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In preparation for the Listing, our Company has applied for the following waivers from strict compliance with the relevant provisions of the Listing Rules:

NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS

We have entered into, and are expected to continue, certain transactions that will constitute non-exempt continuing connected transactions of our Company under the Listing Rules upon Listing. Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted, waivers from strict compliance with (i) the announcement, circular and independent Shareholders' approval requirements under Rule 14A.105 of the Listing Rules; (ii) the requirement of setting an annual cap set out in Chapter 14A of the Listing Rules for certain continuing connected transactions; and (iii) the requirement of limiting the term of certain continuing connected transactions to three years or less under Rule 14A.52 of the Listing Rules. For further details in this respect, see "Connected Transactions" in this prospectus.

MANAGEMENT PRESENCE IN HONG KONG

Pursuant to Rule 8.12 of the Listing Rules, our Company must have sufficient management presence in Hong Kong, which normally means that at least two executive directors must be ordinarily resident in Hong Kong. Given that (i) our core business operations are principally located, managed and conducted in the PRC and the Company's head office is situated in Beijing, the PRC; (ii) our executive Directors and senior management team principally reside in the PRC; and (iii) the management and operations of the Company have mainly been under the supervision of our executive Directors and senior management, who are principally responsible for the overall management, corporate strategy, planning, business development and control of the Group's businesses and it is important for them to remain in close proximity to the Group's operations located in the PRC, our Company considers that it would be more practical for our executive Directors and senior management to remain ordinarily resident in the PRC where the Group has substantial operations. For the above reasons, we do not have, and do not contemplate in the foreseeable future that we will have sufficient management presence in Hong Kong for the purpose of satisfying the requirement under Rule 8.12 of the Listing Rules.

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Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with Rule 8.12 of the Listing Rules. We will ensure that there are adequate and efficient arrangements to achieve regular and effective communication between us and the Stock Exchange as well as compliance with the Listing Rules by way of the following arrangements:

1. **Authorized representatives:** we have appointed Mr. Su Hua (“**Mr. Su**”), an executive Director, Chairman of the Board, and Chief Executive Officer our Company, and Ms. So Ka Man (“**Ms. So**”), a joint company secretary, as the authorized representatives (“**Authorized Representatives**”) for the purpose of Rule 3.05 of the Listing Rules. The Authorized Representatives will act as our principal channel of communication with the Stock Exchange and would be readily contactable by phone and email to deal promptly with enquiries from the Stock Exchange. Ms. So ordinarily resides in Hong Kong whereas Mr. Su ordinarily resides in the PRC, and Mr. Su possesses valid travel documents and is able to renew such travel documents when they expire in order to visit Hong Kong. Accordingly, the Authorized Representatives will be able to meet with the relevant members of the Stock Exchange to discuss any matters in relation to our Company within a reasonable period of time. The Company will also inform the Stock Exchange promptly in respect of any change in the Authorized Representatives. See “Directors and Senior Management” for more information about our Authorized Representatives.
2. **Directors:** to facilitate communication with the Stock Exchange, we have provided the Authorized Representatives and the Stock Exchange with the contact details (such as mobile phone numbers, office phone numbers, e-mail addresses, to the extent possible) of each of our Directors such that the Authorized Representatives would have the means for contacting all our Directors promptly at all times as and when the Stock Exchange wishes to contact our Directors on any matters. In the event that any Director expects to travel or otherwise be out of office, he will provide the phone number of the place of his accommodation to the Authorized Representatives. To the best of our knowledge and information, each Director who is not ordinarily resident in Hong Kong possesses or can apply for valid travel documents to visit Hong Kong and can meet with the Stock Exchange within a reasonable period after requested by the Stock Exchange.

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3. **Compliance advisor:** we have appointed China Renaissance Securities (Hong Kong) Limited as our compliance advisor (the “**Compliance Advisor**”) in compliance with Rule 3A.19 of the Listing Rules. The Compliance Advisor will, among other things and in addition to the Authorized Representatives, provide us with professional advice on continuing obligations under the Listing Rules and act as additional channel of communication of the Company with the Stock Exchange. The Compliance Advisor will be available to answer enquiries from the Stock Exchange and will act as the principal channel of communication with the Stock Exchange when the Authorized Representatives are not available.
4. **Hong Kong legal advisor:** we will retain a Hong Kong legal advisor to advise us on the on-going compliance requirements, any amendment or supplement to and other issues arising under the Listing Rules and other applicable laws and regulations in Hong Kong after the Listing.

WAIVER IN RESPECT OF JOINT COMPANY SECRETARIES

Rule 8.17 of the Listing Rules provides that our Company must appoint a company secretary who satisfies the requirements under Rule 3.28 of the Listing Rules. According to Rule 3.28 of the Listing Rules, the Company must appoint an individual, who, by virtue of his/her academic or professional qualifications or relevant experience, is, in the opinion of the Stock Exchange, capable of discharging the functions of company secretary.

Pursuant to Note 1 to Rule 3.28 of the Listing Rules, the Stock Exchange considers the following academic or professional qualifications to be acceptable:

- (a) a Member of The Hong Kong Institute of Chartered Secretaries;
- (b) a solicitor or barrister (as defined in the Legal Practitioners Ordinance); and
- (c) a certified public accountant (as defined in the Professional Accountants Ordinance).

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In addition, pursuant to Note 2 to Rule 3.28 of the Listing Rules, in assessing “relevant experience”, the Stock Exchange will consider the individual’s:

- (a) length of employment with the issuer and other issuers and the roles he/she played;
- (b) familiarity with the Listing Rules and other relevant law and regulations including the SFO, the Companies Ordinance, the Companies (Winding Up and Miscellaneous Provisions) Ordinance and the Takeovers Code;
- (c) relevant training taken and/or to be taken in addition to the minimum requirement under Rule 3.29 of the Listing Rules; and;
- (d) professional qualifications in other jurisdictions.

We have appointed Mr. Jia Hongyi (“**Mr. Jia**”) as one of the joint company secretaries of the Company. See “Directors and Senior Management” for further biographical details of Mr. Jia.

Mr. Jia has over 10 years of experience in the legal industry. He joined the Company in December 2016 and since then has been the senior director of legal affairs of the Group. Mr. Jia has also been actively involved in the proposed Listing since its preparatory period. However, Mr. Jia personally does not possess any of the qualifications under Rules 3.28 and 8.17 of the Listing Rules, and may not be able to solely fulfill the requirements of the Listing Rules. Mr. Jia has extensive experience in the compliance and legal-related matters of the Group and is quite familiar with the Group’s businesses and operations. Although Mr. Jia does not possess the qualifications set out in Rule 3.28 of the Listing Rules, the Company considers that it is for the benefit of the Company to appoint Mr. Jia as one of the joint company secretaries of the Company.

The Company has also appointed Ms. So Ka Man (“**Ms. So**”), a fellow of The Hong Kong Institute of Chartered Secretaries and The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators), who fully meets the requirements stipulated under Rules 3.28 and 8.17 of the Listing Rules to act as one of our joint company secretaries and to provide assistance to Mr. Jia for a period of three years from the Listing Date to enable Mr. Jia to acquire the “relevant experience” under Note 2 to Rule 3.28 of the Listing Rules so as to fully comply with the requirements set out under Rules 3.28 and 8.17 of the Listing Rules.

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The following arrangements have been, or will be, put in place to assist Mr. Jia in acquiring the qualifications and experience as the company secretary of our Company required under Rule 3.28 of the Listing Rules:

- (a) Ms. So, one of the joint company secretaries who meets all the requirements under Rule 3.28 of the Listing Rules, will assist Mr. Jia so that he is able to acquire the relevant knowledge and experience as required under the Listing Rules in order to discharge his functions as a joint company secretary. The Company has also appointed Ms. So as an authorized representative of the Company.
- (b) The Company undertakes to re-apply to the Stock Exchange for a waiver in the event that Ms. So ceases to meet the requirements under Rule 3.28 of the Listing Rules or otherwise ceases to serve as a joint company secretary of our Company.
- (c) The Company will further ensure that Mr. Jia has access to the relevant training and support to enable him to familiarize himself with the Listing Rules and the duties required of a company secretary of an issuer listed on the Stock Exchange. The Company's Hong Kong legal advisors have provided training to Mr. Jia on the principal requirements of the Listing Rules and the Hong Kong laws and regulations applicable to the Company after its Listing. In addition, Mr. Jia will endeavor to familiarize himself with the Listing Rules, including any updates thereto, during the three-year period from the Listing Date.
- (d) Mr. Jia has confirmed that he will be attending a total of no less than 15 hours of training courses on the Listing Rules, corporate governance, information disclosure, investor relations as well as the functions and duties of a company secretary of a Hong Kong listed issuer during each financial year as required under Rule 3.29 of the Listing Rules.

Our Company expects that Mr. Jia, having had the benefit of Ms. So's assistance during the three-year period, will acquire the qualifications and relevant experience required under Rule 3.28 of the Listing Rules prior to the end of the three-year period after the Listing.

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Accordingly, we have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with Rules 3.28 and 8.17 of the Listing Rules on the following conditions:

- (a) Mr. Jia must be assisted by a person who possesses the qualifications or experience as required under Rule 3.28 of the Listing Rules and is appointed as a joint company secretary throughout the three-year period; and.
- (b) the waiver will be revoked immediately if there are material breaches of the Listing Rules by the Company or if Ms. So, during the three-year period, ceases to provide assistance to Mr. Jia.

Before the end of the three-year period, we shall liaise with the Stock Exchange to revisit the situation in the expectation that we should then be able to demonstrate to the Stock Exchange's satisfaction that Mr. Jia, having had the benefit of Ms. So's assistance for three years, would then have acquired the relevant experience within the meaning of Note 2 to Rule 3.28 of the Listing Rules so that a further waiver would not be necessary.

WAIVER IN RELATION TO THE DISCLOSURE REQUIREMENTS WITH RESPECT TO CHANGES IN SHARE CAPITAL

We have applied for, and the Stock Exchange has granted, a waiver from strict compliance with the requirements of paragraph 26 of Part A of Appendix 1 to the Listing Rules in respect of disclosing the particulars of any alterations in the capital of any member of the Group within two years immediately preceding the issue of this prospectus.

We have identified four entities that we consider are the major subsidiaries and Consolidated Affiliated Entities primarily responsible for the track record results of our Group (the "**Principal Entities**," and each a "**Principal Entity**"). For further details, see "History and Corporate Structure — Our Major subsidiaries and Operating Entities." Globally, our Group has approximately 80 subsidiaries and Consolidated Affiliated Entities, across 10 different jurisdictions. It would be unduly burdensome for our Company to disclose this information, which would not be material or meaningful to investors. By way of illustration, (a) for the three years ended December 31, 2017, 2018 and 2019 and the nine months ended September 30, 2020, the aggregate revenue of the Principal Entities represented approximately 99.0%, 99.6%, 99.1% and 95.8% of the Group's total revenues, respectively; and (b) as of December 31, 2017, 2018, 2019 and September 30, 2020, the aggregate assets of the Principal Entities represented approximately 57.3%, 53.6%, 72.8% and 51.0% of the Group's total assets, respectively. Accordingly, the remaining subsidiaries and Consolidated Affiliated Entities in our Group are not significant to the overall operations and financial results of the Group. Additionally, our non-Principal Entities do

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not hold major or material assets (save for passive financial products and equity investments of the Group), intellectual property rights or other major proprietary technologies or major research and development functions of the Group.

Particulars of the changes in the share capital of the Company and the Principal Entities have been disclosed in “Statutory and General Information — 1. Further Information about our Group — 1.2 Changes in the share capital of our Company” and “Statutory and General Information — 1. Further Information about our Group — 1.3 Changes in the share capital of our major subsidiaries and operating entities” in Appendix V to this prospectus.

**WAIVER IN RELATION TO RULE 4.04(1) OF THE LISTING RULES AND EXEMPTION
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PART II OF THE THIRD SCHEDULE TO THE COMPANIES (WINDING UP AND
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Pursuant to Rule 4.04(1) of the Listing Rules, the accountant’s report contained in this prospectus must include, inter alia, the results of our Company in respect of each of the three financial years immediately preceding the issue of this prospectus or such shorter period as may be acceptable to the Stock Exchange.

Pursuant to section 342(1)(b) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, all prospectuses shall include the matters specified in Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance and it sets out the reports specified in Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

Pursuant to paragraph 27 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, our Company is required to include in this prospectus a statement as to the gross trading income or sales turnover (as the case may be) of our Company during each of the three financial years immediately preceding the issue of this prospectus as well as an explanation of the method used for the computation of such income or turnover and a reasonable breakdown of the more important trading activities.

Pursuant to paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance, our Company is required to include in this prospectus a report by our Company’s auditor with respect to profits and losses in respect of each of the three financial years immediately preceding the issue of the prospectus and assets and liabilities of the Company at the last date to which the financial statements of the Company were prepared.

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Pursuant to section 342A(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance, the SFC may issue, subject to such conditions (if any) as the SFC thinks fit, a certificate of exemption from compliance with the relevant requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance if, having regard to the circumstances, the SFC considers that the exemption will not prejudice the interests of the investing public and compliance with any or all of such requirements would be irrelevant or unduly burdensome, or is otherwise unnecessary or inappropriate.

The accountant's report for each of the three years ended December 31, 2017, 2018 and 2019 and the nine months ended September 30, 2020 has been prepared and is set out in Appendix I to this prospectus.

Pursuant to the relevant requirements set out above, our Company is required to produce three full years of audited accounts for the years ended December 31, 2018, 2019 and 2020. However, an application has been made to the Stock Exchange for a waiver from strict compliance with Rule 4.04(1) of the Listing Rules, and such waiver has been granted by the Stock Exchange on the conditions that:

- (a) this prospectus will be issued on or before January 26, 2021 and our Company be listed on the Stock Exchange on or before March 31, 2021 (i.e. within three months after the end of the Company's latest financial year immediately preceding the issue of this prospectus);
- (b) we will include in this prospectus a loss estimate for the financial year ended December 31, 2020 in compliance with Rules 11.17 to 11.19 of the Listing Rules and a Directors' statement that, after performing all due diligence work which they consider appropriate, there is no material and adverse change to the financial and trading position or prospects of our Company, with specific reference to the trading results from October 1, 2020 to December 31, 2020;
- (c) our Company obtains a certificate of exemption from the SFC from strict compliance with the requirements under section 342(1)(b) in respect of paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance; and
- (d) we will publish the results announcement for the financial year ended December 31, 2020 by not later than March 31, 2021 and the annual report for the financial year ended December 31, 2020 by not later than April 30, 2021, respectively, in compliance with Rules 13.46(2) and 13.49(1) of the Listing Rules.

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An application has also been made to the SFC for a certificate of exemption from strict compliance with the requirements under section 342(1)(b) in respect of paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance and a certificate of exemption has been granted by the SFC under section 342A(1) of the Companies (Winding Up and Miscellaneous Provisions) Ordinance on the conditions that (i) the particulars of the exemption be set out in this prospectus; (ii) this prospectus be issued on or before January 26, 2021; and (iii) our Company be listed on the Stock Exchange on or before March 31, 2021 (i.e. within three months after the end of the Company's latest financial year immediately preceding the issue of this prospectus).

The applications to Stock Exchange for a waiver from strict compliance with Rule 4.04(1) of the Listing Rules and to the SFC for a certificate of exemption from strict compliance with the requirements under section 342(1)(b) in respect of paragraph 27 of Part I and paragraph 31 of Part II of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance have been made on the grounds, among others, that strict compliance with the above requirements would be unduly burdensome and the exemption would not prejudice the interests of the investing public as:

- (a) there would not be sufficient time for our Company and the reporting accountants of our Company (the “**Reporting Accountants**”) to finalize the audited financial statements for the year ended December 31, 2020 for inclusion in this prospectus. If the financial information for the year ended December 31, 2020 is required to be audited, our Company and the Reporting Accountants would have to carry out substantial volume of work to prepare, update and finalize the Accountant's Report and the prospectus, and the relevant sections of the prospectus will need to be updated to cover such additional period. This would involve additional time and costs since substantial work is required to be carried out for audit purposes. It would be unduly burdensome for the audited results for the year ended December 31, 2020 to be finalized in a short period of time. Our Directors consider that the benefits of such work to the existing and prospective shareholders of our Company may not justify the additional work and expenses involved and the delay of the Listing timetable;
- (b) Our Directors and the Joint Sponsors herein confirm that after performing all reasonable due diligence work which they consider appropriate, up to the date of prospectus, except to the extent disclosed in “Recent Development” in Summary section of this prospectus, there has been no material adverse change to the financial and trading positions or prospects of our Group since October 1, 2020 (immediately following the date of the latest audited statement of financial position in the accountant's report set out in Appendix I to this prospectus) up to December 31, 2020 and there has been no event

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which would materially affect the information shown in the accountant's report as set out in Appendix I to this prospectus, the Financial Information section, the Loss Estimate as set out in Appendix III to this prospectus and information regarding the Company's recent development subsequent to the Track Record Period and up to the Latest Practicable Date, since October 1, 2020;

- (c) our Company is of the view that the accountant's report covering the three years ended December 31, 2017, 2018 and 2019 and the nine months ended September 30, 2020, together with the loss estimate for the year ended December 31, 2020 (in compliance with Rules 11.17 to 11.19 of the Listing Rules) included in this prospectus have already provided the potential investors with adequate and reasonably up-to-date information in the circumstances to form a view on the track record and earnings trend of our Company; and our Directors and the Joint Sponsors confirm that all information which is necessary for the investing public to make an informed assessment of the business, assets and liabilities, financial position, trading position, management and prospects included in this prospectus. Further, our Company will comply with Rules 13.46(2) and 13.49(1) of the Listing Rules in respect of the publication of annual results and annual report for the year ended December 31, 2020. Therefore, the waiver and exemption would not prejudice the interests of the investing public; and
- (d) we will comply with the requirements under Rules 13.46(2) and 13.49(1) of the Listing Rules in respect of the publication of our annual results and annual report. Our Company currently expects to issue our annual results and annual report for the financial year ended December 31, 2020 on or before March 31, 2021 and April 30, 2021, respectively. In this regard, our Directors consider that the Shareholders of our Company, the investing public as well as potential investors of our Company will be kept informed of the financial results of our Group for the financial year ended December 31, 2020.

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WAIVER AND EXEMPTION IN RELATION TO THE PRE-IPO ESOP OF THE COMPANY

The Listing Rules and the Companies (Winding Up and Miscellaneous Provisions) Ordinance prescribes certain disclosure requirements in relation to the share options granted by the Company (the “**Share Option Disclosure Requirements**”):

- a. Rule 17.02(1)(b) of the Listing Rules stipulates that all the terms of a scheme must be clearly set out in this prospectus. The Company is also required to disclose in the prospectus full details of all outstanding options and their potential dilution effect on the shareholdings upon listing as well as the impact on the earnings per share arising from the exercise of such outstanding options.
- b. Paragraph 27 of Part A of Appendix 1 to the Listing Rules requires the Company to set out in the prospectus particulars of any capital of any member of the Group 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.
- c. Paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance requires the Company to set out in the prospectus, among other things, details of the number, description and amount of any shares in or debentures of the Company which any person has, or is entitled to be given, an option to subscribe for, together with 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 (if any) given or to be given for it or for the right to it and the names and addresses of the persons to whom it was given.

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As of the Latest Practicable Date, our Company had granted options under the Pre-IPO ESOP to 7,020 grantees, including Directors, senior management, connected persons and other employees of our Group, to subscribe for an aggregate of 626,184,514 Shares and a portion of the options corresponding to 363,146,799 Shares have been exercised (the “**Exercised Options**”)⁽¹⁾. As of the date of this prospectus, it is expected that 363,146,799 Class B Shares (the “**Listing Exercised Shares**”) will be issued to certain grantees, including our Directors, senior management and other employees of our Group upon Listing. Among these 363,146,799 Class B Shares, 166,588,008 Class B Shares will be issued to grantees other than our Directors, senior management and connected persons of our Group upon Listing. Save for the foregoing, no other Shares will be issued pursuant to the Pre-IPO ESOP and the Company expects to issue Class B Shares pursuant to the unexercised options under the Pre-IPO ESOP on a later date to be determined after Listing and in compliance with the requirements of the Listing Rules.

For further details of our Pre-IPO ESOP, see “Statutory and General Information — 4. Pre-IPO ESOP” in Appendix V to this prospectus. In addition, 7,015 grantees who are not Directors, members of the senior management or connected person of the Company have been granted options under the Pre-IPO ESOP with 423,633,599 underlying Shares. As of the Latest Practicable Date, 6,947 grantees who are not Director, members of the senior management and other connected person of the Company held an aggregate of 257,045,591 options that were still outstanding and unexercised. These 257,045,591 options will be exercisable in accordance with their vesting schedules after Listing. Details of such information are more particularly disclosed in “Statutory and General Information — 4. Pre-IPO ESOP” in Appendix V to this prospectus.

Notes:

As of the Latest Practicable Date:

- (1) five grantees who are Directors, members of our senior management and other connected person of the Company have been granted the options. Among these five grantees, (a) 62,660,286 options have been granted to Su Hua. Among these 62,660,286 options, 56,961,183 options have been exercised and 56,961,183 Class B Shares will be issued to Reach Best, the entire interest of which is held on trust established for the benefit of Su Hua and his family members, upon Listing pursuant to the terms and conditions of the Pre-IPO ESOP. The remaining 5,699,103 options remain outstanding and unexercised and will be exercisable in accordance with their vesting schedules after Listing; (b) 293,021 options granted to Yin Xin (a connected person of the Company) remained outstanding and unexercised and will be exercisable in accordance with their vesting schedules after Listing; and (c) options granted to other three grantees who are Directors and members of our senior management had been fully exercised and the corresponding Class B Shares will be issued upon Listing.
- (2) 6,947 grantees who are not Directors, members of senior management or other connected persons of the Company held an aggregate of 257,045,591 options that were still outstanding and unexercised as of the Latest Practicable Date. These 257,045,591 options will be exercisable in accordance with their vesting schedules after Listing. Among the 6,947 grantees who are not our Directors, members of senior management or other connected persons of the Company, two grantees held 9,599,183 and 6,416,370 options that were still outstanding and unexercised as of the Latest Practicable Date, respectively (the “**Significant Grantees**”).

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Our Company has applied to the Stock Exchange and the SFC respectively for (i) a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of, and paragraph 27 of Appendix 1A to, the Listing Rules and the condition to make available a full list of grantees with all the particulars required under paragraph 10(d) of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance and Rule 17.02(1)(b) of, and paragraph 27 of Part A of Appendix 1 to, the Listing Rules in relation to the options granted under the Pre-IPO ESOP; and (ii) a certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance exempting the Company from strict compliance with the disclosure requirements under paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance in relation to the options granted under the Pre-IPO ESOP, on the ground that strict compliance with the above requirements would be unduly burdensome for our Company for the following reasons:

- a. as of the Latest Practicable Date, (i) our Company has granted options under the Pre-IPO ESOP to 7,020 grantees, including our Directors, members of senior management and other connected person of the Company; (ii) a Director and a connected person held 5,699,103 and 293,021 outstanding and unexercised options; and (iii) 6,947 grantees who are not our Directors, members of senior management and other connected person of the Company held an aggregate of 257,045,591 outstanding and unexercised options. Strict compliance with the Share Option Disclosure Requirements in setting out full details of all the grantees who held outstanding and unexercised options under the Pre-IPO ESOP in the prospectus would be costly and unduly burdensome for the Company in light of a significant increase in cost and timing for information compilation and prospectus preparation;
- b. the disclosure of the personal details of each grantee, including the number of options granted, may require obtaining consent from all the grantees in order to comply with personal data privacy laws and principles and it would be unduly burdensome for the Company to obtain such consents given the number of grantees;
- c. the grant and exercise in full of the options under the Pre-IPO ESOP will not cause any material adverse impact to the financial position of our Group;
- d. non-compliance with the Share Option Disclosure Requirements would not prevent the Company from providing its potential investors with an informed assessment of the activities, assets, liabilities, financial position, management and prospects of the Company; and

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- e. material information relating to the options under the Pre-IPO ESOP will be disclosed in this prospectus, including the total number of Class B Shares subject to the Pre-IPO ESOP, the exercise price per Class B Share, the potential dilution effect on the shareholding and impact on earnings per Share upon full exercise of the options granted under the Pre-IPO ESOP. The Directors consider that the information that is reasonably necessary for the potential investors to make an informed assessment of the Company in their investment decision making process has been included in this prospectus.

In light of the above, our Directors are of the view that the grant of the waiver and exemption sought under this application will not prejudice the interests of the investing public.

The Stock Exchange has granted to our Company a waiver from strict compliance with the disclosure requirements under Rule 17.02(1)(b) of the Listing Rules and paragraph 27 of Part A of Appendix 1 to the Listing Rules with respect to the options granted under the Pre-IPO ESOP on the condition that:

- a. on an individual basis, full details of the options granted under the Pre-IPO ESOP to each of the Directors, senior management and connected persons of the Company will be disclosed in the prospectus as required under Rule 17.02(1)(b) of, and paragraph 27 of Appendix 1A to, the Listing Rules, and paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance;
- b. in respect of the options granted under the Pre-IPO ESOP to other grantees (other than those set out in (a) above) which remained outstanding and unexercised as of the Latest Practicable Date, disclosure will be made on an aggregate basis, categorized into lots based on the number of Class B Shares underlying each individual grant, being: (1) 1 to 4,999 Class B Shares; (2) 5,000 to 19,999 Class B Shares; and (3) 20,000 to 9,600,000 Class B Shares. For each lot of Class B Shares, the following disclosures will be made on an aggregated basis: (1) the aggregate number of grantees and number of Class B Shares underlying the outstanding and unexercised options under the Pre-IPO ESOP; (2) the dates of grant of the options under the Pre-IPO ESOP; (3) the consideration for the grant of options (if any) under the Pre-IPO ESOP; and (4) the exercise period and exercise price of the options granted under the Pre-IPO ESOP;
- c. as of the Latest Practicable Date, the aggregate number of Class B Shares underlying the options granted under the Pre-IPO ESOP, the percentage to the Company's total issued share capital represented by such number of Class B Shares and the percentage to the Company's voting rights represented by such number of Class B Shares underlying the options granted pursuant to the Pre-IPO ESOP will be disclosed in this prospectus;

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- d. the dilutive effect and impact on earnings per Share upon the full exercise of the options under the Pre-IPO ESOP will be disclosed in “Statutory and General Information — 4. Pre-IPO ESOP” in Appendix V to this prospectus;
- e. a summary of the major terms of the Pre-IPO ESOP will be disclosed in “Statutory and General Information — 4. Pre-IPO ESOP” in Appendix V to this prospectus;
- f. the particulars of the waiver will be disclosed in this prospectus; and
- g. the grant of certificate of exemption under the Companies (Winding Up and Miscellaneous Provisions) Ordinance from the SFC exempting the Company from the disclosure requirements provided in paragraph 10(d) of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

The SFC has agreed to grant to our Company the certificate of exemption under section 342A of the Companies (Winding Up and Miscellaneous Provisions) Ordinance with respect to the options granted under the Pre-IPO ESOP on the condition that:

- a. on an individual basis, full details of the options under the Pre-IPO ESOP granted to each of our Directors, senior management and connected persons of our Company will be disclosed in the prospectus required by paragraph 10 of Part I of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance;
- b. in respect of the options granted under the Pre-IPO ESOP to other grantees (other than those set out in (a) above) which remained outstanding and unexercised as of the Latest Practicable Date, disclosure will be made on an aggregate basis, categorized into lots based on the number of Class B Shares underlying each individual grant, being: (1) 1 to 4,999 Class B Shares; (2) 5,000 to 19,999 Class B Shares; and (3) 20,000 to 9,600,000 Class B Shares. For each lot of Class B Shares, the following disclosures will be made on an aggregated basis: (1) the aggregate number of grantees and number of Class B Shares underlying the outstanding and unexercised options under the Pre-IPO ESOP; (2) the dates of grant of the options under the Pre-IPO ESOP; (3) the consideration for the grant of options (if any) under the Pre-IPO ESOP; and (4) the exercise period and exercise price of the options granted under the Pre-IPO ESOP;
- c. the particulars of the exemption will be disclosed in this prospectus; and
- d. the prospectus is issued on or before January 26, 2021.

Further details of the Pre-IPO ESOP are set out in “Statutory and General Information — 4. Pre-IPO ESOP” in Appendix V to this prospectus.

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**WAIVER IN RESPECT OF COMPANIES AND BUSINESS TO BE ACQUIRED AFTER THE
TRACK RECORD PERIOD**

Pursuant to Rules 4.04(2) and 4.04(4)(a) of the Listing Rules, the accountant's report to be included in a listing document must include the income statements and balance sheets of any subsidiary or business acquired, agreed to be acquired or proposed to be acquired since the date to which its latest audited accounts have been made up in respect of each of the three financial years immediately preceding the issue of the listing document (the "**Target Historical Financial Information**").

According to Note (4) to Rule 4.04 of the Listing Rules, the Stock Exchange may consider an application for a waiver from strict compliance with Rules 4.04(2) and 4.04 (4) taking into account the following:

- (i) all the percentage ratios (as defined under Rule 14.04(9) of the Listing Rules) of each acquisition are less than 5% by reference to the most recent financial year of the applicant's trading record period;
- (ii) if the acquisition will be financed by the proceeds raised from a public offer, the new applicant has obtained a certificate of exemption from the Commission in respect of the relevant requirements under paragraphs 32 and 33 of the Third Schedule to the Companies (Winding Up and Miscellaneous Provisions) Ordinance;
- (iii) (a) where a new applicant's principal activities involve the acquisition of equity securities (the Exchange may require further information where securities acquired are unlisted), the new applicant is not able to exercise any control, and does not have any significant influence over the underlying company or business to which rules 4.04(2) and 4.04(4) relate, and has disclosed in its listing document the reasons for the acquisition and a confirmation that the counterparties and their respective ultimate beneficial owners are independent of the new applicant and its connected persons. In this regard, "control" means the ability to exercise or control the exercise of 30% (or any amount specified in the Takeovers Code as the level for triggering a mandatory general offer) or more of the voting power at general meeting, or being in a position to control the composition of a majority of the board of directors of the underlying company or business; or

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- (b) with respect to an acquisition of a business (including acquisition of an associated company and any equity interest in a company other than in the circumstances covered under sub-paragraph (a) above) or a subsidiary by a new applicant, the historical financial information of such business or subsidiary is unavailable, and it would be unduly burdensome for the new applicant to obtain or prepare such financial information; and the new applicant has disclosed in its listing document information required for the announcement for a discloseable transaction under rules 14.58 and 14.60 on each acquisition. In this regard, “unduly burdensome” will be assessed based on each new applicant’s specific facts and circumstances (e.g. why the financial information of the acquisition target is not available and whether the new applicant or its controlling shareholder has sufficient control or influence over the seller to gain access to the acquisition target’s books and records for the purpose of complying with the disclosure requirements under rules 4.04(2) and 4.04(4)).

Acquisition of Company A and Company B

Company A

We propose to acquire the entire equity interest of Company A (the “**Proposed Acquisition of Company A**”) for a preliminary consideration of RMB850 million, which is expected to be settled in cash. The consideration is based on arm’s length negotiations between the original owners of Company A (the “**Original Owners of Company A**”) and us, taking into account a number of factors including the potential strategic alliance in the relevant business. We intend to use our internal resources to satisfy the cash consideration. As at the Latest Practicable Date, we have entered into a definitive agreement with the current owners of Company A and the completion of the Proposed Acquisition of Company A is subject to a number of customary closing conditions.

Company A is engaged in online payment service in the PRC. We believe that the Proposed Acquisition of Company A is aligned with our business and growth strategy, and it is expected that the Proposed Acquisition of Company A would enable our Group to facilitate online payment services to the Group’s customers. Completion of the Proposed Acquisition of Company A is expected to take place after the Listing.

Our Directors believe that the terms of the Proposed Acquisition of Company A are fair and reasonable and in the interests of the Shareholders as a whole. To the best of our Directors’ knowledge, information and belief, having made all reasonable enquiries, the Original Owners of Company A and their respective ultimate beneficial owners are third parties independent from our Company and its connected persons.

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According to the financial statements of Company A audited by Company A's statutory auditors in accordance with China Accounting Standards and Accounting Regulations for Business Enterprises issued by the Ministry of Finance of the PRC (the "PRC GAAP"):

- (a) the total assets of Company A amounted to RMB404.8 million as of December 31, 2019, and its total revenues, profit before tax and profit after tax amounted to RMB102.2 million, RMB10.3 million and RMB10.3 million, respectively, for the year ended December 31, 2019; and
- (b) the total assets of Company A amounted to RMB345.6 million as of December 31, 2018, and its total revenues was RMB439.6 million for the year ended December 31, 2018 and it recorded loss before tax of RMB12.7 million and loss after tax of RMB15.1 million for the same period.

Company B

As of the Latest Practicable Date, we held 25.76% of the equity interest in Company B. We are now negotiating with Company B and propose to subscribe for additional newly-issued shares of Company B (the "**Proposed Acquisition of Company B**") for approximately RMB9 million so that upon completion of the Proposed Acquisition of Company B, we will hold 52.00% of the equity interest in Company B so that Company B will become a subsidiary of us.

The subscription price will be settled in cash, and is based on arm's length negotiation between Company B and us, taking into account a number of factors including the potential strategic alliance in the relevant business. We intend to use our internal resources to satisfy the subscription price.

Company B is engaged in design, development and operation of video-and-photography-tool-based social media. We believe that the Proposed Acquisition of Company B is complementary to our principal businesses.

Our Directors believe that the terms of the Proposed Acquisition of Company B are fair and reasonable and in the interests of our Shareholders as a whole. To the best of our Directors' knowledge, information and belief, having made all reasonable enquiries, Company B, other shareholders of Company B and their respective ultimate beneficial owners are third parties independent from our Company and its connected persons.

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According to the management accounts furnished by Company B prepared in accordance with the PRC GAAP:

- (a) the total assets of Company B amounted to RMB1.3 million as of December 31, 2019, and its total revenues was RMB2.0 million for the year ended December 31, 2019 and it recorded loss before tax of RMB7.7 million and loss after tax of RMB7.7 million for the same period; and
- (b) the total assets of Company B amounted to RMB1.6 million as of December 31, 2018, and its total revenues was RMB0.1 million for the year ended December 31, 2018 and it recorded loss before tax of RMB22.8 million and loss after tax of RMB22.8 million for the same period.

Conditions to the waivers granted by the Stock Exchange

We have applied to the Stock Exchange for, and the Stock Exchange has agreed to grant, a waiver from strict compliance with Rule 4.04(2) and 4.04(4) of the Listing Rules in respect of the Proposed Acquisition of Company A and the Proposed Acquisition of Company B on the following grounds:

1. The applicable percentage ratios of the Proposed Acquisition of Company A and the Proposed Acquisition of Company B are all less than 5% by reference to the most recent financial year of the Company's Track Record Period

The applicable percentage ratios for the Proposed Acquisition of Company A and the Proposed Acquisition of Company B are significantly less than 5% by reference to the most recent financial year of the Company's Track Record Period. Accordingly, we consider that the Proposed Acquisition of Company A and the Proposed Acquisition of Company B are immaterial and do not expect it to have any material effect on the financial condition of the Group.

2. The Proposed Acquisition will not be financed by the proceeds raised from the Global Offering

We will use our internal resources to satisfy the cash consideration payable by us in relation to the Proposed Acquisition of Company A and the Proposed Acquisition of Company B.

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3. The historical financial information of Company A and Company B is not available or would be unduly burdensome to obtain or prepare

Although we have entered into a definitive agreement with the Original Owners of Company A, we do not currently have any equity interest in Company A and do not have any representation at the board of directors of Company A and are therefore unable to compel Company A to disclose its historical financial information in the Company's prospectus. In addition, it will require considerable time and resources for us and our reporting accountants to fully familiarize with the management accounting policies of Company A and compile the necessary financial information and supporting documents for disclosure in our prospectus. As such, it would be impracticable within the tight timeframe for us to disclose the audited financial information of Company A as required under Rules 4.04(2) and 4.04(4) of the Listing Rules.

As of the Latest Practicable Date, the Company only held 25.76% of the equity interest in Company B, which is not consolidated into the financials of the Company. Company B does not have audited historical financial information which is readily available for disclosure in the prospectus in accordance with the Listing Rules. It would require considerable amount of time and resources for our Company and our reporting accountants to fully familiarize themselves with the management accounting policies of Company B and compile the necessary financial information and supporting documents for disclosure in our prospectus. As such, we believe that it would be impractical and unduly burdensome for us to disclose the audited financial information of Company B in the prospectus as required under Rule 4.04(2) and Rule 4.04(4)(a) of the Listing Rules.

In addition, considering that the Proposed Acquisition of Company A and the Proposed Acquisition of Company B are immaterial and are not expected to have any material effect on the financial condition of the Group, it would not be meaningful and would be unduly burdensome for us to prepare and include the financial information of Company A and Company B during the Track Record Period in our prospectus.

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4. Alternative disclosure in this prospectus

We have provided alternative information in this prospectus in connection with the Proposed Acquisition of Company A and the Proposed Acquisition of Company B required for the announcement for a discloseable transaction under Rules 14.58 and 14.60 of the Listing Rules of the Proposed Acquisition of Company A and the Proposed Acquisition of Company B. Since the applicable percentage ratios for the Proposed Acquisition of Company A and the Proposed Acquisition of Company B are significantly less than 5% by reference to the most recent financial year of the Company's Track Record Period, the Company believes that the current disclosure in the prospectus is adequate for potential investors to form an informed assessment of the Group.

For the avoidance of doubt, the identities of Company A and Company B are not disclosed in this prospectus because (i) disclosure of the names of Company A and Company B in this prospectus is commercially sensitive and may jeopardize the Company's ability to consummate the proposed investment (including, for example, as a result of the Company's competitors approaching Company A and Company B with alternative investment proposals after seeing its name disclosed in our prospectus) and (ii) given the competitive nature of the industry in which the Company operates, it is commercially sensitive to disclose the identities of Company A and Company B to avoid our competitors anticipating our plans of business growth.

Investment in Our Ecosystem Partners

During the Track Record Period, our Group has made investments in a large number of companies both in mainland China and overseas (the "**Investments**"). These investee companies are generally members of the broader "ecosystem" related to our Group's core business, and provide products, services and/or resources that our Group believes can help them efficiently expand product and service offerings to our Group's users, or have developed proprietary technologies complementary to our Group. Our Group plans to continue to invest in businesses that are part of our Group's ecosystem and complementary to its business and growth strategies.

The majority of the Investments made by our Group have been passive investments, which are typically no more than 30% equity interest in the target companies, such that the target companies of the Investments are not consolidated into our Group and our Group has no control over the board of directors of the target companies.

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Since September 30, 2020 (being the date to which its latest audited accounts will be made up in the final prospectus of the Company) and up to the Latest Practicable Date, the Group has made or proposed to make a number of investments, details of which are set out in below:

No.	Name of the target company	Investment amount	Percentage of shareholding/equity interest	Principal business of the target company	Basis for determining the investment amount
1.	Company 1	approximately RMB112.4 million (including approximately RMB58.4 million for acquisition of shares from Company 1's existing shareholders and RMB54.0 million for subscription of new shares of Company 1)	8.09% (including 5.09% acquired from Company 1's existing shareholders and 3.00% through the subscription of new shares of Company 1)	MCNs that work with content creators and offer them assistance in areas such as audience development, content programming, creator collaborations, digital rights management, monetization and sales	With reference to the trading price of similar listed companies and price-to-sales (P/S) ratio
2.	Company 2	RMB90.375 million	10%	Designing, research and development of chips	With reference to the transaction price of similar companies and taking into account the potential synergistic effect
3.	Company 3	RMB10.35 million	17.95%	Developing and operating content-based community app	Based on arm's length negotiation
4.	Company 4	RMB40 million	25%	Developing online music and dance games	With reference to the post-money valuation of Company 4's last-round financing and valuation of comparable companies
5.	VSPN (Versus Programming Networks)	Approximately RMB70 million	1.13%	Esports solutions provider	With reference to price-to-sales (P/S) ratio

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<u>No.</u>	<u>Name of the target company</u>	<u>Investment amount</u>	<u>Percentage of shareholding/equity interest</u>	<u>Principal business of the target company</u>	<u>Basis for determining the investment amount</u>
6.	Company 5	Prior to this investment, the Company had already held 12.0% equity interest in Company 5. The Company proposes to invest another RMB25 million for Company 5's newly-issued shares in this follow-on investment after the Track Record Period. The Company's aggregate investment amount in Company 5 will be approximately RMB67.58 million upon completion of this follow-on investment.	Prior to this investment, the Company had already held 12.0% equity interest in Company 5. The Company will subscribe for certain new shares to be issued by Company 5 in this follow-on investment after the Track Record Period. The Company's aggregate shareholding percentage in Company 5 will be approximately 16.39% upon completion of this follow-on investment.	Developing an AI-backed learning platform to supplement students' education needs outside of school and providing innovative learning resources to help students improve learning outcome	Real options valuation method
7.	Company 6	RMB4.08 million	2%	Developing, manufacturing and selling of Internet of Things-based smart learning hardware	With reference to price-to-sales (P/S) ratio and taking into account the revenue forecast of the target company

(1) The percentage of shareholding/equity interest represents our total pro forma shareholding in each of the investments after the completion of the above investments.

Each of the above investments (“**Post-TRP Investments**”) will be settled in cash. The investment amounts for the Post-TRP Investments are the result of commercial arm's length negotiations, based on factors including market dynamics and/or mutually agreed valuations. To the best of our Directors' knowledge, information and belief, having made all reasonable enquiries, the counterparties to the transactions set out above and their ultimate beneficial owners are third parties independent from the Company and its connected persons.

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The reasons for the Post-TRP Investments are to further expand members of the broader “ecosystem” related to the Group’s core business such that the Group could create strategic synergy and provide products, services and/or resources that the Group believes can help them efficiently expand product and service offerings to the Group’s users, or have developed proprietary technologies complementary to the Group.

Conditions to the waivers granted by the Stock Exchange

We have applied to the Stock Exchange for, and the Stock Exchange has agreed to grant, a waiver from strict compliance with Rule 4.04(2) and 4.04(4) of the Listing Rules in respect of the Post-TRP Investments:

1. Ordinary and usual course of business

Making equity investments of this nature is part of the ordinary course of business of our Group. Our Company has conducted over 40 Investments to date. Most of such Investments are classified as financial assets carried at fair value through profit or loss and are not consolidated into our Group’s financial statements. Changes in the fair value are included in profit or loss in the period in which they arise and presented within “Fair value changes on investments” in the income statement. Upon disposal, the difference between the net sale proceeds and the carrying amount is also included in the income statement as “Other gains/(losses), net.”

2. The percentage ratios of each investment are all less than 5% by reference to the most recent financial year of our Company’s Track Record Period

The applicable percentage ratios for each of the Post-TRP Investments are all significantly less than 5% by reference to the most recent financial year of our Company’s Track Record Period, and any subsequent investments are also expected to be so. To the best knowledge of our Company, the Investments are not subject to aggregation under Rule 14.22 of the Listing Rules. Accordingly, we consider that the Post-TRP Investments are immaterial and do not expect them to have any material effect on the financial condition of the Group.

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3. The Post-TRP Investments will not be financed by the proceeds raised from the Global Offering

We will use our internal resources to satisfy the cash consideration payable by us in relation to the Post-TRP Investments.

4. The Company is neither able to exercise any control, nor has any significant influence, over the underlying company or business

We only hold minority equity interests in each of the target companies of the Post-TRP Investments and do not control their boards of directors; and this is expected to remain the case for any subsequent investments. Given that our Group is neither able to exercise any control nor have any significant influence over each of the target companies of the Post-TRP Investments, we would not be able to compel or request the target companies of the Post-TRP Investments to cooperate with its audit work in order for us to comply with the relevant requirements under Rules 4.04(2) and 4.04(4)(a) of the Listing Rules.

5. Alternative disclosure in this prospectus

We have disclosed above the reasons for the Post-TRP Investments and confirmed that the counterparties and their respective ultimate beneficial owners are independent of the Company and the Company's connected persons.

For the avoidance of doubt, the names of certain companies that are the subject of the Post-TRP Investments are not disclosed in the prospectus because (i) disclosure of the names of the relevant companies in the prospectus is commercially sensitive and may jeopardize our ability to consummate the proposed investments; and (ii) given the competitive nature of the industry in which we operate, it is commercially sensitive to disclose the identities of the companies we invested or propose to invest in to avoid our competitors to anticipate our plans of business growth.

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WAIVER FROM PRINTED PROSPECTUSES

Pursuant to Rules 12.04(3), 12.07 and 12.11 of the Listing Rules, we are required to make available copies of this prospectus in printed form.

We do not intend to provide printed copies of the 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 the prospectus is in line with recent amendments to the Listing Rules relating to environmental, social and governance (“ESG”) matters. As the 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 printed copies of any application forms, will help mitigate the environmental impact of printing, including the exploitation of precious natural resources such as trees and water, the handling and disposal of hazardous materials, air pollution, among others. It is further noted that in July 2020, the Stock Exchange also published a consultation paper in relation to the introduction of a paperless listing and subscription regime.

Given the high and extensive use of internet gadgets (e.g. smartphones, tablet devices and computers) and easy access to internet services nowadays, it is noted that most applications in Hong Kong public offerings of recent initial public offerings (both in terms of the number of applications and the number of shares applied) were submitted electronically, instead of in paper format.

We also note that in light of the severity of the ongoing COVID-19 pandemic, the provision of printed prospectuses and printed copies of any application forms will elevate the risk of contagion of the virus through printed materials. As of the Latest Practicable Date, the government of Hong Kong continues to put in place social distancing measures to restrict public gatherings. While the government of Hong Kong may relax such restrictions as the local COVID-19 situation improves, it is possible that stricter social distancing measures would still be necessary if the number of cases of infection in the territory dramatically increases. In any event, it is impossible to accurately predict the development of the COVID-19 pandemic as of the Latest Practicable Date. In this uncertain environment, an electronic application process with a paperless prospectus will reduce the need for prospective investors to gather in public, including branches of the receiving banks and other designated points of collection, in connection with the Hong Kong Public Offering.

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

We have adopted a fully electronic application process for the Hong Kong Public Offering and will not provide printed copies of the prospectus or printed copies of any application forms to the public in relation to the Hong Kong Public Offering.

Our Hong Kong Share Registrar has implemented enhanced measures to support the **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. Details of the telephone hotline and the application process have been disclosed in the section headed "How to Apply for Hong Kong Offer Shares" in this prospectus. In addition, our Hong Kong Share Registrar will create a step-by-step guide setting out the steps for payment and completion of application for the retail investors, as well as FAQs to address potential questions from the retail investors in relation to the Hong Kong Public Offering and the electronic application channels. The 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 to inform the potential investors that they can only subscribe for the Hong Kong Offer Shares electronically, including (i) a prominent reminder to the investors about the fully-electronic offering process will be set out in the "Important" page of this prospectus and the section headed "How to Apply for Hong Kong Offer Shares" in this prospectus; (ii) publishing a formal notice of the Global Offering on the Company's website and in selected English and Chinese local newspapers describing the fully electronic application process including the available channels for share subscription; (iii) the enhanced support provided by the Hong Kong Share Registrar and the **White Form eIPO** Service Provider in relation to the Hong Kong Public Offering (including additional enquiry hotlines for questions about the application for the Hong Kong Offer Shares and increasing its server capacity); and (iv) issuing a press release to remind investors that no printed prospectuses or application forms will be provided.

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**WAIVER FROM STRICT COMPLIANCE WITH RULE 10.04 OF THE LISTING RULES
AND WRITTEN CONSENT UNDER PARAGRAPH 5(2) OF APPENDIX 6 TO THE LISTING
RULES IN RELATION TO ALLOCATION TO EXISTING MINORITY SHAREHOLDERS
AND/OR THEIR CLOSE ASSOCIATES**

Rule 10.04 of the Listing Rules provides that a person who is an existing shareholder of the issuer may only subscribe for or purchase any securities for which listing is sought which 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 Rules 10.03(1) and (2) of the Listing Rules are fulfilled.

The conditions in Rules 10.03(1) and (2) of the Listing Rules are as follows: (i) no securities are offered to the existing shareholders on a preferential basis and no preferential treatment is given to them in the allocation of the securities; and (ii) the minimum prescribed percentage of public shareholders required by Rule 8.08(1) of the Listing Rules is achieved.

Paragraph 5(2) of Appendix 6 to the Listing Rules provides that, unless with the prior written consent of the Stock Exchange, no allocations will be permitted to directors or existing shareholders of the applicant or their close associates, whether in their own names or through nominees unless the conditions set out in Rules 10.03 and 10.04 of the Listing Rules are fulfilled.

Certain existing minority shareholders of the Company (the “**Existing Minority Shareholders**”) and/or their close associates will participate in the Global Offering as cornerstone investors or placees in the placing tranche.

We have applied to the Stock Exchange for a waiver from strict compliance with Rule 10.04 of the Listing Rules and sought a written consent from the Stock Exchange under paragraph 5(2) of Appendix 6 to the Listing Rules, and the Stock Exchange has granted us such waiver and consent to permit us to allocate the Offer Shares in the placing tranche to the Existing Minority Shareholders and/or their close associates either as cornerstone investors or placees, on the following grounds which are consistent with the conditions as set out in the Stock Exchange Guidance Letter 85-16 (HKEX-GL85-16):

- (a) **Less than 5%:** Each Existing Minority Shareholder holds less than 5% of the Company’s voting rights prior to the completion of the Global Offering.

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- (b) **Not core connected persons:** The Existing Minority Shareholders and their close associates are not, and will not be, core connected persons (as defined under the Listing Rules) of the Company or any close associate (as defined under the Listing Rules) of any such core connected person immediately prior to or following the Global Offering.
- (c) **No right to appoint Directors:** The Existing Minority Shareholders have no power to appoint Directors of the Company (other than as a Shareholder of the Company) and do not have other special rights.
- (d) **No impact on public float:** As the Existing Minority Shareholders are not connected persons to the Company, the Offer Shares to be held by the Existing Minority Shareholders and/or their close associates would be part of the public. Thus, allocation to the Existing Minority Shareholders and/or their close associates for which this submission is sought will not affect the Company's ability to satisfy the public float requirement under Rule 8.08 of the Listing Rules.
- (e) **Disclosure:** The relevant information in respect of the allocation to such Existing Minority Shareholders and/or their close associates will be disclosed in this prospectus and/or the allotment results announcement.

If the Existing Minority Shareholders and/or their close associates participate in the Global Offering as a placee

- (f) The Joint Sponsors, the Company and the Joint Bookrunners will confirm to the Stock Exchange that the Existing Minority Shareholders and/or their close associates will not receive any preferential treatment in the allocation as a placee under the Global Offering.

If the Existing Minority Shareholders and/or their close associates participate in the Global Offering as a cornerstone investor

- (g) The Offer Shares to be subscribed by and allocated to the Existing Minority Shareholders and/or their close associates under the Global Offering will be at the same Offer Price and on substantially the same terms as other cornerstone investors (including being subject to a six-month lock-up arrangement following Listing).

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- (h) The Joint Sponsors (based on their discussions with the Company and the Joint Bookrunners and the confirmation from the Company in paragraph (i) below, and to their best knowledge and belief) will confirm to the Stock Exchange in writing that they have no reason to believe that the Existing Minority Shareholders or their close associates have received any preferential treatment in the allocation as cornerstone investors by virtue of their relationships with the Company other than the preferential treatment of assured entitlement under a cornerstone investment agreement following the principles set out in Guidance Letter HKEX-GL51-13 (“**GL51-13**”).
- (i) The Company confirms to the Stock Exchange in writing that (a) no preferential treatment has been, or will be, given to the Existing Minority Shareholders and/or their close associates who are cornerstone investors by virtue of their relationships with the Company other than the preferential treatment of assured entitlement under a cornerstone investment agreement following the principles set out in GL51-13; and (b) the cornerstone investment agreements entered into between the Company and the Existing Minority Shareholders and/or their close associates who are cornerstone investors do not contain any material terms which are more favorable to the Existing Minority Shareholder and/or their close associates who are cornerstone investors than those in other cornerstone investment agreements.

WAIVER IN RESPECT OF CLAWBACK MECHANISM

Paragraph 4.2 of Practice Note 18 of the Listing Rules requires a clawback mechanism to be put in place, which would have the effect of increasing the number of Hong Kong Offer Shares to certain percentages of the total number of Offer Shares offered in the Global Offering if certain prescribed total demand levels are reached.

We have applied to the Stock Exchange for, and the Stock Exchange has granted to us, a waiver from strict compliance with paragraph 4.2 of Practice Note 18 of the Listing Rules such that, provided the initial allocation of Class B Shares under the Hong Kong Public Offering shall not be less than 2.5% of the Global Offering, in the event of over-subscription, the Joint Representatives, shall apply a clawback mechanism following the closing of the application lists with reference to the final offering size of the Global Offering (assuming the Over-allotment Option is not exercised) based on the Offer Price determined on the Price Determination Date.

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Based on the current market conditions, the Joint Representatives shall apply a clawback mechanism following the closing of the application lists on the following basis:

- (1) if the number of the Offer Shares validly applied for under the Hong Kong Public Offering represents 13 times or more but less than 48 times of the number of the Offer Shares initially available for subscription under the Hong Kong Public Offering, then the number of Offer Shares to be reallocated to the Hong Kong Public Offering from the International Offering will be increased, so that the total number of Offer Shares available under the Hong Kong Public Offering will be 18,261,000 Class B Shares, representing approximately 5% of the Offer Shares initially available under the Global Offering;
- (2) if the number of the Offer Shares validly applied for under the Hong Kong Public Offering represents 48 times or more but less than 95 times of the number of the Offer Shares initially available for subscription under the Hong Kong Public Offering, then the number of Offer Shares to be reallocated to the Hong Kong Public Offering from the International Offering will be increased, so that the total number of the Offer Shares available under the Hong Kong Public Offering will be 20,087,100 Class B Shares, representing approximately 5.5% of the Offer Shares initially available under the Global Offering; and
- (3) if the number of the Offer Shares validly applied for under the Hong Kong Public Offering represents 95 times or more of the number of the Offer Shares initially available for subscription under the Hong Kong Public Offering, then the number of Offer Shares to be reallocated to the Hong Kong Public Offering from the International Offering will be increased, so that the total number of the Offer Shares available under the Hong Kong Public Offering will be 21,913,200 Class B Shares, representing approximately 6% of the Offer Shares initially available under the Global Offering.

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In each case, the additional Offer Shares reallocated to the Hong Kong Public Offering will be allocated between pool A and pool B and the number of Offer Shares allocated to the International Offering will be correspondingly reduced in such manner as the Joint Representatives deem appropriate. In addition, the Joint Representatives may allocate Offer Shares from the International Offering to the Hong Kong Public Offering to satisfy valid applications under the Hong Kong Public Offering.

If the Hong Kong Public Offering is not fully subscribed, the Joint Representatives have the authority to reallocate all or any unsubscribed Hong Kong Offer Shares to the International Offering, in such proportions as the Joint Representatives deem appropriate.

See “Structure of the Global Offering — The Hong Kong Public Offering — Reallocation” to this prospectus.