

HISTORY AND CORPORATE STRUCTURE

OVERVIEW

The Company was incorporated in the Cayman Islands on February 11, 2014 as an exempted company with limited liability, and is the holding company of the Group with businesses conducted through its subsidiaries and Consolidated Affiliated Entities controlled by the Company by virtue of the Contractual Arrangements.

The Group was founded by Mr. Su Hua and Mr. Cheng Yixiao. The development history of the Group can be traced back to 2011 when *GIF Kuaishou* was launched as a mobile app for users to create and share animated images known as GIFs, in essence the earliest form of short videos, according to iResearch. In 2013, we launched our short video social platform. Under the leadership of Mr. Su Hua and Mr. Cheng Yixiao, the Group launched its live streaming business as a natural extension to its platform in 2016, enabling users to be more social and engage with each other in real time on its platform, and has established live streaming, online marketing services, e-commerce, online games, online knowledge-sharing and various other monetization channels.

The Group is a leading content community and social platform. Globally, we are the largest live streaming platform by gross billings from virtual gifting and average live streaming MPUs, the second largest short video platform by average DAUs, and the second largest live streaming e-commerce platform by GMV, all for the nine months ended September 30, 2020, according to iResearch.

BUSINESS MILESTONES

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

Year	Event
2011	<i>GIF Kuaishou</i> was launched for users to create and share animated images known as GIFs, in essence the earliest form of short videos. ⁽¹⁾
2012	We became the first mover in China’s short video industry that enabled users to create, upload and view short videos on mobile devices. ⁽¹⁾
2013	We launched our short video social platform.
2016	We launched live streaming as a natural extension to our platform.
2017	Kuaishou Flagship became the world’s largest single live streaming platform in terms of revenue from virtual gifting in the fourth quarter of 2017. ⁽¹⁾
	We began to explore other monetization models, such as online marketing services.

HISTORY AND CORPORATE STRUCTURE

Year	Event
2018	Kuaishou Flagship’s average DAUs exceeded 100 million in January 2018. We commenced our e-commerce business.
2019	We officially launched Kuaishou Express in August 2019. We became the world’s second largest live streaming e-commerce platform by GMV. ⁽¹⁾
2020	Kuaishou Express’ average DAUs exceeded 100 million in August 2020. The average DAUs of our apps and mini programs in China exceeded 300 million for the nine months ended September 30, 2020. Our e-commerce business achieved GMV of over RMB330 billion in the 11 months ended November 30, 2020.

Note:

(1) According to iResearch.

OUR MAJOR SUBSIDIARIES AND OPERATING ENTITIES

The following entities are of strategical importance to us or have made material contributions to our results of operations during the Track Record Period:

1. Beijing Dajia

Beijing Dajia (i.e. WFOE) was incorporated as a company with limited liability in the PRC on July 2, 2014.

We have adopted a series of Contractual Arrangements among WFOE, our PRC Holdcos and their Registered Shareholders, pursuant to which the Company shall exercise control over the business operation of our Consolidated Affiliated Entities and enjoy substantially all the economic interests derived therefrom through WFOE. See “Contractual Arrangements” for details of our Contractual Arrangements.

2. Beijing Kuaishou

Beijing Kuaishou was incorporated as a company with limited liability in the PRC on March 20, 2015. Beijing Kuaishou is principally engaged in short video and live streaming services business.

HISTORY AND CORPORATE STRUCTURE

3. Beijing Kuaishou Ads

Beijing Kuaishou Ads was incorporated as a company with limited liability in the PRC on September 23, 2016. Beijing Kuaishou Ads is principally engaged in online marketing services business.

4. Chengdu Kuaigou

Chengdu Kuaigou was incorporated as a company with limited liability in the PRC on October 31, 2019. Chengdu Kuaigou is principally engaged in e-commerce business.

MAJOR SHAREHOLDING CHANGES OF OUR COMPANY

The Company was incorporated in the Cayman Islands on February 11, 2014 as an exempted company with limited liability. At the time of formation, it had an authorized share capital of US\$50,000 divided into 100,000,000 Ordinary Shares with a par value of US\$0.0005 each. Upon incorporation of the Company, we issued 4,545,000, 3,636,000, 1,040,000 and 779,000 Ordinary Shares to Reach Best, Ke Yong, Fortune One and Jovial Star, respectively.

On February 6, 2018, we conducted a share split (the “**Share Split**”), pursuant to which every Share of par value US\$0.0005 each in our then issued and unissued share capital was split into 94.0527 Shares of par value US\$0.0000053 each. Following the Share Split, Reach Best, Ke Yong, Fortune One and Jovial Star were interested in 427,469,521, 338,767,480, 96,210,739 and 71,662,985 Ordinary Shares, respectively.

Between June 20, 2014 and February 11, 2020, we conducted six rounds of pre-[REDACTED] financing. See the paragraph headed “— Pre-[REDACTED] Investments” in this section for subsequent shareholding changes resulting from the Pre-[REDACTED] Investments. See also “Statutory and General Information — 1. Further Information about our Group — 1.2 Changes in share capital of our Company” in Appendix V to this document for details of changes in the share capital of our Company during the two years immediately preceding the date of this document. In addition, we will issue an aggregate of 363,146,799 Class B Shares pursuant to the exercised options under the Pre-[REDACTED] ESOP upon the [REDACTED], among which 56,961,183 Class B Shares will be issued to Reach Best, 45,568,873 Class B Shares will be issued to Ke Yong, and the remaining [REDACTED] Class B Shares will be issued to the Employee Shareholding Platforms.

On January 18, 2021, our Shareholders resolved, among other things that, all the issued and unissued Shares will be reclassified from the [REDACTED] as Class A Shares and Class B Shares of US\$0.0000053 and US\$0.0000053 par value each of the Company, respectively. See the paragraph headed “— Reclassification and Re-designation of our Shares” in this section for details of the reclassification and re-designation of our Shares.

HISTORY AND CORPORATE STRUCTURE

MAJOR ACQUISITIONS, DISPOSALS AND MERGERS

We have not conducted any acquisitions, disposals or mergers since our inception that we consider material to us.

POST TRACK RECORD PERIOD ACQUISITIONS

We proposed to make a number of acquisitions after the Track Record Period and up to the Latest Practicable Date. We have applied to the Stock Exchange for, and the Stock Exchange has granted us, a waiver from strict compliance with Rules 4.04(2) and 4.04(4) of the Listing Rules in relation to these proposed acquisitions. See “Waivers from Strict Compliance with the Listing Rules and Exemptions from Strict Compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance — Waiver in respect of Companies and Business to be Acquired after the Track Record Period” for alternative disclosure of these acquisitions.

RECLASSIFICATION AND RE-DESIGNATION OF OUR SHARES

On January 18, 2021, our Shareholders resolved, among other things that, all the issued and unissued Shares will be reclassified as Class A Shares and Class B Shares of US\$0.0000053 and US\$0.0000053 par value each of the Company, respectively. The Ordinary Shares originally held by Reach Best and Ke Yong shall be reclassified as Class A Shares and all the other Ordinary Shares shall be reclassified as Class B Shares. In addition, our Shareholders resolved that, subject to the [REDACTED] becoming unconditional, all the issued Preferred Shares will be reclassified and re-designated as Class B Shares. Our Shareholders also resolved that the 363,146,799 Shares which will be issued pursuant to the exercised options under the Pre-[REDACTED] ESOP upon [REDACTED] be designated and classified as Class B Shares. After these changes are effected, the authorized share capital of the Company shall be US\$50,000 divided into (i) 766,237,001 Class A Shares of US\$0.0000053 par value each and (ii) 8,667,725,263 Class B Shares of US\$0.0000053 par value each, respectively, and the issued share capital (including those Ordinary Shares and Preferred Shares to be reclassified and re-designated as Class B Shares and assuming the [REDACTED] is not exercised) shall be US\$[REDACTED] divided into (i) 766,237,001 Class A Shares of US\$0.0000053 par value each and (ii) [REDACTED] Class B Shares of US\$0.0000053 par value each, respectively.

HISTORY AND CORPORATE STRUCTURE

CAPITALIZATION OF THE COMPANY

The following table sets out our shareholding structure as of the date of this document and immediately upon the completion of the [REDACTED], assuming (i) the [REDACTED] is not exercised, (ii) 363,146,799 Class B Shares will be issued pursuant to the exercised options under the Pre-[REDACTED] ESOP upon the [REDACTED], and (iii) no other Shares are issued pursuant to the unexercised options under the Pre-[REDACTED] ESOP, the Post-[REDACTED] Share Option Scheme and Post-[REDACTED] RSU Scheme.

Shareholders	Ordinary Shares	Series A Preferred Shares	Series B Preferred Shares	Series B-1 Preferred Shares	Series C Preferred Shares	Series C-1 Preferred Shares	Series D Preferred Shares	Series D-1 Preferred Shares	Series E Preferred Shares	Series E-1 Preferred Shares	Series F-1 Preferred Shares	Series F-2 Preferred Shares	Aggregate number of shares of par value US\$0.000053 each as of the date of this document ⁽¹⁾	Aggregate ownership percentage as of the date of this document ⁽¹⁾	Aggregate number of shares of par value US\$0.000053 each upon the completion of the [REDACTED] (2)	Aggregate ownership percentage upon the completion of the [REDACTED] ⁽²⁾
Reach Best ⁽³⁾	427,469,521	—	—	—	—	—	—	—	—	—	—	—	427,469,521	12.648%	484,430,704	[REDACTED]
Ke Yong ⁽⁴⁾	338,767,480	—	—	—	—	—	—	—	—	—	—	—	338,767,480	10.023%	384,336,353	[REDACTED]
Fortune One ⁽⁵⁾	81,857,251	—	—	—	—	—	—	—	—	—	—	—	81,857,251	2.422%	81,857,251	[REDACTED]
Jovial Star ⁽⁶⁾	69,943,752	—	—	—	—	—	—	—	—	—	—	—	69,943,752	2.069%	69,943,752	[REDACTED]
Morningside China TMT Fund II, L.P. ⁽⁷⁾	—	356,224,601	118,749,340	6,416,275	14,665,638	—	—	—	—	—	—	—	496,055,854	14.677%	496,055,854	[REDACTED]
Morningside China TMT Special Opportunity Fund, L.P. ⁽⁷⁾	—	—	—	—	—	—	—	31,803,262	—	—	—	—	31,803,262	0.941%	31,803,262	[REDACTED]
Morningside China TMT Fund III	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Co-investment, L.P. ⁽⁷⁾	—	—	—	—	—	—	—	3,102,799	—	—	—	—	3,102,799	0.092%	3,102,799	[REDACTED]
MSVC SPF II, L.P. ⁽⁷⁾	—	—	—	—	—	—	—	—	32,019,276	—	—	—	32,019,276	0.947%	32,019,276	[REDACTED]
DCM Ventures China Fund (DCM VII), L.P. ⁽⁸⁾	—	—	265,753,487	—	—	—	—	—	1,369,005	—	—	—	267,122,492	7.903%	267,122,492	[REDACTED]
DCM Ventures China Turbo Fund, L.P. ⁽⁸⁾	—	—	—	—	—	—	—	14,518,600	1,417,522	—	—	—	15,936,122	0.472%	15,936,122	[REDACTED]
DCM Ventures China Turbo Affiliates Fund, L.P. ⁽⁸⁾	—	—	—	—	—	—	—	853,994	83,382	—	—	—	937,376	0.028%	937,376	[REDACTED]
DCM VII, L.P. ⁽⁸⁾	—	—	25,604,179	—	—	—	—	—	131,898	—	—	—	25,736,077	0.761%	25,736,077	[REDACTED]
A-Fund, L.P. ⁽⁶⁾	—	—	2,326,187	—	—	—	—	—	—	—	—	—	2,326,187	0.069%	2,326,187	[REDACTED]
Morespark Limited ⁽⁹⁾	—	—	38,299,757	—	—	—	12,766,584	—	—	—	—	2,553,316	53,619,657	1.586%	53,619,657	[REDACTED]
Parallel Nebula Investment Limited ⁽⁹⁾	—	—	13,277,248	—	—	—	4,425,749	—	—	26,920,715	38,504,048	—	83,127,760	2.460%	83,127,760	[REDACTED]
Tencent Mobility Limited ⁽⁹⁾	—	—	—	—	—	—	—	319,971,895	—	77,653,907	108,516,052	—	506,143,854	14.975%	506,143,854	[REDACTED]
Image Frame Investment (HK) Limited ⁽⁹⁾	—	—	—	—	—	—	—	80,048,189	—	—	—	—	80,048,189	2.368%	80,048,189	[REDACTED]
TPP Follow-on I Holding F Limited ⁽⁹⁾	—	—	—	—	—	—	—	—	6,003,614	—	—	—	6,003,614	0.178%	6,003,614	[REDACTED]
DST Asia IV ⁽¹⁰⁾	—	—	—	—	205,322,875	—	—	—	—	—	—	—	205,322,875	6.075%	205,322,875	[REDACTED]
DST Global V, L.P. ⁽¹⁰⁾	—	—	—	—	—	—	—	—	12,007,228	—	—	—	12,007,228	0.355%	12,007,228	[REDACTED]

HISTORY AND CORPORATE STRUCTURE

Shareholders	Ordinary Shares	Series A Preferred Shares	Series B Preferred Shares	Series B-1 Preferred Shares	Series C Preferred Shares	Series C-1 Preferred Shares	Series D Preferred Shares	Series D-1 Preferred Shares	Series E Preferred Shares	Series E-1 Preferred Shares	Series F-1 Preferred Shares	Series F-2 Preferred Shares	Aggregate number of shares of par value	Aggregate ownership percentage as of the date of this document ⁽¹⁾	Aggregate value each upon the completion of the	Aggregate ownership percentage upon the completion of the	Aggregate number of shares of par value	Aggregate ownership percentage upon the completion of the	
													US\$0.000063	US\$0.000063	US\$0.000063	US\$0.000063	US\$0.000063	US\$0.000063	US\$0.000063
Sequoia Capital China GP Holdco III-A, Ltd. ⁽¹¹⁾	—	—	—	—	51,330,766	21,364,071	—	10,601,338	—	—	—	—	83,296,175	2.465%	83,296,175	[REDACTED]	[REDACTED]	83,296,175	[REDACTED]
SC GGFH Holdco, Ltd. ⁽¹¹⁾	—	—	—	—	—	—	—	—	14,008,433	—	—	—	14,008,433	0.414%	14,008,433	[REDACTED]	[REDACTED]	14,008,433	[REDACTED]
SCC Growth IV 2018-C, L.P. ⁽¹¹⁾	—	—	—	—	—	—	—	—	9,005,421	—	—	—	9,005,421	0.266%	9,005,421	[REDACTED]	[REDACTED]	9,005,421	[REDACTED]
SCC Growth IV 2018-B, L.P. ⁽¹¹⁾	—	—	—	—	—	—	—	—	2,001,205	—	—	—	2,001,205	0.059%	2,001,205	[REDACTED]	[REDACTED]	2,001,205	[REDACTED]
Baidu (Hong Kong) Limited (百度(香港)有限公司) ⁽¹²⁾	—	—	—	—	—	—	127,608,382	—	—	—	—	—	—	—	—	—	—	127,608,382	[REDACTED]
Superior Leap Limited ⁽¹³⁾	—	—	—	—	—	—	—	—	—	—	77,451,523	77,451,523	77,451,523	2.292%	77,451,523	[REDACTED]	[REDACTED]	77,451,523	[REDACTED]
Shunwei Growth II Limited	—	—	—	—	—	21,364,070	—	3,115,590	—	—	—	—	24,479,660	0.724%	24,479,660	[REDACTED]	[REDACTED]	24,479,660	[REDACTED]
Shunwei Growth III Limited	—	—	—	—	—	—	—	—	2,001,205	—	—	—	2,001,205	0.059%	2,001,205	[REDACTED]	[REDACTED]	2,001,205	[REDACTED]
CMC King Investment Limited	—	—	—	—	—	—	41,268,162	—	—	—	—	—	41,268,162	1.221%	41,268,162	[REDACTED]	[REDACTED]	41,268,162	[REDACTED]
CMC King II Holdings Limited	—	—	—	—	—	—	—	6,018,338	—	—	—	—	6,018,338	0.178%	6,018,338	[REDACTED]	[REDACTED]	6,018,338	[REDACTED]
CMC King III Holdings Limited ⁽¹⁴⁾	—	—	—	—	—	—	—	—	11,006,626	—	—	—	11,006,626	0.326%	11,006,626	[REDACTED]	[REDACTED]	11,006,626	[REDACTED]
Run Liang Tai (Hong Kong) Investment Company Limited (潤良泰香港投資有限公司)	—	—	—	—	—	—	—	5,817,630	—	—	—	—	5,817,630	0.172%	5,817,630	[REDACTED]	[REDACTED]	5,817,630	[REDACTED]
Tiger Cub Anatole United Co. Limited	—	—	—	—	—	—	—	5,817,630	—	—	—	—	5,817,630	0.172%	5,817,630	[REDACTED]	[REDACTED]	5,817,630	[REDACTED]
Mega Glory Investment Limited (美隆投資有限公司)	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
PV Poseidon Limited	—	—	—	—	—	—	—	3,535,440	—	—	—	—	3,535,440	0.105%	3,535,440	[REDACTED]	[REDACTED]	3,535,440	[REDACTED]
Kuashou Opportunities Limited	—	—	—	—	—	—	—	—	24,014,457	—	—	—	24,014,457	0.711%	24,014,457	[REDACTED]	[REDACTED]	24,014,457	[REDACTED]
CHINA INTERNET INVESTMENT FUND (中國互聯網投資基金(有限合伙))	—	—	—	—	—	—	—	—	5,003,012	—	—	—	5,003,012	0.148%	5,003,012	[REDACTED]	[REDACTED]	5,003,012	[REDACTED]
Concept Thrive Limited	—	—	—	—	—	—	—	—	—	34,306,363	—	—	34,306,363	1.015%	34,306,363	[REDACTED]	[REDACTED]	34,306,363	[REDACTED]
Merit New Limited	—	—	—	—	—	—	—	—	—	—	—	—	36,533,737	1.081%	36,533,737	[REDACTED]	[REDACTED]	36,533,737	[REDACTED]
Dahlia Investments Pte. Ltd. ⁽¹⁵⁾	—	—	—	—	—	—	—	—	—	—	—	—	36,533,737	1.081%	36,533,737	[REDACTED]	[REDACTED]	36,533,737	[REDACTED]
Lapin TM 2 Co. Ltd.	—	—	—	—	—	—	—	—	—	—	—	—	29,226,990	0.865%	29,226,990	[REDACTED]	[REDACTED]	29,226,990	[REDACTED]
MIC Capital Management 20 RSC Ltd.	—	—	—	—	—	—	—	—	—	—	—	—	13,152,145	0.389%	13,152,145	[REDACTED]	[REDACTED]	13,152,145	[REDACTED]
Library Group Volume I	—	—	—	—	—	—	—	—	—	—	—	—	10,960,121	0.324%	10,960,121	[REDACTED]	[REDACTED]	10,960,121	[REDACTED]
Wen Yuan Ltd.	—	—	—	—	—	—	—	—	—	—	—	—	435,534	0.013%	435,534	[REDACTED]	[REDACTED]	435,534	[REDACTED]
Jade Laurels Limited	8,865,514	—	—	—	—	—	—	—	—	—	—	—	295,140	0.009%	295,140	[REDACTED]	[REDACTED]	295,140	[REDACTED]
High Bliss Limited	—	5,493,629	—	—	5,499,875	—	—	1,040,191	—	—	—	—	8,865,514	0.262%	8,865,514	[REDACTED]	[REDACTED]	8,865,514	[REDACTED]
Happy Elite Limited	—	—	2,746,814	—	2,749,935	—	—	520,099	—	—	—	—	6,016,848	0.178%	6,016,848	[REDACTED]	[REDACTED]	6,016,848	[REDACTED]

Notes:

- 232 –

HISTORY AND CORPORATE STRUCTURE

- (7) 5Y Capital Shareholders include Morningside China TMT Fund II, L.P., Morningside China TMT Special Opportunity Fund, L.P., Morningside China TMT Fund III Co-investment, L.P., and MSVC SPF II, L.P.
- (8) DCM Shareholders include DCM Ventures China Fund (DCM VII), L.P., DCM Ventures China Turbo Fund, L.P., DCM Ventures China Turbo Affiliates Fund, L.P., DCM VII, L.P., and A-Fund, L.P..
- (9) Tencent Shareholders include Tencent Mobility Limited, Morespark Limited, Parallel Nebula Investment Limited, Image Frame Investment (HK) Limited, and TPP Follow-on I Holding F Limited.
- (10) DST Shareholders include DST Asia IV and DST Global V, L.P..
- (11) Sequoia Shareholders include Sequoia Capital China GF Holdco III-A, Ltd., SCC Growth IV 2018-B, L.P., SCC Growth IV 2018-C, L.P., and SC GGFII Holdco, Ltd.
- (12) Baidu, Inc. has invested in the Company in its pre-[REDACTED] financing through Baidu (Hong Kong) Limited, an indirect wholly-owned subsidiary of Baidu, Inc..
- (13) Superior Leap Limited is indirectly controlled by Boyu Capital Fund IV, L.P.. Boyu Capital Fund IV, L.P. is advised by Boyu Capital Group Management Ltd.
- (14) GIC Private Limited, a [REDACTED] of our Company, is considered a close associate to CMC King III Holdings Limited pursuant to the Listing Rules and is not a close associate to CMC King Investment Limited nor CMC King II Holdings Limited.
- (15) Dahlia Investments Pte. Ltd. is an indirectly wholly-owned subsidiary of Temasek Holdings (Private) Limited.
- (16) Franchise Fund LP is formerly known as Franchise Fund Limited.
- (17) 260,616,743 Class B Shares will be issued pursuant to the exercised options under the Pre-[REDACTED] ESOP upon the completion of the [REDACTED] to our Employee Shareholding Platforms. For details of the Pre-[REDACTED] ESOP, see “Statutory and General Information” in Appendix V to this document.

HISTORY AND CORPORATE STRUCTURE

PRE-[REDACTED] INVESTMENTS

1. Overview

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

Round		Date of initial investment agreement	Closing date	Total number of shares under the investment agreement ⁽¹⁾	Cost per share paid to the Company ⁽¹⁾	Amount of consideration	Valuation of the Group (on a non-fully diluted basis) at each round of Pre-[REDACTED] Investment ⁽²⁾	Discount to the [REDACTED] ⁽³⁾
1.	Series A	June 20, 2014	June 20, 2014	356,224,601 Series A Preferred Shares	US\$0.0037 per Series A Preferred Share	US\$1,317,830	US\$38,000,000	[REDACTED]
2.	Series B	July 18, 2014	July 22, 2014	474,997,455 Series B Preferred Shares	US\$0.0421 per Series B Preferred Share	US\$19,750,000 ⁽⁴⁾	US\$61,000,000	[REDACTED]
		April 1, 2015	April 1, 2015	6,416,275 Series B-1 Preferred Shares	US\$0.3117 per Series B-1 Preferred Share	US\$2,000,000	US\$592,000,000	[REDACTED]
3.	Series C	February 11, 2015	February 13, 2015	282,319,024 Series C Preferred Shares	US\$0.38963 per Series C Preferred Share	US\$110,000,000	US\$582,000,000	[REDACTED]
		July 9, 2015	July 9, 2015	42,728,141 Series C-1 Preferred Shares	US\$0.46808 per Series C-1 Preferred Share	US\$20,000,000	US\$732,000,000	[REDACTED]
4.	Series D	January 12, 2016	January 21, 2016	186,068,877 Series D Preferred Shares	US\$0.69061 per Series D Preferred Share	US\$128,500,000	US\$1,032,000,000	[REDACTED]
		March 8, 2017	March 15, 2017	407,236,905 Series D-1 Preferred Shares	US\$0.85945 per Series D-1 Preferred Share	US\$350,000,000	US\$1,838,000,000	[REDACTED]
5.	Series E	March 16, 2018	March 29, 2018	200,120,473 Series E Preferred Shares	US\$4.99699 per Series E Preferred Share	US\$1,000,000,000	US\$11,804,000,000	[REDACTED]
		September 25, 2019	September 30, 2019	34,306,363 Series E-1 Preferred Shares	US\$5.24684 per Series E-1 Preferred Share	US\$180,000,000	US\$13,097,000,000	[REDACTED]
6.	Series F	January 18, 2020	February 11, 2020	104,576,622 Series F-1 Preferred Shares	US\$5.73742 per Series F-1 Preferred Share ⁽⁵⁾	US\$600,000,000	US\$22,356,000,000	[REDACTED]
		January 18, 2020	February 11, 2020	354,162,343 Series F-2 Preferred Shares	US\$6.84299 per Series F-2 Preferred Share ⁽⁵⁾	US\$2,400,000,000	US\$22,356,000,000	[REDACTED]

HISTORY AND CORPORATE STRUCTURE

Notes:

- (1) Between Series D financing and Series E financing, the Company conducted the Share Split, details of which are set out in “— Major Shareholding Changes of our Company”. The total number of shares under the investment agreements and cost per share paid to the Company for Series A to Series D financing have been adjusted to reflect the Share Split.
- (2) Based on the valuation conducted by an independent valuer.
- (3) The discount to the [REDACTED] is calculated based on the assumption that (i) the [REDACTED] is HK\$[REDACTED] per Share, being the mid-point of the indicative [REDACTED] of HK\$[REDACTED] to HK\$[REDACTED], and (ii) the Preferred Shares are reclassified as Class B Shares on a one-to-one basis.
- (4) Excluding the amount deemed paid upon the exercise in full of the relevant warrant to purchase Series B Preferred Shares.
- (5) Although Series F-1 round financing and Series F-2 round financing have the same initial investment agreement date and closing date, the cost per share for Series F-1 Preferred Shares and Series F-2 Preferred Shares are different. The cost per share for Series F-1 Preferred Shares was determined following arm’s length negotiations and taking into account the strategic relationship between the investor of Series F-1 Preferred Shares and the Group.

2. Principal terms of the Pre-[REDACTED] Investments and Pre-[REDACTED] Investors’ rights

Use of proceeds from the
Pre-[REDACTED] Investments

We utilized the proceeds from the Pre-[REDACTED] Investments for the operations of our Company and in accordance with the business plan or budget as approved by the Board. As of the Latest Practicable Date, the funds raised from the Pre-[REDACTED] Investments have not been fully utilized.

Strategic benefits the
Pre-[REDACTED] Investors
brought to our Company

At the time of the Pre-[REDACTED] Investments, our Directors were of the view that our Company would benefit from the additional capital provided by the Pre-[REDACTED] Investors’ investments in our Company and their knowledge and experience. Our Pre-[REDACTED] Investors include renowned companies in relevant industries, which can help us achieve business synergies, and professional strategic investors, which can provide us with professional advice on our Group’s development and improve our corporate governance, financial reporting and internal control.

Our Company is also of the view that the Pre-[REDACTED] Investors’ investments demonstrated their confidence in our Group’s operations and served as an endorsement of our Company’s performance, strengths and prospects.

HISTORY AND CORPORATE STRUCTURE

Basis of determining the consideration paid	The consideration for the Pre-[REDACTED] investments were determined based on arm’s length negotiations between the Company and the Pre-[REDACTED] Investors after taking into consideration the timing of the investments and the status of our business and operating entities.
Lock-up requirement under Guidance Letter HKEX-GL93-18	<u>Tencent Shareholders and 5Y Capital Shareholders</u> will retain at least an aggregate of 50% of their investments at the time of [REDACTED] for a period of at least six months following the [REDACTED], in accordance with the Guidance Letter HKEX-GL93-18.

3. Special rights of the Pre-[REDACTED] Investors

All of our Pre-[REDACTED] Investors are currently bound by the terms of the currently effective articles of association of the Company, which will be replaced by our Articles effective upon the completion of the [REDACTED]. Pursuant to our amended and restated shareholders agreement dated February 11, 2020 entered into, among others, by the Company, holders of the Ordinary Shares and Preferred Shares (the “**Shareholders Agreement**”), the Pre-[REDACTED] Investors were granted certain special rights in relation to the Company.

The divestment rights granted to the Pre-[REDACTED] Investors under the Shareholders Agreement have been suspended immediately prior to the first submission of the [REDACTED] to the Stock Exchange for the purpose of the [REDACTED], and will only be exercisable if the [REDACTED] does not take place, otherwise such divestment rights will terminate upon the [REDACTED]. All other special rights under the Pre-[REDACTED] Investments that shall cease to be effective and be discontinued upon the [REDACTED] in accordance with the Guidance Letter GL43-12, including customary rights of first refusal, co-sale rights, pre-emptive rights, information rights, together with any restriction on our Company to issue or offer any shares options, warrants and rights to any direct competitor of a pre-[REDACTED] Investor, shall cease to be effective and be discontinued upon the [REDACTED] in accordance with the terms of the Shareholders Agreement.

All Ordinary Shares held by shareholders other than Reach Best and Ke Yong and all of the Preferred Shares will convert to Class B Shares of US\$0.0000053 par value each on a one-to-one basis upon the completion of the [REDACTED] at which time our share capital will comprise two classes of shares, Class A Shares and Class B Shares. For further information on the rights attached to our Class A Shares and Class B Shares, see “Share Capital.”

HISTORY AND CORPORATE STRUCTURE

4. Public Float

Upon the completion of the [REDACTED] (assuming (i) the [REDACTED] is not exercised, (ii) 363,146,799 Class B Shares will be issued pursuant to the exercised options under the Pre-[REDACTED] ESOP upon the [REDACTED], and (iii) no other Shares are issued pursuant to the unexercised options under the Pre-[REDACTED] ESOP, the Post-[REDACTED] Share Option Scheme and Post-[REDACTED] RSU Scheme), the shares held by certain of our Shareholders who are, or are indirectly controlled by, our core connected persons, will not be counted towards the public float. Details of these Shareholders and their controllers are set out below:

- Reach Best, controlled by Mr. Su Hua, our executive Director, holding [REDACTED] of the issued share capital of the Company (on a one share, one vote basis);
- Ke Yong, controlled by Mr. Cheng Yixiao, our executive Director, holding [REDACTED] of the issued share capital of the Company (on a one share, one vote basis);
- Tencent Mobility Limited, Morespark Limited, Parallel Nebula Investment Limited, Image Frame Investment (HK) Limited and TPP Follow-on I Holding F Limited, which are all controlled by Tencent, collectively holding [REDACTED] of the issued share capital of the Company (on a one share, one vote basis);
- Morningside China TMT Fund II, L.P., Morningside China TMT Special Opportunity Fund, L.P., Morningside China TMT Fund III Co-investment, L.P. and MSVC SPF II, L.P. collectively holding [REDACTED] of the issued share capital of the Company (on a one share, one vote basis);
- Fortune One, controlled by Mr. Yin Xin, the director of Beijing Kuaishou, a significant operating entity of our Company, holding [REDACTED] of the issued share capital of the Company (on a one share, one vote basis); and
- Jovial Star, controlled by Mr. Yang Yuanxi, the director of Beijing Kuaishou Ads, a significant operating entity of our Company, holding [REDACTED] of the issued share capital of the Company (on a one share, one vote basis).

Save as provided above, upon the completion of the [REDACTED] (assuming (i) the [REDACTED] is not exercised, (ii) 363,146,799 Class B Shares will be issued pursuant to the exercised options under the Pre-[REDACTED] ESOP upon the [REDACTED], and (iii) no other Shares are issued pursuant to the unexercised options under the Pre-[REDACTED] ESOP, the Post-[REDACTED] Share Option Scheme and Post-[REDACTED] RSU Scheme), the other Pre-[REDACTED] Investors will collectively hold 1,169,867,069 Class B Shares or approximately [REDACTED] of the issued share capital of the Company (on a one share, one vote basis).

HISTORY AND CORPORATE STRUCTURE

Save as disclosed above, no other Pre-[REDACTED] Investor is a core connected person of the Company, as defined in the Listing Rules. Therefore, the Shares held by the other Pre-[REDACTED] Investors will count towards the public float.

5. Information on the Principal Pre-[REDACTED] Investors

Set out below is a description of our principal Pre-[REDACTED] Investors, being private equity funds and corporations, and that have made meaningful investments in our Company (each holding between approximately 21.57% to 0.86% of our total issued and outstanding Shares immediately prior to the [REDACTED] (assuming all the Preferred Shares are converted into Class B Shares of par value of US\$0.0000053 each)).

Tencent Mobility Limited, Morespark Limited and Image Frame Investment (HK) Limited are private companies limited by shares incorporated in Hong Kong. Parallel Nebula Investment Limited is a Cayman Islands exempted company. TPP Follow-on I Holding F Limited is a limited liability company incorporated in the Cayman Islands (Tencent Mobility Limited, Morespark Limited, Image Frame Investment (HK) Limited, Parallel Nebula Investment Limited and TPP Follow-on I Holding F Limited are collectively referred to as “**Tencent Shareholders**”). Tencent Shareholders are ultimately controlled by Tencent Holdings Ltd, a global technology company listed on the Stock Exchange (stock code: 700). As of the date of this document, the Tencent Shareholders collectively hold approximately 21.57% of the total issued and outstanding shares of the Company.

Morningside China TMT Fund II, L.P. (“**Morningside China TMT Fund II**”), Morningside China TMT Special Opportunity Fund, L.P. (“**Morningside China TMT Special Opportunity Fund**”), Morningside China TMT Fund III Co-investment, L.P. (“**Morningside China TMT Fund III Co-investment**”) and MSVC SPF II, L.P. (“**MSVC SPF II**”, and, with Morningside China TMT Fund II, Morningside China TMT Special Opportunity Fund, and Morningside China TMT Fund III Co-investment, collectively referred to as “**5Y Capital Shareholders**”) are private funds registered in the Cayman Islands. Morningside China TMT Fund II is controlled by Morningside China TMT GP II, L.P., its general partner, which is in turn controlled by TMT General Partner Ltd. Morningside China TMT Special Opportunity Fund and Morningside China TMT Fund III Co-investment are controlled by Morningside China TMT GP III, L.P., their general partner, which is in turn controlled by TMT General Partner Ltd. MSVC SPF II is controlled by MSVC SPF II GP, L.P., its general partner, which is in turn controlled by TMT General Partner Ltd. As of the date of this document, the 5Y Capital Shareholders collectively hold approximately 16.66% of the total issued and outstanding shares of the Company.

HISTORY AND CORPORATE STRUCTURE

DCM Ventures China Fund (DCM VII), L.P. (“**DCM China Fund**”), DCM VII L.P. (“**DCM VII**”), DCM Ventures China Turbo Fund, L.P. (“**DCM China Turbo Fund**”), DCM Ventures China Turbo Affiliates Fund, L.P. (“**DCM China Turbo Affiliates**”), and A-Fund L.P. (“**A-Fund**”, with DCM China Fund, DCM VII, DCM China Turbo Fund and DCM China Turbo Affiliates, collectively referred to as the “**DCM Shareholders**”) are private equity funds registered in the Cayman Islands. DCM Investment Management VII, L.P., a Cayman Islands exempted limited partnership is the general partner of each of DCM China Fund and DCM VII and DCM International VII, Ltd., a Cayman Islands exempted company is the general partner of DCM Investment Management VII, L.P. DCM Turbo Fund Investment Management, L.P., a Cayman Islands exempted limited partnership is the general partner of each of DCM China Turbo Fund and DCM China Turbo Affiliates and DCM Turbo Fund International, Ltd., a Cayman Islands exempted company is the general partner of DCM Turbo Fund Investment Management, L.P. A-Fund Investment Management, L.P., a Cayman Islands exempted limited partnership is the general partner of A-Fund and A-Fund International, Ltd., a Cayman Islands exempted company is the general partner of A-Fund Investment Management, L.P. As of the date of this document, the DCM Shareholders collectively hold approximately 9.23% of the total issued and outstanding shares of the Company. DCM is a venture capital firm with over US\$4 billion under management. Since 1996, it has invested in more than 400 technology companies across Asia and the U.S.

DST Asia IV is a Mauritius private company limited by shares and DST Global V, L.P. is a Cayman Islands exempted limited partnership (DST Global V, L.P. and DST Asia IV are collectively referred to as “**DST Shareholders**”). DST Asia IV is wholly owned by a Cayman Islands exempted limited partnership, which is controlled by DST Managers Limited, its general partner. DST Global V, L.P. is controlled by DST Managers V Limited, its general partner (DST Managers Limited and DST Managers V Limited are collectively referred to as the “**General Partners**”). The General Partners are ultimately controlled by Galileo (PTC) Limited, a BVI business company, as the trustee of The Cassiopeia Trust (the “**Cassiopeia Trust**”). The Cassiopeia Trust is an irrevocable discretionary trust established under the Laws of Jersey. As of the date of this document, the DST Shareholders collectively hold approximately 6.43% of the total issued and outstanding shares of the Company.

Baidu (Hong Kong) Limited is a private company limited by shares incorporated in Hong Kong. It is indirectly wholly owned by Baidu, Inc. (“**Baidu**”), an internet technology company listed on the NASDAQ. Baidu, Inc. is a leading search engine, knowledge and information centered Internet platform and AI company. The company’s mission is to make the complicated world simpler through technology. As of the date of this document, Baidu holds approximately 3.78% of the total issued and outstanding shares of the Company.

HISTORY AND CORPORATE STRUCTURE

Sequoia Capital China GF Holdco III-A, Ltd. (“**Sequoia Capital China GF Holdco**”) and SC GGFII Holdco, Ltd. (“**SC GGFII Holdco**”) are exempted companies with limited liability incorporated under the laws of the Cayman Islands. SCC Growth IV 2018-B, L.P. (“**SCC Growth IV 2018-B**”) and SCC Growth IV 2018-C, L.P. (“**SCC Growth IV 2018-C**”) (together with Sequoia Capital China GF Holdco and SC GGFII Holdco are collectively referred to as the “**Sequoia Shareholders**”) are exempted limited partnerships formed under the laws of the Cayman Islands. Sequoia Capital China GF Holdco is wholly owned by Sequoia Capital China Growth Fund III, L.P. (“**Sequoia Capital China GF III**”). SC GGFII Holdco is wholly owned by Sequoia Capital Global Growth Fund II, L.P. (“**SC GGF II**”) and Sequoia Capital Global Growth II Principals Fund, L.P. (“**SC GGPF II**”). As of the date of this document, the Sequoia Shareholders collectively hold approximately 3.20% of the total issued and outstanding shares of the Company. SCC Growth IV 2018-B, SCC Growth IV 2018-C, Sequoia Capital China GF III, SC GGF II and SC GGPF II are investment funds whose primary purpose is to make equity investments in private companies.

Superior Leap Limited is an exempted company with limited liability incorporated under the laws of the Cayman Islands. It is indirectly controlled by Boyu Capital Fund IV, L.P., an exempted limited partnership registered under the laws of the Cayman Islands. Boyu Capital Fund IV, L.P. is advised by Boyu Capital Group Management Ltd. (“**Boyu Capital**”). Boyu Capital provides investment advisory services to various China-focused investment funds which aim at providing growth and transformational capital for fast-growing businesses in Greater China. As of the date of this document, Superior Leap Limited holds approximately 2.29% of the total issued and outstanding shares of the Company.

Dahlia Investments Pte. Ltd. is an indirect wholly-owned subsidiary of Temasek Holdings (Private) Limited (“**Temasek**”). Incorporated in 1974, Temasek is a global investment company headquartered in Singapore. Supported by its network of international offices, Temasek owns a S\$306 billion portfolio as of March 31, 2020, with significant exposure to Singapore and the rest of Asia. Temasek’s investment activities are guided by four investment themes and the long-term trends they represent: Transforming Economies, Growing Middle Income Populations, Deepening Comparative Advantages, and Emerging Champions. As of the date of this document, Dahlia Investments Pte. Ltd. holds approximately 0.86% of the total issued and outstanding shares of the Company.

HISTORY AND CORPORATE STRUCTURE

COMPLIANCE WITH INTERIM GUIDANCE AND GUIDANCE LETTERS

Based on the documents provided by the Company relating to the Pre-[REDACTED] Investments, the Joint Sponsors confirm that the Pre-[REDACTED] Investments are in compliance with Guidance Letter HKEX-GL29-12 issued by the Stock Exchange in January 2012 and updated in March 2017, Guidance Letter HKEX-G43-12 issued by the Stock Exchange in October 2012 and updated in July 2013 and March 2017 and Guidance Letter HKEX-44-12 issued by the Stock Exchange in October 2012 and updated in March 2017.

PRC REGULATORY REQUIREMENTS

According to the M&A Rules jointly issued by MOFCOM, the State-owned Assets Supervision and Administration Commission of the State Council, the SAT, the CSRC, the SAIC and the SAFE on August 8, 2006, effective as of September 8, 2006 and amended on June 22, 2009, a foreign investor is required to obtain necessary approvals when it (i) acquires the equity of a domestic enterprise so as to convert the domestic enterprise into a foreign-invested enterprise; (ii) subscribes the increased capital of a domestic enterprise so as to convert the domestic enterprise into a foreign-invested enterprise; (iii) establishes a foreign-invested enterprise through which it purchases the assets of a domestic enterprise and operates these assets; or (iv) purchases the assets of a domestic enterprise through relevant agreements, and then invests such assets to establish a foreign-invested enterprise. The M&A Rules, among other things, further purport to require that an offshore special vehicle, or a special purpose vehicle, formed for overseas listing purposes and controlled directly or indirectly by PRC companies or individuals, shall obtain the approval of the CSRC prior to the listing and trading of such special purpose vehicle’s securities on an overseas stock exchange, in the event that the special purpose vehicle acquires shares of or equity interests in the PRC companies in exchange for the shares of offshore companies.

Our PRC Legal Advisors are of the opinion that, based on its understanding of the current PRC laws and regulations, prior CSRC approval for the [REDACTED] is not required because (i) WFOE and its wholly-owned PRC subsidiaries were not established through a merger or acquisition of equity interest or assets of a PRC domestic company owned by PRC companies or individuals as defined under the M&A Rules that are the beneficial owners of our Company, and (ii) no provision in the M&A Rules clearly classifies contractual arrangements as a type of transaction subject to the M&A Rules. However, uncertainties still exist as to how the M&A Rules and other PRC laws and regulations will be interpreted and implemented or whether the relevant authorities would promulgate further requirements.

HISTORY AND CORPORATE STRUCTURE

SAFE REGISTRATION IN THE PRC

Pursuant to the SAFE Circular 37, promulgated by SAFE and which became effective on July 14, 2014 and replaced the SAFE Circular 75, (i) a PRC resident must register with the local SAFE branch in connection with their contribution of offshore or domestic assets or equity interests in an Overseas SPV that is directly established or indirectly controlled by the PRC resident for the purpose of conducting overseas investment or financing, and (ii) following the initial registration, the PRC resident is also required to register with the local SAFE branch for any major change in respect of the Overseas SPV, including, among other things, a change of Overseas SPV’s PRC resident shareholder(s), the name of the Overseas SPV, terms of operation, or any increase or reduction of the Overseas SPV’s capital, share transfer or swap, and merger or division. Pursuant to SAFE Circular 37, failure to comply with these registration procedures may result in penalties. In addition, due to such failure to comply with the registration procedures, the PRC subsidiaries of that Overseas SPV may be prohibited from distributing their profits and dividends to their offshore parent company or from carrying out other subsequent cross-border foreign exchange activities, and the Overseas SPV and its offshore subsidiary may be restricted in their ability to contribute additional capital to their PRC subsidiaries.

Pursuant to the Circular of the SAFE on Further Simplification and Improvement in Foreign Exchange Administration on Direct Investment (《關於進一步簡化和改進直接投資外匯管理政策的通知》), promulgated by SAFE and effective on June 1, 2015, the power to accept foreign exchange registration was delegated from local SAFE to qualified banks.

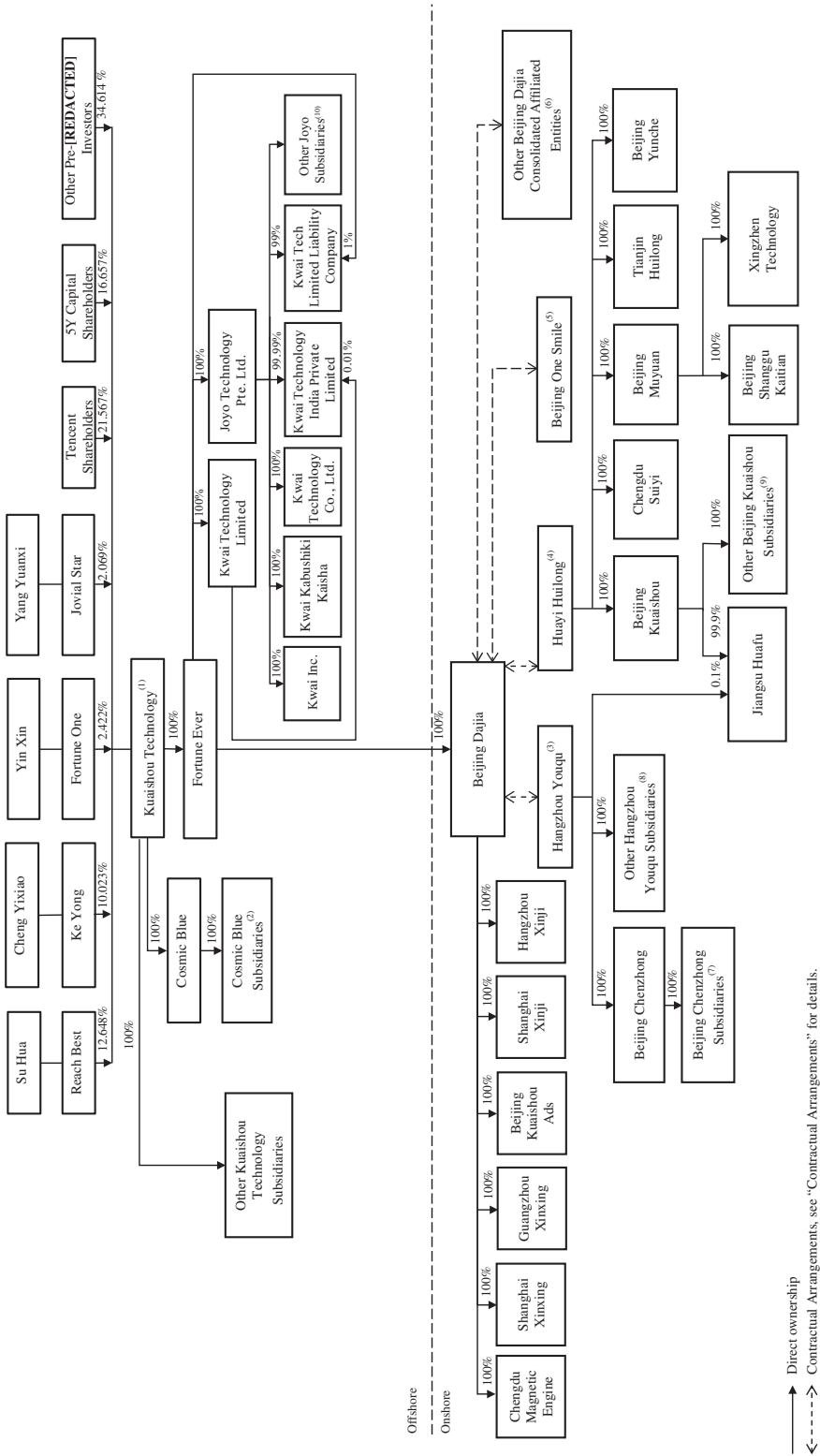
As advised by our PRC Legal Advisor, Mr. Su Hua, Mr. Cheng Yixiao, Mr. Yin Xin and Mr. Yang Yuanxi, who are PRC residents, have completed the foreign exchange registration in respect of their respective incorporation of Reach Best, Ke Yong, Fortune One and Jovial Star under the SAFE Circular 75 then in effect.

HISTORY AND CORPORATE STRUCTURE

CORPORATE STRUCTURE

Corporate structure before the [REDACTED]

The following diagram illustrates the simplified corporate and shareholding structure of our Company immediately prior to the completion of the [REDACTED]:



HISTORY AND CORPORATE STRUCTURE

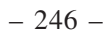
Notes:

- (1) The Company will adopt a WVR Structure, effective immediately upon the completion of the [REDACTED]. For further details, refer to the details contained in the corporate structure immediately following the [REDACTED] and “Share Capital — Weighted Voting Rights Structure.”
- (2) Cosmic Blue Subsidiaries include the following companies:
 - a. the following companies directly wholly-owned by Cosmic Blue: (i) Owlreality Holdings Limited, a company incorporated in the BVI, and (ii) Qrite, a company incorporated in the Cayman Islands;
 - b. the following company directly wholly-owned by Owlreality Holdings Limited: Owlreality Group Limited, a company incorporated in the Cayman Islands;
 - c. the following companies directly wholly-owned by Owlreality Group Limited: (i) Owlreality HongKong Limited, a company incorporated in Hong Kong, and (ii) Owlly Inc., a company incorporated in the United States; and
 - d. the following company directly wholly-owned by Qrite: Qrite (Hong Kong) Holdings Limited, a company incorporated in Hong Kong.
- (3) Hangzhou Youqu is owned as to 90% and 10% by Su Hua and Peng Xiaochun, respectively.
- (4) Huayi Huilong is owned as to 90% and 10% by Yang Yuanxi and Peng Xiaochun, respectively.
- (5) Beijing One Smile is owned as to (i) 32.32% by Su Hua, (ii) 25.86% by Cheng Yixiao, (iii) 23.70% by Zhang Fei, (iv) 7.40% by Yin Xin, (v) 5.54% by Yang Yuanxi and (vi) 5.18% by Hu Changjuan.
- (6) Other Beijing Dajia Consolidated Affiliated Entities include the following PRC entities controlled through Contractual Arrangements: (i) Beijing Mufei, (ii) Beijing Zhongbo Keyuan, (iii) Beijing Hanyu, (iv) Sichuan Fuyuanchun (this company is in the process of being deregistered), (v) Beijing Murong, (vi) Guizhou Fankuai, (vii) Guizhou Fanxin Lingzhi; (viii) Huai’an Shuangxin; (ix) Beijing Qingque, (x) Beijing Jiawen, and (xi) Huankuai Technology. For details of Other Beijing Dajia Consolidated Affiliated Entities, see “Contractual Arrangements — Our Contractual Arrangements”.
- (7) Beijing Chenzhong Subsidiaries include the following directly wholly-owned subsidiaries of Beijing Chenzhong, all established in the PRC: (i) Beijing Ruigexing, and (ii) Hainan Ziyi.

HISTORY AND CORPORATE STRUCTURE

- (8) Other Hangzhou Youqu Subsidiaries include the following directly wholly-owned subsidiaries of Hangzhou Youqu, all established in the PRC: (i) Beijing Kuaifu'an, (ii) Huai'an Xingyi, (iii) Huai'an Kangxiangfu, and (iv) Wuhan Kuaishou.
- (9) Other Beijing Kuaishou Subsidiaries include the following companies, all established in the PRC:
- a. the following companies directly wholly-owned by Beijing Kuaishou: (i) Wuhan Yuji, (ii) Xiong'an Kuaishou, (iii) Xiangxi Kuaishou, (iv) Chengdu Kuaigou, (v) Sichuan Kuaishou, (vi) Changsha Kuaishou, (vii) Kuaishou Smart Cloud, and (viii) Beijing Sairui Sidong;
 - b. the following company directly wholly-owned by Beijing Sairui Sidong: Yooeee Xingji; and
 - c. the following company directly wholly-owned by Yooeee Xingji: Beijing Danmu.
- (10) Other Joyo Subsidiaries include the following companies:
- a. the following companies directly wholly-owned by Joyo Technology Pte. Ltd.: (i) Joyo Technology Colombia S.A.S, a company incorporated in Columbia, and (ii) Joyo Tecnologia Brasil LTDA., a company incorporated in Brazil; and
 - b. Joyo Technology Peru S.A.C., a company incorporated in Peru and owned as to 99% by Joyo Technology Pte. Ltd. and 1% by Qrite (Hong Kong) Holdings Limited, an indirect subsidiary of Cosmic Blue.

The following diagram illustrates the simplified corporate and shareholding structure of our Company immediately following the completion of the [REDACTED] (assuming (i) the [REDACTED] is not exercised, (ii) 363,146,799 Class B Shares will be issued pursuant to the exercised options under the Pre-[REDACTED] ESOP upon the [REDACTED], and (iii) no other Shares are issued pursuant to the unexercised options under the Pre-[REDACTED] ESOP, the Post-[REDACTED] Share Option Scheme and Post-[REDACTED] RSU Scheme).



HISTORY AND CORPORATE STRUCTURE

Notes (2) to (10): See the details contained in the preceding pages.

- (1) The Company is controlled through a WVR Structure. Under this structure, the Company’s share capital will comprise Class A Shares and Class B Shares. Each Class A Share will entitle the holder thereof to exercise 10 votes, and each Class B Share will entitle the holder thereof to exercise one vote, on any resolution tabled at the Company’s general meetings, except for resolutions with respect to a limited number of Reserved Matters, in relation to which each Share is entitled to one vote. For resolutions with respect to matters other than the Reserved Matters, immediately following the [REDACTED], the percentage of voting rights that the WVR Beneficiaries, Su Hua and Cheng Yixiao can exercise through shares beneficially owned by them is [REDACTED] and [REDACTED], respectively. For further details, see “Share Capital — Weighted Voting Rights Structure.”
- (11) The expected public float immediately following the completion of the [REDACTED] is approximately [REDACTED] on a one share, one vote basis (assuming (i) the [REDACTED] is not exercised, (ii) 363,146,799 Class B Shares will be issued pursuant to the exercised options under the Pre-[REDACTED] ESOP upon the [REDACTED], and (iii) no other Shares are issued pursuant to the unexercised options under the Pre-[REDACTED] ESOP, the Post-[REDACTED] Share Option Scheme and Post-[REDACTED] RSU Scheme), which comprises the shares to be held by the other public Shareholders and the other Pre-[REDACTED] Investors who are not core connected persons of the Company.
- (12) An aggregate of 260,616,743 Class B Shares will be issued pursuant to the exercised options under the Pre-[REDACTED] ESOP upon the completion of the [REDACTED] to our Employee Shareholding Platforms. For details of the Pre-[REDACTED] ESOP, see “Statutory and General Information” in Appendix V to this document.