments during the three financial years ended December 31, 2017, 2018 and 2019 and the six months ended June 30, 2020, Paragraph 46(2) of Part A of Appendix 1 to the Hong Kong Listing Rules requires the listing document to include the aggregate of the remuneration paid and benefits in kind granted to the directors of the issuer in respect of the last completed financial year, and Paragraph 46(3) of Part A of Appendix 1 to the Hong Kong Listing Rules requires information in relation to an estimate of the aggregate remuneration and benefits in kind payable to directors in respect of the current financial year to be set out in the listing document.

Paragraph 33(3) of Part A of Appendix 1 to the Hong Kong Listing Rules requires the listing document to include information with respect to the five individuals whose emoluments were highest in us for the year if one or more individuals whose emoluments were the highest have not been included under paragraph 33(2) of Part A of Appendix 1 to the Hong Kong Listing Rules.

#### **Waivers in relation to directors' and five highest individuals' emoluments**

We have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with paragraphs 33(2), 33(3), 46(2) and 46(3) of Part A of Appendix 1 to the Hong Kong Listing Rules. In compliance with our annual reporting requirements with the SEC, we are required to report the aggregate amount of compensation paid, and benefits in kind granted, to our directors and members of our administrative, supervisory or management body (unless individual disclosure is required by

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## WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS FROM STRICT COMPLIANCE WITH THE COMPANIES (WUMP) ORDINANCE

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the Cayman Islands, our jurisdiction of incorporation or otherwise made public). We provide aggregate compensation disclosure in our annual report on Form 20-F. The aggregate fees, salaries and benefits accrued to our directors and executive officers as a group are disclosed in “Directors, Senior Management and Employees — Compensation.” We confirm that the current disclosure complies with U.S. annual reporting requirements and is in line with our disclosure in our annual reports on Form 20-F. As such, the additional disclosure would not provide additional meaningful disclosure for potential Hong Kong investors in relation to the directors’ emoluments.

### OTHER PROSPECTUS DISCLOSURE AS REQUIRED UNDER THE HONG KONG LISTING RULES AND THE COMPANIES (WUMP) ORDINANCE

We have applied for, and the Hong Kong Stock Exchange (in respect of the Hong Kong Listing Rules) and the SFC (in respect of the Companies (WUMP) Ordinance) has granted, waivers and exemptions from strict compliance with certain content requirements in respect of this prospectus as follows:

- ***Alterations of our capital and particulars of any commissions, discounts and brokerages:*** Paragraphs 13 and 26 of Part A of Appendix 1 to the Hong Kong Listing Rules and paragraphs 11 and 14 of the Third Schedule of the Companies (WUMP) Ordinance require the listing document to include the particulars of any alterations of our capital within two years immediately preceding the issue of the listing document and the particulars of any commissions, discounts, brokerages or other special terms granted within two years immediately preceding the issue of the listing document in connection with the issue or sale of any of our capital. We have identified 9 entities that we consider are our major subsidiaries. For further details, see the section headed “Our History and Corporate Structure — Our Major Subsidiaries and Operating Entities.” Globally, we have more than 30 subsidiaries and affiliated consolidated entities. It would be unduly burdensome for us to disclose this information in respect of non-Major Subsidiaries as we would have to incur additional costs and devote additional resources in compiling and verifying the relevant information for such disclosure, which would not be material or meaningful to investors.

The Major Subsidiaries include all significant operating subsidiaries and consolidated affiliated entities under the financial threshold of Regulation S-X in the U.S. (i.e. contributing more than 10% of our Group’s total assets and income) and subsidiaries that are material to our Group’s business operations. By way of illustration, for the fiscal year ended December 31, 2019, the aggregate revenue of the Major Subsidiaries in respect of which the relevant information is disclosed represents approximately 98% of our total revenue. Our remaining subsidiaries and affiliated consolidated entities do not hold any assets, intellectual property rights or other proprietary technologies which are material to the business or operations of our Group. Accordingly, our remaining subsidiaries and affiliated consolidated

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**WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS  
FROM STRICT COMPLIANCE WITH THE COMPANIES (WUMP) ORDINANCE**

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entities are individually insignificant to our overall results and are immaterial to us. The current classification of Major Subsidiaries complies with U.S. requirements and is in line with our disclosure in our annual reports on Form 20-F and with the overall disclosure in this prospectus. We have disclosed the particulars of the changes in our share capital and the Major Subsidiaries in the section headed “Statutory and General Information — Further Information about Us” in Appendix IV to this prospectus and particulars of the commissions, discounts and brokerage fee in respect of our Major Subsidiaries and us are set out in the section headed “Statutory and General Information — Other Information — Miscellaneous” of Appendix IV to this prospectus. The disclosure of the relevant information with respect to our Major Subsidiaries provides sufficient information that is reasonably necessary to enable potential investors to make an informed assessment of “the activities, assets and liabilities, financial position, management and prospects of the Company and of its profits and losses and of the rights attaching to such securities” (per Rule 11.07 of the Hong Kong Listing Rules); and having regard to the disclosure of the relevant information with respect to its Major Subsidiaries and the fact that such information do not pertain to the business of our Company, the non-inclusion of the information with respect to the non-Major Subsidiaries does not prejudice the interest of the investing public.

- ***Particulars of the authorized debentures:*** Paragraph 25 of the Third Schedule of the Companies (WUMP) Ordinance requires particulars of the authorized debentures of us and our subsidiaries in the prospectus. It is unduly burdensome for us to procure this information as we have more than 30 subsidiaries and affiliated consolidated entities and for the reasons as set out above. As such, only the particulars of debentures in respect of us and our Major Subsidiaries are set out in this prospectus under the section headed “Statutory and General Information — Other Information — Miscellaneous” in Appendix IV to this prospectus.
  
- ***Information on subsidiaries whose profits or assets make material contribution to us:*** Paragraph 29(1) of Part A of Appendix 1 to the Hong Kong Listing Rules and paragraph 29 of the Third Schedule of the Companies (WUMP) Ordinance require the listing document to include information in relation to the name, date and country of incorporation, the public or private status and the general nature of the business, the issued capital and the proportion thereof held or intended to be held, of every company the whole of the capital of which or a substantial proportion thereof is held or intended to be held by us, or whose profits or assets make, or will make a material contribution to the figures in our auditors’ report or to our next financial statements. It is unduly burdensome for us to procure this information as we have approximately 30 subsidiaries and affiliated consolidated entities for the reasons as set out above. As such, only the particulars in relation to our Major Subsidiaries are set out in this prospectus under the section headed “Our History and Corporate Structure — Our

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**WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS  
FROM STRICT COMPLIANCE WITH THE COMPANIES (WUMP) ORDINANCE**

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Major Subsidiaries and Operating Entities” and “Statutory and General Information — Further Information about Us” in Appendix IV to this prospectus, which should be sufficient for the potential investors to make an informed assessment of us in their investment decision.

The exemption from strict compliance with the content requirements in respect of the Companies (WUMP) Ordinance set out above was granted by the SFC on the conditions that:

- (i) the particulars of such exemption are set out in this prospectus; and
- (ii) this prospectus will be issued on or before September 18, 2020.

We confirm that all information necessary for the public to make an informed assessment of business, asset and liability, financial position, trading position, management and prospect of the Group has been disclosed in this prospectus, and that, as such, the granting of the waiver and exemption from strict compliance with the relevant content requirements under the Companies (WUMP) Ordinance and the Hong Kong Listing Rules will not prejudice the interest of the investing public.

*Particulars of our capital or debentures of any of our consolidated subsidiary or affiliated consolidated entities which is under option*

**Particulars of share options**

Paragraph 27 of Part A of Appendix 1 to the Hong Kong Listing Rules requires us to set out in the prospectus particulars of any capital of any of our consolidated subsidiary or affiliated consolidated entities that is under option, or agreed conditionally or unconditionally to be put under option, including the consideration for which the option was or will be granted and the price and duration of the option, and the name and address of the grantee. Paragraph 10 of Part 1 of Third Schedule to the Companies (WUMP) Ordinance further requires us to set out in the prospectus, among other things, details of the number, description and amount of any of our shares or debentures which any person has, or is entitled to be given, an option to subscribe for, together with the certain particulars of the option, namely the period during which it is exercisable, the price to be paid for shares or debentures subscribed for under it, the consideration given or to be given (if any) and the names and addresses of the persons to whom it was given.

Our Company has options issued under a share incentive plan adopted in 2014 and a share incentive plan adopted in 2015, and amended in 2016, which are not subject to Chapter 17 of the Hong Kong Listing Rules pursuant to Rule 19C.11 of the Hong Kong Listing Rules. The Share Incentive Plans provide for the granting of options, RSUs and share appreciation rights. The waiver and exemption therefore only relates to the options that are granted under the Share Incentive Plans. As of June 30, 2020, the number of shares which may be issued pursuant to all outstanding options under the Share Incentive Plans is 2,168,859, which only accounted for

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## WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS FROM STRICT COMPLIANCE WITH THE COMPANIES (WUMP) ORDINANCE

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approximately 1.1% of our total outstanding shares as of June 30, 2020. As of June 30, 2020, our directors and executive officers and their affiliates have been granted outstanding options to acquire a total of 1,915,054 ordinary shares of our Company under the Share Incentive Plans, which represent approximately 1.0% of our total outstanding shares.

Details of the Share Incentive Plans, including outstanding RSUs, options and other rights held by our directors and executive officers, are set out in the section headed “Directors, Senior Management and Employees — Compensation — Share Incentive Plans,” which are substantially the same as that set out in our 20-F filings. However, the details with respect to options are not in strict compliance with the requirements of paragraph 27 of Part A of Appendix 1 to the Hong Kong Listing Rules and paragraph 10 of Part 1 of Third Schedule to the Companies (WUMP) Ordinance.

For the reasons above, we have applied to the Hong Kong Stock Exchange (in respect of the Hong Kong Listing Rules) and the SFC (in respect of the Companies (WUMP) Ordinance) for a waiver and/or exemption from strict compliance with the above disclosure requirement in relation to the options granted pursuant to the Share Incentive Plans on the grounds that strict compliance with the above requirements or condition would be unduly burdensome, unnecessary and/or inappropriate for us.

### **Particulars of debenture holders**

In April 2019, we completed our offering of the 2024 Notes in the aggregate principal amount of US\$275.0 million to a large number of investors which we believe are independent third parties. For more information on the 2024 Notes, please see “Financial Information — Liquidity and Capital Resources — Cash Flows and Working Capital.”

Consistent with market practice, The Depository Trust Company (“DTC”) (which is the clearing agency generally used for debt and equity security clearance in the U.S.), has acted as depository with respect to the Convertible Notes. The global notes representing the Convertible Notes are registered in the name of Cede & Co. (as DTC’s nominee) and deposited with the trustee as custodian for Cede & Co.

To the knowledge of our Company, (a) financial institutions, including broker-dealers, hold and trade the 2024 Notes through their participant accounts with DTC; (b) ultimate noteholders that do not have participant accounts with DTC typically hold and trade the 2024 Notes in the names of their brokers through their brokers’ participant accounts with the DTC; (c) the 2024 Notes are frequently traded among investors and hence the identities of the ultimate noteholders may change constantly; and (d) the trustee does not have information on the identities of the ultimate noteholders and at most, would only be able to order a fee based report to ascertain the identities of the DTC participants/brokers through which the 2024 Notes are traded.

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**WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS  
FROM STRICT COMPLIANCE WITH THE COMPANIES (WUMP) ORDINANCE**

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We have applied to the SFC for a certificate of exemption from strict compliance with paragraph 10 of the Third Schedule to the Companies (WUMP) Ordinance on the grounds that it is unduly burdensome and unnecessary due to the following reasons:

- (i) since the identities of the ultimate noteholders are practically unavailable and given the expected frequent changes of the identities of the ultimate noteholders, it would be practically impossible for us to disclose the names and addresses of such ultimate noteholders (which are independent third parties) in this prospectus. The disclosure, even if it can be made, would also not provide meaningful information to the potential investors of our Company;
- (ii) strict compliance with the applicable disclosure requirements under Paragraph 10 of the Third Schedule to the Companies (WUMP) Ordinance for each ultimate noteholder on an individual basis (including the disclosure of names and addresses of all noteholders) in this prospectus will be unduly burdensome on us in light of the practical impossibility in identifying the ultimate noteholders and the potentially significant increase in cost and time for information compilation, prospectus preparation and printing;
- (iii) material information relating to the 2024 Notes has been disclosed in the section headed “Financial Information — Liquidity and Capital Resources — Cash Flows and Working Capital” and Note 10 (Short-term and long-term loan) to Appendix I of this prospectus, including but not limited to the principal amount, the maturity date, the annual coupon rate, the conversion mechanism including the initial conversion rate and adjustments, the maximum number of ADSs that could be converted from the 2024 Notes, the potential dilution effect upon full conversion of the 2024 Notes and the noteholders’ rights to require our Company to repurchase the 2024 Notes. Accordingly, information that should be reasonably necessary for potential investors to make an informed assessment of our Company in their investment decision process has been included in this prospectus; and
- (iv) non-compliance with the abovementioned disclosure requirements under Paragraph 10 of the Third Schedule to the Companies (WUMP) Ordinance would not prevent us from providing our potential investors with an informed assessment of the activities, assets, liabilities, financial position, management and prospects of our Company and would not prejudice the interests of the investing public.



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**WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS  
FROM STRICT COMPLIANCE WITH THE COMPANIES (WUMP) ORDINANCE**

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On the basis as set out above, the SFC has granted an exemption referred to the above on the following conditions:

- (i) in respect of the 2024 Notes issued by our Company, the following details are fully disclosed in this prospectus:
  - the total principal amount of the 2024 Notes;
  - the maximum number of ADSs to be converted from the 2024 Notes;
  - the conversion rate of the 2024 Notes; and
  - the conversion period of the 2024 Notes;
- (ii) the potential dilution effect upon full conversion of the 2024 Notes issued is set out in this prospectus;
- (iii) the particulars of such exemption are set out in this prospectus; and
- (iv) this prospectus will be issued on or before September 18, 2020.

**AVAILABILITY OF COPIES OF THE PROSPECTUS IN PRINTED FORM**

We have adopted a fully electronic application process for the Hong Kong Public Offering and we will not provide printed copies of this prospectus or printed copies of any application forms to the public in relation to the Hong Kong Public Offering. The proposed waiver from the requirements to make available printed copies of this prospectus is in line with recent amendments to the Hong Kong Listing Rules relating to environmental, social and governance (“ESG”) matters. As the Hong Kong Stock Exchange noted on page 1 of its Consultation Conclusions on Review of the Environmental, Social and Governance Reporting Guide and Related Listing Rules dated December 2019, such amendments relating to ESG matters “echo the increasing international focus on climate change and its impact on business.” Electronic, *in lieu of* printed, prospectuses and application forms will help mitigate the environmental impact of printing, including, among others, the exploitation of precious natural resources such as trees and water, the handling and disposal of hazardous materials and air pollution.

We also note that in light of the uncertain situation of COVID-19 pandemic, an electronic application process with a paperless prospectus will reduce the need for prospective investors to gather in public, including branches of the receiving bank and other designated points of collection, in connection with the Hong Kong Public Offering.

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## WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS FROM STRICT COMPLIANCE WITH THE COMPANIES (WUMP) ORDINANCE

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The Hong Kong Share Registrar of our Company has implemented enhanced measures to support **WHITE Form eIPO** service, including increasing its server capacity and making available a telephone hotline to answer investors' queries in connection with the fully electronic application process. See "How to Apply for Hong Kong Offer Shares".

In addition, a dedicated section of the **WHITE Form eIPO** service's website will be accessible by the public to provide specific guidance to investors, which will include: (i) a step-by-step guide setting out the steps for payment and completion of application for the retail investors and (ii) FAQs to address potential questions from the retail investors in relation to the Hong Kong Public Offering and the electronic application channels. Both guide and FAQs will be available in both English and Chinese and will be displayed on the **White Form eIPO** service's website.

We will adopt additional communication measures as we consider appropriate to inform the potential investors that they can only subscribe for the Hong Kong Offer Shares electronically, including publishing a formal notice of the Global Offering on the official website of the Hong Kong Stock Exchange and our website and in selected English and Chinese local newspapers describing the fully electronic application process including the available channels for share subscription and the enhanced support provided by our Hong Kong Share Registrar in relation to the Hong Kong Public Offering and reminding investors that no printed prospectuses or application forms will be provided. We will also issue a press release to highlight the available electronic channels for share subscription.

We have applied for, and the Hong Kong Stock Exchange has granted to us, a waiver from strict compliance with the requirements under Rule 12.04(3), Rule 12.07 and Rule 12.11 of the Hong Kong Listing Rules in respect of the availability of copies of the prospectus in printed form based on the specific and prevailing circumstances of the Company.

### **CORPORATE COMMUNICATIONS**

Rule 2.07A of the Hong Kong Listing Rules provides that a listed issuer may send or otherwise make available to the relevant holders of its securities any corporate communication by electronic means, provided that either the listed issuer has previously received from each of the relevant holders of its securities an express, positive confirmation in writing or the shareholders of the listed issuer have resolved in a general meeting that the listed issuer may send or supply corporate communications to shareholders by making them available on the listed issuer's own website or the listed issuer's constitutional documents contain provision to that effect, and certain conditions are satisfied.

The Company's ADSs have been listed on the Nasdaq since 2015. The Company has ADS holders globally and has a diverse shareholder base.

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## WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS FROM STRICT COMPLIANCE WITH THE COMPANIES (WUMP) ORDINANCE

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We do not currently produce or send out any corporate communications to our shareholders or holders of ADSs in printed form unless requested or in limited circumstances described below. We publicly file or furnish various corporate communications with the SEC which are posted on the SEC's website. Our annual reports on Form 20-F and periodic reports on Form 6-K and all amendments to these reports, are also available free of charge on our website as soon as reasonably practicable after they are filed with or furnished to the SEC. Further, we post our proxy materials on a publicly accessible website and send a notice including the proxy materials to our shareholders and holders of ADSs. Those documents are also available on our website.

Apart from the Offer Shares that we will offer for subscription in Hong Kong, the Offer Shares will also be placed to professional, institutional, corporate and other investors in Hong Kong and elsewhere in the world. Given our diverse shareholder base and the potential number of countries in which our shareholders are located, it would not be practicable for us to send printed copies of all our corporate communications to all of our shareholders. Further, it would also not be practicable for us to approach our existing shareholders individually to seek confirmation from them of their wish to receive corporate communications in electronic form, or to provide them with the right to request corporate communication in printed form instead.

With effect from the Listing on the Hong Kong Stock Exchange, we have or will make the following arrangements:

- We will issue all future corporate communications as required by the Hong Kong Listing Rules on our own website in English and Chinese, and on the Hong Kong Stock Exchange's website in English and Chinese.
- We will continue to provide printed copies of notice including the proxy materials in English and Chinese to our shareholders at no costs.
- We will also add to the "Investor Relations" page of our website which will direct investors to all of our future filings with the Hong Kong Stock Exchange.

On the bases of the above, we have applied for, and the Hong Kong Stock Exchange has granted us, a waiver from strict compliance with the requirements under Rule 2.07A of the Hong Kong Listing Rules.

### MONTHLY RETURNS

Rule 13.25B of the Hong Kong Listing Rules requires a listed issuer to publish a monthly return in relation to movements in its equity securities, debt securities and any other securitized instruments, as applicable, during the period to which the monthly return relates. Pursuant to the Joint Policy Statement Regarding the Listing of Overseas Companies, or Joint Policy Statement, companies applying for a secondary listing may seek a waiver from Rule 13.25B subject to satisfying the waiver condition that the SFC has granted a partial exemption from

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## WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS FROM STRICT COMPLIANCE WITH THE COMPANIES (WUMP) ORDINANCE

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strict compliance with Part XV of the SFO (other than Divisions 5, 11 and 12 of Part XV of the SFO) in respect of disclosure of shareholders' interests. As we have obtained a partial exemption from the SFC, we have applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with Rule 13.25B of the Hong Kong Listing Rules. We will disclose information about share repurchases, if any, in our quarterly earnings releases and annual reports on Form 20-F which are furnished or filed with the SEC in accordance with applicable U.S. rules and regulations.

### THREE-YEAR RESTRICTION ON SPIN-OFFS

Rule 19C.11 of the Hong Kong Listing Rules provides that, among other things, paragraphs 1 to 3(b) and 3(d) to 5 of Practice Note 15 of the Hong Kong Listing Rules ("**Practice Note 15**") do not apply to a Qualifying Issuer that has, or is seeking, a secondary listing on the Hong Kong Stock Exchange. Such exception is limited to circumstances where the spun-off assets or businesses are not to be listed on the Hong Kong Stock Exchange's markets and the approval of shareholders of our Company is not required.

Paragraph 3(b) of Practice Note 15 provides that the Listing Committee would not normally consider a spin-off application within three years of the date of listing of our Company, given the original listing of our Company will have been approved on the basis of our Company's portfolio of businesses at the time of listing, and that the expectation of investors at that time would have been that our Company would continue to develop those businesses.

While our Company does not have any specific plans with respect to the timing or details of any potential spin-off listing on the Hong Kong Stock Exchange as at the Latest Practicable Date, in light of our Company's overall business scale, we may consider spinning off one or more of our mature business units through a listing on the Hong Kong Stock Exchange (each a "**Potential Spin-off**") within three years after the Listing, if there are clear commercial benefits both to our Company and the businesses to be potentially spun-off and there will be no adverse impact on the interests of shareholders of our Company. As of the Latest Practicable Date, we have not identified any target for a potential spin-off. As a result, we do not have any information relating to the identity of any spin-off target or any other details of any spin-off and accordingly, there is no material omission of any information relating to any possible spin-off in this prospectus.

We have applied for, and the Hong Kong Stock Exchange has granted a waiver from strict compliance with the requirements in paragraph 3(b) of Practice Note 15 to the Hong Kong Listing Rules, on the following grounds:

- no shareholders' approval with respect to a Potential Spin-off will be required under our Articles of Association under applicable U.S. regulations and Nasdaq Listing Rules. Further, as our Company is a Grandfathered Greater China Issuer and

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**WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS  
FROM STRICT COMPLIANCE WITH THE COMPANIES (WUMP) ORDINANCE**

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therefore exempt from the requirements under Chapter 14 of the Hong Kong Listing Rules pursuant Rule 19C.11, no shareholders' approval will be required under the Hong Kong Listing Rules as well;

- the effect of a spin-off to the shareholders of our Company should be the same regardless of whether or not the businesses to be potentially spun-off are to be listed on the Hong Kong Stock Exchange (save with respect to any preferential rights to subscribe for shares that are commonly provided in spin-offs on the Hong Kong Stock Exchange). Given the fact that certain spin-offs by Grandfathered Greater China Issuers are allowed within three years after their listing in Hong Kong pursuant to Rule 19C.11 of the Hong Kong Listing Rules, we believe that the three-year restriction on spin-offs on the Hong Kong Stock Exchange should also be waived and shall not apply to a Potential Spin-off by us;
- our Company and any subsidiary in respect of which a Potential Spin-off is contemplated will be subject to compliance with all other applicable requirements under the Hong Kong Listing Rules, including the remaining requirements of Practice Note 15 and (in the case of the company to be spun-off) the listing eligibility requirements of Chapter 8, 8A or 19C of the Hong Kong Listing Rules (as the case may be), unless otherwise waived by the Hong Kong Stock Exchange;
- under U.S. federal securities laws and Nasdaq Listing Rules, we are not subject to any restrictions similar to the three-year restriction under paragraph 3(b) of Practice Note 15 in relation to the spin-offs of our businesses, nor is there any requirement for our Company to disclose any details of our potential spin-off entities when such information is not available because of the absence of any concrete spin-off plan; and
- our directors owe fiduciary duties to our Company, including the duty to act in what they consider in good faith to be in the best interests of our Company; as such they will only pursue a potential spin-off if there are clear commercial benefits both to our Company and the entity or entities to be spun off; and the directors will not direct our Company to conduct any spin-off if they believe it will have an adverse impact on the interests of our shareholders.

The waiver was granted by the Hong Kong Stock Exchange on the following conditions:

- we undertake that prior to any spin-off of our business through a listing on the Hong Kong Stock Exchange within three years after the Listing, we will confirm to the Hong Kong Stock Exchange with basis that the spin-off would not render our Company, excluding the business to be spun off, incapable of fulfilling either the eligibility or suitability requirements under Rules 19C.02 and 19C.05 of the Hong Kong Listing Rules based on the financial information of the entity or entities to be spun-off at the time of our Listing (calculated cumulatively if more than one entity is spun-off);

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## WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS FROM STRICT COMPLIANCE WITH THE COMPANIES (WUMP) ORDINANCE

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- we will disclose in this prospectus our intention relating to any potential spin-off within three years after the Listing and the risks relating to the uncertainty and timing of any potential spin-offs;
- any potential spin-offs by us at the Hong Kong Stock Exchange will be subject to the requirements of Practice Note 15 (other than paragraph 3(b) thereof), including that each of our Company and our businesses to be spun off will satisfy the applicable listing eligibility requirements on a standalone basis; and
- this waiver will be disclosed in this prospectus.

We cannot assure that any spin-off will ultimately be consummated, whether within the three-year period after the Listing or otherwise, and any such spin-off will be subject to market conditions at the time and approval by the Listing Committee. In the event that we proceed with a spin-off, our interest in the entity to be spun-off (and its corresponding contribution to the financial results of our Group) will be reduced accordingly.

### DISCLOSURE REQUIREMENTS IN RESPECT OF INDEBTEDNESS AND LIQUIDITY

Paragraph 32 of Part A of Appendix 1 to the Hong Kong Listing Rules requires a listing document to include a statement (or an appropriate negative statement) of a new applicant's indebtedness as at a specified most recent practicable date (the "**Most Recent Practicable Date**"), and a commentary on its liquidity, financial resources and capital structure (together, the "**Liquidity Disclosure**"). In accordance with Hong Kong Stock Exchange Guidance Letter HKEX-GL37-12 ("**HKEX-GL37-12**"), the Hong Kong Stock Exchange normally expects that the Most Recent Practicable Date for the Liquidity Disclosure, including, among other things, commentary on liquidity and financial resources such as net current assets (liabilities) position and management discussion on this position, in a listing document to be dated no more than two calendar months before the final date of the listing document.

As this prospectus is published in September 2020, we are required to make the relevant indebtedness and liquidity disclosures no earlier than July 31, 2020 pursuant to HKEXGL37-12. Given that we have included a report of our interim financial information for the period ended June 30, 2020 (i.e., the Company's second quarter financial information), which has been audited in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), it would be unduly burdensome for our Company to re-arrange information for similar Liquidity Disclosure on a consolidated basis shortly after the end of the second quarter of our financial year.

Strict compliance with the Liquidity Disclosure requirements would constitute additional one-off disclosure by the Company of its liquidity position on a date that would fall within the third quarter of its financial year (i.e. a date that would fall between June 30, 2020 and September 30, 2020), which would be otherwise not required to be disclosed to investors in the U.S. under applicable U.S. regulations and Nasdaq Listing Rules because we are required to

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## WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS FROM STRICT COMPLIANCE WITH THE COMPANIES (WUMP) ORDINANCE

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announce quarterly results at the end and not in the middle of each quarter of its financial year. Such one-off disclosure is likely to confuse the Company's existing investors and deviates from its customary practice and that of other Nasdaq listed companies.

We have a strong liquidity position, see "Financial Information — Liquidity and Capital Resources" for further details, and the Company did not record any acceleration of indebtedness or incur any material expenses since June 30, 2020. In any event, if there has been any material changes to the Liquidity Disclosures since June 30, 2020, the Company will be required to make an announcement pursuant to the U.S. regulations and Nasdaq Listing Rules and disclose relevant material facts in the prospectus pursuant to the Hong Kong Listing Rules.

In the event that there has been no material change to the Liquidity Disclosures since June 30, 2020, any similar disclosures made pursuant to HKEX-GL37-12 would not give additional meaningful information to investors.

We have applied for, and the Hong Kong Stock Exchange has granted us, a waiver from compliance with the timing requirements for the Liquidity Disclosure in the prospectus under HKEX-GL37-12, on the condition that the reported date of indebtedness and liquidity information in the prospectus will not exceed the requirement under HKEX-GL37-12 by one calendar month (i.e. the time gap between the reported date of our Company's indebtedness and liquidity information and the date of the prospectus would be no more than three calendar months).

### **DISCLOSURE OF OFFER PRICE**

Paragraph 15(2)(c) of Part A of Appendix 1 to the Hong Kong Listing Rules states that the issue price or offer price of each security must be disclosed in the prospectus.

We have applied to the Hong Kong Stock Exchange for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with paragraph 15(2)(c) of Part A of Appendix 1 to the Hong Kong Listing Rules so that the Company will only disclose the maximum Public Offer Price for the Hong Kong Offer Shares, or the Public Offer Price, in the Prospectus:

- The Public Offer Price will be determined by reference to, among other factors, the closing price of the ADSs on Nasdaq on the last trading day on or before the Price Determination Date and the Company has no control on the market price of its ADSs traded on Nasdaq;
- As our ADSs are listed and actively traded on the Nasdaq, setting a fixed price or a price range with a low end International Offer Price or Public Offer Price may adversely affect the market price of the ADSs and the Hong Kong Offer Shares, considering, among other things, that this may indicate an arbitrary floor price and may potentially prejudice the Company's ability to price in the best interest of the Company and its shareholders; and

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## WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS FROM STRICT COMPLIANCE WITH THE COMPANIES (WUMP) ORDINANCE

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- Disclosure of a maximum Public Offer Price is in compliance with the Companies (WUMP) Ordinance, as such disclosure constitutes sufficient disclosure of the “amount payable” on application and allotment on the Offer Shares as required under the Companies (WUMP) Ordinance.

We may set the International Offer Price at a level higher than the maximum Public Offer Price if (a) the Hong Kong dollar equivalent of the closing trading price of the ADSs on Nasdaq on the last trading day on or before the Price Determination Date (on a per-Share converted basis) were to exceed the maximum Public Offer Price as stated in this prospectus and/or (b) we believe that it is in the best interest of the Company as a listed company to set the International Offer Price at a level higher than the maximum Public Offer Price based on the level of interest expressed by professional and institutional investors during the bookbuilding process.

If the International Offer Price is set at or lower than the maximum Public Offer Price, the Public Offer Price must be set at such price which is equal to the International Offer Price. In no circumstances will we set the Public Offer Price above the maximum Public Offer Price as stated in this prospectus or the International Offer Price.

See “Structure of the Global Offering — Pricing And Allocation — Determining The Pricing of the Offer Shares” in this prospectus for the historical prices of our ADS and trading volume on Nasdaq.

### DEALINGS IN THE SHARES PRIOR TO LISTING

According to Rule 9.09(b) of the Hong Kong Listing Rules, there must be no dealing in the securities of a new applicant for which listing is sought by any core connected person of the issuer from four clear business days before the expected hearing date until listing is granted, or the Relevant Period.

We have over 30 subsidiaries and affiliated consolidated entities and our ADSs are widely held, publicly traded and listed on Nasdaq. We are therefore not in a position to control the investment decisions of our shareholders or the investing public in the U.S. Solely based on public filings with the SEC as of the Latest Practicable Date, other than Vincent Weibin Qiu, our co-founder, director and chief executive officer, and Junhua Wu, our co-founder, director and chief growth officer, there are no shareholders who hold more than 10% of the voting power at any general meeting of the Company. Vincent Weibin Qiu and Junhua Wu may from time to time use their Shares as security (including charges and pledges) in connection with financing activities. As of the Latest Practicable Date, without including shares that the person has the right to acquire within 60 days, including through the exercise of any option, warrant or other right or the conversion of any other security, Vincent Weibin Qiu and Junhua Wu beneficially owned 30.6% and 12.6% of the voting rights in our Company, respectively (see “Major Shareholders” for details) and none of their Shares was used as security.



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**WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS  
FROM STRICT COMPLIANCE WITH THE COMPANIES (WUMP) ORDINANCE**

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On the basis of the above, we consider that the following categories of persons (collectively, the “**Permitted Persons**”) should not be subject to the dealing restrictions set out in Rule 9.09(b) of the Hong Kong Listing Rules:

- Vincent Weibin Qiu, our co-founder, director and chief executive officer, and Junhua Wu, our co-founder, director and chief growth officer, in respect of use of their Shares as security (including, for the avoidance of doubt, using Shares as security in connection with entering into financing transactions during the Relevant Period as well as satisfying any requirements to top-up security under the terms of financing transactions entered into prior to the Relevant Period), provided that there will be no change in the beneficial ownership of the Shares at the time of entering into any such transactions during the Relevant Period (“**Category 1**”);
- our directors and chief executives other than Vincent Weibin Qiu and Junhua Wu and the directors and chief executives of our Major Subsidiaries, in respect of their respective use of the Shares as security (including, for the avoidance of doubt, using Shares as security in connection with entering into financing transactions during the Relevant Period as well as satisfying any requirements to top-up security under the terms of financing transactions entered into prior to the Relevant Period), provided that there will be no change in the beneficial ownership of the Shares at the time of entering into any such transactions during the Relevant Period (“**Category 2**”);
- directors, chief executives and substantial shareholders of our non-Major Subsidiaries and their close associates (“**Category 3**”); and
- any other person (whether or not an existing Shareholder) who may, as a result of dealings, become our substantial shareholder and who is not our director or chief executive, or a director or chief executive of our subsidiaries, or their close associates (“**Category 4**”), and for the avoidance of doubt, Alibaba Investment Limited and Tsubasa Corporation do not belong to the permitted persons under Category 4.

For the avoidance of doubt,

- as the foreclosure, enforcement or exercise of other rights by the lenders in respect of a security interest over the Shares (including, for the avoidance of doubt, any security interest created pursuant to any top-up of security) will be subject to the terms of the financing transaction underlying such security and not within the control of the pledgor, any change in the beneficial owner of the Shares during the Relevant Period resulting from the foreclosure, enforcement or exercise of other rights by the lenders in respect of such security interest will not be subject to Rule 9.09(b) of the Hong Kong Listing Rules; and

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**WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS  
FROM STRICT COMPLIANCE WITH THE COMPANIES (WUMP) ORDINANCE**

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- persons in Category 1 and Category 2 who use their respective Shares other than as described in this section “Dealings in the Shares prior to Listing” are subject to the restriction under Rule 9.09(b) of the Hong Kong Listing Rules.

As at the Latest Practicable Date, there are no pre-existing financing transactions in place in respect of which persons in Category 1 and Category 2 have pledged his/her Shares as security.

We have applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements of Rule 9.09(b) of the Hong Kong Listing Rules in respect of any dealing during the Relevant Period by the Permitted Persons subject to the following conditions:

- Where Categories 1 and 2 of the Permitted Persons use the Shares as security, there will be no change in the beneficial ownership of the Shares during the Relevant Period;
- Categories 3 and 4 of the Permitted Persons do not have any influence over the Global Offering and do not possess any of our non-public inside information given that such persons are not in a position with access to information that is considered material to us taken as a whole. Given that we have over 30 subsidiaries and affiliated consolidated entities and our ADSs are widely held and actively and publicly traded on Nasdaq, we and our management do not have effective control over the investment decisions of Categories 3 and 4 of the Permitted Persons in our ADSs and we do not have control over investors who may become a Category 4 Permitted Person;
- we will promptly release any inside information to the public in the United States and Hong Kong in accordance with the relevant laws and regulations of the U.S. and Hong Kong. Accordingly, the Permitted Persons (other than Category 1 and Category 2 persons) are not in possession of any non-public inside information of which we are aware;
- we will notify the Hong Kong Stock Exchange of any breaches of the dealing restrictions by any of our core connected persons during the Relevant Period when we become aware of the same other than dealings by the core connected persons who are Permitted Persons within the permitted scopes set out above; and
- prior to the Listing Date, other than within the permitted scopes set out above, our directors and chief executive and the directors and chief executives of our Major Subsidiaries and their close associates will not deal in the Shares or the ADSs during the Relevant Period provided that such prohibited dealing in the Shares shall not

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## WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS FROM STRICT COMPLIANCE WITH THE COMPANIES (WUMP) ORDINANCE

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include the granting, vesting, payment or exercise (as applicable) of RSUs, incentive and non-statutory options, restricted shares, dividend equivalents, and share payments under our Group's share incentive plans.

### **REQUIREMENTS TO PUBLISH AND SEND INTERIM REPORT**

Rule 13.48(1) of the Hong Kong Listing Rules requires that in respect of the first six months of each financial year of an issuer unless that financial year is of six months or less, the issuer shall send to the persons listed in rule 13.46(1), either (i) an interim report, or (ii) a summary interim report not later than three months after the end of that period of six months. The issuer may send a copy of its summary interim report to a member and a holder of its listed securities in place of a copy of its interim report, provided that such summary interim report complies with the relevant provisions of the Companies (Summary Financial Reports) Regulation governing summary financial reports.

Paragraph 3 of Practice Note 10 of the Hong Kong Listing Rules requires issuers to prepare an interim report or summary interim report in respect of the first six months of the financial year. The interim report or summary interim report is to be published not later than three months after the end of that period of six months.

In order to meet this requirement, newly listed issuers will be required to prepare and publish interim reports in respect of the first six month period where the deadline for publishing the reports falls after the date on which dealings in the securities of the issuer commenced. In the event that the results for the interim period (containing financial information required for interim results announcements under paragraph 46(1) of Appendix 16) have been included in the prospectus for the purpose of applying for a listing on the Hong Kong Stock Exchange, there will be no obligation to separately publish the results.

Our financial year end dates are on December 31, and we would be required to publish and send an interim report to our shareholders for the six months ended June 30, 2020 not later than three months after the end of the first six months after the financial year (i.e. before September 30, 2020).

We have applied for, and the Hong Kong Stock Exchange has granted a waiver from strict compliance with the requirements in Rule 13.48(1) of the Hong Kong Listing Rules and Practice Note 10 to the Hong Kong Listing Rules, on the following grounds, and subject to the conditions set out below:

- (a) we have included a report of our interim financial information for the six months ended June 30, 2020 (i.e., our financial information of the first half of 2020), which has been audited in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB) in this prospectus;

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**WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS  
FROM STRICT COMPLIANCE WITH THE COMPANIES (WUMP) ORDINANCE**

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- (b) pursuant to Rule 19C.11 of the Hong Kong Listing Rules, the content requirement for interim report under Rule 13.48(2) does not apply to us, being a company seeking a secondary listing on the Hong Kong Stock Exchange;
- (c) given this prospectus will be issued on or before September 18, 2020 and it contains our interim financial information for the period ended June 30, 2020, it would not provide additional meaningful information to the investors and it would be unduly burdensome for us to publish and send an interim report to our shareholders;
- (d) our Company confirms that it is not in breach of our Articles of Association or laws or regulations of the Cayman Islands or other applicable regulatory requirements for not preparing, publishing and sending an interim report under the Hong Kong Listing Rules to our shareholders for the six months ended June 30, 2020; and
- (e) this waiver will be disclosed in this prospectus.

**SUBSCRIPTION FOR SHARES BY EXISTING SHAREHOLDERS**

Rule 10.04 of the Hong Kong Listing Rules requires that existing shareholders may only subscribe for or purchase any securities for which listing is sought that are being marketed by or on behalf of a new applicant either in his or its own name or through nominees if the conditions in Rule 10.03 of the Hong Kong Listing Rules are fulfilled. Paragraph 5(2) of Appendix 6 to the Hong Kong Listing Rules states that, without the prior written consent of the Hong Kong Stock Exchange, no allocations will be permitted to be made to directors, existing shareholders of a listing applicant or their close associates, unless the conditions set out in Rules 10.03 and 10.04 are fulfilled.

Our ADSs are widely held, publicly traded and listed on the NASDAQ, and the Permitted Existing Shareholders (as defined below) have no influence over the Global Offering given that such persons are not in a position with access to information that is considered material to us taken as a whole and are not in possession of any non-public inside information in relation to the Proposed Secondary Listing and are effectively in the same positions as our public investors.

Persons including: (i) the Permitted Persons (as defined in “— Dealings in the Shares Prior to Listing” above) (other than Category 1 and Category 2 persons), i.e., Category 3 and 4 of the Permitted Persons, or (ii) public investors holding less than 5% of our voting rights, or (iii) Federated Hermes, Inc. which is a public investor and an independent third party having no board representation in us are referred to as Permitted Existing Shareholder. For the avoidance of doubt, Alibaba Investment Limited and Tsubasa Corporation which have nominated directors on our board of directors are not Permitted Existing Shareholders.

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**WAIVERS FROM COMPLIANCE WITH THE LISTING RULES AND EXEMPTIONS  
FROM STRICT COMPLIANCE WITH THE COMPANIES (WUMP) ORDINANCE**

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We have applied for, and the Hong Kong Stock Exchange has granted, a waiver from strict compliance with the requirements of Rule 10.04 and Paragraph 5(2) of Appendix 6 to the Hong Kong Listing Rules in respect of the restriction on Permitted Existing Shareholders to subscribe for or purchase Shares in the Global Offering, subject to the following conditions:

- each Permitted Existing Shareholder (other than Federated Hermes, Inc.) is interested in less than 5% of our voting rights before the Listing;
- each Permitted Existing Shareholder (other than the Permitted Persons) is not our core connected person;
- the Permitted Existing Shareholders do not have the power to appoint our directors or any other special rights in us;
- the Permitted Existing Shareholders do not have influence over the offering process and will be treated the same as other applicants and placees in the Global Offering;
- the Permitted Existing Shareholders will be subject to the same book-building and allocation process as other investors in the Global Offering; and
- to the best of their knowledge and belief, each of us, the Joint Sponsors and the Joint Representatives (based on its discussions with and the confirmations from the Company and the other Joint Representatives (for themselves and on behalf of the Underwriters)) confirms to the Hong Kong Stock Exchange in writing that no preferential treatment has been, nor will be, given to the Permitted Existing Shareholders and their close associates as a placee in the International Offering by virtue of their relationship with us.

Allocation to the Permitted Existing Shareholders and/or their close associates will not be disclosed in our allotment results announcement as it would be unduly burdensome for us to disclose such information given that there is no requirement to disclose interests under the U.S. Securities Exchange Act of 1934 unless such person has beneficial ownership of more than 5% of our common stock or such person is our Director or officer. As such, for the avoidance of doubt, allocation to any Permitted Existing Shareholders and/or their close associates (including Federated Hermes, Inc.) will be disclosed in our allotment results announcement if such Permitted Existing Shareholders have beneficial ownership of more 5% of or more of our issued share capital after the Global Offering.